

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024 WITH INDEPENDENT AUDITOR'S REPORT
(ORIGINALLY ISSUED IN TURKISH)**

(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 2024, 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 2024, 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) 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.

Key Audit Matter	How the matter was addressed in the audit
<p>Revenue recognition</p> <p>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 2024 is TL 4,084,053 thousand.</p> <p>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.</p> <p>We have focused on this issue in our audit activities for the following reasons:</p> <ul style="list-style-type: none"> - 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 2024, - 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. <p>Explanations regarding the Group's accounting policies and revenue amounts are included in Notes 2.5 and 20.</p>	<p>The following audit procedures have been applied for the recording of revenue during the audit:</p> <p>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.</p> <p>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.</p> <p>LEM revenue is recognized over the duration of contract terms. LEM revenue and deferred revenue related to LEM sales were tested by sampling method.</p> <p>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.</p> <p>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.</p> <p>The adequacy of the disclosures in Note 20 has been evaluated within the scope of TFRS 15, "Revenue from Customer Contracts".</p>

3) Key Audit Matters (cont'd)

Key Audit Matter	How the matter was addressed in the audit
<p>Goodwill impairment test</p> <p>The carrying value of goodwill accounted for under the assets classified held for sale amounting to TL 780,369 thousand in the consolidated financial statements as of 31 December 2024.</p> <p>In accordance with TFRS, the goodwill in question is subjected to annual impairment testing.</p> <p>We focused on this issue in our audit work for the following reasons:</p> <ul style="list-style-type: none"> - Carrying values of goodwill recognized in the Group's consolidated financial statements as at 31 December 2024 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, <p>Explanations including accounting policies and sensitivity analyzes regarding the measurement of goodwill are included in Note 14.</p>	<p>The following procedures were applied regarding the audit of the goodwill impairment test:</p> <p>Discussions were held with the group management and the management's future plans and statements were evaluated within the framework of macroeconomic conditions.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>We evaluated whether the consolidated cash flow estimations prepared are reasonable when compared with past financial performance results.</p> <p>We checked whether the significant assumptions and sensitivity analyzes are disclosed appropriately in the accompanying consolidated financial statements as of 31 December 2024.</p>

3) Key Audit Matters (cont'd)

Key Audit Matter	How the matter was addressed in the audit
<p>Capitalization of development costs</p> <p>In the Group's consolidated financial statements as of 31 December 2024, there are development costs of TL 751,348 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.</p> <p>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.</p> <p>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.</p>	<p>The following procedures were applied regarding the audit of development costs:</p> <p>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.</p> <p>We checked the project based capitalized cost details with the movement table of intangible assets.</p> <p>Project-based expense details regarding capitalized costs were taken and checked with the movement table of intangible assets.</p> <p>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.</p> <p>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.</p>

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

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

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

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

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

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

Our 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.

5) 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 27 February 2025.

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 2024 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, 27 February 2025

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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LOGO YAZILIM SANAYİ VE TİCARET A.Ş.**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2024**

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

	Notes	Audited 31 December 2024	Audited 31 December 2023
ASSETS			
Current assets		4,245,551	2,476,160
Cash and cash equivalents	4	443,806	704,755
Financial investments	5	128,029	407,104
Trade receivables		1,201,961	1,177,629
- <i>Trade receivables from third parties</i>	8	1,201,961	1,174,676
- <i>Trade receivables from related parties</i>	30	-	2,953
Other receivables		282	82
- <i>Other receivables from third parties</i>	9	282	82
Inventories	10	14,461	52,407
Prepaid expenses	17	61,071	70,656
Other current assets	9	31,295	63,527
Sub total		1,880,905	2,476,160
Assets classified as held for sale	27	2,364,646	-
Non-current assets		3,020,974	5,238,028
Other receivables		1,543	1,373
- <i>Other receivables from related parties</i>	30	1,543	1,373
Financial investments	5	739,006	1,160,765
Right-of-use assets	13	9,973	35,150
Property, plant and equipment	11	345,940	410,368
Intangible assets		1,846,260	3,543,738
- <i>Goodwill</i>	14	104,391	1,103,478
- <i>Other intangible assets</i>	12	1,741,869	2,440,260
Prepaid expenses	17	1,591	4,334
Deferred tax asset	28	74,475	79,333
Other non-current assets		2,186	2,967
Total assets		7,266,525	7,714,188

These consolidated financial statements have been approved by Board of Directors on 27 February 2025 and signed on its behalf by Buğra Koyuncu, Logo Group Chief Executive Officer and Gülnur Anlaş, Logo Group Head of Finance, Chief Financial Officer.

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

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2024**

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

	Notes	Audited 31 December 2024	Audited 31 December 2023
LIABILITIES			
Current liabilities		3,736,122	3,731,937
Short-term borrowings	7	6,146	52,746
Short-term portions of long-term borrowings	7	-	95,403
Trade payables		258,499	405,979
- <i>Trade payables to third parties</i>	8	258,499	405,979
Employee benefit payables	16	325,388	616,298
Other payables		280,335	825,679
- <i>Other payables to third parties</i>	9	280,335	825,673
- <i>Other payables to related parties</i>		-	6
Contract liabilities	17	1,862,883	1,690,391
Current income tax liabilities	28	-	13,456
Other current liabilities		54	31,985
Sub total		2,733,305	3,731,937
Liabilities related to asset groups classified as held for sale	27	1,002,817	-
Non-current liabilities		627,318	657,577
Long-term borrowings	7	5,335	356,447
Other payables		390,699	888
- <i>Other payables to third parties</i>	9	390,699	888
Long-term provisions		147,879	194,029
- <i>Provisions for employee benefits</i>	16	147,879	194,029
Contract liabilities	17	73,148	65,129
Deferred tax liabilities	28	10,257	41,084
EQUITY			
Equity attributable to equity holders of the parent		2,629,408	3,046,595
Paid-in share capital	18	95,000	100,000
Adjustment differences to share capital	18	791,721	830,643
Restricted reserves appropriated from profit		257,270	257,270
Put option revaluation fund related with non-controlling interests		(569,784)	(455,658)
Treasury shares (-)	18	(310,145)	(303,603)
Reserves for treasury shares	18	310,145	303,603
Other comprehensive income that will not be reclassified to profit or loss		295,288	191,020
- <i>Loss on remeasurement of defined benefit plans</i>		(53,831)	(48,173)
- <i>Gain from investments in equity instruments</i>		349,119	239,193
Other comprehensive income that will be reclassified to profit or loss		595,343	755,696
- <i>Foreign currency translation differences</i>		606,613	768,709
- <i>Hedging losses</i>		(9,297)	(14,953)
- <i>Fair value gains (losses) on financial assets at fair value through other comprehensive income</i>		(1,973)	1,940
Retained earnings		812,707	1,165,271
Net income for the year		351,863	202,353
Non-controlling interests		273,677	278,079
Total equity		2,903,085	3,324,674
Total liabilities and equity		7,266,525	7,714,188

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 2024 AND 2023**

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

PROFIT OR LOSS	Notes	Audited 1 January - 31 December 2024	Audited 1 January - 31 December 2023
Revenue	20	4,084,053	3,135,800
Cost of sales (-)	20	(145,458)	(122,458)
Gross profit		3,938,595	3,013,342
General administrative expenses (-)	21	(437,401)	(425,226)
Marketing expenses (-)	21	(1,052,240)	(947,671)
Research and development expenses (-)	21	(1,421,398)	(1,152,171)
Other operating income	22	64,854	30,804
Other operating expenses (-)	22	(144,335)	(102,468)
Operating profit		948,075	416,610
Income from investing activities	23	139,218	169,223
Expenses from investing activities	23	(5,146)	-
Shares of losses of investments valued through equity method		(73,449)	(18,587)
Operating profit before financial income/(expenses)		1,008,698	567,246
Financial income	24	166,901	664,824
Financial expenses (-)	25	(379,299)	(316,955)
Net monetary position losses	26	(491,562)	(622,088)
Income before taxes		304,738	293,027
Tax expense		768	(76,334)
Current income tax expense	28	-	(170,919)
Deferred tax income	28	768	94,585
Profit for the Period from Continuing Operations		305,506	216,693
Profit / (Loss) for the Period from Discontinued Operations	27	57,946	(28,927)
Net profit for the period		363,452	187,766
Net profit attributable to:			
Non-controlling interests		11,589	(14,587)
Equity holders of the parent		351,863	202,353
		363,452	187,766
Earnings/(loss) per share	29	3.75	2.12
-Earnings/(loss) per share from continuing operations		3.25	2.27
-Earnings/(loss) per share from discontinued operations		0.50	(0.15)

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

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.**CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023**

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

OTHER COMPREHENSIVE INCOME	Notes	Audited 1 January - 31 December 2024	Audited 1 January - 31 December 2023
Net profit for the period		363,452	187,766
Items that will be reclassified to profit or loss:		(165,966)	156,678
Foreign currency translation differences		(167,709)	130,729
Hedge losses		5,656	(645)
Fair value difference gains (losses) on financial assets through other comprehensive income		(5,019)	30,982
Tax effect	28	1,106	(4,388)
Items that will not be reclassified to profit or loss		104,268	135,183
Revaluation and measurement losses of defined benefits plans	16	(6,485)	(30,257)
Tax effect	28	827	3,328
Gain from investments in equity instruments		116,817	177,523
Tax effect	28	(6,891)	(15,411)
Other comprehensive income		(61,698)	291,861
Total other comprehensive income		301,754	479,627
Total comprehensive income attributable to:			
Non-controlling interest		5,976	19,448
Equity holders of the parent		295,778	460,179
		301,754	479,627

