

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY – 30 JUNE 2024 AND
INDEPENDENT AUDITOR'S REVIEW REPORT**

(ORIGINALLY ISSUED IN TURKISH)

REVIEW REPORT ON INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Logo Yazılım Sanayi ve Ticaret A.Ş. (the “Company”) and its subsidiaries (together will be referred as the “Group”) as of 30 June 2024 and the related interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Group management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with Turkish Accounting Standard 34 Interim Financial Reporting (“TAS 34”). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

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

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Conclusion

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

Additional paragraph for convenience translation to English

In the accompanying condensed consolidated financial statements, the accounting principles described in Note 2 (defined as Turkish Accounting Standards/Turkish Financial Reporting Standards) differ from International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board with respect to the application of inflation accounting. Accordingly, the accompanying condensed consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Okan Öz
Partner

İstanbul, 7 August 2024

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY – 30 JUNE 2024**

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LOGO YAZILIM SANAYİ VE TİCARET A.Ş.**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2024**

(All amounts are expressed in TL in terms of the purchasing power of thousands of Turkish Lira as of 30 June 2024 unless otherwise stated).

| | Notes | Reviewed 30 June 2024 | Audited 31 December 2023 |
|---|-------|--------------------------|-----------------------------|
| ASSETS | | | |
| Current assets | | 1,455,656 | 2,139,252 |
| Cash and cash equivalents | 4 | 260,072 | 608,866 |
| Financial investments | 5 | 145,021 | 351,713 |
| Trade receivables | | 888,654 | 1,017,400 |
| - <i>Trade receivables from third parties</i> | 8 | 886,016 | 1,014,849 |
| - <i>Trade receivables from related parties</i> | 28 | 2,638 | 2,551 |
| Other receivables | | 57 | 71 |
| - <i>Other receivables from third parties</i> | 9 | 57 | 71 |
| Inventories | 10 | 28,765 | 45,276 |
| Prepaid expenses | 17 | 77,500 | 61,043 |
| Other current assets | 9 | 55,587 | 54,883 |
| Non-current assets | | 4,249,841 | 4,525,342 |
| Other receivables | | 1,280 | 1,186 |
| - <i>Other receivables from related parties</i> | 28 | 1,280 | 1,186 |
| Financial investments | 5 | 848,133 | 1,002,831 |
| Right-of-use assets | 13 | 26,176 | 30,368 |
| Property, plant and equipment | 11 | 331,287 | 354,533 |
| Intangible assets | | 3,001,757 | 3,061,577 |
| - <i>Goodwill</i> | 14 | 836,017 | 953,339 |
| - <i>Other intangible assets</i> | 12 | 2,165,740 | 2,108,238 |
| Prepaid expenses | 17 | 2,137 | 3,745 |
| Deferred tax asset | 26 | 34,045 | 68,539 |
| Other non-current assets | | 5,026 | 2,563 |
| Total assets | | 5,705,497 | 6,664,594 |

The accompanying consolidated financial statements have been approved by Board of Directors on 7 August 2024 and signed on its behalf by Buğra Koyuncu, Vice Chairman of the Board of Directors and Logo Group Chief Executive Officer, CEO and Gülnur Anlaş, Logo Group Chief Financial Officer, CFO.

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

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2024

(All amounts are expressed in TL in terms of the purchasing power of thousands of Turkish Lira as of 30 June 2024 unless otherwise stated).

| | Notes | Reviewed 30 June 2024 | Audited 31 December 2023 |
|---|-------|--------------------------|-----------------------------|
| LIABILITIES | | | |
| Current liabilities | | 2,552,133 | 3,224,169 |
| Short-term borrowings | 7 | 59,094 | 45,569 |
| Short-term portion of long-term borrowings | 7 | 71,494 | 82,422 |
| Trade payables | | 236,434 | 350,741 |
| - Trade payables to related parties | | 101 | - |
| - Trade payables to third parties | 8 | 236,333 | 350,741 |
| Employee benefit payables | 16 | 376,369 | 532,445 |
| Other payables | | 431,838 | 713,337 |
| - Other payables to third parties | 9 | 431,645 | 713,332 |
| - Other payables to related parties | | 193 | 5 |
| Contract liabilities | 17 | 1,355,594 | 1,460,396 |
| Current income tax liabilities | 26 | 4,353 | 11,625 |
| Other current liabilities | | 16,957 | 27,634 |
| Non-current liabilities | | 691,709 | 568,107 |
| Long-term borrowings | 7 | 229,861 | 307,948 |
| Other payables | | 192,416 | 767 |
| - Other payables to third parties | 9 | 192,416 | 767 |
| Long-term provisions | | 190,302 | 167,630 |
| - Provisions for employee benefits | 16 | 190,302 | 167,630 |
| Contract liabilities | 17 | 39,902 | 56,268 |
| Deferred tax liabilities | 26 | 39,228 | 35,494 |
| EQUITY | | | |
| Equity attributable to equity holders of the parent | | 2,262,378 | 2,632,075 |
| Paid-in share capital | 18 | 100,000 | 100,000 |
| Adjustment differences to share capital | 18 | 704,019 | 704,019 |
| Restricted reserves appropriated from profit | | 222,266 | 222,266 |
| Put option revaluation fund related with non-controlling interests | | (400,854) | (393,661) |
| Treasury shares (-) | 18 | (369,060) | (262,294) |
| Reserves for treasury shares | 18 | 369,060 | 262,294 |
| Other accumulated comprehensive income that will not be reclassified to profit or loss | | 190,308 | 165,029 |
| - Loss on remeasurement of defined benefit plans | | (43,848) | (41,619) |
| - Gain from investments in equity instruments | | 234,156 | 206,648 |
| Other accumulated comprehensive income that will be reclassified to profit or loss | | 590,188 | 652,875 |
| - Foreign currency translation differences | | 599,114 | 664,118 |
| - Hedge losses | | (10,238) | (12,919) |
| - Fair value gains (losses) on financial assets at fair value through other comprehensive income | | 1,312 | 1,676 |
| Retained earnings | | 666,299 | 1,006,724 |
| Net profit for the period | | 190,152 | 174,823 |
| Non-controlling interests | | 199,277 | 240,243 |
| Total equity | | 2,461,655 | 2,872,318 |
| Total liabilities and equity | | 5,705,497 | 6,664,594 |

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

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR PERIOD 1 JANUARY – 30 JUNE 2024 AND 2023

(All amounts are expressed in TL in terms of the purchasing power of thousands of Turkish Lira as of 30 June 2024 unless otherwise stated).

| | Notes | Reviewed 1 January - 30 June 2024 | Not Reviewed 1 April- 30 June 2024 | Reviewed 1 January - 30 June 2023 | Not Reviewed 1 April 30 June 2023 |
|---|-----------|--|---|--|--|
| Revenue | 20 | 2,276,901 | 1,225,213 | 1,918,058 | 1,039,900 |
| Cost of sales (-) | 20 | (424,667) | (208,469) | (374,271) | (194,951) |
| Gross profit | | 1,852,234 | 1,016,744 | 1,543,787 | 844,949 |
| General administrative expenses (-) | 21 | (234,025) | (78,474) | (209,595) | (93,499) |
| Marketing expenses (-) | 21 | (420,905) | (224,186) | (351,118) | (208,217) |
| Research and development expenses (-) | 21 | (663,970) | (344,466) | (554,130) | (302,784) |
| Other operating income | 22 | 45,600 | 16,129 | 21,996 | 8,061 |
| Other operating expenses (-) | 22 | (39,792) | (31,993) | (40,677) | (32,219) |
| Operating profit | | 539,142 | 353,754 | 410,263 | 216,291 |
| Income from investing activities | 23 | 69,563 | 30,495 | 84,090 | 45,002 |
| Share of losses of investments accounted for using the equity method | | - | - | (4,368) | (4,368) |
| Operating profit before financial income/(expense) | | 608,705 | 384,249 | 489,985 | 256,925 |
| Financial income | 24 | 115,368 | 16,868 | 404,253 | 340,826 |
| Financial expenses (-) | 25 | (200,991) | (98,353) | (102,682) | (52,268) |
| Net monetary position losses | | (286,137) | (81,531) | (284,776) | (92,025) |
| Profit before tax | | 236,945 | 221,233 | 506,780 | 453,458 |
| Taxation on expense: | | (42,589) | 12,156 | (216,237) | (66,903) |
| Current tax income/(expense) | 26 | (8,347) | 3,593 | (173,541) | (69,285) |
| Deferred tax income/(expense) | 26 | (34,242) | 8,563 | (42,696) | 2,382 |
| Profit for the period | | 194,356 | 233,389 | 290,543 | 386,555 |
| Net profit attributable to: | | | | | |
| Non-controlling interests | | 4,204 | 4,736 | (6,421) | (4,959) |
| Equity holders of the parent | 27 | 190,152 | 228,653 | 296,964 | 391,514 |
| Earnings per share (Full TL) | 27 | 2,02 | 2,44 | 3,08 | 4,07 |

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

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE
INCOME FOR THE PERIODS 1 JANUARY – 30 JUNE 2024 AND 2023

(All amounts are expressed in TL in terms of the purchasing power of thousands of Turkish Lira as of 30 June 2024 unless otherwise stated).

| Notes | Reviewed 1 January - 30 June 2024 | Not Reviewed 1 April- 30 June 2024 | Reviewed 1 January - 30 June 2023 | Not Reviewed 1 April 30 June 2023 |
|--|--|---|--|--|
| Profit for the period | 194,356 | 233,389 | 290,543 | 386,555 |
| Items that will be reclassified to profit or loss: | (98,767) | (37,174) | 245,292 | 281,765 |
| Foreign currency translation differences | (101,084) | (40,559) | 264,118 | 300,665 |
| Hedge loss | 2,681 | 1,798 | (3,890) | (4,498) |
| Fair value difference gains (losses) on financial assets through other comprehensive income | (375) | 2,154 | (19,549) | (19,015) |
| Tax effect | 11 | (567) | 4,613 | 4,613 |
| Items that will not be reclassified to profit or loss: | 25,279 | 895 | 68,764 | 67,385 |
| Revaluation losses of defined benefits plans | (2,567) | (6,287) | (5,101) | 1,834 |
| Tax effect | 338 | 754 | 452 | (157) |
| Share of gains of investments accounted for using the equity method | 29,232 | 6,747 | 81,598 | 73,893 |
| Tax effect | (1,724) | (319) | (8,185) | (8,185) |
| Other comprehensive income | (73,488) | (36,279) | 314,056 | 349,150 |
| Total other comprehensive income | 120,868 | 197,110 | 604,599 | 735,705 |
| Total comprehensive income attributable to: | | | | |
| Non-controlling interest | (31,876) | (102,505) | 78,174 | 48,311 |
| Equity holders of the parent | 152,744 | 299,615 | 526,425 | 687,394 |
| | 120,868 | 197,110 | 604,599 | 735,705 |

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

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS 1 JANUARY – 30 JUNE 2024 AND 2023

