LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023 WITH INDEPENDENT AUDITOR'S REPORT

(ORIGINALLY ISSUED IN TURKISH)

DRT Bağımsız Denetim ve
Serbest Muhasebeci
Mali Müşavirlik A.Ş.
Maslak No1 Plaza
Eski Büyükdere Caddesi
Maslak Mahallesi No:1
Maslak, Sarıyer 34485
İstanbul, Türkiye
Tel: +90 (212) 366 60 00
Fax: +90 (212) 366 60 10
www.deloitte.com.tr
Mersis No :0291001097600016
Ticari Sicil No: 304099

(CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT

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

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Logo Yazılım Sanayi ve Ticaret A.Ş. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (TFRS).

2) Basis for Opinion

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

3) Emphasis of Matter

In accordance with the "*Announcement on Inflation Adjustment of Financial Statements of Companies Subject to Independent Audit*" dated 23 November 2023 published by POA, the consolidated financial statements as of 31 December 2023 are subject to inflation adjustment in accordance with TAS 29 "*Financial Reporting in Hyperinflationary Economies*". In this context, we draw attention to Note 2.4, which includes explanations about the transition to inflation accounting. This issue does not affect our opinion.

4) Key Audit Matters

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

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td>Revenue recognition

Revenue is the most important measurement criterion in terms of evaluating the results of the strategies implemented during the year and monitoring performance. The total revenue generated by the Group in the year ending 31 December 2023 is TL 2,975,328 thousand.

The Group's revenues mainly consist of standard package program sales revenues, Logo Enterprise Membership ("LEM") package revenues, SaaS subscription revenues, special software development project revenues and version upgrade package revenues.

We have focused on this issue in our audit activities for the following reasons:

- It has a significant impact on more than one financial statement item, such as trade receivables, obligations arising from customer contracts, revenue and cost of sales, in the Group's consolidated financial statements dated 31 December 2023,

- The application of accounting standards in accounting for revenue is complex,

- The types of revenue recognized have different characteristics from each other and the recognition of project revenues includes management estimates and assumptions regarding project completion rates.

Explanations regarding the Group's accounting policies and revenue amounts are included in Notes 2.5 and 20.</td><td>The following audit procedures have been applied for the recording of revenue during the audit:

The audit procedures we implemented consist of understanding the internal controls and process of recording revenues, including reporting on performance evaluation and controls carried out by senior management, analytical reviews and detailed tests. While designing and performing audit procedures for our detailed tests, sales were broken down according to product types and different detailed tests were applied for each product and service.

In order to verify the package program and version upgrade sales revenues, accounting records and the documents subject to these records were tested by sampling method.

LEM revenue is recognized over the duration of contract terms. LEM revenue and deferred revenue related to LEM sales were tested by sampling method.

SaaS subscription revenues consist of sales reflected to customers on a monthly basis and recorded. The accuracy of invoices and records issued to customers was tested using the sampling method.

The completion rate of projects was considered in recognition of special software development and project revenues. Our audit procedures on these types of revenues included reviewing agreements, testing completion rates and comparing the budgets and realized costs of the ongoing projects.

The adequacy of the disclosures in Note 20 has been evaluated within the scope of TFRS 15, "Revenue from Customer Contracts".</td></tr>
</table>

4) **Key Audit Matters (cont'd)**

Key Audit Matter	How the matter was addressed in the audit
Goodwill impairment test The carrying value of goodwill accounted for under intangible assets amounting to TL 764,294 thousand, in the consolidated financial statements as of 31 December 2023. In accordance with TFRS, the goodwill in question is subjected to annual impairment testing. We focused on this issue in our audit work for the following reasons: - Carrying values of goodwill recognized in the Group's consolidated financial statements as at 31 December 2023 is material, - Significant judgements and estimates were used in the impairment tests (expected growth rate of earning before interests, taxes, depreciation and amortization, long-term growth rates, weighted average cost of capital etc.) performed by the management, - The outcome of some estimates is sensitive to changes in the market conditions and economic developments, Explanations including accounting policies and sensitivity analyzes regarding the measurement of goodwill are included in Note 14.	The following procedures were applied regarding the audit of the goodwill impairment test: Discussions were held with the group management and the management's future plans and statements were evaluated within the framework of macroeconomic conditions. Discussions were held with the management about the setup of the discounted cash flows calculation model and the assumptions used, and the mathematical accuracy of the setup was tested. Through involvement of our internal valuation specialists, we assessed the reasonableness of key assumptions (expected growth rate of earning before interests, taxes, depreciation and amortization, long-term growth rates, weighted average cost of capital etc.) used in the goodwill impairment test in comparison to the applications in the sector. We evaluated the realizability of the future cash flow and investment projections used in the goodwill impairment test in the meetings held with top management. We evaluated whether the consolidated cash flow estimations prepared are reasonable when compared with past financial performance results. We checked whether the significant assumptions and sensitivity analyzes are disclosed appropriately in the accompanying consolidated financial statements as of 31 December 2023.

Deloitte.

4) Key Audit Matters (cont'd)

Key Audit Matter	How the matter was addressed in the audit
Capitalization of development costs In the Group's consolidated financial statements as of 31 December 2023, there are development costs of TL 565,908 thousand that were capitalized in the year ending on the same date. The Group applies policies described in TAS 38, "Intangible Assets" standard and Note 12 in the capitalization of development costs. The Group capitalizes the costs of employees working for software developments and the costs of consultancies for software developments for the projects in which feasibility analysis have been completed and which are expected to generate cash flow in the future. Total amount of capitalized costs are calculated are based on the estimates and assumptions for the future cash flows of the projects made by the management and project managers and time sheets of the employees. We defined this area as a key audit matter due the calculations of the capitalization schedules are material for the consolidated financial statements and include the management's estimations.	The following procedures were applied regarding the audit of development costs: We discussed with the management to understand how they meet the requirements in TAS 38, "Intangible Assets". We discussed the details of the feasibility studies and future economic benefits of ongoing projects with the project managers and the consistency of estimations used in revenue expectations were compared with the historical data. We checked the project based capitalized cost details with the movement table of intangible assets. Project-based expense details regarding capitalized costs were taken and checked with the movement table of intangible assets. To test the personnel costs associated with the projects, the breakdown of each project on the basis of personnel and capitalized costs was tested analytically. The personnel subject to capitalization were selected by sampling method and interviews were held, and the development activities they carried out within the scope of the projects they were involved in were understood.

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

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

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

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

6) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

6) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

As part of an audit in accordance with the standards on auditing issued by Capital Markets Board and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of "material misstatement" of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

B) Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 398 of the Turkish Commercial Code No. 6102 (“TCC”), the auditor’s report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Group on 21 March 2024.

In accordance with paragraph four of the Article 402 of TCC numbered 6102, nothing has come to our attention that may cause us to believe that the Group’s set of accounts and financial statements prepared for the period 1 January - 31 December 2023 does not comply with TCC and the provisions of the Group’s articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor’s report is Okan Öz.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Okan Öz
Partner

İstanbul, 21 March 2024

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

CONTENTS **PAGE**

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2023, unless otherwise stated.)

	Notes	Audited 31 December 2023	Audited 31 December 2022
ASSETS			
Current assets		**1.715.043**	**1.789.379**
Cash and cash equivalents	4	488.129	377.579
Financial investments	5	281.969	677.432
Trade receivables		815.652	638.397
- Trade receivables from third parties	*8*	*813.607*	*636.639*
- Trade receivables from related parties	*28*	*2.045*	*1.758*
Other receivables		57	404
- Other receivables from third parties	*9*	*57*	*404*
Inventories	10	36.298	13.829
Derivative instruments	29	-	3.233
Prepaid expenses	17	48.938	47.722
Other current assets	9	44.000	30.783
Non-current assets		**3.627.977**	**3.111.479**
Other receivables		951	2.055
- Other receivables from related parties	*28*	*951*	*2.055*
Financial investments	5	803.972	635.848
Right-of-use assets	13	24.346	37.443
Property, plant and equipment	11	284.230	212.219
Intangible assets		2.454.473	2.206.448
- Goodwill	*14*	*764.294*	*773.841*
- Other intangible assets	*12*	*1.690.179*	*1.432.607*
Prepaid expenses	17	3.002	4.256
Deferred tax asset	26	54.948	11.525
Other non-current assets		2.055	1.685
Total assets		**5.343.020**	**4.900.858**

These consolidated financial statements have been approved by Board of Directors on 21 March 2024 and signed on its behalf by Buğra Koyuncu, Logo Group Chief Executive Officer and Gülnur Anlaş, Logo Group Chief Financial Officer.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2023, unless otherwise stated.)

	Notes	Audited 31 December 2023	Audited 31 December 2022
LIABILITIES			
Current liabilities		**2.584.822**	**1.989.466**
Short-term borrowings	7	36.533	35.198
Short-term portions of long-term borrowings	7	66.078	65.639
Trade payables		281.190	236.965
- Trade payables to third parties	*8*	*281.190*	*236.965*
Employee benefit payables	16	426.862	351.935
Other payables		571.884	486.524
- Other payables to third parties	*9*	*571.880*	*486.518*
- Other payables to related parties		*4*	*6*
Contract liabilities	17	1.170.803	798.768
Current income tax liabilities	26	9.320	6.029
Other current liabilities		22.152	8.408
Non-current liabilities		**455.453**	**465.527**
Long-term borrowings	7	246.883	317.106
Other payables		615	11.371
- Other payables to third parties	*9*	*615*	*11.371*
Long-term provisions		134.389	111.849
- Provisions for employee benefits	*16*	*134.389*	*111.849*
Contracts liabilities	17	45.110	-
Deferred tax liabilities	26	28.456	25.201
EQUITY			
Equity attributable to equity holders of the parent		**2.110.141**	**2.266.731**
Paid-in share capital	18	100.000	100.000
Adjustment differences to share capital	18	544.584	544.584
Restricted reserves appropriated from profit		178.191	178.191
Put option revaluation fund related with non-controlling interests		(315.599)	(164.550)
Treasury shares (-)	18	(210.282)	(97.664)
Reserves for treasury shares	18	210.282	97.664
Other comprehensive income that will not be reclassified to profit or loss		132.304	38.674
- Loss on remeasurement of defined benefit plans		*(33.366)*	*(14.714)*
- Gain from investments in equity instruments		*165.670*	*53.388*
Other comprehensive income that will be reclassified to profit or loss		523.412	438.467
- Foreign currency translation differences		*532.425*	*465.453*
- Cost of hedging reserves		*(10.357)*	*(9.910)*
- Fair value gains (losses) on financial assets at fair value through other comprehensive income		*1.344*	*(17.076)*
Retained earnings		807.093	812.752
Net income for the year		140.156	318.613
Non-controlling interests		**192.604**	**179.134**
Total equity		**2.302.745**	**2.445.865**
Total liabilities and equity		**5.343.020**	**4.900.858**

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 YEARS ENDED 31 DECEMBER 2023 AND 2022

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2023, unless otherwise stated.)

PROFIT OR LOSS	**Notes**	**Audited 1 January - 31 December 2023**	**Audited 1 January - 31 December 2022**
Revenue	20	2.975.328	2.887.365
Cost of sales (-)	20	(550.575)	(605.437)
Gross profit		**2.424.753**	**2.281.928**
General administrative expenses (-)	21	(438.277)	(401.784)
Marketing expenses (-)	21	(710.500)	(457.120)
Research and development expenses (-)	21	(933.940)	(709.619)
Other operating income	22	24.972	48.528
Other operating expenses (-)	22	(72.692)	(51.702)
Operating profit		**294.316**	**710.231**
Income from investing activities	23	117.208	121.915
Shares of losses of investments valued through equity method		(12.873)	(9.461)
Operating profit before financial income/(expenses)		**398.651**	**822.685**
Financial income	24	465.538	360.549
Financial expenses (-)	25	(245.071)	(307.744)
Net monetary position losses		(431.551)	(485.621)
Income before taxes		**187.567**	**389.869**
Tax expense		**(57.514)**	**(57.200)**
Current income tax expense	*26*	*(120.304)*	*(58.825)*
Deferred tax income	*26*	*62.790*	*1.625*
Net profit for the period		**130.053**	**332.669**
Net profit attributable to:			
Non-controlling interests		(10.103)	14.056
Equity holders of the parent		140.156	318.613
		130.053	**332.669**
Earnings per share (Full TL)	**27**	**1,47**	**3,31**

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

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2023, unless otherwise stated.)