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

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

	Paid-in capital	Share capital adjustment differences	Treasury shares	Reserves for treasury shares	Losses on hedging shares (**)	Restricted reserves appropriated from profit	Gains and losses on remeasurement of defined benefit plans (*)	Gains from investments in equity instruments (*)	Gains (Losses) on Assets at FVTOCI (**)	Foreign currency translation differences (**)	Prior years' profit	Net profit for the period	Put option valuation fund for non-controlling interests	Equity attributable to the parent	Non-controlling interests	Total equity
PRIOR PERIOD																
Balances as of 1 January 2023	100,000	830,643	(141,006)	141,006	(14,308)	257,270	(21,244)	77,081	(24,654)	672,015	1,173,441	460,010	(237,575)	3,272,679	258,631	3,531,310
Transfers to retained earnings	-	-	-	-	-	-	-	-	-	-	460,010	(460,010)	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	(305,583)	-	-	(305,583)	-	(305,583)
Change in put option liability	-	-	-	-	-	-	-	-	-	-	-	-	(218,083)	(218,083)	-	(218,083)
Increase/decrease due to share buyback transactions	-	-	(162,597)	162,597	-	-	-	-	-	-	(162,597)	-	-	(162,597)	-	(162,597)
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	202,353	-	202,353	(14,587)	187,766
Other comprehensive income	-	-	-	-	(645)	-	(26,929)	162,112	26,594	96,694	-	-	-	257,826	34,035	291,861
Balances as of 31 December 2023	100,000	830,643	(303,603)	303,603	(14,953)	257,270	(48,173)	239,193	1,940	768,709	1,165,271	202,353	(455,658)	3,046,595	278,079	3,324,674
CURRENT PERIOD																
Balances as of 1 January 2024	100,000	830,643	(303,603)	303,603	(14,953)	257,270	(48,173)	239,193	1,940	768,709	1,165,271	202,353	(455,658)	3,046,595	278,079	3,324,674
Transfers to retained earnings	-	-	-	-	-	-	-	-	-	-	202,353	(202,353)	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	(434,286)	-	-	(434,286)	-	(434,286)
Change in put option liability	-	-	-	-	-	-	-	-	-	-	(40,974)	-	(114,126)	(155,100)	(10,378)	(165,478)
Increase/decrease due to share buyback transactions	-	-	(123,579)	123,579	-	-	-	-	-	-	(123,579)	-	-	(123,579)	-	(123,579)
Capital reduction	(5,000)	(38,922)	117,037	(117,037)	-	-	-	-	-	-	43,922	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	351,863	-	351,863	11,589	363,452
Other comprehensive income	-	-	-	-	5,656	-	(5,658)	109,926	(3,913)	(162,096)	-	-	-	(56,085)	(5,613)	(61,698)
Balances as of 31 December 2024	95,000	791,721	(310,145)	310,145	(9,297)	257,270	(53,831)	349,119	(1,973)	606,613	812,707	351,863	(569,784)	2,629,408	273,677	2,903,085

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

(**) Other comprehensive income/(expense) and 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 2024 AND 2023

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

		Current Period 1 January - 31 December 2024	Prior Period 1 January - 31 December 2023
	Notes		
A. Cash flows generated from operating activities		1,594,966	976,969
Profit for the period		363,452	187,766
<i>Profit/(loss) for the period from continuing operations</i>		<i>305,506</i>	<i>216,693</i>
<i>Profit/(loss) for the period from discontinued operations</i>		<i>57,946</i>	<i>(28,927)</i>
Adjustments to reconcile profit for the year		1,119,755	443,111
Adjustments related to depreciation and amortization expenses	11, 12, 13	495,194	412,217
Adjustments related to provisions for employment termination benefits	16	89,783	75,984
Adjustments related to interest expenses	25	336,457	56,650
Adjustments related to interest income	24	(10,313)	(33,620)
Adjustments related to losses (gains) on disposal of financial investments	23	(139,218)	(169,223)
Adjustments related to share sales liability	23	5,146	
Adjustments related to fair value losses (gains) of derivative financial instruments	2	-	4,668
Adjustment related to impairment/(reversal of) on receivables	8	2,531	2,724
Adjustments related to unrealized exchange differences		(150,619)	(609,062)
Adjustments related to tax (income)/expense	28	(768)	80,675
Monetary (gain) / loss effect		491,562	622,098
Changes in working capital		(53,464)	315,899
Adjustments related to decrease / (increase) in inventories		19,077	(47,277)
Adjustments related to decrease / (increase) in trade receivables		(596,655)	(409,523)
Adjustments related to increase / (decrease) in trade payables		163,950	147,818
Increase in other assets related to operations		(30,490)	11,663
Increase / (decrease) in other payables related to operations		390,654	613,218
Cash flows generated from operating activities		1,429,743	946,776
Tax payments	28	(13,456)	(167,306)
Payments related to employee benefits	16	(52,566)	(17,059)
Net cash from discontinued operations		231,245	214,558
Cash outflows for purchases of property, plant and equipment and intangible assets	11, 12	(793,705)	(759,891)
Cash inflows for the sale of debt instruments or shares of other entities or funds		503,219	(182,986)
Cash inflows from sales of property, plant and equipment and intangible assets		3,256	2,371
Interest received		149,531	202,945
Net cash flows from discontinued operations		(200,220)	(210,673)
B. Cash flows from investing activities		(337,919)	(948,234)
Net cash from financing activities of discontinued operations		(14,367)	(61,008)
Cash outflows from repayments of loans	33	-	(24,700)
Cash inflows from loans	33	8,477	13,376
Interest paid		(332,617)	(170,833)
Cash outflows from the purchase of own shares		(123,579)	(162,596)
Cash outflows related to debt payments from lease agreements	33	(37,922)	(8,679)
Dividends paid		(434,286)	(305,583)
C. Cash flows from financing activities		(934,294)	(720,023)
Net decrease in cash and cash equivalent before the effects of currency translation differences (A+B+C)		322,753	(691,288)
D. Effects of currency translation differences on cash and cash equivalents		8,436	1,065,198
Net increase in cash and cash equivalents (A+B+C+D)		331,189	373,910
E. Monetary gains effect on cash and cash equivalents		(225,081)	(214,299)
F. Cash and cash equivalents at the beginning of the period	4	704,755	545,144
Cash and cash equivalents at the end of the period (A+B+C+D+E+F)	4	810,863	704,755

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

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

NOTE 1 - ORGANIZATION AND NATURE OPERATIONS OF THE GROUP

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 Turkey and operates under the Turkish Commercial Code.

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

As of December 31, 2024, the average number of employees within the scope of Romania operations is 552 (December 31, 2023: 583), while the average number of employees within the scope of Turkey operations is 989 (December 31, 2023: 918).

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

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

As of 31 December 2024, 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
Joint venture	Country of incorporation	Nature of business
Logo Infosoft Business Technology Private Limited ("Logo Infosoft")	India	Development and marketing of software

(*) Logo Ödeme Hizmetleri A.Ş. was established within the Group on 29 November 2022 to operate within the scope of our country's new regulations on open banking within the framework of the goal of maintaining and growing its investments in the field of Fintech. As of 31 December 2024, the revenue model of the Fintech services of the company, which has not yet started its operations, will be based on annual package subscription and credits per transaction, and the Company is expected to significantly increase its SaaS (Software-as-a-Service) revenues.

(**) Note 27

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

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

The 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 foreign countries, are adjusted to TAS/IFRS for the purpose of fair presentation. Subsidiaries’ assets and liabilities of the related foreign subsidiaries are translated into Turkish Lira from the foreign exchange rate at the balance sheet date and income and expenses are translated into Turkish Lira at the average foreign exchange rate. Exchange differences arising from the use of closing and average exchange rates are recognized under the foreign currency translation reserve in 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 2024 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 of 31 December 2024 and 31 December 2023:

Subsidiaries	31 December 2024 (%)	31 December 2023 (%)
Total Soft	80.00	80.00
Logo GmbH	80.00	80.00
ABS	80.00	80.00
ABS FS (*)	39.20	39.20
Peoplise	100.00	88.00
Logo Ödeme	100.00	100.00

(*) In 2018, the Company acquired 100% of the shares of Architected Business Solutions SRL and indirectly owns 49% of the shares of Nexia ABS Financial Services SRL. 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.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

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 2024 (%)	31 December 2023 (%)
Logo Infosoft (*)	75.93	68.25

(*) On 1 January 2018, the Company's control over Logo Infosoft has been changed to joint control with the agreement signed with GSF Software Labs LLC. After this date, Logo Infosoft is treated as a joint venture in the consolidated financial statements and accounted for as an investment accounted for using the equity method.

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 of the Group have been prepared in TL, which is the currency of the primary economic environment in which Logo Yazılım operates ("functional currency") and the presentation currency for the consolidated financial statements.

Functional currency of subsidiaries operating in Romania is Romanian Leu ("RON"). Functional currency of Logo Infosoft is Indian rupee ("INR"). Financial information of each entity included in consolidation are measured using the currency of the primary economic environment in which these entities operate, normally under their local currencies. 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 translation differences arising on translation are recognized in other comprehensive income as a separate component of equity.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

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 reclassified 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 2024

Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to TAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to TAS 7 and TFRS 7	<i>Supplier Finance Arrangements</i>
TSRS 1	<i>General Requirements for Disclosure of Sustainability-related Financial Information</i>
TSRS 2	<i>Climate-related Disclosures</i>

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

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

Amendments to 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 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

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 2024 (cont'd)

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.

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 the Board Decision dated 16 December 2024 amending this announcement. Other entities may voluntarily report in accordance with TSRS. The Group continues to assess the potential impact of TSRS 1 and TSRS 2 on the financial statements.

