

**İNDEKS BİLGİSAYAR SİSTEMLERİ MÜHENDİSLİK
SANAYİ VE TİCARET ANONİM ŞİRKETİ**

**CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2020
TOGETHER WITH THE INDEPENDENT AUDITORS' REPORT**

**(CONVENIENCE TRANSLATION INTO ENGLISH OF THE
INDEPENDENT AUDITORS' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of İndeks Bilgisayar Sistemleri Mühendislik Sanayi ve Ticaret Anonim Şirketi

A. Audit of the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **İndeks Bilgisayar Sistemleri Mühendislik Sanayi ve Ticaret Anonim Şirketi (the “Company”)** and its subsidiaries (**collectively referred to as the “Group”**) which comprise the consolidated statement of balance sheets as at 31 December 2020, consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash-flow for the year then ended and the notes to the consolidated financial statements, which include a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (“TFRS/TAS”).

2. Basis for Opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the “SIA”) that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the “POA”). Our responsibilities under these standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (the “Ethical Rules”) and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the consolidated financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion

3. Key Audit Matters

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

Trade Receivables	
Please refer to notes 2.08, 10 and 38-c2 to the consolidated financial statements	
Key audit matters	How our audit addressed the key audit matter
<p>Consolidated financial statements as of 31 December 2020 include trade receivables of TL 2.013.904.733 which constitutes 49.6% of the Indeks Bilgisayar's total assets. An impairment provision for trade receivables of Indeks Bilgisayar amounting to TL 30.925.364 included in the consolidated financial statements. The Group uses estimates and policies for recoverability of trade receivables and determination of the provisions.</p> <p>Trade receivables and its recoverability are material to Indeks Bilgisayar's consolidated financial statements. Therefore, this area is considered as key audit matter.</p>	<p>We performed the following procedures in relation to the testing of trade receivables and provision for trade receivables considering the guarantees for trade receivables for unrecoverable amounts:</p> <p>We have evaluated the effectiveness of internal control regarding financial reporting for the receivables risk and receivables from dealers.</p> <p>We have evaluated and tested the Group's risk policy on receivables based on the overdue trade receivables with considering credit insurance and guarantees received.</p> <p>We have evaluated 3rd party reconciliations for the balances of the trade receivables and we have calculated exchange rate valuation of trade receivables, rediscount on trade receivables (deferred interest income etc.) and other valuations included in the consolidated financial statements.</p> <p>We have evaluated provision amounts recognized in the consolidated financial statements including aging results, economic assumptions, past collection performances, lawsuits and execution proceedings, the guarantees obtained for trade receivables, credit insurance and subsequent measurement of trade receivable collections.</p> <p>We have reviewed the sufficiency of disclosures made in the consolidated financial statements of the Group with respect to trade receivables.</p>

Trade Payables	
Please refer to notes 2.08 and 10 to the consolidated financial statements	
Key audit matters	How our audit addressed the key audit matter
<p>Consolidated financial statements as of 31 December 2020 include trade payables of TL 2.292.642.395 which constitutes 56.45% of the Indeks Bilgisayar's total liabilities.</p> <p>Trade payables are material to Indeks Bilgisayar's consolidated financial statements. Therefore, this area is considered as key audit matter.</p>	<p>We performed the following procedures in relation to the testing of trade payables:</p> <p>We have evaluated 3rd party reconciliations for the balances of the trade payables and we have calculated exchange rate valuation of trade payables, rediscount on trade payables included in the consolidated financial statements.</p> <p>We have reviewed the sufficiency of disclosures made in the consolidated financial statements of the Group with respect to trade payables.</p>

	payables.
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Revenue	
Please refer to notes 2.08 and 28 to the consolidated financial statements	
Key audit matters	How our audit addressed the key audit matter
Recognition and determination of revenue in correct period determined as a key audit matter for audit of the consolidated financial statements.	<p>We performed the following procedures in relation to the testing recognition of revenue:</p> <p>Evaluating the revenue as a process by observing sales and delivery procedures,</p> <p>Evaluating the audit procedures are focused on the assessment of invoices issued but risk and ownership have not been transferred,</p> <p>Evaluating the details of the sales returns which are requested for the audit date whether there is a high amount of returns incurred after the balance sheet date,</p> <p>Evaluating the invoice, delivery note, warehouse exit and delivery documents are analyzed by sampling method and the actual delivery is made before the balance sheet date.</p> <p>We had no material findings related to recognition of revenue as a result of these procedures.</p>

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

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

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

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

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

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

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

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

6. Other Matters

Impacts of Covid-19 pandemic

The Covid-19 pandemic has been affecting the whole World and Turkey. Predictions are not precise about how long Covid-19 effects will continue and how far it will spread, in the world and Turkey. As the severity and duration of the effects become clearer, it will be possible to make a more clear and healthy assessment for the medium and long term

The consolidated financial statements of the Group for the year ended 31 December 2019 were audited by Güreli Yeminli Mali Müşavirlik ve Bağımsız Denetim Hizmetleri A.Ş., whose report, dated 9 March 2020, expressed an unqualified opinion on those statements.

The consolidated financial statements of the Group's subsidiaries Datagate Bilgisayar Malzemeleri Ticaret A.Ş. and Despec Bilgisayar Pazarlama ve Ticaret A.Ş. for the year ended 31 December 2020 were audited by Güreli Yeminli Mali Müşavirlik ve Bağımsız Denetim Hizmetleri A.Ş., whose report, dated 16 February 2020, expressed an unqualified opinion on those statements.



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B. Other Responsibilities Arising from Regulatory Requirements

1) No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code (“TCC”) No. 6102. The Group’s bookkeeping activities concerning the period from 1 January to 31 December 2020 period are in compliance with the TCC and provisions of the Group’s articles of association related to financial reporting.

2) In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

3) In accordance with subparagraph 4 of Article 398 of the TCC, the auditor’s report on the early risk identification system and committee was submitted to the Company’s Board of Directors on 1 March 2021.

The engagement partner responsible for the audit resulting in this independent auditor’s report is Doğuş BEKTAŞ.

Abaküs Bağımsız Denetim A.Ş.

Doğuş BEKTAŞ

Partner, CPA

İstanbul, 1 March 2021

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CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH
İNDEKS BİLGİSAYAR SİSTEMLERİ MÜHENDİSLİK SANAYİ VE TİCARET A.Ş.
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 1 JANUARY- 31 DECEMBER 2020

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CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS
 ORIGINALLY ISSUED IN TURKISH
 İNDEKS BİLGİSAYAR SİSTEMLERİ MÜHENDİSLİK SANAYİ VE TİCARET A.Ş.
 CONSOLIDATED BALANCE SHEETS
 AT 31 DECEMBER 2020 , 2019 AND 2018
 (Amounts on tables expressed in Turkish Lira (“TL”) unless otherwise indicated.)

