

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 MARCH 2024**

(ORIGINALLY ISSUED IN TURKISH)

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY – 31 MARCH 2024**

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LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 March 2024 unless otherwise indicated.)

	Notes	31 March 2024	Audited 31 December 2023
ASSETS			
Current assets		1.414.454	1.973.391
Cash and cash equivalents	4	497.535	561.659
Financial investments	5	201.537	324.444
Trade receivables		547.375	938.518
- Trade receivables from third parties	8	546.613	936.165
- Trade receivables from related parties	28	762	2.353
Other receivables		57	66
- Other receivables from third parties	9	57	66
Inventories	10	34.635	41.766
Prepaid expenses	17	73.621	56.310
Other current assets	9	59.694	50.628
Non-current assets		3.981.852	4.174.482
Other receivables		1.073	1.094
- Other receivables from related parties	28	1.073	1.094
Financial investments	5	802.010	925.079
Right-of-use assets	13	32.107	28.013
Property, plant and equipment	11	317.603	327.045
Intangible assets		2.787.128	2.824.207
- Goodwill	14	823.169	879.425
- Other intangible assets	12	1.963.959	1.944.782
Prepaid expenses	17	13.331	3.454
Deferred tax asset	26	18.467	63.225
Other non-current assets		10.133	2.365
Total assets		5.396.306	6.147.873

These consolidated financial statements have been approved by Board of Directors on 22 May 2024 and signed on its behalf by Buğra Koyuncu, Logo Group Chief Executive Officer and Gülnur Anlaş, Logo Group Chief Financial Officer.

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 31 MARCH 2024**

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 March 2024 unless otherwise indicated.)

	Notes	31 March 2024	Audited 31 December 2023
LIABILITIES			
Current liabilities		2.402.549	2.974.192
Short-term borrowings	7	21.305	42.036
Short-term portion of long-term borrowings	7	70.632	76.032
Trade payables		221.880	323.547
- Trade payables to third parties	8	221.880	323.547
Employee benefit payables	16	289.940	491.163
Other payables		509.135	658.030
- Other payables to third parties	9	509.131	658.026
- Other payables to related parties		4	4
Contract liabilities	17	1.247.788	1.347.168
Current income tax liabilities	26	19.209	10.724
Other current liabilities		22.660	25.492
Non-current liabilities		463.564	524.061
Long-term borrowings	7	262.414	284.073
Other payables		615	708
- Other payables to third parties	9	615	708
Long-term provisions		169.794	154.633
- Provisions for employee benefits	16	169.794	154.633
Contract liabilities	17	-	51.905
Deferred tax liabilities	26	30.741	32.742
EQUITY			
Equity attributable to equity holders of the parent		2.236.133	2.428.003
Paid-in share capital	18	100.000	100.000
Adjustment differences to share capital	18	641.682	641.682
Restricted reserves appropriated from profit		205.033	205.033
Put option revaluation fund			
related with non-controlling interests		(366.472)	(363.140)
Treasury shares (-)	18	(276.087)	(241.958)
Reserves for treasury shares	18	276.087	241.958
Other accumulated comprehensive income that will not be reclassified to profit or loss		174.728	152.234
- Loss on remeasurement of defined benefit plans		(35.344)	(38.392)
- Gain from investments in equity instruments		210.072	190.626
Other accumulated comprehensive income that will be reclassified to profit or loss		479.793	602.257
- Foreign currency translation differences		491.149	612.627
- Cost of hedging reserves		(11.102)	(11.917)
- Fair value gains (losses) on financial assets			
at fair value through other comprehensive income		(254)	1.547
Retained earnings		1.036.884	928.670
Net profit for the period		(35.515)	161.267
Non-controlling interests		294.060	221.617
Total equity		2.530.193	2.649.620
Total liabilities and equity		5.396.306	6.147.873

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

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE PERIODS ENDED 1 JANUARY - 31 MARCH 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 March 2024 unless otherwise indicated.)

PROFIT OR LOSS	Notes	1 January - 31 March 2024	1 January - 31 March 2023
Revenue	20	970.148	810.072
Cost of sales (-)	20	(199.436)	(165.417)
Gross profit		770.712	644.655
General administrative expenses (-)	21	(143.491)	(107.095)
Marketing expenses (-)	21	(181.467)	(131.822)
Research and development expenses (-)	21	(294.732)	(231.859)
Other operating income	22	27.186	12.855
Other operating expenses (-)	22	(7.194)	(7.802)
Operating profit		171.014	178.932
Income from investing activities	23	36.039	36.057
Operating profit before financial income/(expense)		207.053	214.989
Financial income	24	90.863	58.509
Financial expenses (-)	25	(94.680)	(46.505)
Net monetary position losses		(188.742)	(177.807)
Profit before tax		14.494	49.186
Tax expense		(50.500)	(137.756)
Current tax expense	26	(11.014)	(96.173)
Deferred tax income	26	(39.486)	(41.583)
Net profit for the period		(36.006)	(88.570)
Net profit attributable to:			
Non-controlling interests		(491)	(1.349)
Equity holders of the parent		(35.515)	(87.221)
		(36.006)	(88.570)
Earnings per share (Full TL)	27	(0.38)	(0.90)

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 ENDED 1 JANUARY - 31 MARCH 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 March 2024 unless otherwise indicated.)

OTHER COMPREHENSIVE INCOME	Notes	1 January - 31 March 2024	1 January - 31 March 2023
Profit for the period		(36.006)	(88.570)
Items that will be reclassified to profit or loss:		(56.817)	(33.645)
Foreign currency translation differences		(55.832)	(33.713)
Hedge loss		815	561
Fair value difference gains (losses) on financial assets through other comprehensive income		(2.333)	(493)
Tax effect	26	533	-
Items that will not be reclassified to profit or loss		22.494	1.274
Revaluation losses of defined benefits plans	16	3.432	(6.397)
Tax effect	26	(384)	562
Gain from investments in equity instruments		20.742	7.109
Tax effect	26	(1.296)	-
Other comprehensive income		(34.323)	(32.371)
Total comprehensive income		(70.329)	(120.941)
Total comprehensive income attributable to:			
Non-controlling interest		65.155	27.548
Equity holders of the parent		(135.484)	(148.489)
		(70.329)	(120.941)

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

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS 1 JANUARY - 31 MARCH 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 March 2024 unless otherwise indicated.)

	Paid-in capital	Share capital adjustment differences	Treasury shares	Reserves for treasury shares	Losses on hedging shares (**)	Restricted reserves appropriated from profit	Gain and losses on remeasurement of defined benefit plans (*)	Gain from investments in equity instruments (*)	Gains (Losses) on Assets at FVTOCI (**)	Foreign currency translation differences (**)	Prior years' profit	Net profit for the period	Put option valuation fund for non-controlling interests	Equity attributable to the parent	Non- controlling interests	Total equity
Balances as of 1 January 2023	100.000	641.682	(112.376)	112.376	(11.403)	205.033	(16.930)	61.430	(19.648)	535.567	935.182	366.608	(189.337)	2.608.184	206.118	2.814.302
Transfers to prior years' profit	-	-	-	-	-	-	-	-	-	-	366.608	(366.608)	-	-	-	-
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	(87.220)	-	(87.220)	(1.349)	(88.569)
Other comprehensive income	-	-	-	-	561	-	(5.835)	7.109	(494)	(62.610)	-	-	-	(61.269)	28.897	(32.372)
Balances as of 31 March 2023	100.000	641.682	(112.376)	112.376	(10.842)	205.033	(22.765)	68.539	(20.142)	472.957	1.301.790	(87.220)	(189.337)	2.459.695	233.666	2.693.361
Balances as of 1 January 2024	100.000	641.682	(241.958)	241.958	(11.917)	205.033	(38.392)	190.626	1.546	612.627	928.670	161.267	(363.140)	2.428.002	221.617	2.649.619
Transfers to prior years' profit	-	-	-	-	-	-	-	-	-	-	161.267	(161.267)	-	-	-	-
Decrease due to share ratio changes that do not result in loss of control in subsidiaries	-	-	-	-	-	-	-	-	-	-	(18.924)	-	(3.332)	(22.256)	7.288	(14.968)
Increase/decrease due to repurchase of treasury shares	-	-	(34.129)	34.129	-	-	-	-	-	-	(34.129)	-	-	(34.129)	-	(34.129)
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	(35.515)	-	(35.515)	(491)	(36.006)
Other comprehensive income	-	-	-	-	815	-	3.048	19.446	(1.800)	(121.478)	-	-	-	(99.969)	65.646	(34.323)
Balances as of 31 March 2024	100.000	641.682	(276.087)	276.087	(11.102)	205.033	(35.344)	210.072	(254)	491.149	1.036.884	(35.515)	(366.472)	2.236.133	294.060	2.530.193

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

(**) Other accumulated comprehensive income/(expense) that will 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.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIODS ENDED 1 JANUARY - 31 MARCH 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 March 2024 unless otherwise indicated.)