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 the Board Decision dated 16 December 2024 amending this announcement. Other entities may voluntarily report in accordance with TSRS.

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

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

TFRS 17
Amendments to TFRS 17
Amendments to TAS 21

Insurance Contracts
Initial Application of TFRS 17 and TFRS 9 —
Comparative Information
Lack of Exchangeability

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

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 revised TFRSs in issue but not yet effective (cont'd)

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current 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 2026.

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

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

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

The amendments will be applied when TFRS 17 is first adopted.

Amendments to TAS 21 Lack of Exchangeability

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Amendments are effective from annual reporting periods beginning on or after 1 January 2025.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

**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/IFRS are applied retrospectively or prospectively in accordance with the transitional provisions of the TAS/IFRS. 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.

In this framework, while preparing the consolidated financial statements dated 31 December 2024, inflation adjustment has been made in accordance with TAS 29.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

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
31.12.2024	2,684,55	1.00000	291%
31.12.2023	1,859,38	1.44379	268%
31.12.2022	1,128,45	2.37897	156%

The 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

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 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

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 through profit or loss, financial assets carried at fair value through 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 than 12 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, and bank overdrafts, 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 at 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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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-through⁴ 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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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.

Discontinued operations

A disposal group is a component of a Group that is disposed of or classified as available-for-sale and whose activities and cash flows are segregated from those of the Group as a whole. A disposal group is a separate business or geographical segment, is part of a separate plan to sell or dispose of, or is a subsidiary acquired for the purpose of sale. The Group values the disposal group at the lower of the carrying amount of the related assets and liabilities and fair value less costs to sell (Note 27).

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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**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.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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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:

	<u>Useful Life</u>
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.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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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.

	<u>Useful Life</u>
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:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale,
- Its intention to complete the intangible asset and use or sell it,
- Its ability to use or sell the intangible asset,
- 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,
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset,
- 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.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

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

2.5 Summary of Significant Accounting Policies (cont'd)

Impairment of Assets

At each statement of financial position date, the Group assesses whether there is any indication that an asset other than deferred tax assets and financial assets carried at fair value may be impaired. If any such indication exists, the recoverable amount of that asset is estimated. For intangible assets that are not available for use, the recoverable amount is estimated at each balance sheet date. An impairment loss is recognized for the amount by which the carrying amount of the asset or any cash-generating unit of the asset exceeds its recoverable amount, whether through use or sale. Impairment losses are recognized in the statement of profit or loss in the related period.

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.
 - 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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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.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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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 Turkey ('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 depreciable assets are included in the income statement during the relevant periods in proportion to the depreciation of these assets.

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

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's revenues primarily consist of standard package software sales revenues, Logo Enterprise Membership ("LEM") sales revenues, SaaS subscription revenues, after-sales support revenues, custom software development project revenues, and version upgrade package revenues.

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 and subscription 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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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 monthly and yearly. 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.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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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 revenue

Other revenue 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.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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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

When an entity reacquires an equity instrument, the instrument ("treasury shares") is recognized as a deduction from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of an entity's equity instruments. When the Company reissues shares, the difference between the carrying amount and the consideration paid is recognized as share premium. Voting rights are cancelled and no dividends are paid in respect of repurchased shares.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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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 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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**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, intangible assets are stated at historical cost less depreciation, net of any impairment charges. Depreciation on intangible assets is calculated using the straight-line method over their estimated useful lives. Useful lives depend on the best estimates of management and are reviewed in each financial period and corrected accordingly.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

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.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

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).

2024	Continued operations Türkiye	Discontinued operations Romania	Segmental eliminations	Consolidated
Segment assets	4,901,879	2,364,646	-	7,266,525
Segment liabilities	3,360,623	1,002,817	-	4,363,440
Goodwill	104,391	-	-	104,391
Property, plant and equipment and intangible assets	2,087,809	-	-	2,087,809
Right-of-use assets	9,973	-	-	9,973

2024	Türkiye	Romania	Segmental eliminations	Consolidated
Revenue	4,084,053	-	-	4,084,053
Cost of sales	(145,458)	-	-	(145,458)
Operating expenses	(2,911,039)	-	-	(2,911,039)
Other operating income	64,854	-	-	64,854
Other operating expenses	(144,335)	-	-	(144,335)
Income from investing activities	134,072	-	-	134,072
Shares in profit/loss of investments valued by equity method	(73,449)	-	-	(73,449)
Finance income	166,901	-	-	166,901
Finance expenses	(379,299)	-	-	(379,299)
Depreciation and amortization	(495,194)	-	-	(495,194)
Tax expense	768	-	-	768
Net monetary position gains/(losses)	(491,562)	-	-	(491,562)
Net profit for the period	305,506	57,946	-	363,452
Adjusted EBITDA	1,522,750	-	-	1,522,750
Purchase of property, plant and equipment and intangible assets	793,705	-	-	793,705

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

2024	Consolidated
Adjusted EBITDA	1,522,750
Depreciation and amortization	(495,194)
Income from investing activities	134,072
Shares in profit/loss of investments valued by equity method	(73,449)
Other operating income	64,854
Other operating expenses	(144,335)
Finance income	166,901
Finance expenses	(379,299)
Net monetary position losses	(491,562)
Profit before tax	304,738

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

NOTE 3 - SEGMENT REPORTING (cont'd)

2023	Türkiye	Romania	Segmental eliminations	Consolidated
Segment assets	5,270,762	2,486,289	(42,863)	7,714,188
Segment liabilities	3,191,195	1,241,182	(42,863)	4,389,514
Goodwill	104,391	999,087	-	1,103,478
Property, plant and equipment and intangible assets	1,784,765	1,065,863	-	2,850,628
Right-of-use assets	10,266	24,884	-	35,150

2023	Türkiye	Romania	Segmental eliminations	Consolidated
Revenue	3,135,800	-	-	3,135,800
Cost of sales	(122,458)	-	-	(122,458)
Operating expenses	(2,525,068)	-	-	(2,525,068)
Other operating income	30,804	-	-	30,804
Other operating expenses	(102,468)	-	-	(102,468)
Income from investing activities	169,223	-	-	169,223
Shares in profit/loss of investments valued by equity method	(18,587)	-	-	(18,587)
Finance income	664,824	-	-	664,824
Finance expenses	(316,955)	-	-	(316,955)
Depreciation and amortization	(412,217)	-	-	(412,217)
Tax expense	(76,334)	-	-	(76,334)
Net monetary position gains/(losses)	(622,088)	-	-	(622,088)
Net profit for the period	216,693	(28,927)	-	187,766
Adjusted EBITDA	900,491	-	-	900,491
Purchase of property, plant and equipment and intangible assets	759,891	-	-	759,891

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

2023	Consolidated
Adjusted EBITDA	900,491
Depreciation and amortization	(412,217)
Income from investing activities	169,223
Shares in profit/loss of investments valued by equity method	(18,587)
Other operating income	30,804
Other operating expenses	(102,468)
Finance income	664,824
Finance expenses	(316,955)
Net monetary position losses	(622,088)
Profit before tax	293,027

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 4 – CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents as of 31 December 2024 and 2023 are presented below:

	31 December 2024	31 December 2023
Cash	-	195
Bank	13,927	592,080
- Time deposits	5,509	510,673
- Demand deposits	8,418	81,407
Credit card slip receivables	278,631	12,463
Liquid funds (*)	151,248	100,017
	443,806	704,755

(*) 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.

The reconciliation of cash and cash equivalents in the statement of cash flows is as follows:

	31 December 2024	31 December 2023
Cash and cash equivalents	443,806	704,755
Cash and cash equivalents related to assets classified as held for sale	367,057	-
	810,863	704,755

NOTE 5 - FINANCIAL INVESTMENTS

Short-term financial investments

	31 December 2024	31 December 2023
- Financial assets at fair value through profit or loss	38,247	114,653
- Financial assets at fair value through other comprehensive income (*)	89,782	292,451
	128,029	407,104

(*) 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.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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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 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Logo Ventures Girişim Sermayesi Yatırım Fonu ("Logo Ventures I") (*)	15,125	19,379
Logo Ventures Girişim Sermayesi Yatırım Fonu ("Logo Ventures II") (*)	400,607	341,908
İnterpro Yayıncılık Araştırma ve Organizasyon Hizmetleri A.Ş. ("Interpro")	81	117
Figo Ticari Bilgi ve Uygulama Platformu A.Ş. (**)	69,114	69,114
Payer Yazılım Sanayi ve Ticaret A.Ş. (**)	8,759	8,759
Dokuz Eylül Teknoloji Geliştirme Bölgesi A.Ş. ("Dokuz Eylül")	517	517
	494,203	439,794

(*) As of 31 December 2024, 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 116,817 (2023: TL 177,523) 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 2024 and 2023. The Company has committed a funding of 11,200 thousand USD to the Istanbul Portfolio Management Inc. Logo Ventures II Venture Capital Investment Fund. A total of 7,270 thousand USD has been paid, including 1,600 thousand USD in 2024 (2023: 1,750 thousand USD).

(**) As of 31 December 2024, Payer Yazılım Sanayi ve Ticaret A.Ş. and Figo Ticari Bilgi ve Uygulama Platformu A.Ş., in which the Group has 10% and 3.02% shares, respectively, are indexed in accordance with TAS 29. In addition, 25% of the shares of Figo Ticari Bilgi ve Uygulama Platformu A.Ş., in which the Group has 4.02% shares, were sold on 5 April 2023. After the sale, the ownership rate decreased from 4.02% to 3.02%.