OTHER COMPREHENSIVE INCOME	Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
Net profit for the period		**130.053**	**332.669**
Items that will be reclassified to profit or loss:		**108.518**	**(63.682)**
Foreign currency translation differences		90.545	(56.119)
Hedge losses		(447)	9.513
Fair value difference gains (losses) on financial assets through other comprehensive income		21.459	(21.345)
Tax effect	26	(3.039)	4.269
Items that will not be reclassified to profit or loss		**93.630**	**38.674**
Remeasurement losses of defined benefits plans	16	(20.958)	(15.489)
Tax effect	26	2.306	775
Gain from investments in equity instruments		122.956	53.388
Tax effect	26	(10.674)	-
Other comprehensive income		**202.148**	**(25.008)**
Total comprehensive income		**332.201**	**307.661**
Total comprehensive income attributable to:			
Non-controlling interest		13.470	(21.873)
Equity holders of the parent		318.731	329.534
		332.201	**307.661**

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2023, unless otherwise stated.)

	Paid-in Share capital	Adjustments differences to share capital	Treasury shares	Reserves for treasury shares	Cost of hedging reserves (**)	Restricted reserves appropriated from profit	Loss on remeasurement of defined benefit plans (*)	Gain from investments in equity instruments (*)	Fair value gains/(losses) on financial assets at FVTOCI (**)	Foreign currency translation differences (**)	Prior years' profit	Net profit for the period	Put option revaluation fund related with non-controlling interest	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
Balances as of 1 January 2022	**100.000**	**544.584**	**(60.917)**	**60.917**	**(19.423)**	**135.574**	**-**	**-**	**-**	**485.643**	**1.070.325**	**-**	**-**	**2.316.703**	**201.007**	**2.517.710**
Transfers to prior years' profit	-	-	-	-	-	42.617	-	-	-	-	(42.617)	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	(178.209)	-	-	(178.209)	-	(178.209)
Change in put option liability	-	-	-	-	-	-	-	-	-	-	-	-	(164.550)	(164.550)	-	(164.550)
Increase/decrease due to share repurchase transactions	-	-	(36.747)	36.747	-	-	-	-	-	-	(36.747)	-	-	(36.747)	-	(36.747)
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	318.613	-	318.613	14.056	332.669
Other comprehensive income	-	-	-	-	9.513	-	(14.714)	53.388	(17.076)	(20.190)	-	-	-	10.921	(35.929)	(25.008)
Balances as of 31 December 2022	**100.000**	**544.584**	**(97.664)**	**97.664**	**(9.910)**	**178.191**	**(14.714)**	**53.388**	**(17.076)**	**465.453**	**812.752**	**318.613**	**(164.550)**	**2.266.731**	**179.134**	**2.445.865**
Balances as of 1 January 2023	**100.000**	**544.584**	**(97.664)**	**97.664**	**(9.910)**	**178.191**	**(14.714)**	**53.388**	**(17.076)**	**465.453**	**812.752**	**318.613**	**(164.550)**	**2.266.731**	**179.134**	**2.445.865**
Transfers to prior years' profit	-	-	-	-	-	-	-	-	-	-	318.613	(318.613)	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	(211.654)	-	-	(211.654)	-	(211.654)
Change in put option liability	-	-	-	-	-	-	-	-	-	-	-	-	(151.049)	(151.049)	-	(151.049)
Increase/decrease due to share repurchase transactions	-	-	(112.618)	112.618	-	-	-	-	-	-	(112.618)	-	-	(112.618)	-	(112.618)
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	140.156	-	140.156	(10.103)	130.053
Other comprehensive income	-		-	-	(447)	-	(18.652)	112.282	18.420	66.972	-	-	-	178.575	23.573	202.148
Balances as of 31 December 2023	**100.000**	**544.584**	**(210.282)**	**210.282**	**(10.357)**	**178.191**	**(33.366)**	**165.670**	**1.344**	**532.425**	**807.093**	**140.156**	**(315.599)**	**2.110.141**	**192.604**	**2.302.745**

(*) Other comprehensive income/(expense) that will not be reclassified to profit or loss
(**) Other 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 STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2023, unless otherwise stated.)

	Notes	Current Period 1 January - 31 December 2023	Prior Period 1 January - 31 December 2022
A. Cash flows generated from operating activities		**132.432**	**175.119**
Profit for the period		130.053	332.669
Adjustments to reconcile profit for the year		**(209.693)**	**(165.001)**
Adjustments related to depreciation and amortization expenses	11, 12, 13	384.261	327.659
Adjustments related to provisions for employment termination benefits	16	54.079	37.173
Adjustments related to interest expenses	25	204.849	133.110
Adjustments related to interest income	24	(23.356)	(108.206)
Adjustments related to losses (gains) on disposal of financial investments	23	(117.208)	(121.915)
Adjustments related to fair value losses (gains) of derivative financial instruments		1.962	(64.169)
Adjustment related to impairment/(reversal of) on receivables	8	1.887	(3.393)
Adjustments related to unrealized exchange differences		(420.629)	(30.806)
Adjustments related to fair value gains of financial assets		-	(15.320)
Adjustments related to tax expense	26	57.514	57.200
Monetary (gain) / loss effect		(353.052)	(376.334)
Changes in working capital		**340.900**	**94.082**
Adjustments related to increase in inventories		(27.905)	(7.707)
Adjustments related to increase in trade receivables		(364.169)	(284.035)
Adjustments related to increase in trade payables		119.759	152.201
Increase in other assets related to operations		(31.684)	(82.291)
Increase in other payables related to operations		644.899	315.914
Cash flows generated from operating activities		**261.260**	**261.750**
Tax payments	26	(117.013)	(80.476)
Payments related to provision for employee benefits	16	(11.815)	(6.155)
Cash outflows for purchases of property, plant and equipment and intangible assets	11, 12	(679.685)	(497.548)
Cash outflows for the acquisition of debt instruments or shares of other entities or funds		-	(309.071)
Cash inflows for the sale of debt instruments or shares of other entities or funds		371.754	-
Cash inflows from sale of property and equipment and intangible assets		1.923	2.769
Interest received		140.564	230.121
B. Cash flows from investing activities		**(165.444)**	**(573.729)**
Cash outflows from repayments of loans	32	(55.657)	(90.979)
Cash inflows from loans	32	30.141	21.762
Interest paid		(200.741)	(130.713)
Cash outflows from the acquisition of own shares of entity		(112.618)	(36.747)
Cash outflows related to debt payments from lease agreements	32	(10.838)	(959)
Dividends paid		(211.654)	(178.209)
C. Cash flows from financing activities		**(561.367)**	**(415.845)**
Net increase in cash and cash equivalent before the effects of currency translation differences (A+B+C)		**(594.379)**	**(814.455)**
D. Effects of currency translation differences on cash and cash equivalents		**853.357**	**932.644**
Net increase in cash and cash equivalents (A+B+C+D)		**258.978**	**118.189**
E. Monetary gains effect on cash and cash equivalents		**(148.428)**	**(442.706)**
F. Cash and cash equivalents at the beginning of the period	4	**377.579**	**702.096**
Cash and cash equivalents at the end of the period (A+B+C+D+E+F)	4	**488.129**	**377.579**

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

NOTE 1 - ORGANIZATION AND NATURE OF THE GROUP'S OPERATIONS

Logo Yazılım Sanayi ve Ticaret Anonim Şirketi ('Logo Yazılım' or the 'Company'), was established in 1986 and became a corporation on 30 September 1999. The Company is domiciled in Türkiye 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 December 2023, average number of the personnel of the Group is 1.501 (31 December 2022: 1.408).

The address of the registered office is as follows:

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

As of 31 December 2023, the main shareholder and ultimate controlling party of Logo Yazılım is Logo Teknoloji ve Yatırım A.Ş. Shareholding structure of the Company is disclosed on Note 18.

The nature of businesses of subsidiaries and joint ventures of Logo Yazılım (together referred to as the 'Group') are as follows.

Subsidiary	Country of incorporation	Nature of business
Total Soft S.A. ("Total Soft")	Romania	Development and marketing of software
Logo Financial Solutions GmbH ("Logo GmbH")	Germany	Development and marketing of software
Logo Business Solutions FZ-LLC ("Logo FFC-LLC")	United Arab Emirates	Marketing of software
Architected Business Solutions SRL ("ABS")	Romania	Development and marketing of software
ABS Financial Services SRL ("ABS FS")	Romania	Development and marketing of software
ELBA HR İnsan Kaynakları Eğitim ve Danışmanlık A.Ş. ("Peoplise")	Türkiye	Development and marketing of software
Logo Ödeme Hizmetleri A.Ş. ("Logo Ödeme") (*)	Türkiye	Development and marketing of software

Subsidiary	Country of incorporation	Nature of business
Logo Infosoft Business Technology Private Limited ("Logo Infosoft")	India	Development and marketing of software

(*) 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 December 31, 2023, 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.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Financial Reporting Standards

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/TFRS") promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") and related supplements and interpretations. TAS/TFRS are updated in harmony with the changes and updates in International Financial and Accounting Standards ('IFRS') by the communiqués announced by the POA.

The consolidated financial statements are presented in accordance with 'Announcement regarding with TAS Taxonomy' which was published on 4 October 2022 by POA and the format and mandatory information recommended by CMB.

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

2.1.2 Financial Statements of Subsidiaries Operating in Foreign Countries

Financial statements of subsidiaries, operating in countries other than Türkiye, are adjusted to TAS/TFRS for the purpose of fair presentation. Subsidiaries' assets and liabilities are translated into Turkish Lira from the foreign exchange rate at the balance sheet date and income and expenses are translated into Turkish Lira at the average foreign exchange rate. Exchange differences arising from the translation of the opening net assets and differences between the average and balance sheet dates are included in the 'currency translation difference' under the shareholders' equity.

2.1.3 Basis of Consolidation

The 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 December 2023 and 31 December 2022:

Subsidiaries	**31 December 2023 (%)**	**31 December 2022 (%)**
Total Soft	80,00	80,00
Logo GmbH	100,00	100,00
ABS	80,00	80,00
ABS FS (*)	39,20	39,20
Peoplise	88,00	88,00
Logo Ödeme	100,00	100,00

(*) In 2018, the Company acquired 100% of the shares of Architected Business Solutions SRL and indirectly owns 49% of the shares of Nexia ABS Financial Services SRL. In accordance with 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. Purchase of 20% shares of Total Soft is transferred to Avramos Holding Ltd as explained in disclosure 9. In accordance with the contract, 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.

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

2.1 Basis of Presentation (cont'd)

2.1.3 Basis of Consolidation (cont'd)

Joint venture	31 December 2023 (%)	31 December 2022 (%)
Logo Infosoft (*)	68,25	50,00

(*) As of 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 has been evaluated as a joint venture and accounted as investment valued by the equity method in the consolidated financial statements.

Subsidiaries

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 company's share are settled net. The transactions and balances between the company and subsidiaries are mutually deleted under consolidation.

Joint venture

Joint venture is a joint initiative in which the 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 Presentation and Functional Currency

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

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. Assets and liabilities for each statement of financial position presented (including comparatives) are translated to TL at 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.

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

2.1 Basis of Presentation (cont'd)

2.1.5 Comparative Information and Reclassification of Prior Period Financial Statements

The consolidated financial statements of the Group have been prepared comparatively with the prior period in order to give information about financial position and performance. In order to maintain consistency with current year consolidated financial statements, comparative information is reclassed and significant changes are disclosed if necessary. In the current period, the Group did not make a classification in the prior period financial statements.

2.2 Going Concern

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

2.3 New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2023

Amendments to TAS 1	*Disclosure of Accounting Policies*
Amendments to TAS 8	*Definition of Accounting Estimates*
Amendments to TAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to TAS 12	*International Tax Reform — Pillar Two Model Rules*
Amendments to TFRS 17	*Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)*

Amendments to TAS 1 *Disclosure of Accounting Policies*

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

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

Amendments to TAS 8 *Definition of Accounting Estimates*

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

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

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

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

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

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

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

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

Amendments to TAS 12 *International Tax Reform — Pillar Two Model Rules*

The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes. Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023.