	Notes	Current Period 1 January - 31 March 2024	Prior Period 1 January - 31 March 2023
A. Cash flows generated from operating activities		(208.714)	(380.726)
Profit for the period		(36.006)	(88.570)
Adjustments to reconcile profit for the period		53.494	(219.876)
Adjustments related to depreciation and amortization expenses	11, 12, 13	136.089	104.661
Adjustments related to provisions for employment termination benefits	16	40.961	25.978
Adjustments related to interest expenses	25	85.897	38.965
Adjustments related to interest income	24	(5.865)	(10.589)
Adjustments related to fair value losses (gains) of derivative financial instruments	23	(36.039)	(36.057)
Adjustments related to fair value losses (gains) on derivative financial instruments	2	-	1.962
Adjustment related to impairment/(reversal of) on receivables	8	(1.142)	(1.426)
Adjustments related to unrealised foreign exchange differences		(83.229)	(47.658)
Adjustments related to tax expense	26	50.500	137.756
Monetary (gain) / loss effect		(133.678)	(433.468)
Changes in working capital		(221.030)	(57.824)
Adjustments related to increase in inventories		1.663	(7.300)
Adjustments related to increase in trade receivables		281.599	(79.890)
Adjustments related to increase in trade payables		(61.948)	60.253
Increase in other assets related to operations		(64.838)	(112.476)
Increase in other payables related to operations		(377.506)	81.589
Cash flows generated from operating activities		(203.542)	(366.270)
Tax payments	26	(2.529)	(7.140)
Payments related to provision for employee benefits	16	(2.643)	(7.316)
Cash outflows for purchases of property, plant and equipment and intangible assets	11, 12	(199.159)	(244.231)
Cash outflows for the acquisition of debt instruments or shares of other entities or funds		264.385	240.319
Proceeds from sale of property and equipment and intangible assets		2.021	62
Cash outflows from share purchase or capital increase in associates and joint ventures		(11.636)	
Interest received		41.904	46.646
B. Cash flows from investing activities		97.515	42.796
Repayments of loans	32	(23.220)	(4.720)
Cash inflows from loans	32	9.536	32.645
Interest paid		(85.152)	(38.019)
Cash outflows from the acquisition of own shares of entity		(34.129)	-
Cash outflows related to debt payments arising from lease agreements	32	(7.081)	(5.893)
C. Cash flows from financing activities		(140.046)	(15.987)
Net increase in cash and cash equivalent before the effects of foreign currency translation differences (A+B+C)		(251.245)	(353.917)
D. Effects of currency translation differences on cash and cash equivalents		260.651	547.442
Net increase in cash and cash equivalents (A+B+C+D)		9.406	193.525
E. Monetary gain on cash and cash equivalents		(73.530)	(205.305)
F. Cash and cash equivalents at the beginning of the period	4	561.659	434.456
Cash and cash equivalents at the end of the period (A+B+C+D+E+F)	4	497.535	422.676

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 - 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 March 2024 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 31 March 2024, the average number of the personnel of the Group is 1.531 (31 December 2023: 1.501).

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 31 March 2024, 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	Software development and marketing
Logo Financial Solutions GmbH (“Logo GmbH”)	Germany	Software development and marketing
Logo Business Solutions FZ-LLC (“Logo FFC-LLC”)	United Arab Emirates	Software marketing
Architected Business Solutions SRL (“ABS”)	Romania	Software development and marketing
ABS Financial Services SRL (“ABS FS”)	Romania	Software development and marketing
ELBA HR İnsan Kaynakları Eğitim ve Danışmanlık A.Ş. (“Peoplise”)	Türkiye	Software programming and informatics
Logo Bilişim Hizmetleri A.Ş. (“Logo Bilişim”) (*)	Türkiye	Software programming and informatics
Joint venture	Country of operation	Field of activity
Logo Infosoft Business Technology Private Limited (“Logo Infosoft”)	India	Software development and marketing

(*) Within the framework of its goal of continuing its investments and growth in the field of fintech, Logo Ödeme Hizmetleri A.Ş. was established within the Group on November 29, 2022 to operate within the scope of our country's new regulations on open banking. As of March 31, 2024, it has not yet started its activities. The name of the company was changed to Logo Ödeme Hizmetleri A.Ş. on September 19, 2023. The revenue model of our fintech services will be based on annual package subscriptions and credits per transaction, and the Company is expected to significantly increase its SaaS (Software-as-a-Service) revenues.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 MARCH 2024**

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 March 2024 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.

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 consolidated financial statements have been prepared under the historical cost convention except for the financial investments, derivative assets and liabilities at fair values and revaluations related to the differences between carrying value and fair value of tangible and intangible assets arising from business combinations.

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 translation of the opening net assets and 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 2023 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 31 March 2024 and 31 December 2023:

Subsidiaries	31 March 2024 (%)	31 December 2023 (%)
Total Soft	80,00	80,00
Logo GmbH	100,00	100,00
ABS	80,00	80,00
ABS FS (*)	39,20	39,20
Peoplise	100,00	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.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 March 2024 unless otherwise indicated.)

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

2.1 Basis of Presentation (cont’d)

2.1.3 Basis of Consolidation (cont’d)

Joint venture	31 March 2024 (%)	31 December 2023 (%)
Logo Infosoft (*)	68,25	68,25

(*) 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.

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.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 MARCH 2024**

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 March 2024 unless otherwise indicated.)

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

2.1 Basis of Presentation (cont’d)

2.1.5 Comparative Information and Restatement of Prior Period Financial Statements

The Group’s condensed consolidated financial statements have been prepared comparatively with the prior period in order to allow determination of the financial position and performance trends. Reclassifications can be made in comparative information in order to conform with the presentation of the current period financial statements. In the current year, the Group had reclassified certain comparative balances in order to conform to current year’s presentation.

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 2024

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>
Amendments to TAS 7 and TFRS 7	<i>Supplier Finance Arrangements</i>
TSRS 1	<i>General Requirements for Disclosure of Sustainability-related Financial Information</i>
TSRS 2	<i>Climate-related Disclosures</i>

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.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 MARCH 2024**

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 March 2024 unless otherwise indicated.)

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 2024 (cont’d)

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.

Amendments to TAS 7 and TFRS 7 *Supplier Finance Arrangements*

The amendments add disclosure requirements, and ‘signposts’ within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

TSRS 1 *General Requirements for Disclosure of Sustainability-related Financial Information*

TSRS 1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

TSRS 2 *Climate-related Disclosures*

TSRS 2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

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

Amendments to TFRS 17

Insurance Contracts

*Initial Application of TFRS 17 and TFRS 9 —
Comparative Information (Amendment to 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)

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current fulfilment 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 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 Insurance Contracts on 1 January 2025.

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.

The Group is in the process of assessing the potential impact of the standards, amendments and improvements on the consolidated financial position and performance of the Group.

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.

Restatement of financial statements during periods of high inflation

The consolidated financial statements and related figures for previous periods have been restated for changes in the general purchasing power of the functional currency and, consequently, the financial statements and related figures for previous periods are expressed in terms of the measuring unit current at the end of the reporting period in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies.

TAS 29 applies to the consolidated financial statements, including the consolidated financial statements, of each entity whose functional currency is the currency of a hyperinflationary economy. If an economy is subject to hyperinflation, TAS 29 requires an entity whose functional currency is the currency of a hyperinflationary economy to present its financial statements in terms of the measuring unit current at the end of the reporting period.

As at the reporting date, entities operating in Türkiye are required to apply TAS 29 "Financial Reporting in Hyperinflationary Economies" for the reporting periods ending on or after 31 December 2023, as the cumulative change in the general purchasing power of the last three years based on the Consumer Price Index ("CPI") is more than 100%.

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

2.4 Changes in Accounting Policies (cont'd)

POA made an announcement on 23 November 2023 regarding the scope and application of TAS 29. It stated that the financial statements of the entities applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be presented in accordance with the related accounting principles in TAS 29, adjusted for the effects of inflation.

In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on 31 December 2023.

In this framework, while preparing the consolidated financial statements dated 31 December 2023, inflation adjustment has been made in accordance with TAS 29.