31 December 2024 31 December 2023

Private sector bonds:

Financial assets at fair value through other comprehensive income (***)	136,530	598,661
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(***) 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 2024 31 December 2023

Other long-term financial investments (****)	108,273	122,310
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(****) 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 89.22%. (2023: 86.12%) The Group has not considered the related investment for trading purposes and has recognized the fair value changes in the other comprehensive income statement in accordance with the accounting policies explained in Note 2.5.

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NOTE 6 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

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

Summary of balance sheet

Logo Infosoft	31 December 2024	31 December 2023
Cash and cash equivalents	13,723	14,653
Other current assets	35,004	35,633
Other non-current assets	1,516	2,710
Total assets	50,243	52,996
Other current liabilities	25,430	28,356
Other non-current liabilities	247,513	272,147
Total liabilities	272,943	300,503
Net liabilities	(222,700)	(247,507)
Logo Infosoft	31 December 2024	31 December 2023
Income	20,150	17,813
Expenses (-)	(109,410)	(101,149)
Net loss for the period	(89,260)	(83,336)
Group's ownership rate	75.93%	68.25%
Group's share	(67,771)	(56,880)
Unrecognized gains / (losses) (*)	5,678	(38,293)
Share of losses of investment under equity method	(73,449)	(18,587)

(*) As of 31 December 2024, the total loss to the Group's share but not recorded is TL 71,882 (31 December 2023: TL 77,560).

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 7 – BORROWINGS

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

Short-term borrowings:	31 December 2024	31 December 2023
Short-term bank loans	-	34,901
Credit card payables	3,275	14,412
Lease liabilities	2,871	3,433
	6,146	52,746
Short-term portions of long-term borrowings:		
Short-term portions of long-term bank loans	-	90,254
Lease liabilities	-	5,149
	-	95,403
Total short-term borrowings	6,146	148,149
Long-term borrowings:	31 December 2024	31 December 2023
Long-term bank loans	-	324,538
Lease liabilities	5,335	31,909
Total long-term borrowings	5,335	356,447

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

NOTE 7 – BORROWINGS (cont'd)

	31 December 2024		
	Weighted average annual interest rate (%)	Original amount (nominal)	TL equivalent
Short-term borrowings:			
Credit card payables - TL	-	2,871	2,871
Lease liabilities – EUR	Euribor 3M	-	-
Lease liabilities - TL	12% - 25%	3,275	3,275
			6,146
Long-term borrowings:			
Lease liabilities - TL	-	5,335	5,335
			5,335
Total borrowings			11,481
	31 December 2023		
	Weighted average annual interest rate (%)	Original amount (nominal)	TL equivalent
Short-term borrowings:			
Bank borrowings - TL - unsecured	Euribor 1M+2.95%	741	34,901
Credit card payables - TL	-	2,378	3,433
Lease liabilities – EUR	Euribor 3M	263	12,399
Lease liabilities - TL	12% - 25%	1,394	2,013
			52,746
Short-term portion of long-term borrowings:			
Bank borrowings - EUR - secured	Euribor 6M+ 2.45%-2.50%	1,916	90,254
Lease liabilities - EUR	-	109	5,149
			95,403
Long-term borrowings:			
Bank borrowings - EUR - secured	Euribor 6M+ 2.45%-2.50%	6,888	324,538
Lease liabilities - EUR	Euribor 3M	550	25,920
Lease liabilities - TL	-	4,148	5,989
			356,447
Total borrowings			504,596

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 7 – BORROWINGS (cont'd)

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

	31 December 2024		31 December 2023	
Payable in 1-2 years	896		112,809	
Payable in 2-5 years	45		240,093	
Payable over 5 years	4,394		3,545	
	5,335		356,447	
	Book Value		Fair value	
	2024	2023	2024	2023
Bank loans	-	449,692	-	476,093
	-	449,692	-	476,093

Interest rate and currency risk of the Group are explained in Note 31.

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

The details of trade receivables and payables as of 31 December 2024 and 31 December 2023 are as follows:

Short-term trade receivables:	31 December 2024	31 December 2023
Buyers	1,301,674	1,255,971
Cheques and notes receivable	22,213	11,234
Less: Provision for doubtful receivables	(6,970)	(50,466)
Less: Unearned finance income arising from credit sales	(114,956)	(42,063)
	1,201,961	1,174,676

As of 31 December 2024, the average receivable turnover rate is 73 days (31 December 2023: 89 days). The rediscount rate applied for the receivables not due is 53.93% (31 December 2023: 49.28%).

As of 31 December 2024, trade receivables amounting to TL 51,713 (31 December 2023: TL 91,988) are not considered as doubtful receivables although they are past due. The maturity analysis of these receivables is as follows:

	31 December 2024	31 December 2023
Up to 1 month	32,714	34,316
1-3 months	6,864	17,662
More than 3 months	12,135	40,010
	51,713	91,988

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

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

As of 31 December 2023, overdue receivables amounting to TL 69,246 consist of trade receivables of Total Soft. The Group manages its receivables in accordance with the credit risk management policies disclosed in Note 30.

As of 31 December 2024 and 2023, movements of provision for doubtful trade receivables are as follows:

	2024	2023
As of 1 January	50,466	51,727
Provisions for the period	2,671	21,166
Provisions released	(140)	(18,442)
Foreign currency translation difference	-	16,347
Effect related to asset groups classified as held for sale	(43,991)	-
Inflation effect	(2,036)	(20,332)
As of 31 December	6,970	50,466

Trade payables to third parties:	31 December 2024	31 December 2023
<u>Trade payables</u>	258,499	405,979

As of 31 December 2024, the average debt repayment period is 91 days (31 December 2023: 102 days).

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 8 - TRADE RECEIVABLES AND PAYABLES (cont'd)

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

31 December 2024	<u>Trade receivables</u>		<u>Other receivables</u>		Bank and funds	Other
	Related party	Other	Related party	Other		
The maximum of credit risk exposure as of reporting date	-	1,201,961	1,543	282	443,806	867,040
- Amount of risk covered by guarantees	-	245	-	-	-	-
Net carrying value of not past due not impaired financial assets	-	1,150,248	1,543	282	443,806	867,040
Net carrying value of past due but not impaired financial assets	-	51,713	-	-	-	-
Amount of risk covered by guarantees	-	-	-	-	-	-
Net carrying value of impaired assets	-	-	-	-	-	-
Past due (gross carrying value)	-	6,970	-	-	-	-
Impairment (-)	-	(6,970)	-	-	-	-
Amount of risk covered by guarantees	-	-	-	-	-	-

The guarantees include cheques, mortgages and letters of guarantee.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

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

31 December 2023	<u>Trade receivables</u>		<u>Other receivables</u>			
	Related party	Other	Related party	Other	Bank and funds	Other
The maximum of credit risk exposure as of reporting date	2,953	1,174,676	1,373	82	704,560	1,567,869
- Amount of risk covered by guarantees	-	354	-	-	-	-
Net carrying value of not past due not impaired financial assets	2,953	1,082,688	1,373	82	704,560	1,567,869
Net carrying value of past due but not impaired financial assets	-	91,988	-	-	-	-
Amount of risk covered by guarantees	-	-	-	-	-	-
Net carrying value of impaired assets	-	-	-	-	-	-
Past due (gross carrying value)	-	50,466	-	-	-	-
Impairment (-)	-	(50,466)	-	-	-	-
Amount of risk covered by guarantees	-	-	-	-	-	-

The guarantees include cheques, mortgages and letters of guarantee.

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NOTE 9 – OTHER RECEIVABLES, PAYABLES AND OTHER ASSETS**Other short-term receivables
from third parties:**

	31 December 2024	31 December 2023
Income accruals	225	-
Deposits and guarantees given	57	82
	282	82

**Other short-term payables
to third parties:**

	31 December 2024	31 December 2023
Share sale liability (***)	64,583	-
Put option liability - ABS (*)	-	516,353
Put option liability - Peoplise (**)	-	27,376
Other taxes payable	215,752	279,666
Other payables to third parties	-	2,278
	280,335	825,673

**Other long-term payables
to third parties:**

	31 December 2024	31 December 2023
Share sale liability (***)	390,084	-
Other	615	888
	390,699	888

(*) The Company has signed a new agreement with Avramos Holding, 20% shareholder of its subsidiary Total Soft. Within the framework of the management buy out offer, Avramos Holding will increase its stake in Total Soft in two stages, from 20% to 30% in 2025 and from 30% to 85% by the end of 2027, by making a total payment of EUR 15,1 thousand to the Company until the end of 2027. For the 15% Total Soft shareholding that will remain with the Company at the end of 2027, the Company has a put option to sell to Avramos Holding by 2030.

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

(***) Within the scope of the share sale agreement signed with Avramos Holding, a share sale liability has been recognized (Note 27).