		<i>Audited</i>	<i>Restated Audited</i>	<i>Restated Audited</i>
		<i>Current Period</i>	<i>Prior Period</i>	<i>Prior Period</i>
	Notes	31 December 2020	31 December 2019	31 December 2018
ASSETS				
Current Assets		3.926.808.175	2.319.973.503	1.549.014.637
Cash and Cash Equivalents	6	1.318.962.511	280.477.178	447.577.112
Financial Investments	7	-	135.519	83.407
Trade Receivables	10	2.013.904.733	1.448.031.188	770.534.526
<i>Trade Receivables from Related Parties</i>	<i>10-37</i>	<i>83.173</i>	<i>1.572.842</i>	<i>812.209</i>
<i>Trade Receivables from Non Related Parties</i>	<i>10</i>	<i>2.013.821.560</i>	<i>1.446.458.346</i>	<i>769.722.317</i>
Other Receivables	11	1.504.605	1.212.064	2.999.800
<i>Other Receivables from Related Parties</i>	<i>11-37</i>	<i>-</i>	<i>31.424</i>	<i>4.128</i>
<i>Other Receivables from Non Related Parties</i>	<i>11</i>	<i>1.504.605</i>	<i>1.180.640</i>	<i>2.995.672</i>
Derivative Instruments	12	-	1.613.674	-
Inventories	13	509.345.531	535.194.424	295.603.245
Prepaid Expenses	15	21.521.191	25.354.080	15.485.351
Current Income Tax Assets	25	44.327	88.535	257.030
Other Current Assets	26	61.525.277	27.866.841	16.474.166
Total		3.926.808.175	2.319.973.503	1.549.014.637
Non Current Assets		134.564.967	96.765.347	89.252.649
Financial Investments	7	-	-	-
Trade Receivables	10	-	-	3.604.399
<i>Trade Receivables from Related Parties</i>	<i>10-37</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Trade Receivables from Non Related Parties</i>	<i>10</i>	<i>-</i>	<i>-</i>	<i>3.604.399</i>
Other Receivables	11	38.941	39.509	51.037
<i>Other Receivables from Related Parties</i>	<i>11-37</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Other Receivables from Non Related Parties</i>	<i>11</i>	<i>38.941</i>	<i>39.509</i>	<i>51.037</i>
Investments Accounted for Using the Equity Method	4-16	-	2.110.197	3.221.926
Investment Properties	17	50.613.789	32.955.273	26.278.641
Property, Plant and Equipment	18	26.907.821	26.421.363	27.194.867
Right of Use Assets	18	15.186.177	15.660.461	-
Intangible Assets	19	17.604.599	5.390.026	5.746.292
<i>Goodwill</i>	<i>19</i>	<i>1.897.699</i>	<i>1.897.699</i>	<i>1.897.699</i>
<i>Other Intangible Assets</i>	<i>19</i>	<i>15.706.900</i>	<i>3.492.327</i>	<i>3.848.593</i>
Deferred Tax Assets	35	24.213.640	14.188.518	23.155.487
TOTAL ASSETS		4.061.373.142	2.416.738.850	1.638.267.286

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

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CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

İNDEKS BİLGİSAYAR SİSTEMLERİ MÜHENDİSLİK SANAYİ VE TİCARET A.Ş.

CONSOLIDATED BALANCE SHEETS

AT 31 DECEMBER 2020 , 2019 AND 2018

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

		<i>Audited</i>	<i>Restated Audited</i>	<i>Restated Audited</i>
		<i>Current Period</i>	<i>Prior Period</i>	<i>Prior Period</i>
	Notes	31 December 2020	31 December 2019	31 December 2018
LIABILITIES				
Current Liabilities		3.374.864.572	1.828.692.666	1.133.323.749
Short Term Borrowings	8	853.800.118	470.736.951	271.958.921
Short Term Portion of Long Term Borrowings	8	-	5.580.603	27.130.066
Other Financial Liabilities	9	-	-	-
Trade Payables	10	2.292.642.395	1.211.492.119	672.580.728
<i>Trade Payables to Related Parties</i>	<i>10-37</i>	<i>256.210</i>	<i>161.881</i>	<i>1.457</i>
<i>Trade Payables to Non Related Parties</i>	<i>10</i>	<i>2.292.386.185</i>	<i>1.211.330.238</i>	<i>672.579.271</i>
Employee Benefits Payables	20	996.155	2.522.833	804.984
Other Payables	11	32.453.746	6.441.036	16.245.808
<i>Other Payables to Related Parties</i>	<i>11-37</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Other Payables to Non Related Parties</i>	<i>11</i>	<i>32.453.746</i>	<i>6.441.036</i>	<i>16.245.808</i>
Liabilities from Investments Accounted for Using the Equity Method	4-16	-	3.837.029	2.547.681
Derivative Instruments	12	27.721.631	-	6.226.417
Deferred Income	15	102.738.673	68.593.793	63.781.575
Current Income Tax Liabilities	35	22.101.621	9.941.718	22.828.897
Short Term Provisions	22	42.410.233	49.546.584	49.218.672
<i>Other Short Term Provisions</i>	<i>22</i>	<i>42.410.233</i>	<i>49.546.584</i>	<i>49.218.672</i>
Other Short Term Liabilities	26	-	-	-
Total		3.374.864.572	1.828.692.666	1.133.323.749
Non Current Liabilities		19.578.375	19.738.343	9.911.645
Long Term Borrowings	8	10.797.435	12.467.394	3.604.399
Long Term Provisions for Employee Benefits	24	8.780.940	7.270.394	6.306.691
Deferred Tax Liabilities	35	-	555	555
EQUITY		666.930.195	568.307.841	495.031.892
Equity Holders of the Parent	27	556.065.762	439.659.660	376.431.802
Paid in Share Capital		56.000.000	56.000.000	56.000.000
Adjustment to Share Capital		1.064.323	1.064.323	1.064.323
Repurchased Shares (-)		(1.705.805)	(1.705.805)	(1.705.805)
Share Premium		156.607	156.607	156.607
Business Combinations Under Common Control		(11.913.128)	-	-
Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss		(1.118.957)	(1.208.377)	(1.083.994)
<i>Revaluation and Remeasurement Gains/Losses</i>		<i>(1.118.957)</i>	<i>(1.208.377)</i>	<i>(1.083.994)</i>
Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss		23.252.577	15.377.038	15.434.110
<i>Currency Translation Differences</i>		<i>23.252.577</i>	<i>15.377.038</i>	<i>15.434.110</i>
Restricted Reserves From Retained Earnings		35.670.642	38.620.502	31.006.238
Prior Years Income		311.313.750	238.824.749	153.911.932
Net Profit for the Period		143.345.753	92.530.623	121.648.391
Non-Controlling Interests	27	110.864.433	128.648.181	118.600.090
TOTAL LIABILITIES AND EQUITY		4.061.373.142	2.416.738.850	1.638.267.286

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

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 İNDEKS BİLGİSAYAR SİSTEMLERİ MÜHENDİSLİK SANAYİ VE TİCARET A.Ş.
 CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME
 FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019
 (Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

		<i>Audited Current Period</i>	<i>Restated Audited Prior Period</i>
		1 January 2020	1 January 2019
	Notes	31 December 2020	31 December 2019
PROFIT OR LOSS			
Revenue	28	10.255.020.022	5.302.709.607
Cost of Sales (-)	28	(9.869.318.232)	(5.034.895.536)
GROSS PROFIT/(LOSS) FROM FINANCIAL OPERATIONS		385.701.790	267.814.071
GROSS PROFIT/(LOSS)		385.701.790	267.814.071
General Administrative Expenses (-)	29	(75.284.585)	(58.833.823)
Marketing, Sales and Distribution Expenses (-)	29	(53.885.976)	(47.099.139)
Other Operating Income	31	289.857.159	165.832.053
Other Operating Expenses (-)	31	(200.776.277)	(146.831.740)
OPERATING PROFIT / (LOSS) FROM CONTINUING OPERATIONS		345.612.111	180.881.422
Gains from Investment Activities	32	50.488	557.643
Losses from Investment Activities (-)	32	-	-
Share of profit/loss of investments accounted for using the equity method	16	(1.294.086)	(2.259.474)
OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)		344.368.513	179.179.591
Financial Income	33	94.076.066	65.343.418
Financial Expenses (-)	33	(213.324.766)	(97.134.616)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		225.119.813	147.388.393
Tax income/(expense)		(58.617.308)	(32.793.306)
- Current income tax expense	35	(59.381.546)	(23.809.064)
- Deferred tax income	35	764.238	(8.984.242)
PROFIT / (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		166.502.505	114.595.087
PROFIT / (LOSS) FOR THE PERIOD		166.502.505	114.595.087
Attributable to:		166.502.505	114.595.087
Non-Controlling Interests		23.156.752	22.064.464
Equity Holders of the Parent		143.345.753	92.530.623
Earnings Per Share	36	2,559746	1,652333
OTHER COMPREHENSIVE INCOME/(LOSS)		7.944.903	(197.228)
Items not to be reclassified to profit/loss		69.364	(140.156)
Gains/(losses) on remeasurements of defined benefit plans		69.364	(140.156)
Items to be reclassified to profit/loss		7.875.539	(57.072)
Currency translation differences		7.875.539	(57.072)
Attributable to:		174.447.408	114.397.859
Non-Controlling Interests		23.136.696	22.048.691
Equity Holders of the Parent		151.310.712	92.349.168

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

YEMİNLİ TERCÜMAN
 CERTIFIED TRANSLATOR
 RECEP ORHUN ÖNER

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH
İNDEKS BİLGİSAYAR SİSTEMLERİ MÜHENDİSLİK SANAYİ VE TİCARET A.Ş.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019
(Amounts on tables expressed in Turkish Lira (“TL”) unless otherwise indicated.)