(All amounts are expressed in TL in terms of the purchasing power of thousands of Turkish Lira as of 30 June 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 |
|---|-----------------|--------------------------------------|------------------|------------------------------|--------------------------|--|--|--|--|---|---------------------|---------------------------|---|-----------------------------------|---------------------------|------------------|
| as of 1 January 2023 | 100,000 | 704,019 | (121,821) | 121,821 | (12,361) | 222,266 | (18,353) | 66,593 | (21,300) | 580,581 | 1,013,783 | 397,421 | (205,251) | 2,827,398 | 223,442 | 3,050,840 |
| Transfers | - | - | - | - | - | - | - | - | - | - | 397,421 | (397,421) | - | - | - | - |
| Dividend paid | - | - | - | - | - | - | - | - | - | - | (264,005) | - | - | (264,005) | - | (264,005) |
| Decrease due to changes in ownership interest in subsidiaries that do not result in loss of control | - | - | - | - | - | - | - | - | - | - | - | - | (148,686) | (148,686) | - | (148,686) |
| Increase/decrease due to share repurchase transactions | - | - | (67,476) | 67,476 | - | - | - | - | - | - | (67,476) | - | - | (67,476) | - | (67,476) |
| Net profit for the period | - | - | - | - | - | - | - | - | - | - | - | 296,964 | - | 296,964 | (6,421) | 290,543 |
| Other comprehensive expense | - | - | - | - | (3,890) | - | (4,648) | 73,412 | (14,936) | 179,523 | - | - | - | 229,461 | 84,595 | 314,056 |
| as of 30 June 2023 | 100,000 | 704,019 | (189,297) | 189,297 | (16,251) | 222,266 | (23,001) | 140,005 | (36,236) | 760,104 | 1,079,723 | 296,964 | (353,937) | 2,873,656 | 301,616 | 3,175,272 |
| as of 1 January 2024 | 100,000 | 704,019 | (262,294) | 262,294 | (12,919) | 222,266 | (41,619) | 206,648 | 1,676 | 664,118 | 1,006,724 | 174,823 | (393,661) | 2,632,075 | 240,244 | 2,872,319 |
| Transfers | - | - | - | - | - | - | - | - | - | - | 174,823 | (174,823) | - | - | - | - |
| Dividend paid | - | - | - | - | - | - | - | - | - | - | (375,198) | - | - | (375,198) | - | (375,198) |
| Decrease due to changes in ownership interest in subsidiaries that do not result in loss of control | - | - | - | - | - | - | - | - | - | - | (33,284) | - | (7,193) | (40,477) | (9,091) | (49,568) |
| Increase/decrease due to share repurchase transactions | - | - | (106,766) | 106,766 | - | - | - | - | - | - | (106,766) | - | - | (106,766) | - | (106,766) |
| Net profit for the period | - | - | - | - | - | - | - | - | - | - | - | 190,152 | - | 190,152 | 4,204 | 194,356 |
| Other comprehensive expense | - | - | - | - | 2,681 | - | (2,229) | 27,508 | (364) | (65,004) | - | - | - | (37,408) | (36,080) | (73,488) |
| as of 30 June 2024 | 100,000 | 704,019 | (369,060) | 369,060 | (10,238) | 222,266 | (43,848) | 234,156 | 1,312 | 599,114 | 666,299 | 190,152 | (400,854) | 2,262,378 | 199,277 | 2,461,655 |

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

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

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

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS 1 JANUARY - 30 JUNE 2024 AND 2023**

(All amounts are expressed in TL in terms of the purchasing power of thousands of Turkish Lira as of 30 June 2024 unless otherwise stated).

| | Notes | Reviewed 1 January - 30 June 2024 | Audited 1 January - 30 June 2023 |
|--|------------|---|--|
| A. Cash flows generated from operating activities | | 49,788 | (130,287) |
| Profit for the period | | 194,356 | 290,543 |
| Adjustments to reconcile profit for the period | | 174,246 | (421,962) |
| Adjustments related to depreciation and amortization expenses | 11, 12, 13 | 294,147 | 232,247 |
| Adjustments related to provisions for employment termination benefits | 16 | 58,797 | 42,208 |
| Adjustments related to interest expenses | 25 | 179,757 | 85,669 |
| Adjustments related to interest income | 24 | (7,927) | (15,657) |
| Adjustments related to fair value losses (gains) of derivative financial instruments | 23 | (69,563) | (84,090) |
| Adjustments related to fair value losses (gains) on derivative financial instruments | | - | 1,962 |
| Adjustment related to impairment/(reversal of) on receivables | 8 | (426) | 3,726 |
| Other adjustments related to profit / (loss) reconciliation | | (102,210) | (385,970) |
| Adjustments related to tax expense | 26 | 42,589 | 216,237 |
| Monetary (gain) / loss effect | | (220,918) | (518,294) |
| Changes in working capital | | (299,001) | 116,651 |
| Adjustments related to increase / (decrease) in inventories | | 7,533 | (9,763) |
| Adjustments related to increase in trade receivables | | (58,985) | (414,871) |
| Adjustments related to increase in trade payables | | (47,806) | 94,144 |
| Increase in other assets related to operations | | (45,376) | (117,839) |
| Increase in other payables related to operations | | (154,367) | 564,980 |
| Cash flows generated from operating activities | | 69,601 | (14,768) |
| Tax payments | 26 | (15,619) | (103,713) |
| Payments related to provision for employee benefits | 16 | (4,194) | (11,806) |
| Cash outflows for purchases of property, plant and equipment and intangible assets | 11, 12 | (439,201) | (461,863) |
| Cash outflows for the acquisition of debt instruments or shares of other entities or funds | | - | (99,530) |
| Cash inflows from selling shares or debt instruments of other businesses or funds | | 390,247 | - |
| Proceeds from sale of property and equipment and intangible assets | | 2,354 | 169 |
| Cash outflows from share purchase or capital increase in associates and joint ventures | | (42,375) | - |
| Interest received | | 77,490 | 99,747 |
| B. Cash flows from investing activities | | (11,485) | (461,477) |
| Repayments of loans | 32 | (52,190) | (104,610) |
| Cash inflows from loans | 32 | 7,085 | 115,984 |
| Interest paid | | (177,595) | (82,387) |
| Cash outflows from the acquisition of own shares of entity | | (106,766) | (67,476) |
| Cash outflows related to debt payments arising from lease agreements | 32 | (5,752) | (20,566) |
| Dividends paid | | (375,198) | (264,005) |
| C. Cash flows from financing activities | | (710,416) | (423,060) |
| Net increase in cash and cash equivalent before the effects of foreign currency translation differences (A+B+C) | | (672,113) | (1,014,824) |
| D. Effects of currency translation differences on cash and cash equivalents | | 444,056 | 1,016,447 |
| Monetary gain on cash and cash equivalents | | (120,737) | (241,820) |
| E. Net increase in cash and cash equivalents (A+B+C+D) | | (348,794) | (240,197) |
| F. Cash and cash equivalents at the beginning of the period | 4 | 608,866 | 470,971 |
| Cash and cash equivalents at the end of the period (A+B+C+D+E+F) | 4 | 260,072 | 230,774 |

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

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2024

(All amounts are expressed in TL in terms of the purchasing power of thousands of Turkish Lira as of 30 June 2024 unless otherwise stated).

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP

Logo Yazılım Sanayi ve Ticaret Anonim Şirketi (“Logo Yazılım” or “the Company”) was established in 1986 as a Limited Company and became a corporation on 30 September 1999. The Company is domiciled in Turkey and operates under the Turkish Commercial Code.

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

As of 30 June 2024, the average number of the personnel of the Group is 1,535 (31 December 2023: 1,501).

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

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

As of 30 June 2024, main shareholder and ultimate controlling party of Logo Yazılım is Logo Teknoloji ve Yatırım A.Ş. The partnership structure of the Company is explained in Note 18.

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

| Subsidiaries | Country of operation | Field of activity |
|---|-----------------------------|------------------------------------|
| Total Soft S.A. (“Total Soft”) | Romania | Software development and marketing |
| Logo Financial Solutions GmbH (“Logo GmbH”) | Germany | Software development and marketing |
| Logo Business Solutions FZ-LLC (“Logo FFC-LLC”) | United Arab Emirates | Software marketing |
| Architected Business Solutions SRL (“ABS”) | Romania | Software development and marketing |
| ABS Financial Services SRL (“ABS FS”) | Romania | Software development and marketing |
| ELBA HR İnsan Kaynakları Eğitim ve Danışmanlık A.Ş. (“Peoplise”) | Türkiye | Software development and marketing |
| Logo Ödeme Hizmetleri A.Ş. (“Logo Ödeme”)(*) | Türkiye | Software development and marketing |

| Joint venture | Country of operation | Field of activity |
|--|-----------------------------|------------------------------------|
| Logo Infosoft Business Technology Private Limited (“Logo Infosoft”) | India | Software development and marketing |

(*) 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 30 June 2024, it has not started its operations yet. The name of the company was changed to Logo Ödeme Hizmetleri A.Ş. on 19 September 2023. The revenue model of our fintech services will be based on annual package subscription and credits per transaction and is expected to significantly increase the Company's SaaS (Software-as-a-Service) revenues.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY – 30 JUNE 2024**

(All amounts are expressed in TL in terms of the purchasing power of thousands of Turkish Lira as of 30 June 2024 unless otherwise stated).

NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Financial Reporting Standards Applied

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

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

The Group has prepared its condensed consolidated financial statements for the interim period ended 30 June 2024 in accordance with the Turkish Accounting Standard 34, "Interim Financial Reporting" ("TAS 34"). Interim condensed consolidated financial statements do not include all disclosures and notes required by the year-end financial statements and they should be read in conjunction with the consolidated financial statements dated as at 31 December 2023.

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

2.1.2 Financial Statements of Subsidiaries Operating in Foreign Countries

The financial statements of subsidiaries operating in foreign countries are adjusted to TAS/IFRS published by the POA for the purpose of fair presentation with necessary adjustments and classifications. Subsidiaries’ assets and liabilities of the related foreign subsidiaries are translated into Turkish Lira from the foreign exchange rate at the balance sheet date and income and expenses are translated into Turkish Lira at the average foreign exchange rate. Exchange differences arising from the translation of the opening net assets and differences between the average and balance sheet dates are included in the “foreign currency translation difference” under the shareholders’ equity.

2.1.3 Basis of Consolidation

The condensed consolidated financial statements prepared in accordance with the principles of consolidated financial statements for the year ended 31 December 2023 include the accounts of Logo Yazılım and its subsidiaries.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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**NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS
(cont'd)**

2.1.3 Basis of Consolidation (cont'd)

The table below sets out the subsidiaries of Logo Yazılım and ownership interests held by the Company at 30 June 2024 and 31 December 2023:

| Subsidiaries | 30 June 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. Pursuant to the parent agreement, all risks and gains (including gains, losses and net asset rights) related to Nexia's shares have been transferred to the Company. After the acquisition explained in Note 9, 20% of Total Soft's shares were transferred to Avramos Holding Ltd. In accordance with the agreement, the Company takes all decisions regarding the subsidiary. Therefore, the Company has control over the subsidiary and can be fully consolidated without accounting for non-controlling interests.

| Joint venture | 30 June 2024 (%) | 31 December 2023 (%) |
|----------------------|-------------------------|-----------------------------|
| Logo Infosoft (*) | 72.22 | 68.25 |

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

Subsidiaries

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

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

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

Joint ventures

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

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

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

2.1.4 Functional and Presentation Currency

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

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

2.2 Going Concern

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

2.3 New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2024

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

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

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

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

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

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

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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**NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS
(cont'd)**

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

a) Amendments that are mandatorily effective from 2024 (cont'd)

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

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

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

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

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

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

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

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

TSRS 2 *Climate-related Disclosures*

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

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

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

| | |
|-----------------------|---|
| TFRS 17 | <i>Insurance Contracts</i> |
| Amendments to TFRS 17 | <i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)</i> |
| Amendments to TAS 21 | <i>Lack of Exchangeability</i> |

TFRS 17 *Insurance Contracts*

TFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 Insurance Contracts on 1 January 2025.