The table below shows the inflation rates for the relevant years calculated by taking into account the Consumer Price Indices published by the Turkish Statistical Institute ("TURKSTAT"):

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
31.03.2024	2.139,47	1,00000	211%
31.12.2023	1.859,38	1,15064	268%
31.03.2023	1.269,75	1,68495	152%

The main lines of TAS 29 indexation transactions are as follows:

- As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.
- Monetary assets and liabilities are expressed in terms of the purchasing power at the consolidated balance sheet date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.
- Fixed assets, subsidiaries and similar assets are indexed to their acquisition values, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in shareholders' equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the Group.
- All items in the income statement, except for the effects of non-monetary items in the consolidated balance sheet on the income statement, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognized in the consolidated financial statements.

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

2.4 Changes in Accounting Policies (cont’d)

- The gain or loss arising on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and income statement accounts. This gain or loss on the net monetary position is included in net profit.

The impact of the application of TAS 29 “Inflation Accounting” is summarized below:

Restatement of the Statement of Consolidated Financial Position

Amounts in the consolidated statement of financial position that are not expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated because they are expressed in the currency of the reporting period. Non-monetary items are required to be restated unless they are expressed in terms of the currency in effect at the end of the reporting period.

The gain or loss on the net monetary position arising on restatement of non-monetary items is recognized in profit or loss and presented separately in the statement of profit and loss and other comprehensive income.

Restatement of the Statement of Profit or Loss

All items in the statement of profit or loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, all amounts have been restated by applying changes in the monthly general price index.

Cost of inventories sold has been restated using the restated inventory balance.

Depreciation and amortization expenses have been restated using the restated balances of property, plant and equipment, intangible assets, investment property and right-of-use assets.

Restatement of Statement of Cash Flows

All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

Consolidated financial statements

The financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy are restated by applying the general price index before they are included in the consolidated financial statements prepared by the parent company. If the subsidiary is a foreign subsidiary, its restated financial statements are translated at the closing rate. When consolidating financial statements with different reporting period ends, all monetary and non-monetary items are restated in accordance with the measuring unit current at the date of the consolidated financial statements.

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

2.4 Changes in Accounting Policies (cont’d)

Consolidated financial statements (cont’d)

The statement of financial position of the Group's subsidiary operating in Romania has been translated into Turkish Lira at the period-end exchange rate and the statement of profit or loss and other comprehensive income at the exchange rate valid for transactions. Prior period financial statements are included in the consolidated financial statements by indexing them according to the current period purchasing power for comparative presentation.

Comparative figures

Relevant figures for the previous reporting period are restated by applying the general price index so that the comparative financial statements are presented in the measuring unit applicable at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period.

2.5 Summary of Significant Accounting Policies

The interim condensed consolidated financial statements for the three months period ended 31 March 2024 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 31 March 2024 are consistent with the accounting policies disclosed in the consolidated financial statements as at 31 December 2023. Accordingly, the condensed consolidated interim financial statements should be evaluated with the consolidated financial statements for the year ended 31 December 2023. The Group has disclosed its accounting policies for the first time in Note 2.4.

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.

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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)

Useful lives of intangible assets

In accordance with the accounting policy stated in Note 2.5, 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.

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. The details of the estimates and assumptions used are explained in Note 14.

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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).

31 March 2024	Türkiye	Romania	Segmental eliminations	Consolidated
Segment assets	3.529.460	1.903.954	(37.108)	5.396.306
Segment liabilities	1.930.680	972.541	(37.108)	2.866.113
Goodwill	83.195	739.974	-	823.169
Property, plant and equipment and intangible assets	1.481.198	800.364	-	2.281.562
Right-of-use assets	15.900	16.207	-	32.107

31 March 2024	Türkiye	Romania	Segmental eliminations	Consolidated
Revenue	669.802	300.346	-	970.148
Cost of sales	(18.176)	(181.260)	-	(199.436)
Operating expenses	(518.559)	(101.131)	-	(619.690)
Other operating income	24.955	2.231	-	27.186
Other operating expenses	(4.048)	(3.146)	-	(7.194)
Income from investing activities	36.039	-	-	36.039
Finance income	90.347	516	-	90.863
Finance expenses	(91.325)	(3.355)	-	(94.680)
Depreciation and amortization	(91.701)	(44.388)	-	(136.089)
Tax expense	(46.660)	(3.840)	-	(50.500)
Net monetary position losses	(188.742)	-	-	(188.742)
Net profit for the period	(46.367)	10.361	-	(36.006)
Adjusted EBITDA	224.768	62.343	-	287.111
Purchase of property, plant and equipment and intangible assets	151.019	48.140	-	199.159

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

31 March 2024	Consolidated
Adjusted EBITDA	287.111
Depreciation and amortisation	(136.089)
Income from investing activities	36.039
Other operating income	27.186
Other operating expenses	(7.194)
Finance income	90.863
Finance expenses	(94.680)
Net monetary position losses	(188.742)
Profit before tax	14.494

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NOTE 3 - SEGMENT REPORTING (cont’d)

31 December 2023	Türkiye	Romania	Segmental eliminations	Consolidated
Segment assets	4.200.568	1.981.465	(34.160)	6.147.873
Segment liabilities	2.543.244	989.169	(34.160)	3.498.253
Goodwill	83.195	796.230	-	879.425
Property, plant and equipment and intangible assets	1.422.380	849.447	-	2.271.827
Right-of-use assets	8.182	19.831	-	28.013

31 March 2023	Türkiye	Romania	Segmental eliminations	Consolidated
Revenue	554.753	255.319	-	810.072
Cost of sales	(17.662)	(147.755)	-	(165.417)
Operating expenses	(369.792)	(100.984)	-	(470.776)
Other operating income	8.739	4.116	-	12.855
Other operating expenses	(6.951)	(851)	-	(7.802)
Income from investing activities	36.057	-	-	36.057
Finance income	55.547	2.962	-	58.509
Finance expenses	(40.126)	(6.379)	-	(46.505)
Depreciation and amortization	(77.021)	(27.640)	-	(104.661)
Tax expense	(130.410)	(7.346)	-	(137.756)
Net monetary position losses	(177.807)	-	-	(177.807)
Net profit for the period	(87.652)	(918)	-	(88.570)
Adjusted EBITDA	244.320	34.220	-	278.540
Purchase of property, plant and equipment and intangible assets	190.962	53.269	-	244.231

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

31 March 2023	Consolidated
Adjusted EBITDA	278.540
Depreciation and amortisation expenses	(104.661)
Income from investing activities	36.057
Other operating income	12.855
Other operating expenses	(7.802)
Finance income	58.509
Finance expenses	(46.505)
Net monetary position losses	(177.807)
Profit before tax	49.186

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NOTE 4 - CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents as of 31 March 2024 and 31 December 2023 are as follows:

	31 March 2024	31 December 2023
Cash	118	156
Bank	433.414	471.862
- Time deposit	304.733	406.985
- Demand deposit	128.681	64.877
Credit cards slip receivables	8.035	9.932
Liquid funds (*)	55.968	79.709
	497.535	561.659

(*) 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.

NOTE 5 - FINANCIAL INVESTMENTS

Short-term financial investments

	31 March 2024	31 December 2023
- <i>Financial assets at fair value through profit or loss</i>	48.713	91.373
- <i>Financial assets at fair value through other comprehensive income (*)</i>	152.824	233.071
	201.537	324.444

(*) The bonds consist of financial investments that are readily convertible into cash, are subject to an insignificant risk of changes in value and are highly liquid. The bonds are denominated in US Dollars.

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NOTE 5 - FINANCIAL INVESTMENTS (cont’d)

Long-term financial investments

Fair value through other comprehensive income

As of 31 March 2024 and 31 December 2023, the details of non-current financial investments are as follows:

	31 March 2024	31 December 2023
Logo Ventures Girişim Sermayesi Yatırım Fonu (“Logo Ventures I”) (*)	14.593	15.444
Logo Ventures Girişim Sermayesi Yatırım Fonu (“Logo Ventures II”) (*)	256.384	272.486
İnterpro Yayıncılık Araştırma ve Organizasyon Hizmetleri A.Ş. (“Interpro”)	81	93
Figto Ticari Bilgi ve Uygulama Platformu A.Ş. (**)	55.081	55.081
Payer Yazılım Sanayi ve Ticaret A.Ş. (**)	6.981	6.981
Dokuz Eylül Teknoloji Geliştirme Bölgesi A.Ş. (“Dokuz Eylül”)	412	412
	333.532	350.497

(*) As of 31 March 2024, Logo Ventures has been recognized as the asset fair value and difference is reflected to other comprehensive income and TL 20.742 (31 March 2023: TL 7.109) difference between its fair value and the cost value is accounted in other comprehensive income. As of 31 March 2024 and 31 December 2023, Interpro and Dokuz Eylül are reflected in the consolidated financial statements at cost since their fair value is not significant. The Company has committed USD 11,200 thousand to İstanbul Portföy Yönetimi AŞ. Logo Ventures II Venture Capital Management Fund and a total of USD 5.670 has been paid before 2024.