Audited Current Period	Notes	Paid in share capital	Adjustment to Share Capital	Repurchased Shares	Share Premium	Business Combinations Under Common Control	Items not to be reclassified to profit/loss		Items to be reclassified to profit/loss		Retained Earnings		Profit for the Period	Equity Holders of the Parent	Non Controlling Interests	Total Equity
							Gains/(losses) on remeasurement of defined benefit plans	Other Gains/(Losses)	Currency Translation Differences	Gains/losses on hedge	Restricted Reserves from Retained Earnings	Prior Years Income				
Balances at 01 January 2020	27	56.000.000	1.064.323	(1.705.805)	156.607	-	(1.208.377)	-	15.377.038	-	38.620.502	238.824.749	92.530.623	439.659.660	128.648.181	568.307.841
Transfers		-	-	-	-	-	-	-	-	-	(2.949.860)	95.480.483	(92.530.623)	-	-	-
Total Comprehensive Income		-	-	-	-	-	89.420	-	7.875.539	-	-	-	143.345.753	151.310.712	23.136.696	174.447.408
-Net Profit for the Period		-	-	-	-	-	-	-	-	-	-	-	143.345.753	143.345.753	23.156.752	166.502.505
Other Comprehensive Income		-	-	-	-	-	89.420	-	7.875.539	-	-	-	-	7.964.959	(20.056)	7.944.903
Business Combinations Under Common Control		-	-	-	-	(11.913.128)	-	-	-	-	-	-	-	(11.913.128)	(40.920.444)	(52.833.572)
Dividends paid		-	-	-	-	-	-	-	-	-	-	(22.991.482)	-	(22.991.482)	-	(22.991.482)
Gains/Losses on without Changes in Ownership Interest on Interest in a Subsidiary		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains/Losses on Repurchased Shares		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at 31 December 2020	27	56.000.000	1.064.323	(1.705.805)	156.607	(11.913.128)	(1.118.957)	-	23.252.577	-	35.670.642	311.313.750	143.345.753	556.065.762	110.864.433	666.930.195
Restated and Audited Prior Period without Restatement Effect																
Balances at 1 January 2019	27	56.000.000	1.064.323	(1.705.805)	156.607	-	(1.083.994)	-	15.434.110	-	31.006.238	153.911.932	121.648.391	376.431.802	118.600.090	495.031.892
Transfers		-	-	-	-	-	-	-	-	-	7.614.264	114.034.127	(121.648.391)	-	-	-
Total Comprehensive Income		-	-	-	-	-	(124.383)	-	(57.072)	-	-	-	92.530.623	92.349.168	9.584.720	101.933.888
-Net Profit for the Period		-	-	-	-	-	-	-	-	-	-	-	92.530.623	92.530.623	9.600.493	102.131.116
Other Comprehensive Income		-	-	-	-	-	(124.383)	-	(57.072)	-	-	-	-	(181.455)	(15.773)	(197.228)
Business Combinations Under Common Control		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains/Losses on without Changes in Ownership Interest on Interest in a Subsidiary		-	-	-	-	-	-	-	-	-	-	-	-	-	463.971	463.971
Dividends paid		-	-	-	-	-	-	-	-	-	-	(29.121.310)	-	(29.121.310)	(600)	(29.121.910)
Gains/Losses on Repurchased Shares		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at 31 December 2019	27	56.000.000	1.064.323	(1.705.805)	156.607	-	(1.208.377)	-	15.377.038	-	38.620.502	238.824.749	92.530.623	439.659.660	128.648.181	568.307.841

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

YEMİNLİ TERCÜMAN
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CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH
İNDEKS BİLGİSAYAR SİSTEMLERİ MÜHENDİSLİK SANAYİ VE TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019

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

		Audited Current Period	Restated Audited Prior Period
	Notes	1 January 2020 31 December 2020	1 January 2019 31 December 2019
A) CASH FLOWS FROM OPERATING ACTIVITIES		985.024.857	(241.853.089)
Profit for the Period		166.502.505	114.595.087
Adjustments to reconcile profit for the period to cash generated from operating activities:		115.620.248	58.548.853
Depreciation and amortisation	17-18-19	15.278.274	8.836.736
Adjustments for impairment loss/(reversal of impairment loss)		9.870.142	3.146.976
Adjustments for receivables impairment (reversal)	10	4.096.793	5.089.620
Adjustments for inventory impairment (reversal)	13	5.773.349	(1.942.644)
Adjustments for property, plant and equipment impairment (reversal)	18-19	-	-
Adjustments for provisions		(18.675.930)	2.412.124
Adjustments for provisions for employee benefits (reversal)	24	2.385.895	2.084.212
Adjustments for provisions for lawsuits and penalties	22	(129.845)	(123.831)
Adjustments for other provisions (reversal)	22	(20.931.980)	451.743
Adjustments for interest income/expense		56.824.139	21.878.190
Adjustments for interest income	31-33	(108.023.651)	(91.893.693)
Adjustments for interest expenses	31-33	163.422.667	116.963.174
Deferred Financial Expense from Term Purchases	10	(591.732)	2.829.317
Unrealised Financial Income from Term Sales	10	2.016.855	(6.020.608)
Adjustments for tax income/expense	35	58.617.308	32.793.306
Other adjustments to reconcile profit for the period	26	(6.293.685)	(10.518.479)
Changes in Working Capital		534.767.373	(382.533.246)
Adjustments for Gains/Losses in Trade Receivables	10	(357.693.105)	(672.961.276)
Adjustments for Gains/Losses In Other Receivables Related To Operations	11	25.072.832	1.799.264
Gains/Losses from Inventories	13	48.438.751	(237.648.535)
Adjustments for losses/(gains) in Trade Payables	10	818.888.726	536.082.073
Adjustments for Gains/Losses In Trade Payables Related To Operations	11	60.169	(9.804.772)
Cash flows from Operating Activities		816.890.126	(209.389.306)
Payments Within Provisions Related To Employee Benefits	24	(1.137.637)	(1.206.874)
Income Taxes Refund/Paid	35	(47.221.642)	(36.696.243)
Other Cash Inflows (Outflows)		216.494.010	5.439.334
B) CASH FLOWS FROM INVESTING ACTIVITIES		(102.539.474)	(9.013.368)
Cash Inflows from Acquisition of Other Entities, Funds and Debt Instruments		(65.105.734)	-
Cash inflows from sale of property, plant and equipment and intangible asset	18-19	362.401	653.484
Cash inflows from sale of property, plant and equipment		45.585	653.484
Cash inflows from sale of intangible assets		316.816	-
Cash outflows from purchase of property, plant and equipment and intangible assets	17-18-19	(19.149.716)	(7.100.405)
Cash outflows from purchase of property, plant and equipment	18	(2.320.547)	(7.075.405)
Cash outflows from purchase of intangible assets	19	(16.829.169)	(25.000)
Cash outflows from purchase of investment properties	17	(18.646.425)	(2.566.447)
C) CASH FLOWS FROM FINANCING ACTIVITIES		156.138.021	84.927.805
Cash inflows from borrowings	8	1.309.096.284	951.077.958
Cash inflows from loans	8	1.309.096.284	951.077.958
Cash outflows from repayments of borrowings	8	(1.089.443.422)	(782.946.094)
Cash outflows from loan repayments	8	(1.089.443.422)	(782.946.094)
Cash outflows from payments of lease liabilities	8	(7.861.439)	(6.849.291)
Dividends paid		(22.991.482)	(41.121.910)
Interest paid	32-33	(32.661.920)	(35.232.858)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		1.038.623.404	(165.938.652)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1.038.623.404	(165.938.652)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	280.186.223	446.124.875
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	1.318.809.627	280.186.223

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

YEMİNLİ TERCÜMAN
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NOTE 1 GROUP'S ORGANISATION AND NATURE OF OPERATIONS

İndeks Bilgisayar Sistemleri Mühendislik Sanayi ve Ticaret A.Ş. ("the Company") was established on 1989 in Turkey. İndeks Bilgisayar's business activities include operating in the IT sector and distributing IT products with the mission of distributing worldwide brands from Turkey and abroad. İndeks Bilgisayar is subject to Capital Markets Board ("CMB") and its 15,34% shares have been quoted on the Borsa İstanbul ("BIST") since September 2004. The listed shares of İndeks Bilgisayar have been traded on the Borsa İstanbul ("BIST") "STAR" equity market.