Other current assets:

	31 December 2024	31 December 2023
Prepaid taxes	9,744	18,160
Personnel advances	12,939	5,179
Business advances	12	6,161
Deferred VAT	5,685	4,474
Other	2,915	29,553
	31,295	63,527

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in TL based on the purchasing power of one thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

NOTE 10- INVENTORIES

	31 December 2024	31 December 2023
Trade goods	48	2,677
Raw materials	14,385	49,643
Other	28	87
	14,461	52,407

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2024	Additions	Disposals	Classified as held for sale	31 December 2024
Cost:					
Machinery, plant and equipment	191,397	18,963	(3,326)	(52,931)	154,103
Motor vehicles	167,631	6,003	(2,976)	(24,088)	146,570
Furniture and fixtures	69,495	47	(189)	(1,051)	68,302
Leasehold improvements	448,237	271	(16,998)	(2,581)	428,929
	876,760	25,284	(23,489)	(80,651)	797,904
Accumulated depreciation:					
Machinery, plant and equipment	121,044	20,313	(2,402)	(39,276)	99,679
Motor vehicles	43,455	28,495	(644)	(19,709)	51,597
Furniture and fixtures	62,919	3,129	(189)	944	66,803
Leasehold improvements	238,974	14,034	(16,998)	(2,125)	233,885
	466,392	65,971	(20,233)	(60,166)	451,964
Net book value	410,368				345,940

	1 January 2023	Additions	Disposals	Foreign currency translation differences	31 December 2023
Cost:					
Machinery, plant and equipment	150,551	65,576	(25,058)	328	191,397
Motor vehicles	74,424	95,639	(727)	(1,705)	167,631
Furniture and fixtures	82,876	581	(12,330)	(1,632)	69,495
Leasehold improvements	466,995	756	(19,851)	337	448,237
	774,846	162,552	(57,966)	(2,672)	876,760
Accumulated depreciation:					
Machinery, plant and equipment	125,022	22,135	(22,452)	(3,661)	121,044
Motor vehicles	22,244	22,378	(713)	(454)	43,455
Furniture and fixtures	74,794	1,693	(12,251)	(1,317)	62,919
Leasehold improvements	246,387	12,406	(19,851)	32	238,974
	468,447	58,612	(55,267)	(5,400)	466,392
Net book value	306,399				410,368

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 12 - INTANGIBLE ASSETS

	1 January 2024	Additions	Disposals	Classified as held for sale	31 December 2024
Cost:					
Development costs	5,300,211	751,348	-	(1,354,919)	4,696,640
Advanced technology	175,661	-	-	(25,891)	149,770
Customer relations	422,084	-	-	(249,335)	172,749
Non-compete agreement	32,196	-	-	-	32,196
Other intangible assets	237,019	17,073	-	(76,340)	177,752
	6,167,171	768,421	-	(1,706,485)	5,229,107
Accumulated amortization:					
Development costs	3,098,253	404,346	-	(483,663)	3,018,936
Advanced technology	166,545	4,643	-	(24,881)	146,307
Customer relations	249,240	6,538	-	(111,449)	144,329
Non-compete agreement	32,196	-	-	-	32,196
Other intangible assets	180,677	5,907	-	(41,114)	145,470
	3,726,911	421,434	-	(661,107)	3,487,238
Net book value	2,440,260				1,741,869

TL 748,227 of additions to development costs for the year ended 31 December 2024 (31 December 2023: TL 808.975) consists of capitalized personnel costs.

Current period depreciation and amortization expenses amounting to TL 457,769 (31 December 2023: TL 373,727) are included in research and development expenses, TL 27,932 (31 December 2023: TL 32,409) in marketing expenses, TL 9,493 (31 December 2023: TL 6,081) in general administrative expenses. As explained in Note 27, depreciation and amortization expenses of Total Soft amounting to TL 142,574 were recognized under discontinued operations in 2023.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

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NOTE 12 - INTANGIBLE ASSETS (cont'd)

	1 January 2023	Additions	Disposals	Foreign currency translation differences	31 December 2023
Cost:					
Development costs	4,440,538	817,052	-	42,621	5,300,211
Advanced technology	176,616	-	-	(955)	175,661
Customer relations	425,607	-	-	(3,523)	422,084
Non-compete agreement	32,196	-	-	-	32,196
Other intangible assets	224,975	1,719	(1,400)	11,725	237,019
	5,299,932	818,771	(1,400)	49,868	6,167,171
Accumulated amortization:					
Development costs	2,637,462	443,267	-	17,524	3,098,253
Advanced technology	162,285	4,643	-	(383)	166,545
Customer relations	223,911	22,684	-	2,645	249,240
Non-compete agreement	32,196	-	-	-	32,196
Other intangible assets	175,697	5,344	(1,322)	958	180,677
	3,231,551	475,938	(1,322)	20,744	3,726,911
Net book value	2,068,381				2,440,260

NOTE 13 – RIGHT-OF-USE ASSETS

	1 January 2024	Additions	Disposals	Classified as held for sale	31 December 2024
Cost:					
Motor vehicles	37,130	-	(32,650)	(4,480)	-
Office rent	78,515	8,477	(7,607)	(56,919)	22,466
	115,645	8,477	(40,257)	(61,399)	22,466
Accumulated depreciation: (-)					
Motor vehicles	37,029	-	(32,547)	(4,482)	-
Office rent	43,466	7,789	(6,729)	(32,033)	12,493
	80,495	7,789	(39,276)	(36,515)	12,493
Net book value	35,150				9,973

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 13 – RIGHT-OF-USE ASSETS (cont'd)

	1 January 2023	Additions	Disposals	Foreign currency translation differences	31 Decembers 2023
Cost:					
Motor vehicles	34,065	3,399	(960)	626	37,130
Office rent	79,801	16	(214)	(1,088)	78,515
	113,866	3,415	(1,174)	(462)	115,645
Accumulated depreciation: (-)					
Motor vehicles	29,989	8,223	(948)	(235)	37,029
Office rent	29,817	12,018	(185)	1,816	43,466
	59,806	20,241	(1,133)	1,581	80,495
Net book value	54,060				35,150

NOTE 14 - GOODWILL

	31 December 2024	31 December 2023
Total Soft	-	739,556
Total Soft (ABS)	-	250,977
Netsis	69,044	69,044
Peoplise	19,552	19,552
Total Soft (Nexia)	-	8,554
Other	15,795	15,795
	104,391	1,103,478

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

	2024	2023
As of 1 January	1,103,478	1,117,262
Classified as held for sale (Note: 27)	(999,087)	-
Foreign currency translation difference	-	(13,784)
As of 31 December	104,391	1,103,478

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

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NOTE 14 – GOODWILL (cont'd)

Goodwill impairment test - Total Soft and ABS

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

Goodwill impairment test has been performed by using the five years consolidated business projections of Total Soft and ABS prepared by the management between 1 January 2025 and 31 December 2029. 15% has been used as cumulative average growth rate the years between 2025 and 2029.

Cash flows for future periods (perpetuity) were extrapolated using a constant growth rate of 3% which is the expected inflation rate announced by the Central Bank of Romania.

Weighted average cost of capital rate of 17.8% 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

If the long-term growth rate is assumed to be 3%, which was assumed to be 4% in the original assumption, the recoverable amount is 15% above the carrying amount of the cash-generating unit including goodwill and no impairment loss is required.

Discount rate

If the discount rate, which was 17.8% in the original assumption, is assumed to be 16.8%, the recoverable amount is 20% above the carrying amount of the cash-generating unit including goodwill and no impairment loss is 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 2024 and current book value. As of 31 December 2024, it is noted that the current cash flows of the cash generating unit exceeds its book value. Negative cash flows are not expected from Netsis in the foreseeable future.

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

	Original currency	31 December 2024		31 December 2023	
		Original amount	TL equivalent	Original amount	TL equivalent
Guarantee notes	TL	354	354	354	354
		354	354	354	354

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

GPM given by the Company:

	31 December 2024				31 December 2023			
	EUR	USD	RON	TL	EUR (nominal)	USD (nominal)	RON (nominal)	TL
A. Total amount of GPM provided by the Company on behalf of itself	-	1,576	-	10,768	-	1,315	-	9,812
B. Total amount of GPM provided on behalf of the associates accounted under full consolidation method (*)	646,557	-	-	-	578,004	-	375	-
C. Total amount of GPM provided on behalf of third parties in order to maintain operating activities (to secure third party payables)	-	-	-	-	-	-	-	-
D. Total amount of other GPM given -	-	-	-	-	-	-	-	-
(i) Total amount of GPM given on behalf of the parent Company -	-	-	-	-	-	-	-	-
(ii) Total amount of GPM provided on behalf of other Group companies which are not in the scope of B and C	-	-	-	-	-	-	-	-
(iii) Total amount of GPM provided on behalf of third parties which are not in the scope of C	-	-	-	-	-	-	-	-
	646,557	1,576	-	10,768	578,004	1,315	375	9,812

(*) Note 7.

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

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

	31 December 2024	31 December 2023
Personnel bonuses	271,367	287,403
Taxes, funds and social security payables	50,529	277,386
Due to personnel	3,492	51,509
	325,388	616,298

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

	31 December 2024	31 December 2023
Provision for employment termination benefits	83,716	111,040
Provision for unused vacation	64,163	82,989
	147,879	194,029

For the years ended 31 December 2024 and 2023, movements of unused vacation provision are as follows:

	2024	2023
As of 1 January	82,989	68,332
Increase during the year	33,779	38,709
Foreign currency translation difference	-	13,532
Effect related to asset groups classified as held for sale	(28,693)	-
Inflation effect	(23,912)	(37,584)
As of 31 December	64,163	82,989

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 41,828 for each year of service (31 December 2023: TL 33,914). 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 loss/(gain) is accounted under the "Actuarial gains/(losses) calculated within the scope of employee benefits":

	31 December 2024	31 December 2023
Discount rate (%)	3.50	3.50
Probability of voluntary leave (%)	77.27	92.32

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Since the Group calculates the reserve for employment termination benefits every six months the maximum amount of TL 46,655 which is effective from 1 January 2025 (1 January 2024: TL 50,618) has been taken into consideration in the calculations.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 16 - EMPLOYEE BENEFITS (cont'd)

The movement in the provision for employment termination benefits during the years ended 31 December 2024 and 2023 were as follows.