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

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

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

Amendments are effective with the first application of TFRS 17.

b) New and amended 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	*Insurance Contracts*
Amendments to TFRS 4	*Extension of the Temporary Exemption from Applying TFRS 9*
Amendments to TAS 1	*Classification of Liabilities as Current or Non-Current*
Amendments to TFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to TAS 1	*Non-current Liabilities with Covenants*

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

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

b) New and amended TFRSs in issue but not yet effective (cont'd)

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

TFRS 17 *Insurance Contracts*

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 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 4 *Extension of the Temporary Exemption from Applying TFRS 9*

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 *Insurance Contracts* from applying TFRS 9, so that insurance and reinsurance and pension companies would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2024 with the deferral of the effective date of TFRS 17.

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.

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

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

b) New and amended TFRSs in issue but not yet effective (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.

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

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 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 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%.

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.

Within the scope of the first transition to inflation, the effect of on "Retained Years' Profits or Losses" in the financial statements prepared in accordance with TAS/TFRS is TL 737.382 TL as of 1 January 2022, and the indexed amount as of 31 December 2023 is TL 1.070.325.

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):

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

2.4 Changes in Accounting Policies (cont'd)

Restatement of financial statements during periods of high inflation (cont'd)

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
31.12.2023	1.859,38	1,00000	268%
31.12.2022	1.128,45	1,64773	156%
31.12.2021	686,95	2,70672	74%

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 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 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 financial statements.
- 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.

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

2.4 Changes in Accounting Policies (cont'd)

Restatement of financial statements during periods of high inflation (cont'd)

Restatement of the Statement of Consolidated Financial Position (cont'd)

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.

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.

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

2.5 Summary of Significant Accounting Policies

Financial assets

Classification and measurement

Group classified its financial assets in three categories; financial assets carried at amortized cost, financial assets carried at fair value though profit of loss, financial assets carried at fair value though other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

a-) Financial assets carried at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Group's financial assets carried at amortized cost comprise 'trade receivables' and 'cash and cash equivalents' in the statement of financial position.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits held at banks, other short-term highly liquid investments with original maturities of three months or less, credit card receivables and checks received.

Trade receivables and impairment provision

The Group uses the provision matrix by selecting the facilitated application for impairment calculations, since its trade receivables, accounted for amortized cost in the consolidated financial statements, do not contain a significant financing component. With this application, the Group measures the expected credit loss provision at an amount equal to the lifetime expected credit losses in cases where the trade receivables are not impaired for certain reasons. In the calculation of expected credit losses, the future estimates of the Group are taken into account together with past credit loss experiences.

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortized cost. Short-term receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant.

A credit risk provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

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

2.5 Summary of Significant Accounting Policies (cont'd)

Financial assets (cont'd)

Classification and measurement (cont'd)

a-) Financial assets carried at amortized cost (cont'd)

Trade and other payables

Trade and other payables are initially measured at fair value. None interest rate bearing short-term payables are measured at original invoice amount unless the effect of imputing interest is significant.

Financial borrowings

Interest-bearing financial borrowings are initially measured at the fair value of the consideration received, less directly attributable costs and are subsequently measured at amortized cost, using the effective interest rate method. Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset which requires substantial period of time to get ready for its intended use or sale shall be capitalized over the cost of the asset. Other borrowing costs shall be recognized as an expense in the period it incurs.

b-) Financial assets carried at fair value

Assets that are held by the management for collection of contractual cash flows and for selling the financial assets are measured at their fair value. If the management do not plan to dispose these assets in 12 months after the balance sheet date, they are classified as non-current assets. Group make a choice for the equity instruments during the initial recognition and elect profit or loss or other comprehensive income for the presentation of fair value gain and loss.

Derecognition of Financial Assets and Liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a company of similar financial assets) is derecognized where the rights to receive cash flows from the asset have expired, the Group retains the right to receive cash flows from the asset but has assumed an obligation to pay them in full without material delay to a third party under a pass-through' arrangement or the Group has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset or has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

2.5 Summary of Significant Accounting Policies (cont'd)

Derecognition of Financial Assets and Liabilities (cont'd)

Financial assets (cont'd)

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated income statement.

Derivative financial instruments and hedge accounting

The long-term loans used by the Group in Euro are matched with the income in the same currency, which has a high probability of realization, and has been defined as a means of protection against the currency risk exposed. Exchange differences arising from loans subject to hedge accounting are recognized under equity, under other comprehensive income/expenses to be reclassified to profit or loss.

Offsetting

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

Related Parties

a) A person or a close member of that person's family is related to a reporting entity if that person:

   (i) Has control or joint control over the reporting entity,
   (ii) Has significant influence over the reporting entity or
   (iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

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

2.5 Summary of Significant Accounting Policies (cont'd)

Related Parties (cont'd)

b) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others), if:

(i) The entity and the company are members of the same group.
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity, and the other entity is an associate of the third entity.
(v) The entity has a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity has itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a).
(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

For the purpose of these consolidated financial statements, shareholders, associated entities, key management personnel and Board of Directors members, in each case together with their families and companies controlled or affiliated with them are considered and referred to as related parties. As a result of ordinary business operations, Company may have business relations with the related parties.

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the aggregate of the consideration transferred measured at fair value at the date of acquisition and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed at fair value in accordance with TFRS 3 on the date of acquisition.

In the event the amount paid in an acquisition is lower than the fair value of the acquired net assets and liabilities the difference is recognized as income.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Whenever the carrying amount exceeds the recoverable amount, an impairment loss is recognized in the consolidated income statement.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the acquisition, irrespective of whether other assets or liabilities are assigned to these units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

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

2.5 Summary of Significant Accounting Policies (cont'd)

Goodwill (cont'd)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amounts of the net assets assigned to the cash-generating unit, an impairment loss is recognized. The impairment of goodwill cannot be cancelled. The Group tests the impairments of goodwill as of 31 December.

The profit and losses generated from the sale of a business include the goodwill on the sold business.

Property, Plant and Equipment

Property and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Gains or losses on disposals of property and equipment are included in the related income and expense accounts, as appropriate.

The initial cost of property and equipment comprises its purchase price, including import duties and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance expenses are charged to the statement of profit or loss during the period in which they are incurred.

These capitalized costs are depreciated and charged to statement of profit or loss over the useful life of the related assets. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets, which are as follows:

	Useful Life
Leasehold improvements relating to building	5 - 49 year
Machinery, plant and equipment	5 year
Motor vehicles	5 year
Furniture and fixtures	3 - 15 year

Estimated useful lives are reviewed and adjusted if appropriate at the end of each reporting period.

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

2.5 Summary of Significant Accounting Policies (cont'd)

Intangible Assets

Intangible assets include acquired rights, development costs, software and technology, customer relationships and other identifiable rights acquired in business combinations. Intangible assets are carried at cost less accumulated amortization. These are accounted by cost of acquisition and are subjected to straight-line depreciation method with their useful lives starting from the date of acquisition.

	Useful Life
Development costs	5 - 15 year
Technology developed	5 - 10 year
Customer relations	8 - 20 year
Agreement for restriction of competition	3 - 4 year
Other intangible assets	3 - 5 year

Intangible assets acquired in business combinations are accounted for over their fair values at the acquisition date. Where an indication of impairment exists, the carrying amount of any intangible assets is assessed and written down immediately to its recoverable amount.

Research and Development Costs

Research is defined as the original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. The expenditure on research is recognized as an expense when it is incurred.

Development is defined as the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use and an intangible asset arising from development is recognized when the following are demonstrated:

a) The technical feasibility of completing the intangible asset so that it will be available for use or sale,
b) Its intention to complete the intangible asset and use or sell it,
c) Its ability to use or sell the intangible asset,
d) How the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset,
e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset,
f) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs comprise salaries, wages and related costs of the staff working directly in development activities and other directly attributable costs. The government grants related development costs are deducted from the carrying value of associated development costs.

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

2.5 Summary of Significant Accounting Policies (cont'd)

Impairment of Assets

All assets are reviewed for impairment losses including property, plant and equipment, and intangible assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. Impairment losses are recognized in the statement of income.

Impairment losses on assets can be reversed, to the extent of previously recorded impairment losses, in cases where increases in the recoverable value of the asset can be associated with events that occur subsequent to the period when the impairment loss was recorded.

Leases

The Group - as a lessee

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, The Group assess whether:

a) The contract involved the use of an identified asset - this may be specified explicitly or implicitly.
b) The asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified,
c) The Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use and
d) The Group has the right to direct use of the asset. The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset.

The Group has the right to direct use of asset if either:

i. The Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or
ii. The Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used.

The Group recognizes a right-of-use asset and a lease liability at the commencement date of the lease following the consideration of the above-mentioned factors.

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

2.5 Summary of Significant Accounting Policies (cont'd)

Leases (cont'd)

Right-of-use asset

The right of use asset is initially recognized at cost comprising of:

a) Amount of the initial measurement of the lease liability,
b) Any lease payments made at or before the commencement date, less any lease incentives received,
c) Any initial direct costs incurred by the Group and

The Group subsequently measures the right-of-use asset:

a) After netting-off depreciation and reducing impairment losses from right of use asset,
b) Adjusted for certain re-measurements of the lease liability recognized at the present value.

The Group applies TAS 16 'Property, Plant and Equipment' to amortize the right of use asset and to assess for any impairment.

Determine whether the right-of-use assets has impaired and to account for any impairment loss, applies TAS 36, 'Impairment of Assets' standard.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease liabilities are discounted to present value by using the interest rate implicit in the lease if readily determined or with the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

a) Fixed payments,
b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date,
c) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After initial recognition, the lease liability is measured:

a) Increasing the carrying amount to reflect interest on lease liability,
b) Reducing the carrying amount to reflect the lease payments made and
c) Remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

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

2.5 Summary of Significant Accounting Policies (cont'd)

Government Incentives

Logo Yazılım benefits from research and development ('R&D') grants within the scope of the Communiqué No: 98/10 of The Scientific and Technological Research Council of Türkiye ('TÜBİTAK') and Money Credit and Coordination Board related to R&D grants for its research and development projects given that such projects satisfy specific criteria with respect to the evaluation of TÜBİTAK Technology Monitoring and Evaluation Board.

The government grants are recognized when there is reasonable assurance that Logo Yazılım will comply with the conditions attached to them and the grants will be received.

The government grants are recognized as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Accordingly, government grants are when the related costs which they are intended to compensate were incurred. Similarly, grants related to depreciable assets are recognized as income over the periods and in the proportions in which depreciation on those assets is charged.

Gains arising from incentives for investment and research and development activities together with government grants are recognized when there is a reasonable assurance for the necessary conditions to be fulfilled and incentive to be acquired by the Group. In this context, government grants related to expense or capitalization realized in previous accounting periods, are recognized in statements of profit or loss when collectible.

Income Taxes

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

The tax base resulting from the addition of non-deductible expenses in accordance with the tax laws to the commercial income of the corporations, and the deduction of the exemptions and deductions in the tax laws, is different from the profit before tax amount in the consolidated statement of profit or loss. The current year tax liability includes the tax liability calculated in accordance with the tax legislation in force on the taxable portion of the profit for the period and the tax rates effective as of the balance sheet date, and the adjustments related to the tax liability of the prior years.

Deferred taxes are calculated over the temporary differences between the carrying values of assets and liabilities in the financial statements and their tax base values. Except for business combinations, deferred tax asset or liability is not included in the financial statements in case assets and liabilities that do not affect both commercial and financial profit or loss are included in the financial statements for the first time.

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

2.5 Summary of Significant Accounting Policies (cont'd)

Income Taxes (cont'd)

In the calculation of deferred tax assets and liabilities, tax rates (based on ratios that have entered into force or are finalized as of the balance sheet date) that will be valid on the dates when the Group thinks that these temporary differences will disappear are used. Provided that they are subject to the tax legislation of the same country and there is a legally enforceable right to set off current tax assets from current tax liabilities, deferred tax assets and deferred tax liabilities are mutually offset.

While the deferred tax liability is calculated over all taxable temporary differences, the deferred tax asset is recognized on the condition that it is highly probable that deductible temporary differences will be realized by generating taxable profit in the future. In each balance sheet period, the Group reviews its deferred tax assets and accounts for the possibility of future deductibility.