The accompanying consolidated financial statements and related notes of the Company and its Subsidiaries together referred as the "Group".

As of 31 December 2020, the subsidiaries included in the consolidation scope of İndeks is as follows:

Subsidiaries	Nature of Business	Capital	Direct Ownership Held by İndeks %	Indirect Ownership Held by İndeks %
Datagate Bilgisayar Malzemeleri A.Ş. (Datagate)	Telecommunication	TL 30.000.000	59,24	59,24
Teklos Teknoloji Lojistik Hizmetleri A.Ş. (Teklos)	Logistics Services and Leasing	TL 5.000.000	99,99	99,99
İndeks International FZE (İndeks FZE)	Computer components and accessories purchasing – selling	UAE Dirham 150.000	100,00	100,00
İnfin Bilgisayar Ticaret A.Ş.	Computer components and accessories purchasing – selling	TL 50.000	99,80	99,80
Neotech Teknolojik Ürünler Dağ. A.Ş. (Neotech)	Electrical home appliances purchasing – selling (non operating)	TL 1.000.000	80,00	80,00
Neteks Teknoloji Ürünleri A.Ş. (Neteks Tek.)(*)	Network and communication products and spare parts purchasing – selling	TL 28.410.000	100,00	100,00
Despec Bilgisayar Pazarlama ve Ticaret A.Ş.(Despec) (**)	Consumer Electronics and Telecom	TL 23.000.000	-	29,11

(*)On 28 February 2020, İndeks Bilgisayar's effective ownership interest rate has changed following the acquisition of 50,00% shares from Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. and effective ownership interest rate increased from 50,00% to 100% with the additional acquisition of share purchase. As of 31 December 2019 and 2018, the financial statements of Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. have been accounted for using the equity method. On 28 February 2020, İndeks Bilgisayar's effective ownership interest rate has changed following the acquisition of 50,00% shares from Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. and effective ownership interest rate increased from 50,00% to 100% with the additional acquisition of share purchase. As of 1 March 2020, the financial statements of Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. have been accounted for using the full consolidation method. In accordance with the registration on 2.11.2020, our 100% subsidiaries of Neteks İletişim Ürünleri Dağıtım A.Ş. and Artım Bilişim Çözümleri A.Ş., have been controlled by the following acquisition of Neteks Teknoloji Ürünleri Anonim Şirketi, our 100% subsidiary, and the following acquisition have been made through share transfer in accordance with the article numbered 134 and related articles of the Turkish Commercial Code and the articles numbered 18, 19 and 20 of the Corporate Tax Law No. 5520.

(**) On 12 March 2020, the subsidiary of the Group, Datagate Bilgisayar Malzemeleri A.Ş. was acquired Despec Bilgisayar Pazarlama ve Ticaret A.Ş.'s 49,13% of shares from related parties Desbil Teknolojik Ürünler A.Ş., N. Erol Bilecik and other shareholders. As of the beginning of the reporting period, in which joint control is established, financial statements were restated retrospectively as business combination and change of control realized. The financial statements of Despec Bilgisayar Pazarlama ve Ticaret A.Ş. have been accounted for using the full consolidation method.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

İNDEKS BİLGİSAYAR SİSTEMLERİ MÜHENDİSLİK SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts are expressed in ("TL") unless otherwise indicated.)

As of 31 December 2020, the financial statements of Datagate Bilgisayar Malzemeleri A.Ş., Teklos Teknoloji Lojistik Hizmetleri A.Ş., İndeks International FZE, İnfin Bilgisayar Ticaret A.Ş., Neotech Teknolojik Ürünler Dağ. A.Ş., Neteks Teknoloji Ürünleri A.Ş. and Despec Bilgisayar Pazarlama ve Ticaret A.Ş. have been accounted for using the full consolidation method.

As of 31 December 2019 and 2018, the subsidiaries included in the consolidation scope of İndeks is as follows:

Subsidiaries	Nature of Business	Capital	Direct Ownership Held by İndeks %	Indirect Ownership Held by İndeks %
Datagate Bilgisayar Malzemeleri A.Ş. (Datagate)	Telecommunication	TL 30.000.000	59,24	59,24
Artım Bilişim Çözüm ve Dağıtım A.Ş. (Artım)	IT products and spare parts purchasing – selling	TL 1.210.000	100,00	100,00
Teklos Teknoloji Lojistik Hizmetleri A.Ş. (Teklos)	Logistics Services and Leasing	TL 5.000.000	99,99	99,99
İndeks International FZE (İndeks FZE)	Computer components and accessories purchasing – selling	UAE Dirham 150.000	100,00	100,00
İnfin Bilgisayar Ticaret A.Ş.	Computer components and accessories purchasing – selling	TL 50.000	99,80	99,80
Neotech Teknolojik Ürünler Dağ. A.Ş. (Neotech)	Electrical home appliances purchasing – selling (non operating)	TL 1.000.000	80,00	80,00
Despec Bilgisayar Pazarlama ve Ticaret A.Ş.(Despec) (*)	Consumer Electronics and Telecom	TL 23.000.000	-	29,11

(**) On 12 March 2020, the subsidiary of the Group, Datagate Bilgisayar Malzemeleri A.Ş. was acquired Despec Bilgisayar Pazarlama ve Ticaret A.Ş.'s 49,13% of shares from related parties Desbil Teknolojik Ürünler A.Ş., N. Erol Bilecik and other shareholders. As of the beginning of the reporting period in which joint control is established, financial statements were restated retrospectively as business combination and change of control realized. The financial statements of Despec Bilgisayar Pazarlama ve Ticaret A.Ş. have been accounted for using the full consolidation method.

As of 31 December 2019 and 2018, the financial statements of Datagate Bilgisayar Malzemeleri A.Ş., Artım Bilişim Çözümleri A.Ş., Teklos Teknoloji Lojistik Hizmetleri A.Ş., İndeks International FZE, İnfin Bilgisayar Ticaret A.Ş., Neotech Teknolojik Ürünler Dağ. A.Ş. and Despec Bilgisayar Pazarlama ve Ticaret A.Ş. have been accounted for using the full consolidation method.

The principal shareholder of the Group is Nevres Erol Bilecik (36,37%). Total end of period and average number of personnel employed by the Group is 470. (2019: 478)

The registered address of İndeks Bilgisayar is as follows:

Ayazağa Mah. Mimar Sinan Sok. No: 21 Seba Office Boulevard D Blok Kat:1 Bölüm No:11 PK: 34485 Sarıyer/İSTANBUL. The head office of the Group is in Istanbul and it has branches in Ankara and Diyarbakır. The warehouse activities of the Group operated by Teklos Teknoloji Lojistik Hizmetleri A.Ş. which is included in the scope of consolidation at the registered address of Cumhuriyet Mahallesi Yahyakaptan Caddesi No:10A D:2 Çayirova / KOCAELİ.

NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Basis of Presentation

İndeks Bilgisayar Sistemleri Mühendislik Sanayi ve Ticaret A.Ş. maintains their books of account and prepares their statutory consolidated financial statements in Turkish Lira in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The accompanying consolidated financial statements have been prepared in accordance with the provisions of Capital Markets Board ("CMB") Communiqué No: II-

14.1-"Communiqué on Principles of Financial Reporting in Capital Markets" ("Communiqué") in the Official Gazette numbered 28676 dated June 13, 2013 reference to Article 5 of the Public Oversight Accounting and Auditing Standards Board ("POA") that have been put into force by Turkey Accounting Standards and interpretations related to these additional ("TAS") are considered.

The accompanying consolidated financial statements were published by POA with the decision numbered 30 on June 2, 2016, and it was presented in accordance with the "Announcement regarding to TAS Taxonomy", or "TFRS 2019" which was published on April 15, 2019.