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

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

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

**Amendments to 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.

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. The 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.

2.4 Changes in Accounting Policies

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

Financial reporting in high inflation economies

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.

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

2.4 Changes in Accounting Policies (cont'd)

Financial reporting in high inflation economies (cont'd)

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

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

| Date | Index | Adjustment coefficient | Three-year cumulative inflation rates |
|------------------|----------|------------------------|---------------------------------------|
| 30 June 2024 | 2.319,29 | 1.00000 | 324% |
| 31 December 2023 | 1.859,38 | 1.24735 | 268% |
| 30 June 2023 | 1.351,59 | 1.71597 | 190% |

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 Company.
- 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 recognised 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 summarised below:

Restatement of the Statement of Financial Position

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

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

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

2.4 Changes in Accounting Policies (cont'd)

Financial reporting in high inflation economies (cont'd)

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 is translated into Turkish Lira at the period-end exchange rate and the statement of profit or loss and other comprehensive income. Prior period financial statements are restated to reflect the current period purchasing power for comparative purposes and included in the consolidated financial statements.

Comparative figures

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

2.5 Summary of Significant Accounting Policies

The interim condensed consolidated financial statements for the six months period ended 30 June 2024 have been prepared in accordance with TAS 34. In addition, the significant accounting policies used in preparing the condensed interim consolidated financial statements for the period ended 30 June 2024 are consistent with the accounting policies disclosed in the consolidated financial statements as at 31 December 2023. Accordingly, the condensed consolidated interim financial statements should be evaluated with the consolidated financial statements for the year ended 31 December 2023. The Group has disclosed its accounting policies for the first time in Note 2.4.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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**NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS
(cont'd)**

2.6 Significant Accounting Estimates and Assumptions

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

Provision for doubtful receivables

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

Useful lives of intangible assets

In accordance with the accounting policies disclosed in the consolidated financial statements as of 31 December 2023, property and equipment are stated at historical cost less depreciation, net of any impairment charges. Depreciation on tangible assets is calculated using the straight-line method over their estimated useful lives. Useful lives depend on the best estimates of the management and are reviewed in each balance sheet period and corrected accordingly, when needed.

Revenue recognition

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

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

Research expenses and development costs

Development is defined as the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, products, processes or systems before the start of commercial production or use and the costs incurred for these activities are capitalized by the Group. The Management determines the cost of employees to be capitalized taking into account time spent by each employee on research and development activities. The costs of employees relating to research are expensed as incurred.

Goodwill impairment test

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

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

2.7 Comparative Information and Restatement of Prior Periods' Financial Statements

The consolidated financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. The consolidated balance sheet of the Group as of 30 June 2024 has been provided with the comparative financial information of 31 December 2023 and the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the interim period ended 30 June 2024 have been provided with the comparative financial information, for the period ended 30 June 2023.

NOTE 3 - SEGMENT REPORTING

The Group's chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. Adjusted earnings before interest, tax, depreciation and amortization ("EBITDA") are used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Adjusted EBITDA is calculated by the Company by adding depreciation expense and amortization to the net amount of sales income, cost of sales, operating expenses (excluding other income and expenses from operating activities).

| 30 June 2024 | Türkiye | Romania | Segmental elimination | Consolidated |
|---|----------------|----------------|----------------------------------|---------------------|
| Segment assets | 3,832,762 | 1,911,534 | (38,799) | 5,705,497 |
| Segment liabilities | 2,322,475 | 960,166 | (38,799) | 3,243,842 |
| Goodwill | 90,188 | 745,829 | - | 836,017 |
| Property, plant and equipment and intangible assets | 1,678,133 | 818,894 | - | 2,497,027 |
| Right-of-use assets | 12,081 | 14,095 | - | 26,176 |
| 30 June 2024 | Türkiye | Romania | Segmental elimination | Consolidated |
| Revenue | 1,645,454 | 631,447 | - | 2,276,901 |
| Cost of sales | (54,992) | (369,675) | - | (424,667) |
| Operating expenses | (1,101,548) | (217,352) | - | (1,318,900) |
| Other income from operating activities | 43,044 | 2,556 | - | 45,600 |
| Other expenses from operating activities | (39,365) | (427) | - | (39,792) |
| Income from investing activities | 69,563 | - | - | 69,563 |
| Share of profit/loss of investments accounted through equity method | - | - | - | - |
| Finance income | 114,815 | 553 | - | 115,368 |
| Finance expenses | (185,526) | (15,465) | - | (200,991) |
| Depreciation and amortization expenses | (204,098) | (90,049) | - | (294,147) |
| Tax expense | (31,970) | (10,619) | - | (42,589) |
| Net monetary position gain (loss) | (286,137) | - | - | (286,137) |
| Net profit for the period | 173,338 | 21,018 | - | 194,356 |
| Adjusted EBITDA | 693,012 | 134,469 | - | 827,481 |
| Purchases of property, plant and equipment and intangible assets | 339,653 | 99,548 | - | 439,201 |

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 3 - SEGMENT REPORTING (cont'd)

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

| 30 June 2024 | Consolidated |
|---|---------------------|
| Adjusted EBITDA | 827,481 |
| Depreciation and amortization expenses | (294,147) |
| Income from investing activities | 69,563 |
| Share of losses of investments accounted for using the equity method | - |
| Other operating income | 45,600 |
| Other operating expenses | (39,792) |
| Finance income | 115,368 |
| Finance expenses | (200,991) |
| Net monetary position losses | (286,137) |
| Profit before tax | 236,945 |

| 31 December 2023 | Türkiye | Romania | Segmental elimination | Consolidated |
|--|----------------|----------------|----------------------------------|---------------------|
| Segment assets | 4,553,621 | 2,148,004 | (37,031) | 6,664,594 |
| Segment liabilities | 2,757,000 | 1,072,307 | (37,031) | 3,792,276 |
| Goodwill | 90,188 | 863,151 | - | 953,339 |
| Property, plant and equipment and intangible assets | 1,541,929 | 920,842 | - | 2,462,771 |
| Right-of-use assets | 8,870 | 21,498 | - | 30,368 |

| 30 June 2023 | Türkiye | Romania | Segmental elimination | Consolidated |
|---|----------------|----------------|----------------------------------|---------------------|
| Revenue | 1,366,095 | 551,963 | - | 1,918,058 |
| Cost of sales | (47,385) | (326,886) | - | (374,271) |
| Operating expenses | (895,042) | (219,801) | - | (1,114,843) |
| Other income from operating activities | 18,240 | 3,756 | - | 21,996 |
| Other expenses from operating activities | (37,269) | (3,408) | - | (40,677) |
| Income from investing activities | 84,090 | - | - | 84,090 |
| Share of profit/loss of investments accounted through equity method | (4,368) | - | - | (4,368) |
| Finance income | 399,980 | 4,273 | - | 404,253 |
| Finance expenses | (86,730) | (15,952) | - | (102,682) |
| Depreciation and amortization expenses | (173,077) | (59,170) | - | (232,247) |
| Tax expense | (204,133) | (12,104) | - | (216,237) |
| Net monetary position gain (loss) | (284,776) | - | - | (284,776) |
| Net profit/(loss) for the period | 308,701 | (18,158) | - | 290,543 |
| Adjusted EBITDA | 596,744 | 64,447 | - | 661,191 |
| Purchases of property, plant and equipment and intangible assets | 342,049 | 119,814 | - | 461,863 |

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2024

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NOTE 3 - SEGMENT REPORTING (cont'd)

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

| 30 June 2023 | Consolidated |
|---|---------------------|
| Adjusted EBITDA | 661,191 |
| Depreciation and amortization expenses | (232,247) |
| Income from investing activities | 84,090 |
| Share of losses of investments accounted for using the equity method | (4,368) |
| Other income from operating activities | 21,996 |
| Other expense from operating activities | (40,677) |
| Finance income | 404,253 |
| Finance expenses | (102,682) |
| Net Monetary Position Gains (Losses) | (284,776) |
| Profit before tax | 506,780 |

NOTE 4 - CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents as of 30 June 2024 and 31 December 2023 are as follows:

| | 30 June 2024 | 31 December 2023 |
|-------------------------------|---------------------|-------------------------|
| Cash | 95 | 169 |
| Bank | 118,537 | 511,521 |
| - Time deposit | 4,499 | 441,191 |
| - Demand deposit | 114,038 | 70,330 |
| Credit cards slip receivables | 9,545 | 10,767 |
| Liquid funds (*) | 131,895 | 86,409 |
| | 260,072 | 608,866 |

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

NOTE 5 - FINANCIAL INVESTMENTS

Short-term financial investments

| | 30 June 2024 | 31 December 2023 |
|--|---------------------|-------------------------|
| - <i>Financial assets at fair value through profit or loss</i> | 52,165 | 99,053 |
| - <i>Financial assets at fair value through other comprehensive income (*)</i> | 92,856 | 252,660 |
| | 145,021 | 351,713 |

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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2024

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NOTE 5 - FINANCIAL INVESTMENTS (cont'd)

Long-term financial investments

Financial assets at fair value through other comprehensive income

The analysis of non-current financial investments as of 30 June 2024 and 31 December 2023 is as follows:

| | 30 June 2024 | 31 December 2023 |
|---|----------------|------------------|
| Logo Ventures Girişim Sermayesi Yatırım Fonu ("Logo Ventures I") (*) | 14,848 | 16,742 |
| Logo Ventures Girişim Sermayesi Yatırım Fonu ("Logo Ventures II") (*) | 262,985 | 295,388 |
| İnterpro Yayıncılık Araştırma ve Organizasyon Hizmetleri A.Ş., ("Interpro") | 81 | 101 |
| Figö Ticari Bilgi ve Uygulama Platformu A.Ş., (**) | 59,710 | 59,710 |
| Payer Yazılım Sanayi ve Ticaret A.Ş., (**) | 7,568 | 7,568 |
| Dokuz Eylül Teknoloji Geliştirme Bölgesi A.Ş., ("Dokuz Eylül") | 447 | 447 |
| | 345,639 | 379,956 |

(*) As of 30 June 2024, Logo Ventures has been recognized as the asset fair value and difference is reflected to other comprehensive income and TL 29,232 (30 June 2023: TL 81,598) difference between its fair value and the cost value is accounted in other comprehensive income. İnterpro and Dokuz Eylül is reflected to consolidated financial statements with their cost value since their fair value is not significant as of 30 June 2024 and 31 December 2023. The Company has committed USD 11,200 to, İstanbul Portföy Yönetimi A.Ş. Logo Ventures II Venture Capital Management Fund and a total of USD 5,670 thousand was paid in 2024 and before.

(**) As of 30 June 2024, Payer Yazılım Sanayi ve Ticaret A.Ş. and Figö Ticari Bilgi ve Uygulama Platformu A.Ş., in which the Group has 10% and 4.02% shares respectively, are considered as assets measured at fair value through other comprehensive income, and the difference between fair value and cost has been deemed insignificant, thus considered equal. Additionally, 25% of the shares in Figö Ticari Bilgi ve Uygulama Platformu A.Ş., in which the Group holds 4.02% shares, were sold on 5 April 2023. After the sale, the ownership decreased from 4.02% to 3.02%.

| | 30 June 2024 | 31 December 2023 |
|---|--------------|------------------|
| <i>Private sector bonds:</i> | | |
| Assets at fair value through other comprehensive income (***) | 373,759 | 517,207 |

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

| | 30 June 2024 | 31 December 2023 |
|---|--------------|------------------|
| Long-term other financial investment (****) | 128,735 | 105,668 |

(****) The Group's joint venture consists of the convertible debt instruments issued by Logo Infosoft, when the relevant amounts are included in equity the ownership ratio of the Group is 87.81%. The Group has not considered the related investment for trading purposes and has recognized the fair value changes in the other comprehensive income statement.