Interest and penalties assessed on income tax deficiencies are presented based on their nature.

Revenue

The Group mainly generates revenue from sale of off-the-shelf software, sale of Logo Enterprise Membership ('LEM'), sale of SaaS membership, after-sales services revenue, development of customized software and version upgrade package sales.

Off-the-shelf software sales - license model

Revenues on off-the-shelf software sales are recognized when the control passes the customer. Net sales represent the invoiced value less sales returns and discounts. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognized as interest income on a time proportion basis that takes into account the effective yield on the asset.

On the off-the-shelf software sales, Logo Yazılım charge its customers a one-time fee and the customers are entitled to use the current release and version indefinitely. Accordingly, the Company does not have obligation following the point of sale.

Off-the-shelf software sales - pay as you go model

In the sales model where the license rights are not transferred to customers, but usage right of the package programme is made available for a limited period of time, the revenues are accounted for on accrual basis.

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

2.5 Summary of Significant Accounting Policies (cont'd)

Revenue (cont'd)

Logo Private Integrator service sales

Companies issuing e-invoice can exchange electronic invoice via data processing system of a private integrator that has the technical capability instead of using internal data processing infrastructure. E-Logo is a private integrator certified by the Turkish Revenue Administration and enables its users to realize their electronic invoice exchanges that works with speed and security 7/24. Companies that use e-Logo's private Integrator Service manage their approval processes on web. Private Integrator Service is provided with a prepaid coin sale. Revenue is recognized according to rates of coin usage.

LEM sales and version upgrade package sales

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 value to the products throughout the year. Enterprises which buy LEM obtain the basic maintenance and support services necessary for high performance functioning of Enterprise Resource Planning, besides receiving all the legal changes and charged version changes free of charge. LEM sales are recognized on an accrual basis over the contract period. The Group gives LEM for free with the initial sale of the main software.

The Group's management noted that LEM products are sold free of charge in the first year and all receipts from these sales transactions are attributed to the main software product. Since the free of charge LEM products given 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. A fee is charged for the subsequent renewal of LEM agreements.

SaaS subscription income

SaaS subscription income is allocated to customers on a monthly basis. Income is invoiced and recognized as part of a periodic invoicing process and the source of income is accounted for as soon as the service is rendered.

Post-delivery customer support

The revenues from post-delivery customer support are recognized on the accrual basis based on the terms of the agreements. The post-delivery customer support services are mainly provided by the business partners determined by the Group.

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

2.5 Summary of Significant Accounting Policies (cont'd)

Revenue (cont'd)

Customized software development

Customized software development project revenues are included in the consolidated financial statements as income based on the stage of completion of contract obligations as of the balance sheet date.

Other revenues

Other revenues earned by the Group are recognized on the following basis:

Royalty and rental income - on an accrual basis,
Interest income - on an effective yield basis,
Dividend income - when the Company's right to receive payment is established.

Provisions

Provisions are recognized when the Group has a present legal constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provision of distribution premium

The Group set annual sale targets for its distributors and distribute premiums at the end of the year according to these targets. Premiums are recognized in the period that they are realized and associated with profit and loss statements.

Contingent Assets and Liabilities

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in financial statements and treated as contingent assets or liabilities.

Contingent liabilities are disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote. If an outflow of resources has become probable, contingent liabilities are recognized in the financial statements. Contingent assets are not recognized in financial statements but disclosed in the notes to the financial statements where an inflow of economic benefits is probable.

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

2.5 Summary of Significant Accounting Policies (cont'd)

Put option

Potential cash payments related to the sales options held by the Group's subsidiaries are accounted for as a financial liability. The amount payable under the option is initially recognized at fair value within the borrowing framework and the amount corresponding to this amount is followed in equity. The amount recognized in the shareholders equity is recognized in the put option revaluation fund related with non-controlling interests account under the shareholders' equity of the parent company, provided that certain conditions are met. The Group recognizes changes in the subsequent periods in put option revaluation fund related with non-controlling interests.

Employee Benefits

Retirement pay liability

Employment termination benefits, as required by the Turkish Labor Law, represent the estimated present value of the total reserve of the future probable obligation of the Company arising in case of the retirement of the employees. According to Turkish Labor Law and other laws applicable in Türkiye, the Company is obliged to pay employment termination benefit to employees in cases of termination of employment without due cause, retirement or death upon the completion of a minimum one-year service. The provision which is allocated by using the defined benefit pension's current value is calculated by using the estimated liability method. All actuarial profits and losses are recognized in the consolidated other comprehensive income.

Personnel vacation provision

Unused vacation rights accrued in the consolidated financial statements represents total provision for liabilities related to employees' unused vacation days as of the balance sheet date.

Personnel bonus provision

Personnel bonus provisions consist of the benefits provided to the employees by the Company as a result of the performance of the employees during the year. Personnel bonuses are recognized in the profit or loss statement in the period in which they are accrued.

Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in share premium. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them.

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

2.5 Summary of Significant Accounting Policies (cont'd)

Statement of Cash Flows

The Group prepares consolidated statement of cash flows as an integral part of its financial statements to enable financial statement analysis about the change in its net assets, financial structure and the ability to direct cash flow amounts and timing according to evolving conditions. Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.

Cash flows from operating activities represent the cash flows generated from the Group's activities.

Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (property and equipment, intangible assets and financial investments).

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

Segment Reporting

The Group's operations are carried out in a single business line. There are two geographical segments which include the data used by management to make decisions on performance evaluation and source distribution. The Group's geographical segments cover operations in Türkiye and Romania. These segments are managed separately since different economic conditions affect them. Their risks and yields are different based on their geographical positions. The Group's management adopted a policy of examining geographical segment results in the interim consolidated financial statements prepared in line with TFRS while evaluating the performance of segments.

Geographical segments are reported in a manner consistent with the reporting provided to the Chief Executive Officer and Board of Directors of the Group ('Chief Operating Decision-Maker').

EBITDA is not a financial measure defined by TAS/TFRS as a measurement of financial performance and may not be comparable to other similarly-titled indicators used by other companies.

For a geographical segment to be identified as a reportable segment, its revenue, including both sales to external customers and intersegment sales or transfers, should be 10% or more of the combined revenue, internal and external, of all geographical segments; its profit or loss should be 10% or more of the combined profit or loss or its assets should be 10% or more of the combined assets of all geographical segments. Management monitors the Group's operations in Türkiye and Romania, separately.

Geographical segments that do not meet any of the quantitative thresholds may be considered as reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

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

2.5 Summary of Significant Accounting Policies (cont'd)

Earnings per share

The Group presents basic and diluted earnings per share ('EPS') data for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is equal to basic EPS because the Group does not have any convertible notes or share options granted to employees.

In Türkiye, companies are allowed to raise their share capital by distributing bonus shares to shareholders from retained earnings. In computing earnings per share, such bonus share distributions are treated as issued shares. Accordingly, the retrospective effect for such share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this calculation.

2.6 Significant Accounting Estimates and Assumptions

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

Provision for doubtful receivables

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

Useful lives of intangible assets

In accordance with the accounting policy stated in Note 2.5, 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 management and are reviewed in each financial period and corrected accordingly.

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

2.6 Significant Accounting Estimates and Assumptions (cont'd)

Revenue recognition

The Group uses percentage of completion method in accounting of its software license revenues and customized software revenues. Use of the percentage of completion method requires the Group to estimate the services performed to date as a proportion of total services to be performed.

Logo Enterprise Membership 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 the first year are given along with the currently up-to-date software, they do not bring significant updates for the user and their commercial value is lower compared to the LEM products provided in the subsequent years. Thus, related sales amounts are recognized as revenue within the transaction year.

Research and development costs

Development is defined as the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use and an intangible asset arising from development is recognized by the Group. Management determines the cost of employees to be capitalized 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 each year or in shorter periods in case of any impairment. The recoverable amounts of cash generating units are determined on fair value less cost of disposal basis. The details of estimates and assumptions used are explained in Note 14.

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).

2023	Türkiye	Romania	Segmental eliminations	Consolidated
Segment assets	3.650.648	1.722.060	(29.688)	5.343.020
Segment liabilities	2.210.292	859.671	(29.688)	3.040.275
Goodwill	72.303	691.991	-	764.294
Property, plant and equipment and intangible assets	1.236.168	738.241	-	1.974.409
Right-of-use assets	7.111	17.235	-	24.346

2023	Türkiye	Romania	Segmental eliminations	Consolidated
Revenue	2.171.925	803.403	-	2.975.328
Cost of sales	(84.817)	(465.758)	-	(550.575)
Operating expenses	(1.748.239)	(334.478)	-	(2.082.717)
Other operating income	21.336	3.636	-	24.972
Other operating expenses	(70.972)	(1.720)	-	(72.692)
Income from investing activities	117.208	-	-	117.208
Shares in profit/loss of investments valued through equity method	(12.873)	-	-	(12.873)
Financial income	460.472	5.066	-	465.538
Financial expenses	(219.530)	(25.541)	-	(245.071)
Depreciation and amortization	(285.511)	(98.750)	-	(384.261)
Tax expense	(52.871)	(4.643)	-	(57.514)
Net profit for the period	150.088	(20.035)	-	130.053
Adjusted EBITDA	624.380	101.917	-	726.297
Purchase of property, plant and equipment and intangible assets	526.316	153.369	-	679.685

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

2023	Consolidated
Adjusted EBITDA	726.297
Depreciation and amortization	(384.261)
Income from investing activities	117.208
Shares in profit/loss of investments valued through equity method	(12.873)
Other operating income	24.972
Other operating expenses	(72.692)
Finance income	465.538
Finance expenses	(245.071)
Net monetary position losses	(431.551)
Profit before tax	**187.567**

NOTE 3 - SEGMENT REPORTING (cont'd)

2022	Türkiye	Romania	Segmental eliminations	Consolidated
Segment assets	3.220.286	1.680.572	-	4.900.858
Segment liabilities	1.675.508	779.485	-	2.454.993
Goodwill	72.304	701.537	-	773.841
Property, plant and equipment and other intangible assets	990.732	654.094	-	1.644.826
Right-of-use assets	11.045	26.398	-	37.443

2022	Türkiye	Romania	Segmental eliminations	Consolidated
Revenue	1.991.094	896.271	-	2.887.365
Cost of sales	(67.122)	(538.315)	-	(605.437)
Operating expenses	(1.324.687)	(243.836)	-	(1.568.523)
Other operating income	41.395	7.133	-	48.528
Other operating expenses	(48.988)	(2.714)	-	(51.702)
Income from investing activities	121.915	-	-	121.915
Shares in profit/loss of investments valued through equity method	(9.461)	-	-	(9.461)
Finance income	350.157	10.392	-	360.549
Finance expenses	(277.139)	(30.605)	-	(307.744)
Depreciation and amortization	(240.341)	(87.318)	-	(327.659)
Tax expense	(46.406)	(10.794)	-	(57.200)
Net profit/(loss) for the period	245.137	87.532	-	332.669
Adjusted EBITDA	839.626	201.438	-	1.041.064
Purchase of property, plant and equipment and intangible assets	344.829	152.719	-	497.548

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

2022	Consolidated
Adjusted EBITDA	1.041.064
Depreciation and amortization	(327.659)
Income from investing activities	121.915
Shares in profit/loss of investments valued through equity method	(9.461)
Other operating income	48.528
Other operating expenses	(51.702)
Finance income	360.549
Finance expenses	(307.744)
Net monetary position losses	(485.621)
Profit before tax	**389.869**

NOTE 4 – CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents as of 31 December 2023 and 2022 are presented below:

	31 December 2023	31 December 2022
Cash	135	61
Bank	410.088	341.698
- Time deposits	353.704	257.848
- Demand deposits	56.384	83.850
Credit card slip receivables	8.632	8.710
Liquid funds (*)	69.274	27.110
	488.129	**377.579**

(*) 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 December 2023	31 December 2022
- Financial assets at fair value through profit or loss	*79.411*	*187.478*
- Financial assets at fair value through other comprehensive income (*)	*202.558*	*489.954*
	281.969	**677.432**

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

NOTE 5 - FINANCIAL INVESTMENTS (cont'd)

Long-term financial investments

Fair value difference recognized in other comprehensive income

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

	31 December 2023	**31 December 2022**
Logo Ventures Girişim Sermayesi Yatırım Fonu ("Logo Ventures I") (*)	13.422	15.915
Logo Ventures Girişim Sermayesi Yatırım Fonu ("Logo Ventures II") (*)	236.813	137.997
İnterpro Yayıncılık Araştırma ve Organizasyon Hizmetleri A.Ş. ("Interpro")	81	133
Figo Ticari Bilgi ve Uygulama Platformu A.Ş. (**)	47.870	63.826
Payer Yazılım Sanayi ve Ticaret A.Ş. (**)	6.067	6.067
Dokuz Eylül Teknoloji Geliştirme Bölgesi A.Ş. ("Dokuz Eylül")	358	358
	304.611	**224.296**

(*) As of 31 December 2023, Logo Ventures was evaluated as an asset at fair value through other comprehensive income, and the difference between its fair value and cost for this period was TL 122.956 (2022: TL 53.388) was recognized in other comprehensive income. Interpro and Dokuz Eylül were reflected in the consolidated financial statements at cost since their fair value was not significant as of 31 December 2023 and 2022. The Company has committed USD 11,200 thousand to İstanbul Portföy Yönetimi AŞ. Logo Ventures II Venture Capital Management Fund and USD 1.750 thousand in 2023 (2022: USD 1.680 thousand) was paid during the year.