(**) Payer Yazılım Sanayi ve Ticaret A.Ş. and Figto Ticari Bilgi ve Uygulama Platformu A.Ş., in which the Group owns 10% and 3,02% of shares as of 31 March 2024, respectively, are indexed in accordance with TAS 29. In addition, on 5 April 2023 the Company sold 25% of its Figto Ticari Bilgi ve Uygulama Platformu A.Ş. shares. The after-sale ownership rate decreased from 4.02% to 3.02%.

Private sector bonds:

	31 March 2024	31 December 2023
Assets at fair value through other comprehensive income (***)	362.240	477.107

(***) The bonds consist of financial investments that are readily convertible into cash, are subject to an insignificant risk of changes in value and are highly liquid. The bonds are denominated in US Dollars.

Long-term other financial investments:

	31 March 2024	31 December 2023
Long-term other financial investment (****)	106.238	97.475

(****) 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 87,02% (31 December 2023: 86,12%). The Group has not considered the related investment for trading purposes and has recognized the fair value changes in the other comprehensive income statement in accordance with the accounting policies explained in Note 2.5.

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NOTE 6 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The financial information summary of investment accounted for using the equity method is as follows:

Summary of balance sheet

Logo Infosoft	31 March 2024	31 December 2023
Cash and cash equivalents	6.719	11.678
Other current assets	27.675	28.398
Other non-current assets	1.970	2.160
Total assets	36.364	42.236
Other current liabilities	19.206	22.598
Other non-current liabilities	228.492	216.889
Total liabilities	247.698	239.487
Net liabilities	(211.334)	(197.251)

Summarized information on income statement

Logo Infosoft	31 March 2024	31 December 2023
Income	3.114	62
Expenses (-)	(26.028)	(10.324)
Net loss for the period	(22.914)	(10.262)
Group's ownership rate	68,25%	50,00%
Group's share	(15.640)	(5.131)
Unrecognized losses (*)	(15.640)	(5.131)
Share of losses of investment under equity method	-	-

(*) As of 31 March 2024, the total loss of the Group's share but not recorded is TL 77.452 (31 March 2023: TL 32.943).

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NOTE 7 – BORROWINGS

Details of financial borrowings as of 31 March 2024 and 31 December 2023 is as follows:

Short-term borrowings:	31 March 2024	31 December 2023
Lease liabilities	14.077	11.486
Short-term bank loans	5.907	27.814
Credit card payables	1.321	2.736
	21.305	42.036
Short-term portion of long-term borrowings:		
Short-term portion of long-term bank loans	66.779	71.929
Lease liabilities	3.853	4.103
	70.632	76.032
Total short-term borrowings	91.937	118.068
Long-term borrowings:	31 March 2024	31 December 2023
Long-term bank loans	240.126	258.642
Lease liabilities	22.288	25.431
Total long-term borrowings	262.414	284.073

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NOTE 7 – BORROWINGS (cont'd)

31 March 2024			
	Weighted average annual interest rate (%)	Original amount	TL equivalent
Short-term borrowings:			
Bank loans - EUR - unsecured	Euribor 1M+2,95%	169	5.907
Credit card payables – TL	-	1.321	1.321
Lease liabilities - EUR	Euribor 3M	266	9.271
Lease liabilities - TL	12% - 25%	4.806	4.806
			21.305
Short-term portion of long-term borrowings:			
Bank loans - EUR - secured	Euribor 6M+ 2,45%-2,50%	1.915	66.779
Lease liabilities - EUR	-	111	3.853
			70.632
Long-term borrowings:			
Bank loans - EUR – secured	Euribor 6M+ + 2,45%-2,50%	6.887	240.126
Lease liabilities - EUR	Euribor 3M	454	15.842
Lease liabilities – TL	-	6.446	6.446
			262.414
Total borrowings			354.351
31 December 2023			
	Weighted average Annual interest rate (%)	Original amount (nominal)	TL equivalent
Short-term borrowing:			
Bank loans - EUR - unsecured	Euribor 1M+2,95%	741	27.814
Lease liabilities - EUR	Euribor 3M	263	9.882
Credit card payables – TL	-	2.378	2.736
Lease liabilities - TL	12% - 25%	1.394	1.604
			42.036
Short-term portions of long-term borrowings:			
Bank loans - EUR - secured	Euribor 6M+ 2,45%-2,50%	1.916	71.929
Lease liabilities - EUR	-	109	4.103
			76.032
Long-term borrowings:			
Bank loans - EUR - secured	Euribor 6M+ 2,45%-2,50%	6.888	258.642
Lease liabilities - EUR	Euribor 3M	550	20.657
Lease liabilities - TL	-	4.148	4.774
			284.073
Total borrowings			402.141

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NOTE 7 – BORROWINGS (cont'd)

The redemption schedules of long-term borrowings as of 31 March 2024 and 31 December 2023 are as follows:

	31 March 2024	31 December 2023
To be paid within 1 - 2 years	82.475	89.904
To be paid within 2 - 5 years	175.417	191.344
To be paid in more than 5 years	4.522	2.825
	262.414	284.073

	Net book value		Fair value	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Bank loans	312.812	358.385	332.346	379.426
	312.812	358.385	332.346	379.426

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 31 March 2024 and 31 December 2023 are as follows:

Short-term trade receivables:	31 March 2024	31 December 2023
Buyers	585.301	1.000.954
Cheques and notes receivable	13.218	8.953
Less: Provision for doubtful receivables	(35.855)	(40.219)
Less: Unearned finance income arising from credit sales	(16.051)	(33.523)
	546.613	936.165

As of 31 March 2024, the average turnover of the trade receivables is 63 days (31 December 2023: 89 days). The discount rate applied to the non-due receivables is 58.84% (31 December 2023: 49.28%).

As of 31 March 2024, trade receivables amounting to TL 95.095 (31 December 2023: TL 73.310) are not considered as doubtful receivables although they are overdue. The aging analysis of these trade receivables is as follows:

	31 March 2024	31 December 2023
Up to 1 month	38.739	27.348
1 - 3 months	24.011	14.076
More than 3 months	32.345	31.886
	95.095	73.310

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

As of 31 March 2024, TL 53.296 of overdue receivables consist of trade receivables of Total Soft (31 December 2023: TL 55.186). The Group manages its receivables in accordance with credit risk management policies which is explained in Note 30.

The movement of provision for doubtful receivables for the periods ended 31 March 2024 and 2023 are as follows:

	2024	2023
As of 1 January	40.219	41.224
Provisions for the period	2.591	3.422
Released provisions	(3.733)	(4.848)
Foreign currency translation difference	2.043	1.298
Monetary gain	(5.265)	(877)
As of 31 March	35.855	40.219

Trade payables to third parties:	31 March 2024	31 December 2023
Trade payables	221.880	323.547

As of 31 March 2024, the average debt payment period is 83 days (31 December 2023: 102 days).

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

As of 31 March 2024 and 31 December 2023, the table showing the Group's exposure to credit risks according to the types of financial instruments is as follows:

31 March 2024	<u>Trade receivables</u>		<u>Other receivables</u>		Bank and funds	Derivative Instruments	Financial investments
	Related party	Other	Related party	Other			
The maximum of credit risk exposure as of reporting date	762	546.613	1.073	57	497.417	-	1.003.547
- Amount of risk covered by guarantees	-	245	-	-	-	-	-
Net carrying value of not past due not impaired financial assets	762	451.518	1.073	57	497.417	-	1.003.547
Net carrying value of past due but not impaired financial assets	-	95.095	-	-	-	-	-
Amount of risk covered by guarantees	-	-	-	-	-	-	-
Net carrying value of impaired assets	-	-	-	-	-	-	-
Past due (gross carrying value)	-	35.855	-	-	-	-	-
Impairment (-)	-	(35.855)	-	-	-	-	-
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 2023	<u>Trade receivables</u>		<u>Other receivables</u>			Derivative Instruments	Financial investments
	Related party	Other	Related party	Other	Bank and funds		
The maximum of credit risk exposure as of reporting date	2.353	936.165	1.094	66	561.503	-	1.249.523
- Amount of risk covered by guarantees	-	282	-	-	-	-	-
Net carrying value of not past due not impaired financial assets	2.353	862.855	1.094	66	561.503	-	1.249.523
Net carrying value of past due but not impaired financial assets	-	73.310	-	-	-	-	-
Amount of risk covered by guarantees	-	-	-	-	-	-	-
Net carrying value of impaired assets	-	-	-	-	-	-	-
Past due (gross carrying value)	-	40.219	-	-	-	-	-
Impairment (-)	-	(40.219)	-	-	-	-	-
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**Short-term receivables****from third parties:**

	31 March 2024	31 December 2023
Deposits and guarantees given	57	66
	57	66

Short-term payables**to third parties:**

	31 March 2024	31 December 2023
Put option liability - ABS (*)	382.104	411.511
Put option liability - Peoplise (**)	-	21.817
Other taxes payable	127.027	222.882
Other payables to third parties	-	1.816
	509.131	658.026

Long-term payables**to third parties:**

	31 March 2024	31 December 2023
Other	615	708
	615	708

(*) 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% Total Soft shares transferred to Avramos Holding Ltd. The Company and Avramos Holding Ltd. revised the partnership agreement in 2022 as if Avramos Holding Ltd. exercises the share sale option before 29 May 2024, it will be deemed to have exercised this right with the financial conditions before the end of the first quarter of 2022. Therefore, Total Soft's 2021 financial statements have been taken into account in the calculation of put option liability as of 31 March 2024.