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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 | 30 June 2024 | 31 December 2023 |
|-------------------------------|---------------------|-------------------------|
| Cash and cash equivalents | 6,075 | 12,659 |
| Other current assets | 29,783 | 30,784 |
| Other non-current assets | 1,819 | 2,341 |
| Total assets | 37,677 | 45,784 |
| Other current liabilities | 20,897 | 24,498 |
| Other non-current liabilities | 237,999 | 235,118 |
| Total liabilities | 258,896 | 259,616 |
| Net liabilities | (221,219) | (213,832) |

Summarized information on income statement

| Logo Infosoft | 30 June 2024 | 31 June 2023 |
|---|---------------------|---------------------|
| Income | 7,519 | 6,855 |
| Expenses (-) | (53,443) | (31,866) |
| Net loss for the period | (45,924) | (25,011) |
| Group's ownership rate | 72.22% | 60.00% |
| Group's share | (33,167) | (15,007) |
| Unrecognized losses (*) | (33,167) | (10,639) |
| Share of losses of investments under equity method | - | (4,368) |

(*) As of 30 June 2024, the total loss of the Group's share but not recorded is TL 100,174 (30 June 2023: TL 38,963).

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NOTE 7 – BORROWINGS

Details of financial borrowings as of 30 June 2024 and 31 December 2023 is as follows:

| Short-term borrowings: | 30 June 2024 | 31 December 2023 |
|--|---------------------|-------------------------|
| Short term bank loans | 41,745 | 30,152 |
| Payables from lease transactions | 14,352 | 12,451 |
| Credit card payables | 2,997 | 2,966 |
| | 59,094 | 45,569 |
| Short-term portion of long-term borrowings: | | |
| Short-term portion of long-term bank loans | 67,411 | 77,974 |
| Lease liabilities | 4,083 | 4,448 |
| | 71,494 | 82,422 |
| Total short-term borrowings | 130,588 | 127,991 |
| Long-term borrowings: | 30 June 2024 | 31 December 2023 |
| Long-term bank loans | 208,690 | 280,380 |
| Lease liabilities | 21,171 | 27,568 |
| Total long-term borrowings | 229,861 | 307,948 |

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NOTE 7 – BORROWINGS (cont'd)

| | 30 June 2024 | | |
|--|--|------------------------|--------------------------|
| | Weighted average annual interest rate (%) | Original amount | TL equivalent |
| Short-term borrowings: | | | |
| Bank loans - EUR – unsecured | Euribor 1M+2.95% | 496 | 17,453 |
| Bank loans - Ron – unsecured | Robor 1M+2.95% | 3,461 | 24,292 |
| Credit card payables - TL | - | 2,997 | 2,997 |
| Lease liabilities – EUR | Euribor 3M | 272 | 9,567 |
| Lease liabilities - TL | 12% - 25% | 4,785 | 4,785 |
| | | | 59,094 |
| Short-term portion of long-term borrowings: | | | |
| Bank loans - EUR – secured | Euribor 6M+ 2.45%-2.50% | 1,916 | 67,411 |
| Lease liabilities – EUR | - | 116 | 4,083 |
| | | | 71,494 |
| Long-term borrowings: | | | |
| Bank loans - EUR – secured | Euribor 6M+ 2.45%-2.50% | 5,930 | 208,690 |
| Lease liabilities – EUR | Euribor 3M | 412 | 14,515 |
| Lease liabilities - TL | - | 6,656 | 6,656 |
| | | | 229,861 |
| Total borrowings | | | 360,449 |
| | 31 December 2023 | | |
| | Weighted average annual interest rate (%) | Original amount | TL equivalent |
| Short-term borrowings: | | | |
| Bank loans - EUR – unsecured | Euribor 1M+2.95% | 741 | 30,152 |
| Credit card payables - TL | - | 2,378 | 2,966 |
| Lease liabilities – EUR | Euribor 3M | 263 | 10,712 |
| Lease liabilities - TL | 12% - 25% | 1,394 | 1,739 |
| | | | 45,569 |
| Short-term portion of long-term borrowings: | | | |
| Bank loans - EUR – secured | Euribor 6M+ 2.45%-2.50% | 1,916 | 77,974 |
| Lease liabilities – EUR | - | 109 | 4,448 |
| | | | 82,422 |
| Long-term borrowings: | | | |
| Bank loans - EUR – secured | Euribor 6M+ 2.45%-2.50% | 6,888 | 280,380 |
| Lease liabilities – EUR | Euribor 3M | 550 | 22,394 |
| Lease liabilities - TL | - | 4,148 | 5,174 |
| | | | 307,948 |
| Total borrowings | | | 435,939 |

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NOTE 7 – BORROWINGS (cont'd)

The redemption schedules of long-term borrowings as of 30 June 2024 and 31 December 2023 are as follows:

| | 30 June 2024 | | 31 December 2023 | |
|---------------------------------|-----------------------|-------------------------|-------------------------|-------------------------|
| To be paid within 1 - 2 years | 75,994 | | 97,460 | |
| To be paid within 2 - 5 years | 149,505 | | 207,426 | |
| To be paid in more than 5 years | 4,362 | | 3,062 | |
| | 229,861 | | 307,948 | |
| | Net book value | | Fair value | |
| | 30 June 2024 | 31 December 2023 | 30 June 2024 | 31 December 2023 |
| Bank loans | 317,846 | 388,507 | 333,705 | 411,316 |
| | 317,846 | 388,507 | 333,705 | 411,316 |

Interest rate and currency risk of the Group are explained in Note 29.

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

The details of trade receivables and payables as of 30 June 2024 and 31 December 2023 are as follows:

| Short-term trade receivables: | 30 June 2024 | 31 December 2023 |
|---|---------------------|-------------------------|
| Buyers | 949,627 | 1,085,083 |
| Cheques and notes receivable | 12,815 | 9,706 |
| Less: Provision for doubtful receivables | (36,896) | (43,600) |
| Less: Unearned finance income arising from credit sales | (39,530) | (36,340) |
| | 886,016 | 1,014,849 |

As of 30 June 2024, the average turnover of the trade receivables is 69 days (31 December 2023: 89 days). The discount rate applied to the undue receivables is 57.16% (31 December 2023: 49.28%).

As of 30 June 2024, TL 157,848 of trade receivables (31 December 2023: TL 79,472) were past due but not impaired. The aging analysis of these trade receivables is as follows:

| | 30 June 2024 | 31 December 2023 |
|--------------------|---------------------|-------------------------|
| Up to 1 month | 87,683 | 29,647 |
| 1 - 3 months | 22,005 | 15,259 |
| More than 3 months | 48,160 | 34,566 |
| | 157,848 | 79,472 |

As of 30 June 2024, TL 92,282 of overdue receivables consist of trade receivables of TotalSoft (31 December 2023: TL 47,961). The Group manages its receivables in accordance with credit risk management policies which is explained in Note 29.

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

The movement of provision for doubtful receivables for the periods ended 30 June 2024 and 31 December 2023 are as follows:

| | 30 June 2024 | 31 December 2023 |
|---|---------------------|-------------------------|
| As of 1 January | 43,600 | 44,689 |
| Provisions for the period | 6,868 | 12,471 |
| Released provisions | (7,294) | (8,745) |
| Foreign currency translation difference | 2,368 | 12,977 |
| Inflation difference | (8,646) | (7,378) |
| As of 30 June | 36,896 | 54,014 |

| Trade payables to third parties: | 30 June 2024 | 31 December 2023 |
|---|---------------------|-------------------------|
| Trade payables | 236,333 | 350,741 |
| | 236,333 | 350,741 |

As of 30 June 2024, the average debt payment period is 80 days (31 December 2023: 102 days).

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

The table below shows the maximum exposure of the Group to credit risk as of 30 June 2024 and 31 December 2023:

| 30 June 2024 | Trade receivables | | Other receivables | | Bank and funds | Derivative Instruments | Other (**) |
|--|-------------------|----------|-------------------|-------|----------------|------------------------|------------|
| | Related party | Other | Related party | Other | | | |
| The maximum of credit risk exposure as of reporting date | 2,638 | 886,016 | 1,280 | 57 | 259,977 | - | 993,154 |
| - Amount of risk covered by guarantees | - | 245 | - | - | - | - | - |
| Net carrying value of not past due not impaired financial assets | 2,638 | 728,168 | 1,280 | 57 | 259,977 | - | 993,154 |
| Net carrying value of past due but not impaired financial assets | - | 157,848 | - | - | - | - | - |
| Amount of risk covered by guarantees | - | - | - | - | - | - | - |
| Net carrying value of impaired assets | - | - | - | - | - | - | - |
| Past due (gross carrying value) | - | 36,896 | - | - | - | - | - |
| Impairment (-) | - | (36,896) | - | - | - | - | - |
| Amount of risk covered by guarantees | - | - | - | - | - | - | - |

(*)The guarantees which cover the credit risk include guarantee cheques, mortgages and letter of guarantees.

(**) Receivables specified as other include long and short term financial investments.

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

| 31 December 2023 | <u>Trade receivables</u> | | <u>Other receivables</u> | | Bank and funds | Derivative Instruments | Other (**) |
|--|--------------------------|-----------|--------------------------|-------|----------------|------------------------|------------|
| | Related party | Other | Related party | Other | | | |
| The maximum of credit risk exposure as of reporting date | 2,551 | 1,014,849 | 1,186 | 71 | 608,697 | - | 1,354,544 |
| - Amount of risk covered by guarantees | - | 306 | - | - | - | - | - |
| Net carrying value of not past due not impaired financial assets | 2,551 | 935,377 | 1,186 | 71 | 608,697 | - | 1,354,544 |
| Net carrying value of past due but not impaired financial assets | - | 79,472 | - | - | - | - | - |
| Amount of risk covered by guarantees | - | - | - | - | - | - | - |
| Net carrying value of impaired assets | - | - | - | - | - | - | - |
| Past due (gross carrying value) | - | 43,600 | - | - | - | - | - |
| Impairment (-) | - | (43,600) | - | - | - | - | - |
| Amount of risk covered by guarantees | - | - | - | - | - | - | - |

(*)The guarantees which cover the credit risk include guarantee cheques, mortgages and letter of guarantees.

(**) Receivables specified as other include long and short term financial investments.