(**) As of December 31, 2023, Payer Yazılım Sanayi ve Ticaret A.Ş. and Figo Ticaret Bilgi ve Uygulama Platformu A.Ş., in which the Group holds 10% and 3.02% of the shares, respectively, are indexed pursuant to IAS 29. In addition, on 5 April 2023 the Company sold 25% of its Figo Ticari Bilgi ve Uygulama Platformu A.Ş. shares. The after-sale ownership rate decreased from 4.02% to 3.02%.

	31 December 2023	**31 December 2022**
Private sector bonds:		
Financial assets at fair value through other comprehensive income (***)	414.646	336.544

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

Other long-term financial investments:

	31 December 2023	**31 December 2022**
Other long-term financial investments (****)	84.715	75.008

(****) 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 86,12%. (2022: 82%) 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.

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 December 2023**	**31 December 2022**
Cash and cash equivalents	10.149	8.660
Other current assets	24.680	19.257
Other non-current assets	1.877	1.186
Total assets	**36.706**	**29.103**
Other short-term liabilities	19.640	9.501
Other long-term liabilities	188.495	158.698
Total liabilities	**208.135**	**168.199**
Net liabilities	**(171.429)**	**(139.096)**

Summary of income statement

Logo Infosoft	**31 December 2023**	**31 December 2022**
Income	12.338	3.841
Expenses (-)	(70.058)	(10.545)
Net loss for the period	**(57.720)**	**(6.704)**
Ownership ratio of the Group	68,25%	50,00%
Group’s share	(39.396)	(3.352)
Unrecognized losses (*)	(26.523)	-
Share of losses of investment under equity method	**(12.873)**	**-**

(*) As of 31 December 2023, the total loss to the Group's share but not recorded is TL 53.720 (31 December 2022: TL 27.197).

NOTE 7 – BORROWINGS

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

Short-term borrowings:	**31 December 2023**	**31 December 2022**
Short-term bank loans	24.173	20.893
Credit card payables	2.378	1.632
Lease liabilities	9.982	12.673
	36.533	**35.198**
Short-term portions of long-term borrowings:		
Short-term portions of long-term bank loans	62.512	63.027
Lease liabilities	3.566	2.612
	66.078	**65.639**
Total short-term borrowings	**102.611**	**100.837**

Long-term borrowings:	**31 December 2023**	**31 December 2022**
Long-term bank loans	224.782	289.664
Lease liabilities	22.101	27.442
Total long-term borrowings	**246.883**	**317.106**

NOTE 7 – BORROWINGS (cont'd)

	31 December 2023		
	Weighted average annual interest rate (%)	**Original amount (nominal)**	**TL equivalent**
Short-term borrowings:			
Bank loans - EUR - unsecured	Euribor 1M+2,95%	741	24.173
Credit card payables - TL	-	2.378	2.378
Payables from leasing transactions - Euro	Euribor 3M	263	8.588
Payables from leasing transactions - TL	12% - 25%	1.394	1.394
			36.533
Short-term portion of long-term borrowings:			
Bank borrowings - EUR - secured	Euribor 6M+ 2,45%-2,50%	1.916	62.512
Lease liabilities - EUR	-	109	3.566
			66.078
Long-term borrowings:			
Bank borrowings - EUR - secured	Euribor 6M+ 2,45%-2,50%	6.888	224.782
Lease liabilities - EUR	Euribor 3M	550	17.953
Lease liabilities - TL	-	4.148	4.148
			246.883
Total borrowings			**349.494**

	31 December 2022		
	Weighted average annual interest rate (%)	**Original amount (nominal)**	**TL equivalent**
Short-term borrowings:			
Bank borrowings - EUR - unsecured	Euribor+2,40%	635	20.893
Bank borrowings - TL	-	991	1.632
Lease liabilities - EUR	Euribor 3+3,5%	271	8.918
Lease liabilities - TL	12% - 25%	2.279	3.755
			35.198
Short-term portion of long-term borrowings:			
Bank borrowings - EUR - secured	Euribor+ 2,45%-2,50%	1.915	63.027
Financial leases - EUR	-	79	2.612
			65.639
Long-term borrowings:			
Bank borrowings - EUR - secured	Euribor+ 2,45%-2,50%	8.803	289.664
Lease liabilities - TL	-	3.210	5.289
Lease liabilities - EUR	-	673	22.153
			317.106
Total borrowings			**417.943**

NOTE 7 – BORROWINGS (cont'd)

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

	31 December 2023	**31 December 2022**
To be paid within 1-2 years	78.134	139.370
To be paid within 2-5 years	166.294	137.431
To be paid in more than 5 years	2.455	40.305
	246.883	**317.106**

	Net book value		**Fair value**	
	2023	**2022**	**2023**	**2022**
Bank borrowings	311.467	373.585	329.753	400.459
	311.467	**373.585**	**329.753**	**400.459**

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 December 2023 and 2022 are as follows:

Short-term trade receivables:	**31 December 2023**	**31 December 2022**
Buyers	869.914	676.618
Cheques and notes receivables	7.781	5.812
Less: Provision for doubtful receivables	(34.954)	(35.827)
Less: Unearned finance income from futures sales	(29.134)	(9.964)
	813.607	**636.639**

As of 31 December 2023, the average turnover rate of receivable is 89 days (31 December 2022: 97 days). The discount rate applied for non-due receivables is 49,28% (31 December 2022: 18%).

As of 31 December 2023, trade receivables amounting to TL 63.713 (31 December 2022: TL 56.787) are not considered as doubtful receivables although they are overdue. The maturity analysis of these receivables is as follows:

	31 December 2023	**31 December 2022**
Up to 1 month	23.768	28.906
1-3 months	12.233	20.007
More than 3 months	27.712	7.874
	63.713	**56.787**

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

As of 31 December 2023, TL 47.961 (31 December 2022: TL 34.731) of overdue receivables consist of trade receivables of Total Soft. 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 December 2023 and 2022 are as follows:

	2023	**2022**
As of 1 January	**35.827**	**53.016**
Provisions for the year	14.661	7.527
Provisions released	(12.774)	(10.920)
Foreign currency translation difference	11.322	6.945
Monetary loss	(14.082)	(20.741)
As of 31 December	**34.954**	**35.827**

Trade payables to third parties:	**31 December 2023**	**31 December 2022**
Trade payables	281.190	236.965

As of 31 December 2023, the average debt payment period is 102 days (31 December 2022: 120 days).

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

As at 31 December 2023 and 31 December 2022, the table showing the Group's exposure to credit risks according to the types of financial instruments is as follows:

	Trade receivables		Other receivables				
31 December 2023	**Related party**	**Other**	**Related party**	**Other**	**Bank and funds**	**Derivative Instruments**	**Financial investments**
The maximum of credit risk exposure as of reporting date	2.045	813.607	951	57	487.994	-	1.085.941
- Amount of risk covered by guarantees	-	*245*	-	-	-	-	-
Net carrying value of not past due and not impaired financial assets	2.045	749.894	951	57	487.994	-	1.085.941
Net carrying value of past due and not impaired financial assets	-	63.713	-	-	-	-	-
Amount of risk covered by guarantees	-	-	-	-	-	-	-
Net carrying value of impaired assets	-	-	-	-	-	-	-
Past due (gross carrying value)	-	*34.954*	-	-	-	-	-
Impairment (-)	-	*(34.954)*	-	-	-	-	-
Amount of risk covered by guarantees	-	-	-	-	-	-	-

Guarantees include securities, mortgages and letters of guarantee.

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

	Trade receivables		**Other receivables**				
31 December 2022	**Related party**	**Other**	**Related party**	**Other**	**Bank and funds**	**Derivative Instruments**	**Financial Investments**
The maximum of credit risk exposure as of reporting date	1.758	636.639	2.055	404	377.518	3.233	1.313.280
- Amount of risk covered by guarantees	-	*705*	-	-	-	-	-
Net carrying value of not past due and not impaired financial assets	1.758	579.852	2.055	404	377.518	3.233	1.313.280
Net carrying value of past due and	-	56.787	-	-	-	-	-
not impaired financial assets	-	-	-	-	-	-	-
Amount of risk covered by guarantees							
Net carrying value of	-	-	-	-	-	-	-
impaired assets	-	*35.827*	-	-	-	-	-
Past due (gross carrying value)	-	*(35.827)*	-	-	-	-	-
Impairment (-)	-	-	-	-	-	-	-
Amount of risk covered by guarantees	-	-	-	-	-	-	-

Guarantees include securities, mortgages and letters of guarantee.

NOTE 9 - OTHER RECEIVABLES, PAYABLES AND OTHER ASSETS

Short-term other receivables from third parties:	31 December 2023	31 December 2022
Income accruals	-	290
Deposits and guarantees given	57	114
	57	**404**

Short-term other payables to third parties:	31 December 2023	31 December 2022
Put option liability - ABS (*)	357.638	361.289
Put option liability - Peoplise (**)	18.961	-
Other taxes payable	193.703	124.776
Other payables to third parties	1.578	453
	571.880	**486.518**

Long-term other payables to third parties:	31 December 2023	31 December 2022
Put option liability - Peoplise (**)	-	10.358
Other	615	1.013
	615	**11.371**

(*) 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 April 2024, it will be deemed to have exercised this right with the financial conditions before the end of the first quarter of 2022. Therefore, TotalSoft's 2021 financial statements were taken into account in the calculation of the sale option liability as of 31 December 2023.