The accompanying consolidated financial statements of the Group are presented in accordance with the Group's statutory records and are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in TL, which is Indeks Bilgisayar's functional and presentation currency. (As of 31 December 2020, 2019 and 2018, the non monetary items included in the consolidated financial statements are presented in US Dollars until 30 June 2013). In accordance with the Turkey Financial Reporting Standards published by the POA, to be able to presentation of the Group's financial position and performance, the consolidated financial statements have been prepared and subjected to necessary adjustments and restatements. The functional currency of Indeks International FZE and Neteks Teknoloji A.Ş are "USD".

The Group has prepared its consolidated financial statements with the assumption on the Group's ability to continue its operations in the foreseeable future as a going concern.

These consolidated financial statements as of and for the year ended 31 December 2020 have been approved for issue by the Board of Directors ("BOD") on 1 March 2021. These financial statements will be finalised following their approval in the General Assembly

2.02 Dealing with the Inflation Effects in Hyper-Inflationary Periods

Before the related legislation of Turkish Commercial Code no. 6102 and the Decree Law no. 660, Capital Markets Board ("CMB"), a decision which was taken on 17 March 2005, companies operating in Turkey and for companies that prepare consolidated financial statements in accordance with CMB Accounting Standards, it is not necessary the inflation accounting application, to be effective from January 1, 2005 as announced, as of this date Turkey Accounting Standard 29 "Financial Reporting in Hyper inflationary Economies" practice of preparation and presentation of the consolidated financial statements has ended.

2.03 Basis of Consolidation

Subsidiaries is company over which Indeks has the power to control the financial and operating policies for the benefit of Indeks, either (a) through the power to exercise more than 50% of voting rights relating to the shares in the companies as a result of the ownership interest owned directly and indirectly by itself, and/or by certain Indeks members and companies owned by them where by Indeks exercises control over the ownership interest of the shares held by them and shares to be used according to Indeks preferences; or (b) although not having the power to exercise more than 50% of the ownership interest, Indeks has power to control the investee due to the dispersed capital structure of the investee and/or Indeks has rights or is exposed to variable returns from its involvement with the investee and when at the same time it has the power to affect these returns through its power over the investee.

The balance sheets and income statements of the Subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by Indeks and its Subsidiaries is eliminated against the related equity. Intercompany transactions and balances between Indeks and its Subsidiaries are eliminated during the consolidation. The nominal amount of the shares held by Indeks in its Subsidiaries dividends are eliminated from equity and income for the period, respectively.

Non controlling interests include the share option under non controlling interest in the subsidiaries' net assets and operating results for the period The amounts are presented separately from the consolidated balance sheet and statement of income. The obligation of non controlling interest exceeds more than the non controlling interest belonging to the interests of subsidiary, if the non controlling interest has no binding obligations, the benefits of non controlling interest may result against the interests of the majority.

As of 31 December 2020, the subsidiaries included in the consolidation scope of Indeks is as follows:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts are expressed in ("TL") unless otherwise indicated.)

Subsidiaries	Nature of Business	Capital	Direct Ownership Held by İndeks %	Indirect Ownership Held by İndeks %
Datagate Bilgisayar Malzemeleri A.Ş. (Datagate)	Telecommunication	TL 30.000.000	59,24	59,24
Teklos Teknoloji Lojistik Hizmetleri A.Ş. (Teklos)	Logistics Services and Leasing	TL 5.000.000	99,99	99,99
İndeks International FZE (İndeks FZE)	Computer components and accessories purchasing – selling	UAE Dirham 150.000	100,00	100,00
İnfin Bilgisayar Ticaret A.Ş.	Computer components and accessories purchasing – selling	TL 50.000	99,80	99,80
Neotech Teknolojik Ürünler Dağ. A.Ş. (Neotech)	Electrical home appliances purchasing – selling (non operating)	TL 1.000.000	80,00	80,00
Neteks Teknoloji Ürünleri A.Ş. (Neteks Tek.)(*)	Network and communication products and spare parts purchasing – selling	TL 28.410.000	100,00	100,00
Despec Bilgisayar Pazarlama ve Ticaret A.Ş.(Despec) (**)	Consumer Electronics and Telecom	TL 23.000.000	-	29,11

(*)On 28 February 2020, İndeks Bilgisayar's effective ownership interest rate has changed following the acquisition of 50,00% shares from Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. and effective ownership interest rate increased from 50,00% to 100% with the additional acquisition of share purchase. As of 31 December 2019 and 2018, the financial statements of Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. have been accounted for using the equity method. On 28 February 2020, İndeks Bilgisayar's effective ownership interest rate has changed following the acquisition of 50,00% shares from Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. and effective ownership interest rate increased from 50,00% to 100% with the additional acquisition of share purchase. As of 1 March 2020, the financial statements of Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. have been accounted for using the full consolidation method. In accordance with the registration on 2.11.2020, our 100% subsidiaries of Neteks İletişim Ürünleri Dağıtım A.Ş. and Artım Bilişim Çözümleri A.Ş., have been controlled by the following acquisition of Neteks Teknoloji Ürünleri Anonim Şirketi, our 100% subsidiary, and the following acquisition have been made through share transfer in accordance with the article numbered 134 and related articles of the Turkish Commercial Code and the articles numbered 18, 19 and 20 of the Corporate Tax Law No. 5520.

(**) On 12 March 2020, the subsidiary of the Group, Datagate Bilgisayar Malzemeleri A.Ş. was acquired Despec Bilgisayar Pazarlama ve Ticaret A.Ş.'s 49,13% of shares from related parties Desbil Teknolojik Ürünler A.Ş., N. Erol Bilecik and other shareholders. As of the beginning of the reporting period in which joint control is established, financial statements were restated retrospectively as business combination and change of control realized. The financial statements of Despec Bilgisayar Pazarlama ve Ticaret A.Ş. have been accounted for using the full consolidation method.

As of 31 December 2020, the financial statements of Datagate Bilgisayar Malzemeleri A.Ş., Teklos Teknoloji Lojistik Hizmetleri A.Ş., İndeks International FZE, İnfin Bilgisayar Ticaret A.Ş., Neotech Teknolojik Ürünler Dağ. A.Ş., Neteks Teknoloji Ürünleri A.Ş. and Despec Bilgisayar Pazarlama ve Ticaret A.Ş. have been accounted for using the full consolidation method.

As of 31 December 2019 and 2018, the subsidiaries included in the consolidation scope of İndeks is as follows:

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

İNDEKS BİLGİSAYAR SİSTEMLERİ MÜHENDİSLİK SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts are expressed in ("TL") unless otherwise indicated.)

Subsidiaries	Nature of Business	Capital	Direct Ownership Held by Indeks %	Indirect Ownership Held by Indeks %
Datagate Bilgisayar Malzemeleri A.Ş. (Datagate)	Telecommunication	TL 30.000.000	59,24	59,24
Artım Bilişim Çözüm ve Dağıtım A.Ş. (Artım)	IT products and spare parts purchasing – selling	TL 1.210.000	100,00	100,00
Teklos Teknoloji Lojistik Hizmetleri A.Ş. (Teklos)	Logistics Services and Leasing	TL 5.000.000	99,99	99,99
İndeks International FZE (Indeks FZE)	Computer components and accessories purchasing – selling	UAE Dirham 150.000	100,00	100,00
İnfin Bilgisayar Ticaret A.Ş.	Computer components and accessories purchasing – selling	TL 50.000	99,80	99,80
Neotech Teknolojik Ürünler Dağ. A.Ş. (Neotech)	Electrical home appliances purchasing – selling (non operating)	TL 1.000.000	80,00	80,00
Despec Bilgisayar Pazarlama ve Ticaret A.Ş.(Despec) (*)	Consumer Electronics and Telecom	TL 23.000.000	-	29,11

(**) On 12 March 2020, the subsidiary of the Group, Datagate Bilgisayar Malzemeleri A.Ş. was acquired Despec Bilgisayar Pazarlama ve Ticaret A.Ş.'s 49,13% of shares from related parties Desbil Teknolojik Ürünler A.Ş., N. Erol Bilecik and other shareholders. As of the beginning of the reporting period in which joint control is established, financial statements were restated retrospectively as business combination and change of control realized. The financial statements of Despec Bilgisayar Pazarlama ve Ticaret A.Ş. have been accounted for using the full consolidation method.