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NOTE 9 – OTHER RECEIVABLES, PAYABLES AND OTHER ASSETS

**Other short-term receivables
from third parties:**

| | 30 June 2023 | 31 December 2023 |
|-------------------------------|---------------------|-------------------------|
| Deposits and guarantees given | 57 | 71 |
| | 57 | 71 |

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

| | 30 June 2024 | 31 December 2023 |
|--------------------------------------|---------------------|-------------------------|
| Put option liability - ABS (*) | 385,685 | 446,098 |
| Other taxes payable | 45,960 | 241,615 |
| Put option liability – Peoplise (**) | - | 23,651 |
| Other payables to third parties | - | 1,968 |
| | 431,645 | 713,332 |

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

| | 30 June 2024 | 31 December 2023 |
|---------------------|---------------------|-------------------------|
| Other taxes payable | 191,801 | - |
| Other payables | 615 | 767 |
| | 192,416 | 767 |

(*) With the share transfer agreement signed on 19 July 2018, the Group acquired ABS shares and ABS-FS shares which are fully owned by ABS. As a result of these acquisitions, there is a put option granted to Avramos Holding Ltd by Logo Yazılım for the 20% Total Soft shares transferred to Avramos Holding Ltd. The Company and Avramos Holding Ltd. revised the partnership agreement in 2022 as if Avramos Holding Ltd. exercises the share sale option before 15 September 2023, it will be deemed to have exercised this right with the financial conditions before the end of the first quarter of 2022. Therefore, Total Soft's 2021 financial statements have been taken into account in the calculation of put option liability as of 30 June 2024. The details of the agreement between the Company and Avramos Holding signed after the reporting period are disclosed in Note 32.

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

Other current assets:

| | 30 June 2024 | 31 December 2023 |
|--------------------|---------------------|-------------------------|
| Personnel advances | 13,039 | 4,474 |
| Business advances | 11,898 | 5,322 |
| Prepaid taxes | 5,842 | 15,689 |
| Deferred VAT | 4,961 | 3,866 |
| Other | 19,847 | 25,532 |
| | 55,587 | 54,883 |

NOTE 10- INVENTORIES

| | 30 June 2024 | 31 December 2023 |
|-----------------------------|---------------------|-------------------------|
| Raw materials and equipment | 26,526 | 42,889 |
| Trade goods | 2,209 | 2,313 |
| Other | 30 | 74 |
| | 28,765 | 45,276 |

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NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

| | 1 January 2024 | Additions | Disposals | Foreign currency translation differences | 30 June 2024 |
|-----------------------------------|-------------------|---------------|-----------------|--|-----------------|
| Cost: | | | | | |
| Machinery. plant and equipment | 165,356 | 7,235 | (1,009) | (4,083) | 167,499 |
| Motor vehicles | 144,823 | 5,755 | (3,531) | (4,864) | 142,183 |
| Furniture and fixtures | 60,040 | 45 | (163) | (152) | 59,770 |
| Leasehold improvements | 387,250 | 234 | - | (297) | 387,187 |
| | 757,469 | 13,269 | (4,703) | (9,396) | 756,639 |
| Accumulated depreciation: | | | | | |
| Machinery. plant and equipment | 104,575 | 10,678 | (699) | (4,145) | 110,409 |
| Motor vehicles | 37,543 | 12,952 | (1,487) | (2,144) | 46,864 |
| Furniture and fixtures | 54,358 | 1,496 | (163) | 121 | 55,812 |
| Leasehold improvements | 206,459 | 6,045 | - | (237) | 212,267 |
| | 402,935 | 31,171 | (2,349) | (6,405) | 425,352 |
| Net book value | 354,534 | | | | 331,287 |
| | 1 January 2023 | Additions | Disposals | Foreign currency translation differences | 30 June 2023 |
| Cost: | | | | | |
| Machinery. plant and equipment | 130,067 | 49,003 | (18,362) | 8,241 | 168,949 |
| Motor vehicles | 64,298 | 42,132 | (864) | 5,231 | 110,797 |
| Furniture and fixtures | 71,600 | 53 | (5,331) | 296 | 66,618 |
| Leasehold improvements | 403,455 | 288 | - | 706 | 404,449 |
| | 669,420 | 91,476 | (24,557) | 14,474 | 750,813 |
| Accumulated depreciation: | | | | | |
| Machinery. plant and equipment | 108,011 | 9,046 | (18,273) | 6,565 | 105,349 |
| Motor vehicles | 19,218 | 8,217 | (847) | 2,734 | 29,322 |
| Furniture and fixtures | 64,618 | 771 | (5,268) | 98 | 60,219 |
| Leasehold improvements | 212,863 | 5,612 | - | 332 | 218,807 |
| | 404,710 | 23,646 | (24,388) | 9,729 | 413,697 |
| Net book value | 264,710 | | | | 337,116 |

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NOTE 12 - INTANGIBLE ASSETS

| | 1 January 2024 | Additions | Disposals | Foreign currency translation differences | 30 June 2024 |
|----------------------------------|-------------------|----------------|-----------|--|------------------|
| Cost: | | | | | |
| Development costs | 4,579,064 | 412,379 | - | (156,445) | 4,834,998 |
| Advanced technology | 151,761 | - | - | (3,092) | 148,669 |
| Customer relations | 364,655 | - | - | (29,286) | 335,369 |
| Non-compete agreement | 27,816 | - | - | - | 27,816 |
| Other intangible assets | 204,771 | 13,553 | - | 15 | 218,339 |
| | 5,328,067 | 425,932 | - | (188,808) | 5,565,191 |
| Accumulated depreciation: | | | | | |
| Development costs | 2,676,704 | 241,056 | - | (54,786) | 2,862,974 |
| Advanced technology | 143,885 | 2,006 | - | (2,926) | 142,965 |
| Customer relations | 215,329 | 9,688 | - | (12,903) | 212,114 |
| Non-compete agreement | 27,816 | - | - | - | 27,816 |
| Other intangible assets | 156,094 | 2,308 | - | (4,820) | 153,582 |
| | 3,219,828 | 255,058 | - | (75,435) | 3,399,451 |
| Net book value | 2,108,239 | | | | 2,165,740 |

Of the total additions to development costs for the interim period ended 30 June 2024, TL 412,379 (30 June 2023: TL 366,247) consist of capitalised personnel costs.

Depreciation and amortization expenses related to property, plant and equipment, intangible assets, and right-of-use assets as of 30 June 2024 are allocated as follows: TL 238,612 (30 June 2023: TL 191,407) to research and development expenses: TL 11,186 (30 June 2023: TL 13,785) to marketing expenses: TL 22,980 (30 June 2023: TL 23,668) to general administrative expenses: and TL 21,369 (30 June 2023: TL 3,387) to cost of sales. (Note 21 and 22).

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NOTE 12 - INTANGIBLE ASSETS (cont'd)

| | 1 January 2023 | Additions | Disposals | Foreign currency translation differences | 30 June 2023 |
|----------------------------------|-------------------|----------------|-----------|--|------------------|
| Cost: | | | | | |
| Development costs | 3,836,358 | 370,080 | - | 203,767 | 4,410,205 |
| Advanced technology | 152,585 | - | - | 3,659 | 156,244 |
| Customer relations | 367,699 | - | - | 38,731 | 406,430 |
| Non-compete agreement | 27,816 | - | - | - | 27,816 |
| Other intangible assets | 194,365 | 307 | - | 21,281 | 215,952 |
| | 4,578,823 | 370,387 | - | 267,438 | 5,216,647 |
| Accumulated amortization: | | | | | |
| Development costs | 2,278,609 | 180,179 | - | 67,905 | 2,526,693 |
| Advanced technology | 140,204 | 2,006 | - | 3,845 | 146,055 |
| Customer relations | 193,446 | 10,780 | - | 16,691 | 220,917 |
| Non-compete agreement | 27,816 | - | - | - | 27,816 |
| Other intangible assets | 151,792 | 2,845 | - | 7,014 | 161,651 |
| | 2,791,867 | 195,810 | - | 95,455 | 3,083,132 |
| Net book value | 1,786,956 | | | | 2,133,515 |

NOTE 13 – RIGHT-OF-USE ASSETS

| | 1 January 2024 | Additions | Disposals | Foreign currency translation differences | 30 June 2024 |
|----------------------------------|-------------------|--------------|-----------------|--|-----------------|
| Cost: | | | | | |
| Motor vehicles | 32,078 | - | (28,209) | (768) | 3,101 |
| Office | 67,832 | 6,466 | (6,235) | (6,684) | 61,379 |
| | 99,910 | 6,466 | (34,444) | (7,452) | 64,480 |
| Accumulated depreciation: | | | | | |
| Motor vehicles | 31,991 | - | (28,122) | (768) | 3,101 |
| Office | 37,551 | 7,918 | (6,037) | (4,229) | 35,203 |
| | 69,542 | 7,918 | (34,159) | (4,997) | 38,304 |
| Net book value | 30,368 | | | | 26,176 |

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

| | 1 January 2023 | Additions | Disposals | Foreign currency translation differences | 30 June 2023 |
|----------------------------------|-------------------|---------------|-----------------|--|-----------------|
| Cost: | | | | | |
| Motor vehicles | 29,430 | - | (14,761) | 697 | 15,366 |
| Office | 68,943 | 17,849 | (11,487) | 8,590 | 83,895 |
| | 98,373 | 17,849 | (26,248) | 9,287 | 99,261 |
| Accumulated depreciation: | | | | | |
| Motor vehicles | 25,909 | 2,911 | (15,566) | 336 | 13,590 |
| Office | 25,760 | 9,880 | (11,506) | 4,199 | 28,333 |
| | 51,669 | 12,791 | (27,072) | 4,535 | 41,923 |
| Net book value | 46,704 | | | | 57,338 |

NOTE 14 - GOODWILL

| | 30 June 2024 | 31 December 2023 |
|--------------------|----------------|------------------|
| Total Soft | 552,085 | 638,931 |
| Total Soft (ABS) | 187,357 | 216,829 |
| Netsis | 59,650 | 59,650 |
| Peoplise | 16,892 | 16,892 |
| Total Soft (Nexia) | 6,387 | 7,391 |
| Other | 13,646 | 13,646 |
| | 836,017 | 953,339 |

Movement table of goodwill for the interim periods ended 30 June 2024 and 31 December 2023 are as follows:

| | 2024 | 2023 |
|--|----------------|------------------|
| As of 1 January | 953,339 | 965,247 |
| Foreign currency translation differences | (117,322) | 155.396 |
| As of 30 June | 836,017 | 1,120,643 |

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

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NOTE 15 - COMMITMENTS AND CONTINGENT LIABILITIES

Guarantees received:

| | Original currency | 30 June 2024 | | 31 December 2023 | |
|-----------------|----------------------|--------------------|------------------|--------------------|------------------|
| | | Original amount | TL equivalent | Original amount | TL equivalent |
| Guarantee notes | TL | 245 | 245 | 306 | 306 |
| | | 245 | 245 | 306 | 306 |

As of 30 June 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:

| | 30 June 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 | - | 1,466 | - | 8,614 | - | 1,315 | - | 8,477 |
| B. Total amount of GPM provided on behalf of the associates accounted under full consolidation method (*) | 623,265 | - | 3,683 | - | 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 | - | - | - | - | - | - | - | - |
| | 623,265 | 1,466 | 3,683 | 8,614 | 578,004 | 1,315 | 375 | 8,477 |

(*) Note 7.

As of 30 June 2024, the ratio of other CPMs given by the Company to the equity is 0% (31 December 2023: 0%).

NOTE 16 - EMPLOYEE BENEFITS

**Short-term payables for
employee benefits:**

| | 30 June 2024 | 31 December 2023 |
|--------------------------|----------------|------------------|
| Social security payables | 232,874 | 239,645 |
| Due to personnel | 110,951 | 44,500 |
| Personnel Bonuses | 32,544 | 248,300 |
| | 376,369 | 532,445 |

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NOTE 16 - EMPLOYEE BENEFITS (cont'd)

**Long-term payables for
employee benefits:**

| | 30 June 2024 | 31 December 2023 |
|---|---------------------|-------------------------|
| Provision for employment termination benefits | 99,592 | 95,932 |
| Provision for unused vacation | 90,710 | 71,698 |
| | 190,302 | 167,630 |

The movements of provision for unused vacation for the interim periods ended 30 June 2024 and 2023 are as follow:

| | 2024 | 2023 |
|---|---------------|---------------|
| As of 1 January | 71,697 | 59,034 |
| Increase during the year | 34,430 | 26,101 |
| Foreign currency translation difference | 1,813 | 11,243 |
| Inflation effect | (17,230) | (11,358) |
| As of 30 June | 90,710 | 85,020 |

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 36,813). Provision for employment termination benefits is calculated based on the present value of the Group's obligation to pay in the event of retirement.