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

Other current assets:	31 December 2023	31 December 2022
Prepaid taxes	12.578	2.678
Personnel advances	3.587	3.310
Business advances	4.267	2.579
Deferred VAT	3.099	1.195
Other	20.469	21.021
	44.000	**30.783**

NOTE 10 - INVENTORIES

	31 December 2023	31 December 2022
Trade goods	1.854	8.482
Raw materials and equipment	34.384	5.198
Other	60	149
	36.298	**13.829**

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2023	Additions	Disposals	Foreign currency translation differences	31 December 2023
Cost:					
Machinery, plant and equipment	104.275	45.419	17.356	228	132.566
Motor vehicles	51.548	66.242	503	(1.182)	116.105
Furniture and fixtures	57.402	402	8.540	(1.130)	48.134
Leasehold improvements	323.451	524	13.749	233	310.459
	536.676	**112.587**	**40.148**	**(1.851)**	**607.264**
Accumulated depreciation:					
Machinery, plant and equipment	86.593	15.330	15.551	(2.534)	83.838
Motor vehicles	15.407	15.499	494	(314)	30.098
Furniture and fixtures	51.804	1.173	8.485	(913)	43.579
Leasehold improvements	170.653	8.593	13.749	22	165.519
	324.457	**40.595**	**38.279**	**(3.739)**	**323.034**
Net book value	**212.219**				**284.230**

	1 January 2022	Additions	Disposals	Foreign currency translation differences	31 December 2022
Cost:					
Machinery, plant and equipment	105.560	5.399	4.742	(1.942)	104.275
Motor vehicles	17.988	41.558	-	(7.998)	51.548
Furniture and fixtures	58.369	907	476	(1.398)	57.402
Leasehold improvements	320.861	2.959	-	(369)	323.451
	502.778	**50.823**	**5.218**	**(11.707)**	**536.676**
Accumulated depreciation:					
Machinery, plant and equipment	88.180	7.174	1.973	(6.788)	86.593
Motor vehicles	17.300	1.229	-	(3.122)	15.407
Furniture and fixtures	51.523	1.497	476	(740)	51.804
Leasehold improvements	161.536	9.426	-	(309)	170.653
	318.539	**19.326**	**2.449**	**(10.959)**	**324.457**
Net book value	**184.239**				**212.219**

NOTE 12 - INTANGIBLE ASSETS

	1 January 2023	Additions	Disposals	Foreign currency translation differences	31 December 2023
Cost:					
Development costs	3.075.617	565.908	-	29.521	3.671.046
Advanced technology	122.328	-	-	(661)	121.667
Customer relations	294.785	-	-	(2.440)	292.345
Non-compete agreement	22.300	-	-	-	22.300
Other intangible assets	155.823	1.190	970	8.122	164.165
	3.670.853	**567.098**	**970**	**34.542**	**4.271.523**
Accumulated amortization:					
Development costs	1.826.766	307.017	-	12.137	2.145.920
Advanced technology	112.402	3.216	-	(265)	115.353
Customer relations	155.086	15.712	-	1.832	172.630
Non-compete agreement	22.300	-	-	-	22.300
Other intangible assets	121.692	3.701	916	664	125.141
	2.238.246	**329.646**	**916**	**14.368**	**2.581.344**
Net book value	**1.432.607**				**1.690.179**

TL 560.300 of additions to development costs for the year ended 31 December 2023 (31 December 2022: TL 438.157) consists of capitalized personnel costs.

Current period depreciation and amortization expenses amounting to TL 323.076 (31 December 2022: TL 280.246) are included in research and development expenses, TL 22.579 (31 December 2022: TL 9.801) in marketing expenses, TL 34.059 (31 December 2022: TL 34.168) in general administrative expenses, TL 4.547 (31 December 2022: TL 3.444) in cost of sales.

NOTE 12 - INTANGIBLE ASSETS (cont'd)

	1 January 2022	Additions	Disposals	Foreign currency translation differences	31 December 2022
Cost:					
Development costs	2.757.426	441.748	-	(123.557)	3.075.617
Advanced technology	127.277	-	-	(4.949)	122.328
Customer relations	337.415	-	-	(42.630)	294.785
Non-compete agreement	22.300	-	-	-	22.300
Other intangible assets	153.140	4.977	-	(2.294)	155.823
	3.397.558	**446.725**	**-**	**(173.430)**	**3.670.853**
Accumulated amortization:					
Development costs	1.604.598	264.298	-	(42.130)	1.826.766
Advanced technology	111.908	4.777	-	(4.283)	112.402
Customer relations	148.548	17.401	-	(10.863)	155.086
Non-compete agreement	22.300	-	-	-	22.300
Other intangible assets	113.047	6.353	-	2.292	121.692
	2.000.401	**292.829**	**-**	**(54.984)**	**2.238.246**
Net book value	**1.397.157**				**1.432.607**

NOTE 13 - RIGHT OF USE ASSETS

	1 January 2023	Additions	Disposals	Foreign currency translation differences	31 December 2023
Cost:					
Motor vehicles	23.594	2.354	665	434	25.717
Office rental	55.272	11	148	(754)	54.381
	78.866	**2.365**	**813**	**(320)**	**80.098**
Accumulated depreciation: (-)					
Motor vehicles	20.771	5.696	657	(163)	25.647
Office rental	20.652	8.324	128	1.257	30.105
	41.423	**14.020**	**785**	**1.094**	**55.752**
Net book value	**37.443**				**24.346**

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

	1 January 2022	Additions	Disposals	Foreign currency translation differences	31 December 2022
Cost:					
Motor vehicles	43.276	2.026	19.844	(1.864)	23.594
Office rental	72.985	23.113	30.081	(10.745)	55.272
	116.261	**25.139**	**49.925**	**(12.609)**	**78.866**
Accumulated depreciation: (-)					
Motor vehicles	32.199	1.257	11.188	(1.497)	20.771
Office rental	29.926	14.247	20.085	(3.436)	20.652
	62.125	**15.504**	**31.273**	**(4.933)**	**41.423**
Net book value	**54.136**				**37.443**

NOTE 14 - GOODWILL

	31 December 2023	31 December 2022
Total Soft	512.233	519.300
Total Soft (ABS)	173.832	176.231
Netsis	47.822	47.822
Peoplise	13.542	13.542
Total Soft (Nexia)	5.925	6.006
Other	10.940	10.940
	764.294	**773.841**

Movement table of goodwill for the years ended 31 December 2023 and 2022 are as follows:

	2023	2022
As of 1 January	**773.841**	**885.844**
Foreign currency translation difference	(9.547)	(112.003)
As of 31 December	**764.294**	**773.841**

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.

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 December 2023:

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%. Has the rate been 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%. Has the rate been 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 year 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.

NOTE 15 - COMMITMENTS AND CONTINGENT LIABILITIES

Guarantees received:

		31 December 2023		31 December 2022	
	Original currency	Original amount	TL equivalent	Original amount	TL equivalent
Guarantee notes	TL	245	245	606	606
Mortgages received	TL	-	-	99	99
		245	**245**	**705**	**705**

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

GPM given by the Company:

	31 December 2023				31 December 2022			
	EUR	USD	RON	TL	EUR (nominal)	USD (nominal)	RON (nominal)	TL
A. Total amount of Guarantees provided by the Company on behalf of itself	-	1.315	-	6.796	-	835	-	11.333
B. Total amount of Guarantees provided on behalf of the associates accounted under full consolidation method (*)	578.004	-	375	-	353.528	-	337	-
C. Provided on behalf of third parties in order to maintain operating activities (to secure third party payables)	-	-	-	-	-	-	-	-
D. Other Guarantees given-	-	-	-	-	-	-	-	-
(i) Total amount of Guarantees given - on behalf of the parent Company	-	-	-	-	-	-	-	-
(ii) Total amount of Guarantees provided on behalf of the associates which are not in the scope of B and C	-	-	-	-	-	-	-	-
(iii) Total amount of Guarantees provided on behalf of third parties which are not in the scope of C	-	-	-	-	-	-	-	-
	578.004	**1.315**	**375**	**6.796**	**353.528**	**835**	**337**	**11.333**

(*) Note 7.

The ratio of other CPMs given by the Group to the equity is 0% (2022: 0%).

NOTE 16 - EMPLOYEE BENEFITS

Short-term payables for employee benefits:

	31 December 2023	31 December 2022
Personnel bonuses	199.062	177.462
Taxes, funds and social security payables	192.124	138.363
Due to personnel	35.676	36.110
	426.862	**351.935**

NOTE 16 - EMPLOYEE BENEFITS (cont'd)

Long-term payables for employee benefits:

	31 December 2023	31 December 2022
Provision for employment termination benefits	76.909	64.521
Provision for unused vacation liability	57.480	47.328
	134.389	**111.849**

The movement of provision for unused vacation liability for the years ended 31 December 2023 and 2022 is as follows:

	2023	2022
As of 1 January	**47.328**	**44.588**
Charge for the period	26.811	17.748
Foreign currency translation difference	9.372	3.451
Monetary gain	(26.031)	(18.459)
As of 31 December	**57.480**	**47.328**

Under the Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). The amount payable consists of one month's salary limited to a maximum of TL 23,489 for each year of service (31 December 2022: TL 25,327). 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 "Funds for actuarial gain/(loss) on employee termination benefits":

	31 December 2023	31 December 2022
Discount rate (%)	3,50	3,40
Turnover rate to estimate the probability of retirement (%)	92,32	93,86

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus the discount rate applied represents the 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 32,927) has been taken into consideration in the calculations.

NOTE 16 - EMPLOYEE BENEFITS (cont'd)

The movement in the provision for employment termination benefits during the years ended 31 December 2023 and 2022 were as follows.

	2023	2022
As of 1 January	**64.521**	**56.619**
Service cost	16.593	13.038
Interest cost	10.675	6.387
Actuarial loss	20.958	15.489
Compensation paid	(11.815)	(6.155)
Monetary loss	(24.023)	(20.857)
As of 31 December	**76.909**	**64.521**

NOTE 17 - PREPAID EXPENSES AND CONTRACT LIABILITIES

Long-term prepaid expenses:	**31 December 2023**	**31 December 2022**
Prepaid expenses	48.938	47.722
	48.938	**47.722**

Long-term prepaid expenses:	**31 December 2023**	**31 December 2022**
Advances given	3.002	4.256
	3.002	**4.256**

Short-term contract liabilities:	**31 December 2023**	**31 December 2022**
Contract liabilities (*)	1.155.487	784.792
Advances received	15.316	13.976
	1.170.803	**798.768**

Long-term contract liabilities:	**31 December 2023**	**31 December 2022**
Contract liabilities (*)	45.110	-
	45.110	**-**

(*) Contract liabilities mainly relate to LEM sales revenue, pay as you go sales (integrator revenue), after-sales services, customized software sales.

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

The details of contract liabilities at 31 December 2023 and 31 December 2022 as follows:

	31 December 2023	**31 December 2022**
Pay as you go sales	627.076	410.265
LEM sales	443.811	305.155
Revenue from continuing projects	38.383	26.650
After-sales services revenue	91.327	42.722
	1.200.597	**784.792**

NOTE 18 - EQUITY

The Company's authorized and paid-in share capital consists of 100.000.000 (31 December 2022: 100.000.000) shares with a nominal value of Kr 1 each. The shareholding structure of the Company as of 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	**Share rate (%)**	**31 December 2022**	**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**
Adjustment to share capital	544.584		544.584	
Total paid-in capital	**644.584**		**644.584**	

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.

NOTE 18 - EQUITY (cont'd)

Treasury shares

As of 31 December 2023, the amount of treasury shares which is accounted in Group's equity is TL 210.282 (31 December 2022: TL 97.664).

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. General Assembly or Board of Directors, if authorized by the General Assembly, can decide to distribute dividend in installments in line with CMB regulations.

Additional Information Regarding Capital, Reserves and Other Equity Items

The comparison of the relevant equity items presented by the Group as inflation-adjusted in its consolidated financial statements as of December 31, 2023, with the inflation-adjusted amounts in the financial statements prepared in accordance with Law No. 6762 and other legislation is as follows:

31 December 2023	Inflation adjusted amounts in the financial statements prepared in accordance with Law No. 6762 and other legislation	Inflation adjusted amounts in the financial statements which are prepared in accordance with TAS/TFRS	Difference monitored in retained earnings
Adjustments Differences to Share Capital	835.800	544.584	291.216
Restricted Reserves Appropriated from Profit	249.353	178.191	71.162

NOTE 19 - EXPENSES BY NATURE

As of 31 December 2023 and 2022, expenses are disclosed by function and the details of the expenses are summarized in Note 21 and Note 22.