	2024	2023
As of 1 January	111,040	93,155
Service cost	32,802	23,957
Interest cost	23,202	15,413
Actuarial loss	6,485	30,257
Compensation paid	(52,566)	(17,059)
Inflation effect	(37,247)	(34,683)
As of 31 December	83,716	111,040

NOTE 17 - PREPAID EXPENSES AND LIABILITIES FROM CONTRACTS WITH CUSTOMERS

Short-term prepaid expenses:	31 December 2024	31 December 2023
Prepaid expenses	61,071	70,656
	61,071	70,656

Long-term prepaid expenses:	31 December 2024	31 December 2023
Advances given	1,591	4,334
	1,591	4,334

Current liabilities arising from customer contracts:

	31 December 2024	31 December 2023
Liabilities arising from customer contracts (*)	1,851,216	1,668,278
Advances received	11,667	22,113
	1,862,883	1,690,391

Non-current liabilities arising from customer contracts:

	31 December 2024	31 December 2023
Liabilities arising from customer contracts (*)	73,148	65,129
	73,148	65,129

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

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

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

The details of deferred income as of 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Pay as you go sales	1,130,812	905,364
LEM sales	750,537	640,769
Revenue from continuing projects	36,499	55,417
After-sales services revenue	6,516	131,857
	1,924,364	1,733,407

NOTE 18 - EQUITY

The Company's authorized and paid-in share capital consists of 95,000,000 (31 December 2023: 100,000,000) shares with a nominal value of Kr 1 each. The shareholding structure of the Company as of 31 December 2024 and 31 December 2023 is as follows:

	31 December 2024	Share rate (%)	31 December 2023	Share rate (%)
Logo Teknoloji ve Yatırım A.Ş.	33,630	35.40	33,630	33.63
Publicly traded	61,370	64.60	66,370	66.37
	95,000	100.00	100,000	100.00
Share capital adjustment differences	791,721		830,643	
Paid-in capital	886,721		930,643	

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.

The amendment of the Company's articles of association's article 6 titled "Capital", comprising the decrease of the issued share capital from 100,000,000 TL to 95,000,000 TL without requiring a fund outflow through redeeming of the company shares, with nominal value of 5,000,000 TL corresponding to 500,000,000 shares, that were acquired through share buy-back programs, was approved by CMB on 19 September 2024, and our Extraordinary General Assembly on 18 December 2024.

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NOTE 18 – EQUITY (cont'd)

Treasury shares

As of 31 December 2024, the Group's treasury shares recognized in equity amounts to TL 310,145 (31 December 2023: TL 303,603).

Dividend distribution

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

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

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

The Group aims to complete the dividend payment before the last working day of the year in which dividend distribution decision is made in the General Assembly and starts the payment latest at the end of the accounting period when the General Assembly meeting is held. The General Assembly or Board of Directors, if authorized by the General Assembly, can decide to distribute dividend in 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, 2024, with the inflation-adjusted amounts in the financial statements prepared in accordance with Law No. 6762 and other legislation is as follows:

31 December 2024	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/IFRS	Difference monitored in retained earnings
Adjustments Differences to			
Share Capital	1,070,750	791,721	279,029
Restricted Reserves			
Appropriated from Profit	370,592	257,270	113,322

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NOTE 19 - EXPENSES BY NATURE

As of 31 December 2024 and 2023, expenses are disclosed by function and the details of the expenses are summarized in Note 21 and Note 22.

NOTE 20 - REVENUE AND COST OF SALES

Revenue:

	1 January - 31 December 2024	1 January – 31 December 2023
Sales income	2,561,370	2,109,651
SaaS service income	1,337,348	1,009,434
Service income	244,850	71,674
Sales returns	(33,791)	(26,001)
Sales discounts	(25,724)	(28,958)
Net sales income	4,084,053	3,135,800
Cost of sales (-)	(145,458)	(122,458)
Gross profit	3,938,595	3,013,342

Cost of sales:

	1 January - 31 December 2024	1 January – 31 December 2023
Cost of transfer of financial rights	101,478	69,161
Cost of trade goods sold	28,010	31,115
Service cost	15,970	22,182
Cost of sales (-)	145,458	122,458

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

	1 January - 31 December 2024	1 January – 31 December 2023
Personnel expenses	705,584	552,923
Depreciation and amortization	457,769	373,727
Outsourced benefits and services	71,496	70,204
Consultancy expenses	45,884	44,526
Motor vehicle expenses	23,533	20,165
Travel expenses	4,110	3,443
Other	113,022	87,183
	1,421,398	1,152,171

Marketing expenses:

	1 January - 31 December 2024	1 January – 31 December 2023
Advertising and Sales Expenses	473,282	430,269
Personnel expenses	461,483	359,989
Consultancy expenses	30,780	71,952
Depreciation and amortization	27,932	32,409
Motor vehicle expenses	20,928	17,150
Outsourced benefits and services	8,023	11,831
Travel expenses	4,569	4,083
Other	25,243	19,988
	1,052,240	947,671

General administrative expenses:

	1 January - 31 December 2024	1 January – 31 December 2023
Personnel expenses	347,389	326,918
Consultancy expenses	45,786	59,536
Motor vehicle expenses	13,327	10,954
Depreciation and amortization	9,493	6,081
Outsourced benefits and services	5,579	2,315
Travel expenses	1,657	761
Other	14,170	18,661
	437,401	425,226

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 22 - OTHER OPERATING INCOME AND EXPENSES

	1 January - 31 December 2024	1 January – 31 December 2023
Rediscount income	36,691	5,149
Foreign exchange income (*)	15,006	22,993
Income from maturity difference	2,141	919
Other	11,016	1,743
	64,854	30,804

	1 January - 31 December 2024	1 January – 31 December 2023
Rediscount expenses	115,400	49,599
Foreign exchange losses (*)	8,314	25,595
Provision expenses	2,759	381
Other	17,862	26,893
	144,335	102,468

	1 January - 31 December 2024	1 January – 31 December 2023
Gain on sale of securities	139,218	169,223
	139,218	169,223

	1 January - 31 December 2024	1 January – 31 December 2023
Other investment expenses	(5,146)	-
	(5,146)	-

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NOTE 24 - FINANCE INCOME

	1 January - 31 December 2024	1 January – 31 December 2023
Foreign exchange gains	156,588	631,240
Interest income	10,313	33,584
	166,901	664,824

NOTE 25 - FINANCE EXPENSES

	1 January - 31 December 2024	1 January – 31 December 2023
Interest expenses (*)	332,617	266,798
Interest cost of employment termination benefits	23,202	15,413
Foreign exchange losses	12,661	19,576
Credit card commissions	5,846	6,579
Interest expense from leases	3,840	2,810
Other financial expenses	1,133	5,779
	379,299	316,955

(*) Interest expense amounting to TL 332,617 (2023: TL 266,798) consists of bank charges arising from early collection of credit card receivables.

NOTE 26 - DISCLOSURES RELATED TO NET MONETARY POSITION GAINS/ (LOSSES)

Non-Monetary Items	31 December 2024
Statement of financial position items	(602,191)
Prepaid expenses	34,208
Financial investments, subsidiaries	24,095
Property, plant and equipment	121,647
Right-of-use assets	663
Intangible assets	516,650
Goodwill	32,087
Deferred tax assets	11,757
Liabilities from customer contracts	(721,711)
Paid-in capital	(231,087)
Share capital adjustment differences	(16,050)
Restricted reserves appropriated from profit	(79,079)
Put option valuation fund related to non-controlling interests	33,457
Gains on investments in equity instruments	(80,061)
Other comprehensive income and expenses that will not be reclassified to profit or loss	14,936
Prior years' profit	(263,703)

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NOTE 26 - DISCLOSURES RELATED TO NET MONETARY POSITION GAINS/ (LOSSES) (cont'd)

Statement of profit or loss items	110,629
Revenue	(134,762)
Cost of sales	13,462
Research and development expenses	96,338
Marketing expenses	97,450
General administrative expenses	38,048
Other operating income/expenses	(2,376)
Other income/expenses from investing activities	(19,416)
Share of profit/loss of investments accounted through equity method	2,343
Finance income/expenses	19,542
Net monetary position gains (losses)	(491,562)

NOTE 27 - ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

a) Non-current Assets Held for Sale:

A new agreement was signed with Avramos Holding, 20% shareholder of the Group's subsidiary Total Soft. The Competition Board approval was completed in August 2024. Within the framework of the management buy out offer, Avramos Holding will increase its interest in Total Soft in two stages, from 20% to 30% in 2025 and from 30% to 85% by the end of 2027, by making a total payment of EUR 15.1 thousand to the Group until the end of 2027.

As of February 1, 2025, the Company is no longer on the Board of Directors of Total Soft. The 10% share to be sold by December 31, 2025, will be classified as an asset held for sale, while the remaining 70% share will be accounted for using the equity method.

As of the end of 2027, Logo has a put option for the 15% Total Soft share that will remain in Logo as of 2030.