As of 31 December 2019 and 2018, the financial statements of Datagate Bilgisayar Malzemeleri A.Ş., Artım Bilişim Çözümleri A.Ş., Teklos Teknoloji Lojistik Hizmetleri A.Ş., İndeks International FZE, İnfin Bilgisayar Ticaret A.Ş., Neotech Teknolojik Ürünler Dağ. A.Ş. and Despec Bilgisayar Pazarlama ve Ticaret A.Ş. have been accounted for using the full consolidation method.

Joining Arrangements and sharing of control: A joint arrangement whereby parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities relating to the arrangement. The contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investments in associates and joint ventures are initially accounted for under equity method and recognized at cost. Under the equity method, the investment in a joint venture is initially recognised at cost in the consolidated financial statements of the Group and the carrying amount is increased or decreased to recognise the investor's share of profit or loss of the investee after the date of the acquisition. The investor's share of the profit or loss of the investee is recognised in the investor's profit or loss.

In applying the equity method, the Group should use the financial statements of the associate or joint venture as of the same date as the financial statements of the investor or joint venturer unless it is impracticable to do so. If it is impracticable, the most recent available consolidated financial statements of the associate or joint venture should be used, with adjustments made for the effects of any significant transactions or events occurring between the accounting period ends. However, the difference between the reporting date of the associate and that of the investor cannot be longer than three months.

On acquisition, any difference between the cost of the investment and the entity's share of the net fair value of the investee's identifiable assets and liabilities in case of goodwill is included in the carrying amount of the investment (amortisation not permitted) and any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired. Adjustments to the entity's share of the associate's or joint venture's profit or loss after acquisition are made, for example, for depreciation of the depreciable assets

based on their fair values at the acquisition date or for impairment losses such as for goodwill or property, plant and equipment.

The financial statements of Datagate Bilgisayar Malzemeleri A.Ş., Teklos Teknoloji Lojistik Hizmetleri A.Ş., İndeks International FZE, İnfin Bilgisayar Ticaret A.Ş., Neotech Teknolojik Ürünler Dağ. A.Ş., Neteks Teknoloji Ürünleri A.Ş. and Despec Bilgisayar Pazarlama ve Ticaret A.Ş. have been accounted for using the full consolidation method. (On 28 February 2020, the effective ownership interest of Neteks Teknoloji Ürünleri A.Ş. increased from 50,00% to 100% with the additional acquisition of share purchase. As of 31 December 2019 and 2018, the financial statements of Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. have been accounted for investments accounted for using the equity method. As of 1 March 2020, the financial statements of Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. have been accounted for using the full consolidation method.)

The balance sheets and financial statements of the subsidiaries are accounted for using the full consolidated method and the carrying values held by Indeks and its Subsidiaries is offset from the related equity respectively.

Intercompany transactions and balances between Indeks and its Subsidiaries are eliminated during the consolidation.

Non controlling interests include the share option under non controlling interest in the subsidiaries' net assets and operating results for the period. The amounts are presented separately from the balance sheet and statement of income. The obligation of non controlling interest exceeds more than the non controlling interest belonging to the interests of subsidiary, if the non controlling interest has no binding obligations, the benefits of non controlling interest may result against the interests of the majority.

Business Combinations Under Common Control- Acquisition Method of Entity

In accordance with the investment and growth plans, the subsidiary of the Group, Datagate's effective ownership interest rate has changed following the acquisition of 49,13% of Despec Bilgisayar Pazarlama ve Ticaret A.Ş. of 11.300.994 number of shares, Desbil Teknolojik Ürünler A.Ş., N. Erol Bilecik and other shareholders shares purchased at the unit amount of TL 4,67 total TL 52.775, 640 on 12 March 2020.

The share purchase transaction is accounted for "Business combination under common control". In accordance with the "Turkish Accounting Standards application" 2018-1 published by POA, the pooling of interest method is applied, while the consolidated financial statements will be corrected as and the business combination was realized as of the 1 January 2020 in which the joint control was formed and presented comparatively from the beginning of the reporting period when the joint control was established and indicated stated that in order to eliminate the possible asset-liability mismatch that may occur due to the business combination subject to joint control, the "Business Combinations Under Common Control" will be utilised as to be offset under equity.

The 4.000 number shares within total number of 11.300.994 shares are Class A shares and remaining shares are Class B shares. Datagate Bilgisayar Malzemeleri Ticaret A.Ş. has also acquired the 4.000 Class A shares of Despec Bilgisayar ve Pazarlama Malzemeleri A.Ş. Class A shares have concession on the election of Board of Directors. Board of Directors of Despec Bilgisayar ve Pazarlama Malzemeleri A.Ş. is selected from 4 members in case of 5 or 6 members, 5 members in case of 7 or 8 members, 6 members in case of 9 members from among the candidates nominated by the Class A shareholders of the Group.

The balance sheet and income statement of the Despec Bilgisayar Pazarlama ve Ticaret A.Ş.'nin have been accounted for using the full consolidation method and the carrying values of the Subsidiary is offset from the related equity respectively. In addition, intercompany transactions and balances between Indeks and its Subsidiaries are eliminated during the consolidation.

Subsidiaries	Nature of Business	Capital	Direct Ownership Held by Indeks %	Indirect Ownership Held by Indeks %
Despec Bilgisayar Pazarlama ve Ticaret A.Ş.	Consumer Electronics and Telecom	TL 23.000.000	-	29,11

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FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts are expressed in ("TL") unless otherwise indicated.)

	Reported as of 31.12.2018	31.12.2018 Despec	Adjustments	Restated as of 31.12.2018 Consolidated
ASSETS				
Current Assets	1.432.225.211	117.300.441	(511.015)	1.549.014.637
Cash and Cash Equivalents	446.036.412	1.540.700	-	447.577.112
Financial Investments	-	83.407	-	83.407
Trade Receivables	687.291.682	83.753.859	(511.015)	770.534.526
Other Receivables	2.959.024	40.776	-	2.999.800
Derivative Instruments	-	-	-	-
Inventories	267.621.577	27.981.668	-	295.603.245
Prepaid Expenses	13.363.923	2.121.428	-	15.485.351
Current Income Tax Assets	257.030	-	-	257.030
Other Current Assets	14.695.563	1.778.603	-	16.474.166
Non Current Assets	87.093.552	2.159.097	-	89.252.649
Financial Investments	-	-	-	-
Trade Receivables	3.604.399	-	-	3.604.399
Other Receivables	51.037	-	-	51.037
Investments Accounted for Using the Equity Method	3.221.926	-	-	3.221.926
Investment Properties	26.031.431	247.210	-	26.278.641
Property, Plant and Equipment	26.976.138	218.729	-	27.194.867
Intangible Assets	5.318.354	427.938	-	5.746.292
Deferred Tax Assets	21.890.267	1.265.220	-	23.155.487
TOTAL ASSETS	1.519.318.763	119.459.538	(511.015)	1.638.267.286
LIABILITIES				
Current Liabilities	1.092.207.788	41.626.976	(511.015)	1.133.323.749
Short Term Borrowings	259.134.085	12.824.836	-	271.958.921
Short Term Portion of Long Term Borrowings	27.130.066	-	-	27.130.066
Other Financial Liabilities	-	-	-	-
Trade Payables	649.678.353	23.413.390	(511.015)	672.580.728
Employee Benefits Payables	739.846	65.138	-	804.984
Other Payables	15.787.140	458.668	-	16.245.808
Liabilities from Investments Accounted for Using the Equity Method	2.547.681	-	-	2.547.681
Derivative Instruments	5.153.208	1.073.209	-	6.226.417
Deferred Income	63.485.104	296.471	-	63.781.575
Current Income Tax Liabilities	22.614.886	214.011	-	22.828.897
Short Term Provisions	45.937.419	3.281.253	-	49.218.672
Other Short Term Liabilities	-	-	-	-
Non Current Liabilities	9.516.662	394.983	-	9.911.645
Long Term Borrowings	3.604.399	-	-	3.604.399
Long Term Provisions for Employee Benefits	5.911.708	394.983	-	6.306.691
Deferred Tax Liabilities	555	-	-	555
EQUITY	417.594.313	77.437.579	-	495.031.892
Equity Holders of the Parent	376.431.802	77.437.579	(77.437.579)	376.431.802
Paid in Share Capital	56.000.000	23.000.000	(23.000.000)	56.000.000
Adjustment to Share Capital	1.064.323	437.133	(437.133)	1.064.323
Repurchased Shares (-)	(1.705.805)	-	-	(1.705.805)
Share Premium	156.607	2.967.707	(2.967.707)	156.607
Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss	(1.083.994)	(114.808)	114.808	(1.083.994)
Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss	15.434.110	606.110	(606.110)	15.434.110
Business Combinations Under Common Control	-	-	-	-
Restricted Reserves From Retained Earnings	31.006.238	8.526.418	(8.526.418)	31.006.238
Prior Years Income	153.911.932	21.215.589	(21.215.589)	153.911.932
Net Profit for the Period	121.648.391	20.799.430	(20.799.430)	121.648.391
Non-Controlling Interests	41.162.511	-	77.437.579	118.600.090
TOTAL LIABILITIES AND EQUITY	1.519.318.763	119.459.538	(511.015)	1.638.267.286

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Amounts are expressed in ("TL") unless otherwise indicated.)