NOTE 20 - REVENUE AND COST OF SALES

Revenue:

	1 January - 31 December 2023	1 January – 31 December 2022
Sales revenue	1.508.203	1.395.296
Service revenue	789.507	785.114
SaaS service revenue	715.685	733.679
Sales returns	(18.009)	(11.642)
Sales discounts	(20.058)	(15.082)
Net sales income	**2.975.328**	**2.887.365**
Cost of sales (-)	(550.575)	(605.437)
Gross profit	**2.424.753**	**2.281.928**

Cost of sales:

	1 January - 31 December 2023	1 January – 31 December 2022
Cost of services	481.122	550.419
Cost of transfer of financial rights	47.902	43.777
Cost of trade goods sold	17.004	7.797
Depreciation and amortization	4.547	3.444
Cost of sales (-)	**550.575**	**605.437**

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

Research and development expenses:

	1 January - 31 December 2023	1 January – 31 December 2022
Personnel expenses	446.718	286.205
Depreciation and amortization	323.076	280.246
Outsourced benefits and services	52.838	46.196
Consultancy expenses	30.859	21.860
Motor vehicle expenses	14.395	13.338
Travel expenses	2.682	1.518
Other	63.372	60.256
	933.940	**709.619**

Marketing expenses:

	1 January - 31 December 2023	1 January – 31 December 2022
Advertising and selling expenses	300.903	216.547
Personnel expenses	297.765	172.728
Consultancy expenses	49.872	24.833
Depreciation and amortization	22.579	9.801
Motor vehicle expenses	12.879	10.043
Outsourced benefits and services	8.301	9.626
Travel expenses	2.979	1.927
Other	15.222	11.615
	710.500	**457.120**

General administrative expenses:

	1 January - 31 December 2023	1 January – 31 December 2022
Personnel expenses	296.527	291.592
Consultancy expenses	53.013	40.546
Depreciation and amortization	34.059	34.168
Motor vehicle expenses	9.829	7.645
Outsourced benefits and services	2.749	2.758
Travel expenses	2.046	2.194
Other	40.054	22.881
	438.277	**401.784**

NOTE 22 - OTHER OPERATING INCOME AND EXPENSES

Other operating income

	1 January - 31 December 2023	1 January – 31 December 2022
Foreign exchange income (*)	16.378	11.482
Rediscount income	3.566	27.594
Overdue interest income	636	912
Other	4.392	8.540
	24.972	**48.528**

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

Other operating expenses

	1 January - 31 December 2023	1 January – 31 December 2022
Rediscount expenses	34.353	2.885
Foreign exchange expense (*)	18.906	6.993
Provision expenses	574	134
Performance premium of subsidiary	-	8.894
Other (**)	18.859	32.796
	72.692	**51.702**

(*) Arising from foreign exchange differences of trade receivables and trade payables.
(**) TL 5.981 of the total amount consists of vehicle expense restriction and TL 3.127 of the total amount consists of tax base increase within the scope of law numbered 7440.

NOTE 23 - INCOME FROM INVESTING ACTIVITIES

	1 January - 31 December 2023	1 January – 31 December 2022
Gain on sale of securities	117.208	121.915
	117.208	**121.915**

NOTE 24 - FINANCE INCOME

	1 January - 31 December 2023	**1 January – 31 December 2022**
Foreign exchange income	442.182	252.265
Interest income	23.356	108.206
Other income	-	78
	465.538	**360.549**

NOTE 25 - FINANCE EXPENSES

	1 January - 31 December 2023	**1 January - 31 December 2022**
Interest expenses (*)	200.741	130.713
Foreign exchange expenses	20.987	161.780
Interest expense of employee termination benefits	10.675	6.387
Interest expense from leases	4.108	2.397
Credit card commissions	4.557	4.035
Other financial expenses	4.003	2.432
	245.071	**307.744**

(*) TL 184.790 (2022: TL 115.791) of interest expenses consists of bank deductions arising from the early collection of credit card receivables.

NOTE 26 - TAX ASSETS AND LIABILITIES

	31 December 2023	**31 December 2022**
Current period tax expense	(120.304)	(58.825)
Deferred tax income	62.790	1.625
Current period tax expense	**(57.514)**	**(57.200)**

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.

Tax rate used in the calculation of 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 December 2023 and 2022 using the enacted tax rates, is as follows:

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

Deferred taxes (cont'd)

	Total temporary differences		**Deferred tax assets/(liabilities)**	
	31 December 2023	**31 December 2022**	**31 December 2023**	**31 December 2022**
Deferred tax assets:				
Expense provisions	153.347	169.533	38.337	33.907
Provision for employment termination benefits	43.077	33.414	10.769	6.683
Deferred income	40.286	31.379	10.071	6.276
Valuation of other financial assets	-	21.344	-	4.269
Vacation provision	13.977	9.855	3.494	1.971
Unaccrued finance income	34.523	9.799	8.631	1.960
Provision for doubtful receivables	1.553	2.006	388	401
	286.763	**277. 330**	**71.690**	**55.467**
Deferred income tax liabilities:				
Difference between the tax base and carrying value of property. equipment and intangible assets	(131.744)	(343.548)	(32.936)	(68.710)
Deferred tax from valuation of other financial assets	(1.793)	-	(448)	-
Inventories	(985)	(70)	(246)	(14)
Prepaid expenses	(3.576)	(2.096)	(894)	(419)
Gains on investments in equity instruments	(42.697)	-	(10.674)	-
	(180.795)	**(345.714)**	**(45.198)**	**(69.143)**
Deferred income tax assets /(liabilities) net			**26.492**	**(13.676)**

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

Deferred tax assets	**1 January - 31 December 2023**	**1 January - 31 December 2022**
To be recovered less than 12 months	57.427	46.813
To be recovered more than 12 months	14.263	8.654
	71.690	**55.467**
Deferred tax liabilities		
To be recovered less than 12 months	(1.140)	(433)
To be recovered more than 12 months	(44.058)	(68.710)
	(45.198)	**(69.143)**
Deferred income tax assets/(liabilities), net	**26.492**	**(13.676)**

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

Deferred taxes (cont'd)

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

	2023	**2022**
As of 1 January	**(13.676)**	**(16.252)**
Charged to statement of profit or loss	62.790	1.625
Charged to other comprehensive income	(11.407)	5.044
Foreign currency translation difference	(11.215)	(4.093)
31 December	**26.492**	**(13.676)**

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 2023 (31 December 2022: 23%). The tax rate in Romania is 16% for 2023 (31 December 2022: %16).

With the amendment made to the Corporate Tax Law on 15 July 2023, the 50% immovable properties 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 Türkiye, 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.

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

Corporate tax (cont'd)

In Türkiye, 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 Company are explained below:

In accordance with Tax Law No: 5035 item 44, that amends 'Technology Development Regions Law' No: 4691, corporate and income taxpayers operating in technology development regions are exempt from corporate and income tax until 31 December 2028 exclusively for their profit from software and R&D activities in this region.

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).

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.

	1 January - 31 December 2023	**1 January – 31 December 2022**
Current income tax expense	120.304	58.825
Prepaid taxes and funds (-)	(110.984)	(52.796)
Current income tax liabilities	**9.320**	**6.029**

Income tax reconciliation:	**1 January - 31 December 2023**	**1 January – 31 December 2022**
Profit before income tax	187.567	389.869
Tax calculated at enacted tax rate in Türkiye (25%) (2022: 23%)	(46.892)	(89.670)
Non-deductible expenses	(24.934)	(32.028)
Income not subject to tax	104.857	133.398
Unused tax losses and tax offset not recognized as deferred tax	-	4.199
Impact of foreign companies subject to different tax rates (*)	1.081	22.361
Other adjustments and monetary gain/(loss) (**)	(91.626)	(95.460)
Income tax expense	**(57.514)**	**(57.200)**

(*) The applicable tax rate in Romania is 16% as of 2023 (2022: 16%).
(**) TL 49.641 of the total amount consists of earthquake tax.

NOTE 27 - EARNINGS PER SHARE

The earnings per thousand shares with nominal value of Kr 1 amounted to TL 1,47 for the year ended 31 December 2023 (31 December 2022: TL 3,31).

	1 January - 31 December 2023	1 January – 31 December 2022
Net income attributable to equity holders of the parent	140.156	318.613
Average number of shares for the period	9.546.497	9.639.900
Earnings per share (Full TL)	**1,47**	**3,31**

NOTE 28 - RELATED PARTY DISCLOSURES

a) Due from related parties at 31 December 2023 and 2022:

Trade receivables from related parties:	31 December 2023	31 December 2022
Other	2.045	1.758
	2.045	**1.758**

b) Due from related parties at 31 December 2023 and 2022:

Other receivables from related parties:	31 December 2023	31 December 2022
Logo Infosoft	951	2.055
	951	**2.055**

c) Due to related parties at 31 December 2023 and 2022:

Payables to related parties:	31 December 2023	31 December 2022
Other	4	6
	4	**6**

d) Sales to related parties, services given to related parties and financial income from related parties during the periods ended 31 December 2023 and 2022:

Services given to related parties:

	2023	2022
Logo Infosoft	3.647	3.225
Timus Siber Güvenlik Teknolojileri A.Ş.	5.156	5.146
Logo Teknoloji ve Yatırım A.Ş.	113	135
	8.916	**8.506**

NOTE 28 - RELATED PARTY DISCLOSURES (cont'd)

e) Services purchased from related parties and other transactions with related parties during the periods ended 31 December 2023 and 2022:

Services purchased from related parties:

	2023	**2022**
Logo Teknoloji ve Yatırım A.Ş.	558	887
Logo Infosoft	1.778	815
Timus Siber Güvenlik Teknolojileri A.Ş.	155	40
	2.491	**1.742**

f) Payments to key management:

	2023	**2022**
Salaries and bonuses paid to key management	120.937	95.786

NOTE 29 – DERIVATIVE INSTRUMENTS

Derivative financial assets:

Derivatives that are carried at fair value:	**31 December 2023**	**31 December 2022**
- Foreign swap contracts	*-*	*3.233*
	-	**3.233**

Classification of derivative instruments

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

Fair value measurement of derivative instruments

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

NOTE 30 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

30.1 Financial risk management

Credit risk

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

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping committed credit lines available. The Company management holds adequate cash and credit commitment that will meet the 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.

	31 December 2023					
Non-derivative financial instruments	**Carrying value**	**Contractual cash outflow (I+II+III+IV)**	**Up to 3 months (I)**	**Between 3-12 months (II)**	**Between 1-5 years (III)**	**More than 5 years (IV)**
Borrowings	349.494	367.780	30.239	79.147	255.939	2.455
Trade payables						
- Trade payables to third parties	281.190	281.190	281.190	-	-	-
Employee benefit payables	426.862	426.862	426.862	-	-	-
Other payables						
- Other payables to third parties	572.495	572.495	571.880	-	615	-
Total liabilities	**1.630.041**	**1.648.327**	**1.310.171**	**79.147**	**256.554**	**2.455**

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

30.1 Financial risk management (cont'd)

Liquidity risk (cont'd)

	31 December 2022					
Derivative financial liabilities	**Carrying value**	**Total contractual cash outflow (I+II+III+IV)**	**Up to 3 months (I)**	**Between 3-12 months (II)**	**Between 1-5 years (III)**	**More than 5 years (IV)**
Borrowings	417.943	444.818	26.532	82.744	294.688	40.854
Trade payables						
- Trade payables to third parties	236.965	236.965	236.965	-	-	-
Employee benefit payables	351.935	351.935	351.935	-	-	-
Other payables						
- Other payables to Third parties	497.889	497.889	486.518	-	11.371	-
Total liabilities	**1.504.732**	**1.531.607**	**1.101.950**	**82.744**	**306.059**	**40.854**

Interest rate risk

The Company is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities.

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

30.1 Financial risk management (cont'd)

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

	31 December 2023	**31 December 2022**
Financial instruments with fixed interest rate		
Financial assets		
- Financial assets at amortized value	*353.704*	*257.848*
- Financial assets with fair value reflected to other comprehensive income	*617.204*	*826.498*
Financial liabilities	62.200	65.252
Put option valuation fund for non-controlling interests	376.599	371.647
Financial instruments with floating interest rate		
Financial assets		
- Financial assets with fair value reflected to profit/loss	*148.685*	*214.588*
Financial liabilities	287.294	352.691

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 risk of funding existing and potential debt liabilities is managed by holding liquid funds that can meet existing and potential debt liabilities, and by providing adequate funding commitments from lenders with high funding opportunities.