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

TAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the Group's obligation under the defined benefit plans. The following actuarial assumptions are used in the calculation of the total liability. Actuarial gain/(loss) is accounted under the "Actuarial gain/(loss) calculated within the scope of employee benefits":

| | 30 June 2024 | 31 December 2023 |
|------------------------------------|---------------------|-------------------------|
| Discount rate (%) | 3.91 | 3.50 |
| Probability of voluntary leave (%) | 93.76 | 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 41,828 which is effective from 1 July 2024 (1 July 2023: TL 36,813) has been taken into consideration in the calculations.

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NOTE 16 - EMPLOYEE BENEFITS (cont'd)

The movements of the provision for employment termination benefits for the interim periods ended 30 June 2024 and 2023 are as follows:

| | 2024 | 2023 |
|------------------------|---------------|---------------|
| As of 1 January | 95,932 | 80,480 |
| Service cost | 14,219 | 8,836 |
| Interest cost | 10,148 | 7,271 |
| Actuarial loss | 2,567 | 5,101 |
| Compensations paid | (4,194) | (11,806) |
| Inflation effect | (19,080) | (13,289) |
| As of 30 June | 99,592 | 76,593 |

NOTE 17 - PREPAID EXPENSES AND LIABILITIES FROM CONTRACTS WITH CUSTOMERS

| Short-term prepaid expenses: | 30 June 2024 | 31 December 2023 |
|-------------------------------------|---------------------|-------------------------|
| Prepaid expenses | 77,500 | 61,043 |
| | 77,500 | 61,043 |

| Long-term prepaid expenses: | 30 June 2024 | 31 December 2023 |
|------------------------------------|---------------------|-------------------------|
| Advances given | 2,137 | 3,745 |
| | 2,137 | 3,745 |

| Short-term deferred income: | 30 June 2024 | 31 December 2023 |
|---|---------------------|-------------------------|
| Liabilities from contracts with customers (*) | 1,339,091 | 1,441,292 |
| Advances received | 16,503 | 19,104 |
| | 1,355,594 | 1,460,396 |

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

| Long-term deferred income: | 30 June 2024 | 31 December 2023 |
|---|---------------------|-------------------------|
| Liabilities from contracts with customers (*) | 39,902 | 56,268 |
| | 39,902 | 56,268 |

(*) Liabilities from contracts with customers mainly relates to pay as you go sales (integrator income).

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

The details of deferred income as of 30 June 2024 and 31 December 2023 as follows:

| | 30 June 2024 | 31 December 2023 |
|----------------------------------|---------------------|-------------------------|
| Pay as you go sales | 733,261 | 782,181 |
| LEM sales | 483,973 | 553,586 |
| Revenue from continuing projects | 81,933 | 47,877 |
| After-sales services revenue | 79,826 | 113,916 |
| | 1,378,993 | 1,497,560 |

NOTE 18 - EQUITY

The Company's authorized and paid-in share capital consists of 100,000,000 (31 December 2023: 100,000,000) shares with a nominal value of Kr 1 each. The shareholding structure of the Company as of 30 June 2024 and 31 December 2023 is as follows:

| | 30 June 2024 | Share rate (%) | 31 December 2023 | Share rate (%) |
|--------------------------------------|---------------------|---------------------------|-------------------------|---------------------------|
| Logo Teknoloji ve Yatırım A.Ş. | 33,630 | 33,63 | 33,630 | 33,63 |
| Publicly traded | 66,370 | 66,37 | 66,370 | 66,37 |
| | 100,000 | 100,00 | 100,000 | 100,00 |
| Share capital adjustment differences | 704,019 | | 704,019 | |
| Paid-in share capital | 804,019 | | 804,019 | |

The shares representing capital are categorized as group A and B. The privileges granted to group A shares are as follows: half of the board members will be elected from among the candidates nominated by group A shareholders and the Chairman of the Board is elected from among the board members proposed by Group A shareholders. Adjustment to share capital represents the difference between the historical amounts and the amounts adjusted according to the inflation of cash contributions to share capital.

Treasury shares

As of 30 June 2024, the amount of treasury shares which is accounted in Group's equity is TL 369,060 (31 December 2023: TL 262,294).

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.

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NOTE 18 – EQUITY (cont'd)

Dividend distribution (cont'd)

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

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

NOTE 19 - EXPENSES BY NATURE

As of 30 June 2024 and 30 June 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 - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|-------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Sales income | 1,068,850 | 616,387 | 961,337 | 550,378 |
| Service income | 692,041 | 347,682 | 573,855 | 291,610 |
| SaaS service income | 538,100 | 270,793 | 406,746 | 209,908 |
| Sales returns | (9,684) | (4,526) | (11,194) | (6,724) |
| Sales discounts | (12,406) | (5,123) | (12,686) | (5,272) |
| Net sales income | 2,276,901 | 1,225,213 | 1,918,058 | 1,039,900 |
| Cost of sales | (424,667) | (208,469) | (374,271) | (194,951) |
| Gross profit | 1,852,234 | 1,016,744 | 1,543,787 | 844,949 |

| Cost of sales | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|--------------------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Cost of services | 354,784 | 166,952 | 331,896 | 170,626 |
| Cost of transfer of financial rights | 35,740 | 25,011 | 29,745 | 18,796 |
| Cost of trade goods sold | 12,774 | 6,484 | 9,243 | 4,385 |
| Depreciation and amortization | 21,369 | 10,022 | 3,387 | 1,144 |
| Cost of sales | 424,667 | 208,469 | 374,271 | 194,951 |

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

| Research and development expenses: | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|---|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| Personnel expenses | 263,292 | 119,140 | 261,801 | 150,590 |
| Depreciation and amortization | 238,612 | 119,811 | 191,407 | 98,816 |
| Outsourced benefits and services | 80,387 | 62,738 | 31,865 | 16,706 |
| Consultancy expenses | 16,649 | 9,253 | 16,176 | 8,791 |
| Motor vehicle expenses | 11,226 | 5,877 | 8,092 | 4,172 |
| Travel expenses | 1,900 | 1,118 | 1,236 | 720 |
| Other | 51,904 | 26,529 | 43,553 | 22,989 |
| | 663,970 | 344,466 | 554,130 | 302,784 |

| Marketing, sales and distribution expenses: | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|--|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| Personnel expenses | 197,196 | 109,237 | 151,464 | 82,721 |
| Advertising and sales expenses | 180,998 | 94,846 | 146,496 | 100,146 |
| Depreciation and amortization | 11,186 | 5,729 | 13,785 | 6,864 |
| Motor vehicle expenses | 9,978 | 5,092 | 7,148 | 3,769 |
| Consultancy expenses | 3,917 | 1,443 | 15,458 | 6,581 |
| Outsourced benefits and services | 3,798 | 1,666 | 5,729 | 2,923 |
| Travel expenses | 2,128 | 1,371 | 1,195 | 683 |
| Other | 11,704 | 4,802 | 9,843 | 4,530 |
| | 420,905 | 224,186 | 351,118 | 208,217 |

| General administrative expenses: | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|---|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| Personnel expenses | 158,741 | 44,807 | 129,046 | 53,784 |
| Consultancy expenses | 26,984 | 13,158 | 29,163 | 13,961 |
| Depreciation and amortization | 22,980 | 11,058 | 23,668 | 11,965 |
| Motor vehicle expenses | 7,092 | 3,568 | 5,871 | 3,404 |
| Outsourced benefits and services | 5,291 | 4,260 | 1,929 | 888 |
| Travel expenses | 1,769 | 1,088 | 1,281 | 476 |
| Other | 11,168 | 535 | 18,637 | 9,021 |
| | 234,025 | 78,474 | 209,595 | 93,499 |

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NOTE 22 - OTHER OPERATING INCOME AND EXPENSES

| | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|-------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| Other operating income | | | | |
| Rediscount income (*) | 25,176 | 1,936 | 1,339 | (3,293) |
| Foreign exchange income | 9,575 | 7,616 | 17,031 | 11,675 |
| Overdue interest income | - | - | 545 | 545 |
| Other | 10,849 | 6,577 | 3,081 | (866) |
| | 45,600 | 16,129 | 21,996 | 8,061 |

| | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|---------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| Other operating expenses | | | | |
| Rediscount expenses | 28,012 | 25,420 | 10,111 | 9,515 |
| Foreign exchange losses (*) | 5,754 | 4,431 | 15,597 | 10,306 |
| Provision expenses | 50 | 50 | 2,020 | 2,020 |
| Other | 5,976 | 2,092 | 12,949 | 10,378 |
| | 39,792 | 31,993 | 40,677 | 32,219 |

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

NOTE 23 - INCOME FROM INVESTING ACTIVITIES

| | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|-----------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| Gain on sale of securities | | | | |
| | 69,563 | 30,495 | 84,090 | 45,002 |
| | 69,563 | 30,495 | 84,090 | 45,002 |

NOTE 24 - FINANCE INCOME

| | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|------------------------|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| Foreign exchange gains | 107,441 | 15,299 | 388,596 | 336,648 |
| Interest income | 7,927 | 1,569 | 15,657 | 4,178 |
| | 115,368 | 16,868 | 404,253 | 340,826 |

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 25 - FINANCE EXPENSES

| | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|---|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| Interest expenses (*) | 177,595 | 85,286 | 82,387 | 41,173 |
| Interest expenses of employment termination benefits | 10,148 | 5,020 | 7,271 | 3,676 |
| Foreign exchange losses | 9,052 | 6,498 | 6,022 | 3,546 |
| Interest expense from leases | 2,162 | 1,354 | 3,282 | 2,256 |
| Credit card commissions | 1,963 | 1,018 | 576 | 278 |
| Other financial expenses | 71 | (823) | 3,144 | 1,339 |
| | 200,991 | 98,353 | 102,682 | 52,268 |

(*) Interest expenses amounting to TL 165,327 (30 June 2023: TL 72,695) consist of bank charges arising from early collection of credit card receivables.