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NOTE 27 - ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (cont'd)**a) Non-current Assets Held for Sale (cont'd):**

	31 December 2024	31 December 2023
Cash and cash equivalents	367,057	23,937
Trade receivables	280,925	298,655
Other receivables	-	449
Inventories	328	2,401
Prepaid expenses	10,782	15,932
Other current assets	46,515	52,238
Financial investments	5	6
Property, plant and equipment	12,809	20,485
Right-of-use assets	10,650	24,884
Intangible assets	1,621,862	2,044,465
Other non-current assets	13,713	2,837
Short-term borrowings	(9,322)	(47,300)
Short-term portion of long-term borrowings	(100,135)	(95,403)
Trade payables	(63,093)	(63,453)
Employee benefit payables	(121,359)	(284,553)
Other payables	(274,129)	(146,158)
Liabilities arising from customer contracts	(96,768)	(143,791)
Current tax liability	(4,554)	(5,830)
Other current liabilities	(13,377)	(31,971)
Long-term borrowings	(251,395)	(350,458)
Long-term provisions	(24,141)	(28,694)
Deferred tax liability	(44,544)	(43,571)
Net assets	1,361,829	1,245,107

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NOTE 27 - ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (cont'd)

b) Discontinued Operations:

The details of the Group's profit from discontinued operations for the period for the associate to be recognized by the equity method in accordance with the agreement made with Avramos Holding within the framework of the management buy out offer are given below:

	31 December 2024	31 December 2023
Revenue	1,357,226	1,159,943
Cost of sales (-)	(809,012)	(672,456)
General administrative expenses (-)	(199,779)	(204,351)
Marketing expenses (-)	(51,932)	(55,658)
Research and development expenses (-)	(191,212)	(222,906)
Other operating income	6,368	5,250
Other operating expenses (-)	(6,606)	(2,483)
Finance income	3,619	7,314
Finance expenses (-)	(29,929)	(36,876)
Current tax expense (-)	(11,594)	(2,774)
Deferred tax income/(expense)	(9,203)	(3,930)
Net profit/(loss) from discontinued operations	57,946	(28,927)

NOTE 28 - TAX ASSETS AND LIABILITIES

	31 December 2024	31 December 2023
Corporate tax expense	-	173,693
Prepaid taxes and funds (-)	-	(160,237)
Current profit tax liability	-	13,456
Current period tax expense	-	(170,919)
Deferred tax income	768	94,585
Current period tax expense	768	(76,334)

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NOTE 28 - TAX ASSETS AND LIABILITIES (cont'd)***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 of 31 December 2024 and 31 December 2023 using the enacted tax rates, is as follows:

	Total temporary differences		Deferred tax assets/(liabilities)	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Deferred tax assets:				
Expense provisions	166,134	221,400	41,534	55,350
Provision for employment termination benefits	62,090	62,194	15,523	15,548
Deferred income	43,015	58,164	10,754	14,541
Deferred tax on valuation of other financial assets	2,631	-	658	-
Vacation provision	25,652	20,180	6,413	5,045
Finance income unaccrued	113,349	49,844	28,337	12,461
Provision for doubtful receivables	1,873	2,242	468	561
	414,744	414,024	103,687	103,506
Deferred tax liabilities:				
Difference between the tax base and carrying value of property, plant and equipment and intangible assets	(41,886)	(190,211)	(10,472)	(47,552)
Deferred tax from valuation of other financial assets		(2,588)	-	(647)
Share sale liability	(84,072)	-	(10,509)	-
Inventories	-	(1,422)	-	(356)
Prepaid expenses	(3,692)	(5,163)	(923)	(1,291)
Gains from investments in equity-based financial instruments	(70,260)	(61,645)	(17,565)	(15,411)
	(199,910)	(261,029)	(39,469)	(65,257)
Deferred income tax assets /(liabilities), net			64,218	38,249

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NOTE 28 - TAX ASSETS AND LIABILITIES (cont'd)***Deferred taxes (cont'd)***

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

Deferred tax assets	1 January - 31 December 2024	1 January – 31 December 2023
To be recovered less than 12 months	81,751	82,913
To be recovered more than 12 months	21,936	20,593
	103,687	103,506
Deferred tax liabilities		
To be recovered less than 12 months	(923)	(1,647)
To be recovered more than 12 months	(38,546)	(63,610)
	(39,469)	(65,257)
Deferred tax assets/(liabilities), net	64,218	38,249

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

	2024	2023
1 January	38,249	(19,745)
Charged to statements of profit or loss	768	90,655
Charged to other comprehensive income	(4,958)	(16,471)
Effect on asset groups classified as held for sale	30,159	-
Foreign currency translation difference	-	(16,190)
31 December	64,218	38,249

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NOTE 28 - TAX ASSETS AND LIABILITIES (cont'd)

Corporate Tax

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

Turkish Corporate Tax Law has been amended by Law No. 5520 dated 13 June 2006. Most of the articles of this new Law No. 5520 have come into force effective from 1 January 2006. Accordingly, the corporate tax rate for the 2024 interim period is 25% (31 December 2023: 25%). The corporate tax rate is 16% in Romania for 2024 (31 December 2023: 16%).

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

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

Dividends paid to non-resident corporations, which have a place of business in 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.

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NOTE 28 - 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 Group 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).

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NOTE 28 - 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.

Income tax reconciliation:	1 January - 31 December 2024	1 January – 31 December 2023
Profit before tax	304,738	293,027
Tax calculated at enacted tax rate in Türkiye (25%) (2023: 25%)	(76,185)	(73,257)
Non-deductible expenses	(67,259)	(24,934)
Income not subject to tax	162,900	104,857
Other adjustments and monetary gain/(loss)	(18,688)	(83,000)
Current tax income / (expense)	768	(76,334)

NOTE 29 – EARNINGS PER SHARE

The earnings per thousand shares with nominal value of Kr 1 amounted to TL 3.75 for the year ended 31 December 2024 (31 December 2023: TL 2.12).

	1 January - 31 December 2024	1 January – 31 December 2023
Net profit for the period attributable to equity holders of the parent	351,863	202,353
Average number of shares outstanding during the year	9,399,382	9,546,497
Earning/(loss) per share	3.75	2.12

	1 January - 31 December 2024	1 January – 31 December 2023
Parent's share of continuing operations	305,506	216,293
Average number of shares outstanding during the year	9,399,382	9,546,497
Earnings per share from continuing operations/ (Full TL)	3.25	2.27

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NOTE 29 – EARNINGS PER SHARE (cont'd)

	1 January - 31 December 2024	1 January – 31 December 2023
Parent's share of discontinued operations	46,357	(14,340)
Average number of shares outstanding during the year	9,399,382	9,546,497
Earnings/(loss) per share from discontinued operations	0.50	(0.15)

NOTE 30 – RELATED PARTY DISCLOSURES**a) Receivables from related parties as of 31 December 2024 and 2023:**

	31 December 2024	31 December 2023
Trade receivables from related parties:		
Other	-	2,953
	-	2,953

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

	31 December 2024	31 December 2023
Other receivables from related parties:		
Logo Infosoft	1,543	1,373
	1,543	1,373

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

	31 December 2024	31 December 2023
Payables to related parties:		
Other	-	6
	-	6

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

Services given to related parties:	2024	2023
Logo Infosoft	-	5,266
Tekbulut Teknoloji	215	-
Timus Siber Güvenlik Teknolojileri A.Ş.	9,044	7,444
Logo Teknoloji ve Yatırım A.Ş.	198	164
	9,457	12,874

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NOTE 30 – RELATED PARTY DISCLOSURES (cont'd)

e) Services purchased from related parties and other transactions with related parties during the periods ended 31 December 2024 and 2023:

Services purchased from related parties:

	2024	2023
Logo Teknoloji ve Yatırım A.Ş.	496	806
Logo Infosoft	205	2,568
Timus Siber Güvenlik Teknolojileri A.Ş.	-	224
	701	3,598

f) Payments to key management:

	2024	2023
Salaries and bonuses paid to key management	236,527	174,607

NOTE 31 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

31.1 Financial risk management

Credit risk

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

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business the Company aims at maintaining flexibility in funding by keeping committed credit lines available. The Company management monitors the liquidity reserve movements according to the estimated cash flows. The Company management holds adequate cash and credit commitment that will meet the need cash for recent future in order to manage its liquidity risk. In this context, the Company has credit limit from banks amounting to over TL 100,000 that can be utilized whenever needed.

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NOTE 31 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

31.1 Financial risk management (cont'd)

Liquidity risk (cont'd)

Non-derivative financial instruments	31 December 2024					
	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	11,481	11,481	3,754	2,392	941	4,394
Trade payables						
- Trade payables to third parties	258,499	258,499	258,499	-	-	-
Payables related to employee benefits	325,388	325,388	325,388	-	-	-
Other payables						
- Other payables to third parties	671,034	671,034	280,335	-	390,699	-
Total liabilities	1,266,402	1,266,402	867,976	2,392	391,640	4,394

Non-derivative financial instruments	31 December 2023					
	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	504,596	530,996	43,659	114,271	369,522	3,544
Trade payables						
- Trade payables to third parties	405,979	405,979	405,979	-	-	-
Payables related to employee benefits	616,298	616,298	616,298	-	-	-
Other payables						
- Other payables to third parties	826,561	826,561	825,673	-	888	-
Total liabilities	2,353,434	2,379,834	1,891,609	114,271	370,410	3,544

Interest rate risk

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

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NOTE 31 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

31.1 Financial risk management (cont'd)

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

	31 December 2024	31 December 2023
<u>Financial instruments with fixed interest rate</u>		
Financial assets		
- Financial assets at amortized cost	5,509	510,673
- Financial assets with fair value reflected to other comprehensive income	226,312	891,112
Financial liabilities	11,481	89,804
Put option valuation fund for non-controlling interests	454,667	543,729
- Put option	-	543,729
- Share sale liability	454,667	-
<u>Financial instruments with floating interest rate</u>		
Financial assets		
- Financial assets with fair value reflected to profit/loss	189,495	214,670
Financial liabilities	-	414,792

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 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Assets		
USD	35.2803	29.4382
EUR	36.7362	32.5739
Liabilities		
USD	35.3438	29.4913
EUR	36.8024	32.6326

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

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NOTE 31 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