(**) As a result of the acquisition of Peoplise, the put option given by Logo Yazılım to the shareholders for the 12% shares owned by the minority shareholders was paid in full on 29 March 2024.

Other current assets:

	31 March 2024	31 December 2023
Personnel advances	12.511	4.127
Business advances	8.579	4.910
Prepaid taxes	3.476	14.473
Deferred VAT	3.101	3.566
Other	32.027	23.552
	59.694	50.628

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NOTE 10- INVENTORIES

	31 March 2024	31 December 2023
Raw materials and equipment	32.511	39.563
Trade goods	2.077	2.134
Other	47	69
	34.635	41.766

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2024	Additions	Disposals	Foreign currency translation differences	31 March 2024
Cost:					
Machinery, plant and equipment	152.535	5.443	(696)	(2.937)	154.345
Motor vehicles	133.595	2.569	(2.402)	(1.318)	132.444
Furniture and fixtures	55.385	12	-	(85)	55.312
Leasehold improvements	357.225	216	-	(140)	357.301
	698.740	8.240	(3.098)	(4.480)	699.402
Accumulated depreciation:					
Machinery, plant and equipment	96.467	5.368	(563)	(2.173)	99.099
Motor vehicles	34.632	6.059	(514)	(1.092)	39.085
Furniture and fixtures	50.144	295	-	51	50.490
Leasehold improvements	190.452	2.786	-	(113)	193.125
	371.695	14.508	(1.077)	(3.327)	381.799
Net book value	327.045				317.603
	1 January 2023	Additions	Disposals	Foreign currency translation differences	31 March 2023
Cost:					
Machinery, plant and equipment	119.982	25.441	(112)	(3.591)	141.720
Motor vehicles	59.312	27.241	(848)	(1.134)	84.571
Furniture and fixtures	66.049	-	-	(433)	65.616
Leasehold improvements	372.174	107	-	104	372.385
	617.517	52.789	(960)	(5.054)	664.292
Accumulated depreciation:					
Machinery, plant and equipment	99.636	3.550	(66)	(3.035)	100.085
Motor vehicles	17.727	3.586	(832)	(1.116)	19.365
Furniture and fixtures	59.607	364	-	(264)	59.707
Leasehold improvements	196.360	2.605	-	(114)	198.851
	373.330	10.105	(898)	(4.529)	378.008
Net book value	244.187				286.284

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NOTE 12 - INTANGIBLE ASSETS

	1 January 2024	Additions	Disposals	Foreign currency translation differences	31 March 2024
Cost:					
Development costs	4.224.039	190.729	-	(74.463)	4.340.305
Advanced technology	139.994	-	-	(1.504)	138.490
Customer relations	336.383	-	-	(14.045)	322.338
Non-compete agreement	25.659	-	-	-	25.659
Other intangible assets	188.894	190	-	490	189.574
	4.914.969	190.919	-	(89.522)	5.016.366
Accumulated depreciation:					
Development costs	2.469.173	111.387	-	(25.860)	2.554.700
Advanced technology	132.729	925	-	(1.405)	132.249
Customer relations	198.634	4.673	-	(6.150)	197.157
Non-compete agreement	25.659	-	-	-	25.659
Other intangible assets	143.992	959	-	(2.309)	142.642
	2.970.187	117.944	-	(35.724)	3.052.407
Net book value	1.944.782				1.963.959

As of 31 March 2024, additions to development costs amounting to TL 190.729 (31 March 2023: TL 188.968) consist of capitalized personnel costs.

Current period depreciation and amortisation expenses amounting to TL 109.590 (31 March 2023: TL 85.412) has been charged to research and development expenses, TL 5.034 (31 March 2023: TL 6.384) to marketing expenses, TL 10.998 (31 March 2023: TL 10.796) to general administrative expenses and TL 10.467 (31 March 2023: TL 2.069) to cost of sales.

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NOTE 12 - INTANGIBLE ASSETS (cont’d)

	1 January 2023	Additions	Disposals	Foreign currency translation differences	31 March 2023
Cost:					
Development costs	3.538.916	191.389	-	(61.178)	3.669.127
Advanced technology	140.755	-	-	(1.570)	139.185
Customer relations	339.191	-	-	(14.327)	324.864
Non-compete agreement	25.659	-	-	-	25.659
Other intangible assets	179.298	53	-	(1.973)	177.377
	4.223.819	191.442	-	(79.048)	4.336.212
Accumulated amortization:					
Development costs	2.101.945	82.290	-	(19.902)	2.164.333
Advanced technology	129.335	925	-	(1.434)	128.826
Customer relations	178.447	5.000	-	(5.233)	178.214
Non-compete agreement	25.659	-	-	-	25.659
Other intangible assets	140.024	1.673	-	(2.309)	139.388
	2.575.410	89.888	-	(28.878)	2.636.420
Net book value	1.648.409				1.699.792

NOTE 13 – RIGHT-OF-USE ASSETS

	1 January 2024	Additions	Disposals	Foreign currency translation differences	31 March 2024
Cost:					
Motor vehicles	29.591	-	(186)	(467)	28.938
Office	62.573	9.206	-	(3.205)	68.574
	92.164	9.206	(186)	(3.672)	97.512
Accumulated depreciation: (-)					
Motor vehicles	29.510	81	(186)	(467)	28.938
Office	34.640	3.556	-	(1.729)	36.467
	64.150	3.637	(186)	(2.196)	65.405
Net book value	28.014				32.107

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NOTE 13 – RIGHT-OF-USE ASSETS (cont’d)

	1 January 2023	Additions	Disposals	Foreign currency translation differences	31 Mart 2023
Cost:					
Motor vehicles	27.149	47	(1.839)	(259)	25.098
Office	63.599	8.148	(10.331)	(3.510)	57.906
	90.748	8.195	(12.170)	(3.769)	83.004
Accumulated depreciation: (-)					
Motor vehicles	23.900	750	(1.839)	(201)	22.610
Office	23.763	3.918	(10.312)	(1.451)	15.918
	47.663	4.668	(12.151)	(1.652)	38.528
Net book value	43.085				44.476

NOTE 14 - GOODWILL

	31 March 2024	31 December 2023
Total Soft	547.751	589.394
Total Soft (ABS)	185.886	200.017
Netsis	55.025	55.025
Peoplise	15.582	15.582
Total Soft (Nexia)	6.337	6.819
Other	12.588	12.588
	823.169	879.425

Movement table of goodwill for the interim periods ended 31 March 2024 and 2023 are as follows:

	2024	2023
As of 1 January	879.424	890.409
Foreign currency translation differences	(56.255)	(10.984)
As of 31 March	823.169	879.425

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 14 – GOODWILL (cont'd)

Goodwill impairment test - Total Soft and ABS

FVLCD is determined by discounting the expected future discounted cash flows to be generated by the cash-generating unit. The below key assumptions are used in the calculation of the recoverable value of CGU as of 31 March 2024:

Goodwill impairment test has been performed by using the five years consolidated business projections of Total Soft and ABS prepared by the management between 1 January 2024 and 31 December 2028. 17,2% has been used as cumulative average growth rate the years between 2024 and 2028.

Cash flows for future periods (perpetuity) were extrapolated using a constant growth rate of 2,6% which is the expected inflation rate announced by the Central Bank of Romania.

Weighted average cost of capital rate of 18,8% has been used as after-tax discount rate in order to calculate the recoverable amount of the unit.

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

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

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

Long-term growth rate

Originally, the long-term growth rate is assumed to be 2,6%. When the rate is assumed to be as 3,6%, the recoverable amount would have been 18,2% higher than the goodwill included book value of cash generating unit including goodwill and still no impairment provision would have been required.