Foreign currency risk

The Group is exposed to foreign exchange risk arising from the ownership of foreign currency denominated assets and liabilities with sales or purchase commitments. The policy of the Group is to compare every foreign currency type for the probable sales or purchases in the future. Foreign exchange rates used to translate the Group's assets and liabilities denominated in foreign currencies into TL at 31 December 2023 and 2022 are as follows:

	31 December 2023	**31 December 2022**
Assets		
USD	29,4382	18,6983
EUR	32,5739	19,9349
CHF	34,9666	20,2019
Liabilities		
USD	29,4913	18,7320
EUR	32,6326	19,9708
CHF	35,1911	20,3316

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

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

		Foreign Currency Position as of 31 December 2023				
		TL Equivalent	USD	EUR	CHF	Other
1.	Trade receivables	46.412	946	569	-	-
2a.	Monetary financial assets (cash and banks accounts included)	500.672	12.761	3.838	-	-
2b.	Non-monetary financial assets	-	-	-	-	-
3.	Other	-	-	-	-	-
4.	**Current assets (1+2+3)**	**547.084**	**13.707**	**4.407**	**-**	**-**
5.	Trade receivables	-	-	-	-	-
6a.	Monetary financial assets	414.646	14.085	-	-	-
6b.	Non-monetary financial assets	-	-	-	-	-
7.	Other	-	-	-	-	-
8.	**Non-current assets (5+6+7)**	**414.646**	**14.085**	**-**	**-**	**-**
9.	**Total assets (4+8)**	**961.730**	**27.792**	**4.407**	**-**	**-**
10.	Trade payables	(18.244)	(436)	(165)	-	-
11.	Financial liabilities	(98.839)	-	(3.029)	-	-
12a.	Other monetary liabilities	-	-	-	-	-
12b.	Other non-monetary liabilities	-	-	-	-	-
13.	**Current liabilities (10+11+12)**	**(117.083)**	**(436)**	**(3.194)**	**-**	**-**
14.	Trade payables	-	-	-	-	-
15.	Financial liabilities	(242.735)	-	(7.438)	-	-
16a.	Other monetary liabilities	-	-	-	-	-
16b.	Other non-monetary liabilities	-	-	-	-	-
17.	**Non-current liabilities (14+15+16)**	**(242.735)**	**-**	**(7.438)**	**-**	**-**
18.	**Total liabilities (13+17)**	**(359.818)**	**(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)**	**601.912**	**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)**	**601.912**	**27.356**	**(6.225)**	**-**	**-**
22.	Fair value of derivative instruments used in foreign currency hedge	-	-	-	-	-
23.	Export (*)	228.016	1.224	5.894	-	-
24.	Import	-	-	-	-	-

(*) Includes exports from the countries in which the Group operates. As of 2023 the Group's total sales made outside Türkiye during the period is TL 845.877 (2022: TL 917.408).

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

		Foreign Currency Position as of 31 December 2022				
		TL Equivalent	**USD**	**EUR**	**CHF**	**Other**
1.	Trade receivables	41.419	785	523	-	25
2a.	Monetary financial assets (cash and banks accounts included)	556.140	17.888	153	-	3
2b.	Non-monetary financial assets	-	-	-	-	-
3.	Other	-	-	-	-	-
4.	**Current assets (1+2+3)**	**597.559**	**18.673**	**676**	**-**	**28**
5.	Trade receivables	-	-	-	-	-
6a.	Monetary financial assets	336.544	10.923	-	-	-
6b.	Non-monetary financial assets	-	-	-	-	-
7.	Other	-	-	-	-	-
8.	**Non-current assets (5+6+7)**	**336.544**	**10.923**	**-**	**-**	**-**
9.	**Total assets (4+8)**	**934.103**	**29.596**	**676**	**-**	**28**
10.	Trade payables	(12.895)	(337)	(76)	-	(16)
11.	Financial liabilities	(95.450)	-	(2.900)	-	-
12a.	Other monetary liabilities	-	-	-	-	-
12b.	Other non-monetary liabilities	-	-	-	-	-
13.	**Current liabilities (10+11+12)**	**(108.345)**	**(337)**	**(2.976)**	**-**	**(16)**
14.	Trade payables	-	-	-	-	-
15.	Financial liabilities	(311.817)	-	(9.476)	-	-
16a.	Other monetary liabilities	-	-	-	-	-
16b.	Other non-monetary liabilities	-	-	-	-	-
17.	**Non-current liabilities (14+15+16)**	**(311.817)**	**-**	**(9.476)**	**-**	**-**
18.	**Total liabilities (13+17)**	**(420.162)**	**(337)**	**(12.452)**	**-**	**(16)**
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)**	**513.941**	**29.259**	**(11.776)**	**-**	**12**
21.	**Net foreign currency asset/(liability) position of monetary items (=1+2a+3+5+6a-10-11-12a-14-15-16a)**	**513.941**	**29.259**	**(11.776)**	**-**	**12**
22.	Fair value of derivative instruments used in foreign currency hedge	-	-	-	-	-
23.	Export	235.138	1.000	6.221	-	-
24.	Import	-	-	-	-	-

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

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

Foreign currency sensitivity

	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	80.564	(80.564)	-	-
2- Hedged portion from USD risks (-)	-	-	-	-
3- USD net effect (1+2)	**80.564**	**(80.564)**	**-**	**-**
Change of EUR against TL by 10%				
4- EUR net assets/liabilities	9.929	(9.929)	-	-
5- Hedged portion from EUR risks (-)	-	-	-	-
6- EUR net effect (4+5)	**9.929**	**(9.929)**	**-**	**-**
Change of CHF against TL by 10%				
7- CHF net assets/liabilities	-	-	-	-
8- Hedged portion from CHF risks (-)	-	-	-	-
9- CHF net effect (1+2)	**-**	**-**	**-**	**-**
Change of USD against RON by 10%				
10- USD net assets/liabilities	(31)	31	-	-
11- Hedged portion from USD risks (-)	-	-	-	-
12- USD net effect (7+8)	**(31)**	**31**	**-**	**-**
Change of EUR against RON by 10%				
13- EUR net assets/liabilities	(30.207)	30.207	-	-
14- Hedged portion from EUR risks (-)	-	-	-	-
15- EUR net effect (10+11)	**(30.207)**	**30.207**	**-**	**-**

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

Foreign currency sensitivity (cont'd)

	31 December 2022			
	Profit/(Loss)		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change of USD against TL by 10%				
1- USD net assets/liabilities	54.799	(54.799)	-	-
2- Hedged portion from USD risks (-)	-	-	-	-
3- USD net effect (1+2)	**54.799**	**(54.799)**	**-**	**-**
Change of EUR against TL by 10%				
4- EUR net assets/liabilities	(47.002)	47.002	-	-
5- Hedged portion from EUR risks (-)	-	-	-	-
6- EUR net effect (4+5)	**(47.002)**	**47.002**	**-**	**-**
Change of CHF against TL by 10%				
7- CHF net assets/liabilities	-	-	-	-
8- Hedged portion from CHF risks (-)	-	-	-	-
9- CHF net effect (1+2)	**-**	**-**	**-**	**-**
Change of USD against RON by 10%				
10- USD net assets/liabilities	(89)	89	-	-
11- Hedged portion from USD risks (-)	-	-	-	-
12- USD net effect (7+8)	**(89)**	**89**	**-**	**-**
Change of EUR against RON by 10%				
13- EUR net assets/liabilities	23.527	(23.527)	-	-
14- Hedged portion from EUR risks (-)	-	-	-	-
15- EUR net effect (10+11)	**23.527**	**(23.527)**	**-**	**-**

Hedging

The functional currency of Totalsoft, the Group's subsidiary operating in Romania, is RON. In order to hedge the foreign currency translation risk arising from the conversion of Totalsoft's Euro-denominated borrowings to RON, 54% of Totalsoft's Euro-denominated revenues and that it plans to generate between 2020 and 2028 in Euros are defined as hedging instruments. The Group management considers the risk of hedging ineffectiveness that may arise in the future low due to the low hedge ratio used. For the year ended 31 December 2023, foreign exchange losses amounting to TL 446 – expense (2022: TL 9.512 - income) were accounted for in the hedge gains/losses under shareholders' equity.

Capital risk management

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

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

NOTE 30 – 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 December 2023	31 December 2022
Total payables	349.494	417.943
Less: Cash and cash equivalents (*)	(770.098)	(1.055.011)
Net debt	**(420.604)**	**(637.068)**
Total equity	2.110.141	2.266.731
Total capital	**1.689.537**	**1.629.663**
Debt/equity ratio	**(%25)**	**(%39)**

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

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

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

NOTE 31 - FINANCIAL INSTRUMENTS

Monetary assets

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

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

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

Monetary liabilities

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 projected 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 measurements of financial instruments reflected at fair value in the financial statements according to the source of the inputs of each financial instrument class, using a 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 at 31 December 2023 is as follows.

Financial assets held at fair value through profit or loss	**Level 1**	**Level 2**	**Level 3**
Financial investments (*)	696.615	-	365.941

Financial liabilities held at fair value through profit or loss	**Level 1**	**Level 2**	**Level 3**
Put option liability	-	-	376.599

(*) Note 5 and 29

NOTE 31 - FINANCIAL INSTRUMENTS (cont'd)

Classes and categories of financial instruments and their fair values

31 December 2023	Financial assets at amortized cost	FVTPL	FVTOCI	Financial liabilities at amortized cost	Liabilities at fair value	Carrying value	Note
Financial assets							
Cash and cash equivalents	488.129	-	-	-	-	488.129	4
Financial assets	-	79.411	1.006.530	-	-	1.085.941	5
Trade receivables	813.607	-	-	-	-	813.607	8
Receivables from related parties	2.996	-	-	-	-	2.996	28
Financial liabilities							
Financial payables	-	-	-	349.494	-	349.494	7
Other payables	-	-	-	195.896	-	195.896	9
Put option liabilities	-	-	-	-	376.599	376.599	9
Trade payables	-	-	-	281.190	-	281.190	8
Payables to related parties	-	-	-	4	-	4	28

NOTE 31 - FINANCIAL INSTRUMENTS (cont'd)

Classes and categories of financial instruments and their fair values (cont'd)

31 December 2022	Financial assets at amortized cost	FVTPL	FVTOCI	Financial liabilities at amortized cost	Liabilities at fair value	Carrying value	Note
Financial assets							
Cash and cash equivalents	377.579	-	-	-	-	377.579	4
Financial assets	-	187.478	1.125.802	-	-	1.313.280	5
Trade receivables	636.639	-	-	-	-	636.639	8
Receivables from related parties	3.813	-	-	-	-	3.813	28
Derivative financial instruments	-	3.233	-	-	-	3.233	29
Financial liabilities							
Financial payables	-	-	-	417.943	-	417.943	7
Other payables	-	-	-	126.242	-	126.242	9
Put option liabilities	-	-	-	-	371.647	371.647	9
Trade payables	-	-	-	236.965	-	236.965	8
Payables to related parties	-	-	-	6	-	6	28

NOTE 32 - EXPLANATIONS ON THE CASH FLOW STATEMENTS

	Loans and credit cards	Leases	Total
1 January 2023	**375.216**	**42.727**	**417.943**
Cash inflows	30.141	-	30.141
Cash outflows	(55.657)	-	(55.657)
Currency translation differences	(35.855)	1.395	(34.460)
Increase in lease liabilities (TFRS 16)	-	2.365	2.365
Cash outflows from lease liabilities (TFRS 16)	-	(10.838)	(10.838)
31 December 2023	**313.845**	**35.649**	**349.494**
Cash and cash equivalents (-)			(488.129)
Net debt			**(138.635)**

	Loans and credit cards	Leases	Total
1 January 2022	**405.085**	**33.909**	**438.994**
Cash inflows	21.762	-	21.762
Cash outflows	(90.979)	-	(90.979)
Currency translation differences	39.348	(15.362)	23.986
Increase in lease liabilities (TFRS 16)	-	25.139	25.139
Cash outflows from lease liabilities (TFRS 16)	-	(959)	(959)
31 December 2022	**375.216**	**42.727**	**417.943**
Cash and cash equivalents (-)			(377.579)
Net debt			**40.364**

NOTE 33 – FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDIT FIRMS

The fees related to the services received by the Group from the Independent Audit Firm (“IAF”) for the periods 1 January – 31 December 2023 and 1 January – 31 December 2022 are as follows:

	2023	2022
Independent audit fee for the reporting period	5.115	3.002
Other assurance services	-	1.127
	5.115	**4.129**

NOTE 34- EVENTS AFTER THE REPORTING PERIOD

Our company has prepared a revised text of amendment to the articles of association, including changes regarding the reduction of the issued capital as a result of the redemption of the Company shares acquired within the scope of the Share Repurchase Programs implemented to support our shares due to the fact that the share price does not reflect the real performance of the company's activities in certain periods between 2012 and 2023, by means of capital reduction that does not require an outflow of funds. For its approval, the Board of Directors' decision was taken on 8 January 2024 and an application was made to the Capital Markets Board.

Since the capital reduction in question is not a general capital reduction and the Company's own shares will be redeemed by capital reduction that does not require an outflow of funds, the share of the shareholders in the Company's capital will increase by 5,26% and the earnings per share will be higher.