	Reported as of 31.12.2019	31.12.2019 Despec	Adjustments	Restated as of 31.12.2019 Consolidated
ASSETS				
Current Assets	2.173.411.466	147.916.921	(1.354.884)	2.319.973.503
Cash and Cash Equivalents	277.971.636	2.505.542	-	280.477.178
Financial Investments	-	135.519	-	135.519
Trade Receivables	1.353.775.534	95.610.538	(1.354.884)	1.448.031.188
Other Receivables	839.432	372.632	-	1.212.064
Derivative Instruments	1.459.812	153.862	-	1.613.674
Inventories	493.573.595	41.620.829	-	535.194.424
Prepaid Expenses	19.674.679	5.679.401	-	25.354.080
Current Income Tax Assets	88.535	-	-	88.535
Other Current Assets	26.028.243	1.838.598	-	27.866.841
Non Current Assets	94.263.810	3.116.223	(614.686)	96.765.347
Trade Receivables	-	-	-	-
Other Receivables	39.509	-	-	39.509
Investments Accounted for Using the Equity Method	2.110.197	-	-	2.110.197
Investment Properties	32.712.743	242.530	-	32.955.273
Property, Plant and Equipment	26.306.454	114.909	-	26.421.363
Right of Use Assets	15.288.935	977.972	(606.446)	15.660.461
Intangible Assets	5.004.123	385.903	-	5.390.026
Deferred Tax Assets	12.801.849	1.394.909	(8.240)	14.188.518
TOTAL ASSETS	2.267.675.276	151.033.144	(1.969.570)	2.416.738.850
LIABILITIES				
Current Liabilities	1.758.232.438	71.926.959	(1.466.731)	1.828.692.666
Short Term Borrowings	433.348.017	37.500.781	(111.847)	470.736.951
Short Term Portion of Long Term Borrowings	5.580.603	-	-	5.580.603
Trade Payables	1.182.957.676	29.889.327	(1.354.884)	1.211.492.119
Employee Benefits Payables	2.407.540	115.293	-	2.522.833
Other Payables	6.288.129	152.907	-	6.441.036
Liabilities from Investments Accounted for Using the Equity Method	3.837.029	-	-	3.837.029
Derivative Instruments	-	-	-	-
Deferred Income	67.067.281	1.526.512	-	68.593.793
Current Income Tax Liabilities	8.678.169	1.263.549	-	9.941.718
Short Term Provisions	48.067.994	1.478.590	-	49.546.584
Non Current Liabilities	19.054.197	1.216.201	(532.055)	19.738.343
Long Term Borrowings	12.273.617	725.832	(532.055)	12.467.394
Long Term Provisions for Employee Benefits	6.780.025	490.369	-	7.270.394
Deferred Tax Liabilities	555	-	-	555
EQUITY	490.388.641	77.889.984	29.216	568.307.841
Equity Holders of the Parent	439.630.444	77.889.984	(77.860.768)	439.659.660
Paid in Share Capital	56.000.000	23.000.000	(23.000.000)	56.000.000
Adjustment to Share Capital	1.064.323	437.133	(437.133)	1.064.323
Repurchased Shares (-)	(1.705.805)	-	-	(1.705.805)
Share Premium	156.607	2.967.707	(2.967.707)	156.607
Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss	(1.208.377)	(126.374)	126.374	(1.208.377)
Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss	15.377.038	606.110	(606.110)	15.377.038
Business Combinations Under Common Control	-	-	-	-
Restricted Reserves From Retained Earnings	38.620.502	9.611.418	(9.611.418)	38.620.502
Prior Years Income	238.824.749	28.930.019	(28.930.019)	238.824.749
Net Profit for the Period	92.501.407	12.463.971	(12.434.755)	92.530.623
Non-Controlling Interests	50.758.197	-	77.889.984	128.648.181
TOTAL LIABILITIES AND EQUITY	2.267.675.276	151.033.144	(1.969.570)	2.416.738.850

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts are expressed in ("TL") unless otherwise indicated.)

	Notes	Reported for the Period 01.01.2019- 31.12.2019	01.01.2019- 31.12.2019 Despec	Adjustments	Restated for the Period 01.01.2019 - 31.12.2019 Consolidated
PROFIT OR LOSS					
Revenue	28	5.028.329.488	280.482.155	6.102.036	5.302.709.607
Cost of Sales (-)	28	(4.782.988.833)	(255.720.098)	(3.813.395)	(5.034.895.536)
GROSS PROFIT FROM FINANCIAL OPERATIONS		245.340.655	24.762.057	2.288.641	267.814.071
GROSS PROFIT/(LOSS)		245.340.655	24.762.057	2.288.641	267.814.071
General Administrative Expenses (-)	29	(53.382.200)	(5.595.833)	(144.210)	(58.833.823)
Marketing, Sales and Distribution Expenses (-)	29	(44.029.964)	(5.155.144)	(2.085.969)	(47.099.139)
Other Operating Income	31	147.605.694	18.689.946	463.587	165.832.053
Other Operating Expenses (-)	31	(133.845.419)	(13.449.908)	(463.587)	(146.831.740)
OPERATING PROFIT / (LOSS) FROM CONTINUING OPERATIONS		161.688.766	19.251.118	58.462	180.881.422
Gains from Investment Activities	32	551.576	6.067	-	557.643
Losses from Investment Activities (-)	32	-	-	-	-
Share of profit/loss of investments accounted for using the equity method		(2.259.474)	-	-	(2.259.474)
OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)		159.980.868	19.257.185	58.462	179.179.591
Financial Income	33	65.134.558	597.675	388.815	65.343.418
Financial Expenses (-)	33	(93.727.152)	(3.892.197)	(484.733)	(97.134.616)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		131.388.274	15.962.663	(37.456)	147.388.393
Tax income/(expense)		(29.286.374)	(3.498.692)	8.240	(32.793.306)
- Current income tax expense	35	(20.183.575)	(3.625.489)	-	(23.809.064)
- Deferred tax income	35	(9.102.799)	126.797	8.240	(8.984.242)
Attributable to:		102.101.900	12.463.971	(29.216)	114.595.087
Non-Controlling Interests		9.600.493	-	(12.463.971)	22.064.464
Equity Holders of the Parent		92.501.407	12.463.971	12.434.755	92.530.623

2.04 Comparatives and Adjustment of Prior Period Financial Statements

The current period consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in financial position and performance. Comparative figures are reclassified, where necessary, to conform to the changes in the presentation of the current period consolidated financial statements. The effects of restated financial statements in scope of "Business Combination under Common Control" are included in Note 2.03. The Group has no adjustments and corrected amounts compare to prior period except for Note 2.03.

2.05 Offsetting

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.06 Changes in Accounting Policies

Whether there are changes and errors in accounting policies and accounting estimates, the amended significant changes and the identified significant accounting errors are implemented retrospectively and the previous periods Group's consolidated financial statements are adjusted. Whether the changes are amended in accounting policies effect the previous periods, aforementioned policy is implemented retrospectively to the consolidated financial statements as it had been used in.