Discount rate

Originally, the discount rate is assumed to be 18,8%. When the rate is assumed to be as 16,3%, the recoverable amount would have been 39,1% higher than the goodwill included book value of cash generating unit including goodwill and still no impairment provision would have been required.

Goodwill impairment test - Netsis

The impairment test of goodwill related with Netsis acquisition has been performed using the cash flows for the interim period ended 31 December 2023 and current book value. As of 31 December 2023, it is noted that the current cash flows of the cash generating unit exceeds its book value. Negative cash flows are not expected from Netsis in the foreseeable future.

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NOTE 15 - COMMITMENTS AND CONTINGENT LIABILITIES**Guarantees received:**

	Original currency	31 March 2024		31 December 2023	
		Original amount	TL equivalent	Original amount	TL equivalent
Guarantee notes	TL	245	245	282	282
		245	245	282	282

As of 31 March 2024 and 31 December 2023, guarantee/pledge/mortgage (“GPM”) given by the Company on behalf of its legal entity are as follows:

GPM given by the Company:

	31 March 2024				31 December 2023			
	EUR	USD	RON	TL	EUR (nominal)	USD (nominal)	RON (nominal)	TL
A. Total amount of GPM provided by the Company on behalf of itself	-	1.442	-	6.691	-	1.315	-	7.820
B. Total amount of GPM provided on behalf of the associates accounted under full consolidation method (*)	617.546	-	401	-	578.004	-	375	-
C. Total amount of GPM provided on behalf of third parties in order to maintain operating activities (to secure third party payables)	-	-	-	-	-	-	-	-
D. Total amount of other GPM given-	-	-	-	-	-	-	-	-
(i) Total amount of GPM given on behalf of the parent Company -	-	-	-	-	-	-	-	-
(ii) Total amount of GPM provided on behalf of other Group companies which are not in the scope of B and C	-	-	-	-	-	-	-	-
(iii) Total amount of GPM provided on behalf of third parties which are not in the scope of C	-	-	-	-	-	-	-	-
	617.546	1.442	401	6.691	578.004	1.315	375	7.820

(*) Note 7.

The ratio of other CPMs given by the Group to the equity is 0% (31 December 2023: 0%).

NOTE 16 - EMPLOYEE BENEFITS**Short-term payables for
employee benefits:**

	31 March 2024	31 December 2023
Taxes, funds and social security payables	232.399	221.065
Due to personnel	40.108	41.050
Personnel bonuses	17.433	229.048
	289.940	491.163

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NOTE 16 - EMPLOYEE BENEFITS (cont’d)**Long-term payables for
employee benefits:**

	31 March 2024	31 December 2023
Provision for unused vacation	85.827	66.139
Provision for employment termination benefits	83.967	88.494
	169.794	154.633

The movements of provision for unused vacation for the interim periods ended 31 March 2024 and 2023 are as follow:

	2024	2023
As of 1 January	66.139	54.457
Charge for the period	27.877	18.695
Foreign currency translation difference	1.525	644
Monetary gain	(9.714)	(6.114)
As of 31 March	85.827	67.682

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 35,059 for each year of service (31 December 2023: TL 27,028). 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”:

	31 March 2024	31 December 2023
Discount rate (%)	3,50	3,50
Probability of voluntary leave (%)	94,18	92,32

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Since the Group calculates the reserve for employment termination benefits every six months the maximum amount of TL 35,059 which is effective from 1 January 2024 (1 January 2023: TL 35,524) 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 31 March 2024 and 2023 are as follows:

	2024	2023
As of 1 January	88.494	74.240
Service cost	8.354	3.967
Interest cost	4.730	3.316
Actuarial loss	(3.432)	6.397
Compensations paid	(2.643)	(7.316)
Monetary gain	(11.536)	(8.249)
As of 31 March	83.967	72.355

NOTE 17 - PREPAID EXPENSES AND LIABILITIES FROM CONTRACTS WITH CUSTOMERS

Short-term prepaid expenses:	31 March 2024	31 December 2023
Prepaid expenses	73.621	56.310
	73.621	56.310

Long-term prepaid expenses:	31 March 2024	31 December 2023
Advances given	13.331	3.454
	13.331	3.454

Short-term liabilities from contracts with customers:	31 March 2024	31 December 2023
Liabilities from contracts with customers (*)	1.215.874	1.329.545
Advances received	31.914	17.623
	1.247.788	1.347.168

Long-term liabilities from contracts with customers:	31 March 2024	31 December 2023
Liabilities from contracts with customers (*)	-	51.905
	-	51.905

(*) Liabilities from contracts with customers mainly relates to LEM sales income, pay as you go sales (integrator income), after-sales services, customized software sales.

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NOTE 17 - PREPAID EXPENSES AND LIABILITIES FROM CONTRACTS WITH CUSTOMERS (cont'd)

The details of prepaid expenses as of 31 March 2024 and 31 December 2023 as follows:

	31 March 2024	31 December 2023
Pay as you go sales	634.226	721.535
LEM sales	386.256	510.665
Revenue from continuing projects	90.624	44.165
After-sales services revenue	104.768	105.085
	1.215.874	1.381.450

NOTE 18 - EQUITY

The Company's authorized and paid-in share capital consists of 100.000.000 (31 December 2023: 100.000.000) shares with a nominal value of Kr 1 each. The shareholding structure of the Company as of 31 March 2024 and 31 December 2023 is as follows:

	31 March 2024	Share rate (%)	31 December 2023	Share rate (%)
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
Share capital adjustment differences	641.682		641.682	
Paid-in share capital	741.682		741.682	

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.

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NOTE 18 – EQUITY (cont’d)

Treasury shares

As of 31 March 2024, the amount of treasury shares which is accounted in Group's equity is TL 276.087 (31 December 2023: TL 241.958).

Dividend distribution

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

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

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

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 instalments in line with CMB regulations.

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NOTE 19 - EXPENSES BY NATURE

As of 31 March 2024 and 2023, 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 - 31 March 2024	1 January – 31 March 2023
Sales income	417.382	379.095
Service income	317.660	260.362
SaaS service income	246.582	181.577
Sales returns	(4.758)	(4.123)
Sales discounts	(6.718)	(6.839)
Net sales income	970.148	810.072
Cost of sales (-)	(199.436)	(165.417)
Gross profit	770.712	644.655

Cost of sales:

	1 January - 31 March 2024	1 January – 31 March 2023
Cost of services	173.270	148.767
Cost of transfer of financial rights	9.897	10.100
Cost of trade goods sold	5.802	4.481
Depreciation and amortization	10.467	2.069
Cost of sales (-)	199.436	165.417

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**NOTE 21 -RESEARCH AND DEVELOPMENT EXPENSES, MARKETING EXPENSES AND
GENERAL ADMINISTRATIVE EXPENSES****Research and development expenses:**

	1 January - 31 March 2024	1 January – 31 March 2023
Personnel expenses	132.976	102.589
Depreciation and amortization	109.590	85.412
Outsourced benefits and services	16.281	13.984
Consultancy expenses	6.823	6.812
Motor vehicle expenses	4.934	3.616
Travel expenses	721	476
Other	23.407	18.970
	294.732	231.859

Marketing expenses:

	1 January - 31 March 2024	1 January – 31 March 2023
Personnel expenses	81.139	63.413
Advertising and selling expenses	79.472	42.756
Consultancy expenses	2.282	8.189
Depreciation and amortization	5.034	6.384
Motor vehicle expenses	4.507	3.117
Outsourced benefits and services	1.967	2.588
Travel expenses	698	472
Other	6.368	4.903
	181.467	131.822

General administrative expenses:

	1 January - 31 March 2024	1 January – 31 March 2023
Personnel expenses	105.100	69.427
Consultancy expenses	12.754	14.023
Depreciation and amortization	10.998	10.796
Motor vehicle expenses	3.251	2.276
Outsourced benefits and services	951	960
Travel expenses	628	743
Other	9.809	8.870
	143.491	107.095

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NOTE 22 - OTHER OPERATING INCOME AND EXPENSES**Other operating income**

	1 January - 31 March 2024	1 January – 31 March 2023
Rediscount income	21.438	4.273
Foreign exchange income (*)	1.807	4.941
Other	3.941	3.641
	27.186	12.855

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

Other operating expenses

	1 January - 31 March 2024	1 January – 31 March 2023
Rediscount expenses	2.391	550
Foreign exchange losses (*)	1.220	4.881
Other	3.583	2.371
	7.194	7.802

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

NOTE 23 - INCOME FROM INVESTING ACTIVITIES

	1 January - 31 March 2024	1 January – 31 March 2023
Gain on sale of securities	36.039	36.057
	36.039	36.057

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NOTE 24 - FINANCE INCOME

	1 January - 31 March 2024	1 January – 31 March 2023
Foreign exchange gains	84.998	47.920
Interest income	5.865	10.589
	90.863	58.509

NOTE 25 - FINANCE EXPENSES

	1 January - 31 March 2024	1 January – 31 March 2023
Interest expenses (*)	85.152	38.019
Interest expenses of employment termination benefits	4.730	3.316
Foreign exchange losses	2.356	2.284
Credit card commissions	872	275
Interest expense from leases	745	946
Other financial expenses	825	1.665
	94.680	46.505

(*) TL 82.400 of interest expenses (31 March 2023: TL 33.851) consist of bank deductions arising from the early collection of credit card receivables.