NOTE 26 - TAX ASSETS AND LIABILITIES

| | 1 January - 30 June 2024 | 1 January - 31 December 2023 |
|-------------------------------------|-------------------------------------|---|
| Corporate tax expense | 8,347 | 150,061 |
| Prepaid taxes and funds (-) | (3,994) | (138,436) |
| Current profit tax liability | 4,353 | 11,625 |

| | 30 June 2024 | 30 June 2023 |
|-----------------------------------|---------------------|---------------------|
| Current period tax expense | (8,347) | (173,541) |
| Deferred tax income | (34,242) | (42,696) |
| Current period tax expense | (42,589) | (216,237) |

Deferred taxes

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

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

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

The composition of cumulative temporary differences and the related deferred income tax assets and liabilities in respect of items for which deferred tax has been provided at 30 June 2024 and 31 December 2023 using the enacted tax rates, is as follows:

| | Total temporary differences | | Deferred tax assets/(liabilities) | |
|---|-----------------------------|------------------|-----------------------------------|------------------|
| | 30 June 2024 | 31 December 2023 | 30 June 2024 | 31 December 2023 |
| Deferred tax assets: | | | | |
| Provisions for expenses | 40,434 | 191,276 | 10,108 | 47,819 |
| Provision for employment termination benefits | 62,190 | 53,732 | 15,547 | 13,433 |
| Deferred income | 60,891 | 50,250 | 15,223 | 12,563 |
| Valuation of other financial assets | (1,749) | - | (437) | - |
| Vacation provision | 24,038 | 17,434 | 6,009 | 4,359 |
| Finance income unaccrued | 38,528 | 43,062 | 9,632 | 10,766 |
| Provision for doubtful receivables | 1,741 | 1,937 | 435 | 484 |
| | 226,073 | 357,691 | 56,517 | 89,424 |
| Deferred tax liabilities: | | | | |
| Difference between the tax base and carrying value of property, plant and equipment and intangible assets | (189,364) | (164,330) | (47,341) | (41,083) |
| Deferred tax from valuation of other financial assets | - | (2,236) | - | (559) |
| Inventories | (434) | (1,229) | (109) | (307) |
| Prepaid expenses | (7,411) | (4,461) | (1,853) | (1,115) |
| Gains from investments in equity-based financial instruments | (49,595) | (53,258) | (12,397) | (13,315) |
| | (246,804) | (225,514) | (61,700) | (56,379) |
| Deferred income tax assets/(liabilities), net | | | (5,183) | 33,045 |

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

| Deferred tax assets | 1 January - 30 June 2024 | 1 January - 31 December 2023 |
|--|-----------------------------|---------------------------------|
| To be recovered less than 12 months | 34,961 | 71,632 |
| To be recovered more than 12 months | 21,556 | 17,792 |
| | 56,517 | 89,424 |
| Deferred tax liabilities | | |
| To be recovered less than 12 months | (1,962) | (1,422) |
| To be recovered more than 12 months | (59,738) | (54,957) |
| | (61,700) | (56,379) |
| Deferred income tax assets/(liabilities), net | (5,183) | 33,045 |

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

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

| | 2024 | 2023 |
|---|----------------|-----------------|
| 1 January | 33,045 | (17,059) |
| Charged to statements of profit or loss | (34,242) | (42,696) |
| Charged to other comprehensive income | (1,375) | (3,120) |
| Foreign currency translation difference | (2,611) | (9,791) |
| 30 June | (5,183) | (72,666) |

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%).

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

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 10%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

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

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

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

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

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

Corporate Tax (cont'd)

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

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

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

- 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).

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

NOTE 27 - EARNINGS PER SHARE

In the interim period ending on 30 June 2024, the profit for the period was full TL 2.02 (30 June 2023: full TL 3.08) per thousand shares calculated from the nominal value of 1 Kr.

| | 30 June 2024 | 30 June 2023 |
|--|---------------------|---------------------|
| Net income attributable to equity | | |
| holders of the parent | 190,152 | 296,964 |
| Average number of shares for the year | 9,419,602 | 9,628,058 |
| <u>Earnings per share (full TL)</u> | <u>2.02</u> | <u>3.08</u> |

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NOTE 28 - RELATED PARTY DISCLOSURES

a) Receivables and payables from related parties as of 30 June 2024 and 31 December 2023:

| Trade receivables from related parties: | 30 June 2024 | 31 December 2023 |
|--|---------------------|-------------------------|
| Other | 2,638 | 2,551 |
| | 2,638 | 2,551 |

| Other payables from related parties: | 30 June 2024 | 31 December 2023 |
|---|---------------------|-------------------------|
| Other | 193 | 5 |
| | 193 | 5 |

| Other receivables from related parties: | 30 June 2024 | 31 December 2023 |
|--|---------------------|-------------------------|
| Logo Infosoft | 1,280 | 1,186 |
| | 1,280 | 1,186 |

b) Services given from related parties during the periods ended 30 June 2024 and 2023:

| Services given to related parties | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|--|---------------------------------|-------------------------------|---------------------------------|-------------------------------|
| Logo Infosoft | - | - | 3,927 | (406) |
| Tekbulut Teknoloji | 4 | 2 | - | - |
| Timus Siber Güvenlik Teknolojileri A.Ş. | 5,282 | 205 | 4,042 | 2,162 |
| Logo Teknoloji ve Yatırım A.Ş. | 78 | 6 | 46 | 23 |
| | 5,364 | 213 | 8,015 | 1,779 |

c) Services received from related parties during the periods ended 30 June 2024 and 2023:

Services received from related parties

| Services received from related parties | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|---|---------------------------------|-------------------------------|---------------------------------|-------------------------------|
| Logo Infosoft | 177 | 163 | 1,333 | 29 |
| | 177 | 163 | 1,333 | 29 |

d) Remuneration of the key management:

| | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|------------------------------------|---------------------------------|-------------------------------|---------------------------------|-------------------------------|
| Remuneration of the key management | 54,287 | 14,502 | 46,172 | 13,579 |
| | 54,287 | 14,502 | 46,172 | 13,579 |

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

29.1 Financial risk management

Credit risk

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

Liquidity risk

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

| 30 June 2024 | | | | | | |
|---|---|---|-------------------------------------|---|--|-------------------------|
| Non-derivative financial instruments | Total contractual carrying value | Up to cash outflow (I+II+III+IV) | Between 3 months (I) | Between 3-12 months (II) | More than 1-5 years (III) | 5 years (IV) |
| Borrowings | 360,449 | 376,308 | 49,898 | 87,153 | 234,895 | 4,362 |
| Trade payables | | | | | | |
| - Trade payables to third parties | 236,333 | 236,333 | 236,333 | - | - | - |
| Payables related to employee benefits | 376,369 | 376,369 | 376,369 | - | - | - |
| Other payables | | | | | | |
| - Other payables to third payables | 624,061 | 624,061 | 431,645 | - | 192,416 | - |
| Total liabilities | 1,597,212 | 1,613,071 | 1,094,245 | 87,153 | 427,311 | 4,362 |
| 31 December 2023 | | | | | | |
| Non-derivative financial instruments | Total contractual carrying value | Up to cash outflow (I+II+III+IV) | Between 3 months (I) | Between 3-12 months (II) | More than 1-5 years (III) | 5 years (IV) |
| Borrowings | 435,939 | 458,748 | 37,718 | 98,724 | 319,244 | 3,062 |
| Trade payables | | | | | | |
| - Trade payables to third parties | 350,741 | 350,741 | 350,741 | - | - | - |
| Payables related to employee benefits | 532,445 | 532,445 | 532,445 | - | - | - |
| Other payables | | | | | | |
| - Other payables to third payables | 714,099 | 714,099 | 713,332 | - | 767 | - |
| Total liabilities | 2,033,224 | 2,056,033 | 1,634,236 | 98,724 | 320,011 | 3,062 |

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

29.1 Financial risk management (cont'd)

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.

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

| | 30 June 2024 | 31 December 2023 |
|---|---------------------|-------------------------|
| <u>Financial instruments with fixed interest rate</u> | | |
| Financial assets | | |
| - <i>Financial assets at amortized cost</i> | 4,499 | 441,191 |
| - <i>Financial assets with fair value reflected to other comprehensive income</i> | 466,615 | 769,867 |
| Financial liabilities | 84,348 | 77,585 |
| Put option valuation fund for non-controlling interests | 385,685 | 469,749 |
| <u>Financial instruments with floating interest rate</u> | | |
| Financial assets | | |
| - <i>Financial assets with fair value reflected to profit/loss</i> | 184,060 | 185,462 |
| Financial liabilities | 276,101 | 358,354 |

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

Funding risk

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

Foreign currency risk

The Group is exposed to exchange rate risk arising from exchange rate changes due to the translation of foreign currency denominated debts or creditors into Turkish Lira. The foreign currency risk is followed by analysing the foreign exchange position.

Foreign exchange rates used to translate the Group's assets and liabilities denominated in foreign currencies into TL as of 30 June 2024 and 31 December 2023 are as follows:

| | 30 June 2024 | 31 December 2023 |
|--------------------|---------------------|-------------------------|
| Assets | | |
| USD | 32.8262 | 29.4382 |
| EUR | 35.1284 | 32.5739 |
| Liabilities | | |
| USD | 32.8853 | 29.4313 |
| EUR | 35.1917 | 32.6326 |

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

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

29.1 Financial risk management (cont'd)

Foreign currency risk (cont'd)

| | | Foreign Currency Position as of 30 June 2024 | | | |
|------------|---|---|---------------|----------------|-----------|
| | | TL equivalent | USD | EUR | Other |
| 1. | Trade receivables | 44,199 | 675 | 628 | - |
| 2a. | Monetary financial assets (cash and bank accounts included) | 143,602 | 3,120 | 1,172 | 16 |
| 2b. | Non-monetary financial assets | - | - | - | - |
| 3. | Other | - | - | - | - |
| 4. | Current assets (1+2+3) | 187,801 | 3,795 | 1,800 | 16 |
| 5. | Trade receivables | - | - | - | - |
| 6a. | Monetary financial assets | 373,759 | 11,386 | - | - |
| 6b. | Non-monetary financial assets | - | - | - | - |
| 7. | Other | - | - | - | - |
| 8. | Non-current assets (5+6+7) | 373,759 | 11,386 | - | - |
| 9. | Total assets (4+8) | 561,560 | 15,181 | 1,800 | 16 |
| 10. | Trade payables | (35,742) | (904) | (172) | - |
| 11. | Financial liabilities | (98,514) | - | (2,800) | - |
| 12a. | Other monetary liabilities | - | - | - | - |
| 12b. | Other non-monetary liabilities | - | - | - | - |
| 13. | Current liabilities (10+11+12) | (134,256) | (904) | (2,972) | - |
| 14. | Trade payables | - | - | - | - |
| 15. | Financial liabilities | (223,205) | - | (6,342) | - |
| 16a. | Other monetary liabilities | - | - | - | - |
| 16b. | Other non-monetary liabilities | - | - | - | - |
| 17. | Non-current liabilities (14+15+16) | (223,205) | - | (6,342) | - |
| 18. | Total liabilities (13+17) | (357,461) | (904) | (9,314) | - |
| 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) | 204,099 | 14,277 | (7,514) | 16 |
| 21. | Net foreign currency asset/(liability) position of monetary items (=1+2a+3+5+6a-10-11-12a-14-15-16a) | 204,099 | 14,277 | (7,514) | 16 |
| 22. | Fair value of derivative instruments used in foreign currency hedge | - | - | - | - |
| 23. | Export (*) | 201,587 | 627 | 5,153 | - |
| 24. | Import | - | - | - | - |

(*) Includes exports from the countries in which the Group operates. The total amount of sales made by the Group outside of Turkey in the interim period of 30 June 2024 is TL 652,870 (30 June 2023: TL 573.915).