		Foreign Currency Position as of 31 December 2024			
		TL equivalent	USD	EUR	Other
1.	Trade receivables	30,947	869	7	-
2a.	Monetary financial assets (cash and banks accounts included)	103,428	2,874	55	17
2b.	Non-monetary financial assets	-	-	-	-
3.	Other	-	-	-	-
4.	Current assets (1+2+3)	134,375	3,743	62	17
5.	Trade receivables	-	-	-	-
6a.	Monetary financial assets	136,751	3,876	-	-
6b.	Non-monetary financial assets	-	-	-	-
7.	Other	-	-	-	-
8.	Non-current assets (5+6+7)	136,751	3,876	-	-
9.	Total assets (4+8)	271,126	7,619	62	17
10.	Trade payables	(8,522)	(232)	(9)	-
11.	Financial liabilities	-	-	-	-
12a.	Other monetary liabilities	-	-	-	-
12b.	Other non-monetary liabilities	-	-	-	-
13.	Current liabilities (10+11+12)	(8,522)	(232)	(9)	-
14.	Trade payables	-	-	-	-
15.	Financial liabilities	-	-	-	-
16a.	Other monetary liabilities	-	-	-	-
16b.	Other non-monetary liabilities	-	-	-	-
17.	Non-current liabilities (14+15+16)	-	-	-	-
18.	Total liabilities (13+17)	(8,522)	(232)	(9)	-
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)	262,604	7,387	53	17
21.	Net foreign currency asset/(liability) position of monetary items (=1+2a+3+5+6a -10-11-12a-14-15-16a)	262,604	7,387	53	17
22.	Fair value of derivative instruments used in foreign currency hedge	-	-	-	-
23.	Export	56,189	1,450	-	-
24.	Import	-	-	-	-

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NOTE 31 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

		Foreign Currency Position as of 31 December 2023			
		TL equivalent	USD (nominal)	EUR (nominal)	Other (nominal)
1.	Trade receivables	67,009	946	569	-
2a.	Monetary financial assets (cash and banks accounts included)	722,864	12,761	3,838	-
2b.	Non-monetary financial assets	-	-	-	-
3.	Other	-	-	-	-
4.	Current assets (1+2+3)	789,873	13,707	4,407	-
5.	Trade receivables	-	-	-	-
6a.	Monetary financial assets	598,661	14,085	-	-
6b.	Non-monetary financial assets	-	-	-	-
7.	Other	-	-	-	-
8.	Non-current assets (5+6+7)	598,661	14,085	-	-
9.	Total assets (4+8)	1,338,534	27,792	4,407	-
10.	Trade payables	(26,340)	(436)	(165)	-
11.	Financial liabilities	(142,703)	-	(3,029)	-
12a.	Other monetary liabilities	-	-	-	-
12b.	Other non-monetary liabilities	-	-	-	-
13.	Current liabilities (10+11+12)	(169,043)	(436)	(3,194)	-
14.	Trade payables	-	-	-	-
15.	Financial liabilities	(350,458)	-	(7,438)	-
16a.	Other monetary liabilities	-	-	-	-
16b.	Other non-monetary liabilities	-	-	-	-
17.	Non-current liabilities (14+15+16)	(350,458)	-	(7,438)	-
18.	Total liabilities (13+17)	(519,501)	(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)	869,033	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)	869,033	27,356	(6,225)	-
22.	Fair value of derivative instruments used in foreign currency hedge	-	-	-	-
23.	Export	329,207	1,224	5,894	-
24.	Import	-	-	-	-

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NOTE 31 - 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 2024			
	Profit/(Loss)		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change of USD against TL by 10%				
1- USD net assets/liabilities	26,063	(26,063)	-	-
2- Hedged portion from USD risks (-)	-	-	-	-
3- USD net effect (1+2)	26,063	(26,063)	-	-
Change of EUR against TL by 10%				
4- EUR net assets/liabilities	198	(198)	-	-
5- Hedged portion from EUR risks (-)	-	-	-	-
6- EUR net effect (4+5)	198	(198)	-	-

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DİPNOT 31 -FİNANSAL ARAÇLARDAN KAYNAKLANAN RİSKLERİN NİTELİĞİ VE DÜZEYİ (cont'd)

Foreign currency sensitivity (cont'd)

	31 December 2023			
	Profit/(Loss)		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change of USD against TL by 10%				
1- USD net assets/liabilities	79,118	(79,118)	-	-
2- Hedged portion from USD risks (-)	-	-	-	-
3- USD net effect (1+2)	79,118	(79,118)	-	-
Change of EUR against TL by 10%				
4- EUR net assets/liabilities	(67,861)	67,861	-	-
5- Hedged portion from EUR risks (-)	-	-	-	-
6- EUR net effect (4+5)	(67,861)	67,861	-	-
Change of USD against RON by 10%				
7- USD net assets/liabilities	(128)	128	-	-
8- Hedged portion from USD risks (-)	-	-	-	-
9- USD net effect (7+8)	(128)	128	-	-
Change of EUR against RON by 10%				
10- EUR net assets/liabilities	33,968	(33,968)	-	-
11- Hedged portion from EUR risks (-)	-	-	-	-
12- EUR net effect (10+11)	33,968	(33,968)	-	-

Hedging activities

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 2024, foreign exchange losses amounting to TL 5,656 – income (2023: TL 645 - expense) 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.

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NOTE 31 - 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 2024	31 December 2023
Total payables	11,481	504,596
Less: Cash and cash equivalents (*)	(571,835)	(1,111,859)
Net debt	(560,354)	(607,263)
Total equity	2,629,408	3,046,595
Total capital	2,069,054	2,439,332
Debt/equity ratio	(27%)	(25%)

(*) Cash and cash equivalents, deposits with maturities exceeding three months, and equity securities and corporate bonds included in short-term financial investments are classified as liquid assets.

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 32 - 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.

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NOTE 32 - FINANCIAL INSTRUMENTS (cont'd)

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 of 31 December 2024 is as follows.

Financial assets held at fair value through profit or loss

	Level 1	Level 2	Level 3
Financial investments (*)	264,559	-	602,476

(*) Note 5

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NOTE 32 - FINANCIAL INSTRUMENTS (cont'd)**Classes and categories of financial instruments and their fair values****31 December 2024**

	Financial assets at amortized cost	FVTPL	FVTOCI	Financial liabilities at amortized cost	Carrying value	Note
<u>Financial assets</u>						
Cash and cash equivalents	443,806	-	-	-	443,806	4
Financial assets	-	38,247	828,788	-	867,035	5
Trade receivables	1,201,961	-	-	-	1,201,961	8
Receivables from related parties	1,543	-	-	-	1,543	30
<u>Financial liabilities</u>						
Borrowings	-	-	-	5,335	5,335	7
Other payables	-	-	-	216,367	216,367	9
Share sale liability	-	-	-	454,667	454,667	9
Trade payables	-	-	-	258,499	258,499	9

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NOTE 32 - FINANCIAL INSTRUMENTS (cont'd)**Classes and categories of financial instruments and their fair values (cont'd)****31 December 2023**

	Financial assets at amortized cost	FVTPL	FVTOCI	Financial liabilities at amortized cost	Liabilities at fair value	Carrying value	Note
<u>Financial assets</u>							
Cash and cash equivalents	704,755	-	-	-	-	704,755	4
Financial assets	-	114,653	1,453,216	-	-	1,567,869	5
Trade receivables	1,174,676	-	-	-	-	1,174,676	8
Receivables from related parties	4,326	-	-	-	-	4,326	30
<u>Financial liabilities</u>							
Borrowings	-	-	-	504,596	-	504,596	7
Other payables	-	-	-	282,832	-	282,832	9
Put option liability	-	-	-	-	543,729	543,729	9
Trade payables	-	-	-	405,979	-	405,979	9
Payables to related parties	-	-	-	6	-	6	30

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NOTE 33 - DISCLOSURES ON THE STATEMENT OF CASH FLOWS

	Bank loans and credit cards	Leases	Total
1 January 2024	453,126	51,470	504,596
Cash inflows	8,477	-	8,477
Transfer to asset classified as held for sale	(441,645)	-	(441,645)
Foreign currency translation difference	(17,087)	(13,415)	(30,502)
Increase in lease liabilities (TFRS 16)	-	8,477	8,477
Cash outflows from lease liabilities (TFRS 16)	-	(37,922)	(37,922)
31 December 2024	2,871	8,610	11,481
Cash and cash equivalents (-)			(443,806)
Net debt			(432,325)

	Bank loans and credit cards	Leases	Total
1 January 2023	541,732	61,689	603,421
Cash inflows	43,517	-	43,517
Cash outflows	(80,357)	-	(80,357)
Foreign currency translation difference	(51,766)	2,014	(49,752)
Increase in lease liabilities (TFRS 16)	-	3,415	3,415
Cash outflows from lease liabilities (TFRS 16)	-	(15,648)	(15,648)
31 December 2023	453,126	51,470	504,596
Cash and cash equivalents (-)			(704,755)
Net debt			200,159

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NOTE 34 - 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 2024 and 1 January – 31 December 2023 are as follows:

	2024	2023
Independent audit fee for the reporting period	7,098	7,385
Fees for tax consultancy services	-	-
Other assurance services	-	-
Fees for other non-audit services	-	-
	7,098	7,385

NOTE 35 - EVENTS AFTER THE REPORTING PERIOD

In accordance with the agreement signed with Avramos Holding, a 20% shareholder of the Group's subsidiary Total Soft, in addition to the details disclosed in Note 27, the Group management has withdrawn from the Board of Directors of Total Soft as of 1 February 2025. As of this date, the equity method will be applied instead of full consolidation, and foreign currency translation differences will be reflected in the statement of profit and loss.