NOTE 26 - TAX ASSETS AND LIABILITIES

	31 March 2024	31 March 2023
Current period tax expense	(11.014)	(96.173)
Deferred tax income	(39.486)	(41.583)
Current period tax expense	(50.500)	(137.756)

Deferred taxes

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

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

The tax rate used in calculating deferred tax assets and liabilities is 25%.

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 31 March 2024 and 31 December 2023 using the enacted tax rates, is as follows:

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

Deferred taxes (cont'd)

	Total temporary differences		Deferred tax assets/(liabilities)	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Deferred tax assets:				
Expense provisions	43.203	176.446	10.801	44.112
Provision for employment termination benefits	36.032	49.566	9.008	12.391
Deferred income	60.585	46.354	15.146	11.589
Valuation of other financial assets	339	-	85	-
Vacation provision	22.961	16.082	5.740	4.021
Unaccrued finance income	15.153	39.724	3.788	9.931
Provision for doubtful receivables	1.711	1.787	428	447
	179.984	329.959	44.996	82.491
Deferred tax liabilities:				
Difference between the tax base and carrying value of property, plant and equipment and intangible assets	(174.274)	(151.590)	(43.568)	(37.897)
Deferred tax from valuation of other financial assets	-	(2.063)	-	(516)
Inventories	(999)	(1.133)	(250)	(283)
Prepaid expenses	(5.926)	(4.115)	(1.482)	(1.029)
Gains from investments in equity-based financial instruments	(47.881)	(49.129)	(11.970)	(12.283)
	(229.080)	(208.030)	(57.270)	(52.008)
Deferred income tax assets /(liabilities), net			(12.274)	30.483
The analysis of deferred tax assets and liabilities are as follows:				
Deferred tax assets	1 January - 31 March 2024	1 January - 31 December 2023		
To be recovered less than 12 months	30.248	66.079		
To be recovered more than 12 months	14.748	16.412		
	44.996	82.491		
Deferred tax liabilities				
To be recovered less than 12 months	(1.732)	(1.312)		
To be recovered more than 12 months	(55.538)	(50.696)		
	(57.270)	(52.008)		
Deferred income tax assets/(liabilities). net	(12.274)	30.483		

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

Deferred taxes (cont'd)

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

	2024	2023
1 January	30.483	(15.736)
Charged to statements of profit or loss	(39.486)	(41.583)
Charged to other comprehensive income	(1.147)	562
Foreign currency translation difference	(2.124)	1.114
31 March	(12.274)	55.643

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 in Türkiye is 25% for 2024 (31 December 2023: 25%). The corporate tax rate is 16% in Romania for 2024 (31 December 2023: 16%).

With the amendment made to the Corporate Tax Law on 15 July 2023, the 50% securities sales income exemption was abolished. However, this exemption will continue to be applied as 25% for immovable properties purchased before the amendment date of the law.

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 10%. 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 25% 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.

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

Corporate Tax (cont’d)

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

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

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

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

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:

- a) 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,
- b) 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).

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

Corporate Tax (cont'd)

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

For the year ended 31 March 2024, earnings per thousand shares with a nominal value of 1 Kuruş amounting to full TL (0,38) (31 March 2023: full TL (0,90)).

	1 January - 31 March 2024	1 January – 31 March 2023
Net income attributable to equity holders of the parent	(35.515)	(87.221)
Average number of shares for the year	9.458.602	9.639.000
Earnings per share (Full TL)	(0,38)	(0,90)

NOTE 28 - RELATED PARTY DISCLOSURES

a) Receivables from related parties as of 31 March 2024 and 31 December 2023:

Trade receivables from related parties:	31 March 2024	31 December 2023
Other	762	2.353
	762	2.353

b) Other receivables from related parties as of 31 March 2024 and 31 December 2023:

Other receivables from related parties:	31 March 2024	31 December 2023
Logo Infosoft	1.073	1.094
	1.073	1.094

c) Payables to related parties as of 31 March 2024 and 31 December 2023:

Payables to related parties:	31 March 2024	31 December 2023
Other	4	4
	4	4

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NOTE 28 - RELATED PARTY DISCLOSURES (cont'd)

d) Sales to related parties, services given to related parties and finance income from related parties during the periods ended 31 March 2024 and 31 December 2023:

Services given to related parties:

	31 March 2024	31 March 2023
Tekbulut Teknoloji	2	-
Timus Siber Güvenlik Teknolojileri A.Ş.	4.683	1.734
Logo Teknoloji ve Yatırım A.Ş.	66	21
Logo Infosoft	-	3.997
	4.751	5.752

e) Sales to related parties, services received from related parties and finance income from related parties during the periods ended 31 March 2024 and 31 March 2023:

Services received from related parties:

	31 March 2024	31 March 2023
Logo Infosoft	13	1.203
	13	1.203

f) Remuneration of the key management:

	31 March 2024	31 March 2023
Remuneration of the key management	36.700	30.066

NOTE 29 -NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

29.1 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 29 -NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS
(cont’d)****29.1 Financial risk management (cont’d)****Liquidity risk (cont’d)**

Non-derivative financial instruments	31 March 2024					
	Total contractual carrying value	Up to cash outflow (I+II+III+IV)	Between 3 months (I)	Between 3-12 months (II)	More than 1-5 years (III)	5 years (IV)
Borrowings	354.351	373.885	49.009	50.166	270.322	4.388
Trade payables						
- Trade payables to third parties	221.880	221.880	221.880	-	-	-
Payables related to employee benefits	289.940	289.940	289.940	-	-	-
Other payables						
- Other payables to third payables	509.746	509.746	509.131	-	615	-
Total liabilities	1.375.917	1.395.451	1.069.960	50.166	270.937	4.388

Non-derivative financial instruments	31 December 2023					
	Total contractual carrying value	Up to cash outflow (I+II+III+IV)	Between 3 months (I)	Between 3-12 months (II)	More than 1-5 years (III)	5 years (IV)
Borrowings	402.141	606.002	49.826	130.413	421.718	4.045
Trade payables						
- Trade payables to third parties	323.547	323.547	323.547	-	-	-
Payables related to employee benefits	491.163	491.163	491.163	-	-	-
Other payables						
- Other payables to third payables	658.734	658.734	658.026	-	708	-
Total liabilities	1.875.585	2.079.446	1.522.562	130.413	422.426	4.045

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

29.1 Financial risk management (cont'd)

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

	31 March 2024	31 December 2023
<u>Financial instruments with fixed interest rate</u>		
Financial assets		
- Financial assets at amortized cost	304.733	406.985
- Financial assets with fair value reflected to other comprehensive income	515.064	710.178
Financial liabilities	47.446	71.570
Put option valuation fund for non-controlling interests	382.104	411.511
<u>Financial instruments with floating interest rate</u>		
Financial assets		
- Financial assets with fair value reflected to profit/loss	104.681	171.082
Financial liabilities	306.905	330.571

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 31 March 2024 and 31 December 2023 are as follows:

	31 March 2024	31 December 2023
Assets		
USD	32,2854	29,4382
EUR	34,8023	32,5739
Liabilities		
USD	32,3436	29,4913
EUR	34,8650	32,6326

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

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NOTE 29 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

		Foreign Currency Position as of 31 March 2024			
		TL equivalent	USD	EUR	Other
1.	Trade receivables	46.601	583	798	-
2a.	Monetary financial assets (cash and bank accounts included)	519.131	10.317	5.345	16
2b.	Non-monetary financial assets	-	-	-	-
3.	Other	-	-	-	-
4.	Current assets (1+2+3)	565.732	10.900	6.143	16
5.	Trade receivables	-	-	-	-
6a.	Monetary financial assets	362.240	11.220	-	-
6b.	Non-monetary financial assets	-	-	-	-
7.	Other	-	-	-	-
8.	Non-current assets (5+6+7)	362.240	11.220	-	-
9.	Total assets (4+8)	927.972	22.120	6.143	16
10.	Trade payables	(36.894)	(946)	(180)	-
11.	Financial liabilities	(85.810)	-	(2.461)	-
12a.	Other monetary liabilities	-	-	-	-
12b.	Other non-monetary liabilities	-	-	-	-
13.	Current liabilities (10+11+12)	(122.704)	(946)	(2.641)	-
14.	Trade payables	-	-	-	-
15.	Financial liabilities	(255.968)	-	(7.341)	-
16a.	Other monetary liabilities	-	-	-	-
16b.	Other non-monetary liabilities	-	-	-	-
17.	Non-current liabilities (14+15+16)	(255.968)	-	(7.341)	-
18.	Total liabilities (13+17)	(378.672)	(946)	(9.982)	-
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)	549.300	21.174	(3.839)	16
21.	Net foreign currency asset/(liability) position of monetary items (=1+2a+3+5+6a-10-11-12a-14-15-16a)	549.300	21.174	(3.839)	16
22.	Fair value of derivative instruments used in foreign currency hedge	-	-	-	-
23.	Export (*)	90.134	195	2.409	-
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 31 March 2024 is TL 306.445 (31 March 2023: TL 263.072).