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

29.1 Financial risk management (cont'd)

Foreign currency risk (cont'd)

| | | Foreign Currency Position as of 31 December 2023 | | | |
|------------|---|---|---------------|-----------------|--------------|
| | | TL equivalent | USD | EUR | Other |
| 1. | Trade receivables | 57,892 | 946 | 569 | - |
| 2a. | Monetary financial assets (cash and bank accounts included) | 624,511 | 12,761 | 3,838 | - |
| 2b. | Non-monetary financial assets | - | - | - | - |
| 3. | Other | - | - | - | - |
| 4. | Current assets (1+2+3) | 682,403 | 13,707 | 4,407 | - |
| 5. | Trade receivables | - | - | - | - |
| 6a. | Monetary financial assets | 517,207 | 14,085 | - | - |
| 6b. | Non-monetary financial assets | - | - | - | - |
| 7. | Other | - | - | - | - |
| 8. | Non-current assets (5+6+7) | 517,207 | 14,085 | - | - |
| 9. | Total assets (4+8) | 1,199,610 | 27,792 | 4,407 | - |
| 10. | Trade payables | (22,757) | (436) | (165) | - |
| 11. | Financial liabilities | (123,286) | - | (3,029) | - |
| 12a. | Other monetary liabilities | - | - | - | - |
| 12b. | Other non-monetary liabilities | - | - | - | - |
| 13. | Current liabilities (10+11+12) | (146,043) | (436) | (3,194) | - |
| 14. | Trade payables | - | - | - | - |
| 15. | Financial liabilities | (302,774) | - | (7,438) | - |
| 16a. | Other monetary liabilities | - | - | - | - |
| 16b. | Other non-monetary liabilities | - | - | - | - |
| 17. | Non-current liabilities (14+15+16) | (302,774) | - | (7,438) | - |
| 18. | Total liabilities (13+17) | (448,817) | (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) | 750,793 | 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) | 750,793 | 27,356 | (6,225) | - |
| 22. | Fair value of derivative instruments used in foreign currency hedge | - | - | - | - |
| 23. | Export | 284,415 | 1,224 | 5,894 | - |
| 24. | Import | - | - | - | - |

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

29.1 Financial risk management (cont'd)

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

Foreign currency sensitivity

| | 30 June 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 | 46,996 | (46,996) | - | - |
| 2- Hedged portion from USD risks (-) | - | - | - | - |
| 3- USD net effect (1+2) | 46,996 | (46,996) | - | - |
| Change of EUR against TL by 10% | | | | |
| 4- EUR net assets/liabilities | 2,219 | (2,219) | - | - |
| 5- Hedged portion from EUR risks (-) | - | - | - | - |
| 6- EUR net effect (4+5) | 2,219 | (2,219) | - | - |
| Change of CHF against TL by 10% | | | | |
| 7- CHF net assets/liabilities | - | - | - | - |
| 8- Hedged portion from CHF risks (-) | - | - | - | - |
| 9- CHF net effect (1+2) | - | - | - | - |
| Change of USD against RON by 10% | | | | |
| 10- USD net assets/liabilities | (131) | 131 | - | - |
| 11- Hedged portion from USD risks (-) | - | - | - | - |
| 12- USD net effect (7+8) | (131) | 131 | - | - |
| Change of EUR against RON by 10% | | | | |
| 13- EUR net assets/liabilities | (28,617) | 28,617 | - | - |
| 14- Hedged portion from EUR risks (-) | - | - | - | - |
| 15- EUR net effect (10+11) | (28,617) | 28,617 | - | - |

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

29.1 Financial risk management (cont'd)

Foreign currency sensitivity:

| | 31 December 2023 | | | |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | Profit/(Loss) | | Equity | |
| | Foreign currency appreciation | Foreign currency depreciation | Foreign currency appreciation | Foreign currency depreciation |
| Change of USD against TL by 10% | | | | |
| 1- USD net assets/liabilities | 68,353 | (68,353) | - | - |
| 2- Hedged portion from USD risks (-) | - | - | - | - |
| 3- USD net effect (1+2) | 68,353 | (68,353) | - | - |
| Change of EUR against TL by 10% | | | | |
| 4- EUR net assets/liabilities | (58,628) | 58,628 | - | - |
| 5- Hedged portion from EUR risks (-) | - | - | - | - |
| 6- EUR net effect (4+5) | (58,628) | 58,628 | - | - |
| Change of CHF against TL by 10% | | | | |
| 7- CHF net assets/liabilities | - | - | - | - |
| 8- Hedged portion from CHF risks (-) | - | - | - | - |
| 9- CHF net effect (1+2) | - | - | - | - |
| Change of USD against RON by 10% | | | | |
| 10- USD net assets/liabilities | (111) | 111 | - | - |
| 11- Hedged portion from USD risks (-) | - | - | - | - |
| 12- USD net effect (7+8) | (111) | 111 | - | - |
| Change of EUR against RON by 10% | | | | |
| 13- EUR net assets/liabilities | 29,346 | (29,346) | - | - |
| 14- Hedged portion from EUR risks (-) | - | - | - | - |
| 15- EUR net effect (10+11) | 29,346 | (29,346) | - | - |

Hedging activities

The functional currency of Total Soft, the Group's subsidiary operating in Romania, is RON. In order to hedge the foreign currency translation risk arising from the conversion of Total Soft's Euro-denominated borrowings into RON, 54% of Total Soft's Euro-denominated revenues are defined as hedging instruments which are planned to generate between 2020 and 2028. The Group management considers the risk of future hedge ineffectiveness to be low due to the low hedge ratio used. As at 30 June 2024, foreign exchange loss amounting to TL 2,681 - expense (30 June 2023: TL 3,890 - expense) is recognized in the hedging gains/losses reserve under equity.

Capital risk management

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

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

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

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

Capital risk management (cont'd)

| | 30 June 2024 | 31 December 2023 |
|-------------------------------------|------------------|------------------|
| Total payables | 360,449 | 435,939 |
| Less: Cash and cash equivalents (*) | (405,093) | (960,579) |
| Net debt | (44,644) | (524,640) |
| Total equity | 2,262,378 | 2,632,075 |
| Total capital | 2,217,734 | 2,107,435 |
| Debt/equity ratio | (2%) | (25%) |

(*) Cash and cash equivalents, deposits with a maturity of more than 3 months, stocks and private sector bonds included in short-term financial investments are included in 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.

NOTE 30 - FINANCIAL INSTRUMENTS

Monetary assets

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

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

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

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NOTE 30 - FINANCIAL INSTRUMENTS (cont'd)

Monetary liabilities

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

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

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

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

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

Level 3: Valuation techniques does not contain observable market inputs

Fair value hierarchy table as of 30 June 2024 is as follows:

| Financial assets at fair value through profit or loss in the statement of financial position | Level 1 | Level 2 | Level 3 |
|---|----------------|----------------|----------------|
| Financial investments (*) | 518,780 | - | 474,374 |

(*) Note 5.

| Financial liabilities at fair value through profit or loss in the statement of financial position | Level 1 | Level 2 | Level 3 |
|--|----------------|----------------|----------------|
| Put option liabilities | - | - | 385,685 |

Since the sensitivities of the inputs used in the analyses do not have a significant effect on the consolidated financial statements, the sensitivity analysis is not presented separately.

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

| | Financial assets at amortized cost | FVTPL | FVTOCI | Financial liabilities at amortized cost | Liabilities at fair value | Carrying value | Note |
|-------------------------------------|---|--------|---------|---|------------------------------|-------------------|------|
| <u>Financial assets</u> | | | | | | | |
| Cash and cash equivalents | 260,072 | - | - | - | - | 260,072 | 4 |
| Financial assets | - | 52,165 | 940,989 | - | - | 993,154 | 5 |
| Trade receivables | 886,016 | - | - | - | - | 886,016 | 8 |
| Receivables from related parties | 3,918 | - | - | - | - | 3,918 | 28 |
| <u>Financial liabilities</u> | | | | | | | |
| Financial payables | - | - | - | 360,449 | - | 360,449 | 7 |
| Other payables | - | - | - | 238,376 | - | 238,376 | 10 |
| Put option liabilities | - | - | - | - | 385,685 | 385,685 | 9 |
| Trade payables | - | - | - | 236,333 | - | 236,333 | 8 |
| Payables to related parties | - | - | - | 294 | - | 294 | 28 |

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NOTE 30 - FINANCIAL INSTRUMENTS (cont'd)

Categories and fair values of financial instruments (cont'd)

31 December 2023

| | Financial assets at amortized cost | FVTPL | FVTOCI | Financial liabilities at amortized cost | Liabilities at fair value | Carrying value | Note |
|-------------------------------------|---|--------|-----------|---|------------------------------|-------------------|------|
| <u>Financial assets</u> | | | | | | | |
| Cash and cash equivalents | 608.866 | - | - | - | - | 608.866 | 4 |
| Financial assets | - | 99.053 | 1.255.491 | - | - | 1.354.544 | 5 |
| Trade receivables | 1.014.849 | - | - | - | - | 1.014.849 | 8 |
| Receivables from related parties | 3.737 | - | - | - | - | 3.737 | 28 |
| <u>Financial liabilities</u> | | | | | | | |
| Financial payables | - | - | - | 435.939 | - | 435.939 | 7 |
| Other payables | - | - | - | 244.350 | - | 244.350 | 10 |
| Put option liabilities | - | - | - | - | 469.749 | 469.749 | 9 |
| Trade payables | - | - | - | 350.741 | - | 350.741 | 8 |
| Payables to related parties | - | - | - | 5 | - | 5 | 28 |

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NOTE 31 - DISCLOSURES ON THE STATEMENT OF CASH FLOWS

| | Bank loans and credit cards | Leases | Total |
|--|--|---------------|----------------|
| 1 January 2024 | 391,472 | 44,467 | 435,939 |
| Cash inflows | 7,085 | - | 7,085 |
| Cash outflows | (52,190) | - | (52,190) |
| Foreign currency translation difference | (25,524) | (5,575) | (31,099) |
| Increase in lease liabilities (TFRS 16) | - | 6,466 | 6,466 |
| Cash outflows from lease liabilities (TFRS 16) | - | (5,752) | (5,752) |
| 30 June 2024 | 320,843 | 39,606 | 360,449 |
| Cash and cash equivalents (-) | | | (260,072) |
| Net debt | | | 100,377 |

| | Bank loans and credit cards | Leases | Total |
|--|--|---------------|------------------|
| 1 January 2023 | 468,024 | 53,294 | 521,318 |
| Cash inflows | 37,596 | - | 37,596 |
| Cash outflows | (69,424) | - | (69,424) |
| Foreign currency translation difference | (44,724) | 1,742 | (42,982) |
| Increase in lease liabilities (TFRS 16) | - | 2,950 | 2,950 |
| Cash outflows from lease liabilities (TFRS 16) | - | (13,519) | (13,519) |
| 31 December 2023 | 391,472 | 44,467 | 435,939 |
| Cash and cash equivalents (-) | | | (608,866) |
| Net debt | | | (172,927) |

NOTE 32 - EVENTS AFTER THE REPORTING PERIOD

The Company has signed a new agreement with Avramos Holding, which currently is the 20% shareholder of its subsidiary Total Soft. Within the framework of the management buy-out offer regarding the acquisition of some of the shares representing the share capital of Total Soft, 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 million to the Company until the end of 2027.

Under the same agreement, the Company will inject EUR 9 million in capital into Total Soft. Additionally, the EUR 10.5 million put option related to Avramos Holding's 20% interest, which is currently classified as a liability on the Company's balance sheet, will be cancelled. After these two stages, Total Soft will be accounted for using the equity method in the consolidated financial statements of the Company.

As of 2030, the Company has a put option for the 15% Total Soft shareholding that will remain in the Company at the end of 2027.

"Law No. 7524 on Amendments to Tax Laws, Certain Laws and Decree Law No. 375" was published in the Official Gazette dated 2 August 2024 and numbered 32620. With this Law, regulations and amendments have been made on domestic minimum corporate tax application, global minimum tax application and many other tax-related issues. The Group is in the process of assessing the impact of the amendments on the consolidated financial statements.