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NOTE 29 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

		Foreign Currency Position as of 31 December 2023			
		TL equivalent	USD (nominal)	EUR (nominal)	Other (nominal)
1.	Trade receivables	53.403	946	569	-
2a.	Monetary financial assets (cash and bank accounts included)	576.091	12.761	3.838	-
2b.	Non-monetary financial assets	-	-	-	-
3.	Other	-	-	-	-
4.	Current assets (1+2+3)	629.494	13.707	4.407	-
5.	Trade receivables	-	-	-	-
6a.	Monetary financial assets	477.107	14.085	-	-
6b.	Non-monetary financial assets	-	-	-	-
7.	Other	-	-	-	-
8.	Non-current assets (5+6+7)	477.107	14.085	-	-
9.	Total assets (4+8)	1.106.601	27.792	4.407	-
10.	Trade payables	(20.992)	(436)	(165)	-
11.	Financial liabilities	(113.728)	-	(3.029)	-
12a.	Other monetary liabilities	-	-	-	-
12b.	Other non-monetary liabilities	-	-	-	-
13.	Current liabilities (10+11+12)	(134.720)	(436)	(3.194)	-
14.	Trade payables	-	-	-	-
15.	Financial liabilities	(279.299)	-	(7.438)	-
16a.	Other monetary liabilities	-	-	-	-
16b.	Other non-monetary liabilities	-	-	-	-
17.	Non-current liabilities (14+15+16)	(279.299)	-	(7.438)	-
18.	Total liabilities (13+17)	(414.019)	(436)	(10.632)	-
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)	692.582	27.356	(6.225)	-
21.	Net foreign currency asset/(liability) position of monetary items (=1+2a+3+5+6a-10-11-12a-14-15-16a)	692.582	27.356	(6.225)	-
22.	Fair value of derivative instruments used in foreign currency hedge	-	-	-	-
23.	Export	262.363	1.224	5.894	-
24.	Import	-	-	-	-

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**NOTE 29 - 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

	31 March 2024			
	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	68.509	(68.509)	-	-
2- Hedged portion from USD risks (-)	-	-	-	-
3- USD net effect (1+2)	68.509	(68.509)	-	-
Change of EUR against TL by 10%				
4- EUR net assets/liabilities	17.921	(17.921)	-	-
5- Hedged portion from EUR risks (-)	-	-	-	-
6- EUR net effect (4+5)	17.921	(17.921)	-	-
Change of USD against RON by 10%				
7- USD net assets/liabilities	(148)	148	-	-
8- Hedged portion from USD risks (-)	-	-	-	-
9- USD net effect (7+8)	(148)	148	-	-
Change of EUR against RON by 10%				
10- EUR net assets/liabilities	(31.285)	31.285	-	-
11- Hedged portion from EUR risks (-)	-	-	-	-
12- EUR net effect (10+11)	(31.285)	31.285	-	-

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NOTE 29 -NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Foreign currency sensitivity (cont'd)

	31 December 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	92.700	(92.700)	-	-
2- Hedged portion from USD risks (-)	-	-	-	-
3- USD net effect (1+2)	92.700	(92.700)	-	-
Change of EUR against TL by 10%				
4- EUR net assets/liabilities	11.425	11.425	-	-
5- Hedged portion from EUR risks (-)	-	-	-	-
6- EUR net effect (4+5)	(11.425)	11.425	-	-
Change of USD against RON by 10%				
7- USD net assets/liabilities	(36)	36	-	-
8- Hedged portion from USD risks (-)	-	-	-	-
9- USD net effect (7+8)	(36)	36	-	-
Change of EUR against RON by 10%				
10- EUR net assets/liabilities	(34.757)	34.757	-	-
11- Hedged portion from EUR risks (-)	-	-	-	-
12- EUR net effect (10+11)	(34.757)	34.757	-	-

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 are planned to generate between 2020 and 2028. The Group management considers the risk of future hedging ineffectiveness to be low due to the low hedge ratio used. As at 31 March 2024, foreign exchange losses amounting to TL 815 - income (31 March 2023: TL 561 - income) is recognized in the hedging gains/losses reserve 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.

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NOTE 29 -NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Foreign currency sensitivity (cont'd)

Capital risk management (cont'd)

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.

	31 March 2024	31 December 2023
Total payables	354.351	402.141
Less: Cash and cash equivalents	(699.072)	(886.103)
Net debt	(344.721)	(483.962)
Total equity	2.236.133	2.428.003
Total capital	1.891.412	1.944.041
Debt/equity ratio	(%18)	(%25)

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 company could realize in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

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NOTE 30 - 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 carried at cost 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 31 March 2024 is as follows.

Financial assets at fair value through profit or loss in the statement of financial position

	Level 1	Level 2	Level 3
Financial investments (*)	563.777	-	408.207

Financial liabilities at fair value through profit or loss in the statement of financial position

	Level 1	Level 2	Level 3
Put option liabilities	-	-	366.472

(*) Note 5 and Note 29

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NOTE 30 - FINANCIAL INSTRUMENTS (cont'd)**Categories and fair values of financial instruments****31 March 2024**

	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	497.535	-	-	-	-	497.535	4
Financial assets	-	48.713	954.834	-	-	1.003.547	5
Trade receivables	546.613	-	-	-	-	546.613	8
Receivables from related parties	1.835	-	-	-	-	1.835	28
<u>Financial liabilities</u>							
Financial payables	-	-	-	354.351	-	354.351	7
Other payables	-	-	-	127.642	-	127.642	9
Put option liabilities	-	-	-	-	382.104	338.242	9
Trade receivables	-	-	-	221.880	-	221.880	9
Payables to related parties	-	-	-	4	-	4	28

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NOTE 30 - FINANCIAL INSTRUMENTS (cont'd)**Categories and fair values of financial instruments (cont'd)****31 December 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	561.659	-	-	-	-	561.659	4
Financial assets	-	91.373	1.158.150	-	-	1.249.523	5
Trade receivables	936.165	-	-	-	-	936.165	8
Receivables from related parties	3.447	-	-	-	-	3.447	28
<u>Financial liabilities</u>							
Financial payables	-	-	-	402.141	-	402.141	7
Other payables	-	-	-	225.406	-	225.406	9
Put option liabilities	-	-	-	-	411.511	411.511	9
Trade receivables	-	-	-	323.547	-	323.547	9
Payables to related parties	-	-	-	4	-	4	28

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NOTE 31 - DISCLOSURES ON THE STATEMENT OF CASH FLOWS

	Bank loans and credit cards	Leases	Total
1 January 2024	375.216	42.727	417.943
Cash inflows	9.536	-	9.536
Cash outflows	(23.220)	-	(23.220)
Foreign currency translation difference	(47.399)	(4.634)	(52.033)
Increase in lease liabilities (TFRS 16)	-	9.206	9.206
Cash outflows from lease liabilities (TFRS 16)	-	(7.081)	(7.081)
31 March 2024	314.133	40.218	354.351
Cash and cash equivalents (-)			(497.535)
Net debt			(143.184)

	Bank loans and credit cards	Leases	Total
1 January 2023	431.737	49.163	480.900
Cash inflows	34.681	-	34.681
Cash outflows	(64.041)	-	(64.041)
Foreign currency translation difference	(41.256)	1.605	(39.651)
Increase in lease liabilities (TFRS 16)	-	2.721	2.721
Cash outflows from lease liabilities (TFRS 16)	-	(12.471)	(12.471)
31 December 2023	361.121	41.018	402.139
Cash and cash equivalents (-)			(561.659)
Net debt			(159.520)

NOTE 32 - EVENTS AFTER THE REPORTING PERIOD

None.