Transition to TFRS 16, "Leases"

TFRS 16 "Leases" Standard was published by the POA on 13 January 2016. It replaces the existing TAS 17 "Leases", TFRIC 4 "Determining Whether an Arrangement Contains a Lease" and SIC-15 "Operating Leases – Incentives", and replaces the TAS 40 "Investment Properties" Standard. TFRS 16 eliminates the dual-accounting method of leasing transactions that are the current application in terms of lessees and monitoring of off-balance sheet commitments. Instead, a single balance sheet-based accounting model is presented for all leases, similar to the current financial leasing accounting. In this context, the "Lease Liabilities" amount, which is calculated as the present value of lease payments to be made during the lease period in relation to the lease contracts over 12 months, is recognized in the liabilities of the "Right of Use Assets" (Note 18) in the liabilities part of the balance sheet. The amount recognized as "Right of Use Assets" is subject to depreciation according to the contract period.

2.07 Changes in Accounting Estimates and Errors

Accounting estimates are based on reliable information and reasonable estimation methods. However, estimates are revised as a result of changes in circumstances, estimating new information or additional developments. If changes in accounting forecasts are related to only one period, amendments are made in the current period. If amendments are related to the forthcoming periods, changes are applied in both current period and forthcoming periods.

The nature and amount of a change in the accounting estimate, which has an impact on the outcome of the current period or is expected to have an impact on subsequent periods, is disclosed in the notes to the consolidated financial statements, except when the estimation of the effect on the future periods is not possible.

The Group management uses the actuarial assumptions used in the calculation of useful lives of property, plant and equipment and intangible assets, the actuarial assumptions used in the calculation of employment termination benefits, the provisions to be allocated for the lawsuits and execution proceedings in favor of or against the Group, and the determination of the inventory impairment. Explanations on the estimates used are included in the related notes is as follows.

TAS 21 "The Effects of Changes in Foreign Exchange Rates" outlines how to account for foreign currency transactions and operations in consolidated financial statements, and also how to translate consolidated financial statements into a presentation currency. The Group Management determines the presentation currency that most affects the sales of goods and services, the currency in which the labor expenses are realized, the currency of the cash generated from the financing activities, and taking into account the expected future changes in these factors. The Group Management reviews the accounting estimates regarding the functional currency and the policies applied in each balance sheet date.

2.08 Summary of Significant Accounting Policies

Accounting policies used in the preparation of consolidated financial statements are summarised below:

2.08.01 Revenue Recognition

Revenue is recognized when the amount of income can be determined reliably and it is probable that there will be an inflow of economical benefits concerning the transactions to the Group or it is accrued over the fair value of the receivable amount. Revenue is accounted for in the consolidated financial statements in accordance with TFRS 15 within the scope of the five-stage model below.

- Identification of customer contracts,
- Identification of performance obligations,
- Determination of the transaction price in the contracts,
- Allocation of transaction price to the performance obligations,
- Recognition of revenue when the performance obligations are satisfied.
- The Group's sales include the brands such as Apple, HP, IBM, Canon, Lenovo, Oppo and Samsung.

Almost all of the products sold by the Group are of foreign origin. A portion of foreign purchases of some foreign companies or the companies from resident companies in Turkey are performed operations which are resident companies in Turkey.

Depending on the realization of the targets given by the domestic or foreign companies, some costs are taken under the name of "rebate", "risturn", "sell out" and "bonus" or deducted from current accounts. These values are recognized as credit note income accrual on the balance sheet asset by providing the targets or conditions given by the seller companies. These prices are deducted or collected from the current account with the documents issued by the vendors under "rebate", "risturn", "sell out" and "bonus" and "credit note" within arranged documents (or invoices issued by the Group). The "credit notes" obtained regarding for inventories are deducted from cost of inventories. The portion of the balance is recognized in "Other Sales" under sales.

Interest income is accrued in the relevant period in proportion to the remaining principal balance and the effective interest rate that reduces the estimated cash inflows from the related financial asset to the book value of that asset.

If there is a significant financing element in sales, the fair value is determined by reducing the future cash flows with the hidden interest rate recognized in the consolidated financial statements. The difference is reflected in the consolidated financial statements on accrual basis.

2.08.02 Inventories

Inventories are valued at the lower of cost or net realisable value. The Group's inventories include PC, notebooks, telecommunication and networking products, computer components and mobile phones. The cost of inventories is calculated by FIFO method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.08.03 Property, plant and equipment and related depreciation

Property, plant and equipments are carried at cost less accumulated depreciation as of December 31, 2004 for the items purchased before 01 January 2005 and for the items purchased as of January 1, 2005, less the accumulated depreciation. Depreciation is provided for property, plant and equipment on a straight-line basis over their estimated useful lives. The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

Type	31 December 2020 Residual Value (%)	31 December 2019 Residual Value (%)
Buildings	2	2
Machinery and Equipment	10-25	10-25
Motor Vehicles	10-25	10-25
Furniture and Fixtures	10-33	10-33
Leasehold Improvements	10-33	10-33

Land is not depreciated as it is deemed to have an indefinite useful life.

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset's net selling price or value in use. Provision for impairment has not been calculated for property, plant and equipment.

Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with their net carrying amounts and are classified under "gains/losses from investing activities" in the current period.

Repairs and maintenance expenses are charged to the income statements during the period in which they are incurred. Machinery and equipment are capitalised and amortised when their capacity is fully available for use.

2.08.04 Intangible assets and related amortisation

Intangible assets comprise assets acquired through computer programs and rights and art masterpieces. There is no intangible asset that is formed within the structure of the Group.

Intangible assets acquired before 1 January, 2005 are carried at acquisition costs adjusted for inflation; whereas those purchased in and purchased after 2005 are carried forward at their acquisition cost less accumulated amortization.

They are initially recognised at acquisition cost and amortised on a straight-line basis over their estimated useful lives for 3-15 years. Art masterpieces are not depreciated as it is deemed to have an unestimated useful life and not subject to amortization.

Intangible assets are reviewed for impairment at each balance sheet date. If the carrying amount of an intangible asset exceeds its estimated recoverable amount, the carrying amount is reduced to its recoverable amount. There is no provision for impairment on intangible assets.

2.08.05 Impairment of Assets

Assets with an indefinite useful life, such as goodwill, are not subject to amortization. An impairment test is applied to these assets each year. For assets subject to amortization, impairment test is applied if the book value cannot be recovered. An impairment loss is recognized if the carrying amount of the asset exceeds the recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets except goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

In accordance with the assesment by Group management as of 31 December 2020, 2019 and 2018, the Group management determined that impairment is not recognized on Investment Properties, Property, Plant and Equipment and Intangible Assets. The estimated market values of these assets are considered to above their carrying values. Other assets comprise of motor vehicles and furniture and fixtues used for administrative purposes. The insurance coverage and replacement costs of these assets are above their carrying values.

2.08.06 Research and Development Costs

None.

2.08.07 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, one that takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale. Borrowing costs that are not in this scope are recognised directly in the income statement. All other borrowing costs are recognized in profit or loss in the period in which they are incurred. Borrowing costs include interest expenses and all other borrowing costs. The Group does not have capitalized financing costs during the period.

2.08.08 Financial Instruments

i. Financial Assets-Classification and Meausurement

A financial asset is recognized for the first time in its consolidated financial statements:

- a) Financial instruments measured at amortised cost
- b) Debt instruments at fair value ("FV") through other comprehensive income;
- c) Equity instruments at fair value ("FV") through other comprehensive income
- d) Financial instruments at fair value ("FV") through profit or loss

For financial assets, reclassification is required between FVTPL, FVTOCI and amortised cost, if and only if the entity's business model objective for its financial assets changes so its previous model assessment would no longer apply. If reclassification is appropriate, it must be done prospectively from the reclassification date which is defined as the first day of the reporting period following the change in business model.

A financial asset that meets the following two conditions must be measured at FVTOCI unless the asset is designated at FVTPL under the fair value option.

Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

Cash flow characteristics: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument at FV through other comprehensive income if both of the following conditions are met and the FV is not classified as measured by the difference in profit or loss:

- The retention of the financial asset based on a business model aimed at collecting contractual cash flows and selling financial assets;

- The contractual terms of the financial asset lead to cash flows that include interest payments on principal and principal balance on certain dates.

All financial assets that are not measured by the above mentioned amortised cost or measured at FV through other comprehensive income are measured at FV through profit or loss. These include all derivative financial assets. In the event that financial assets are recognized for the first time in their consolidated financial statements; an irreversible amount of a financial asset is measured at fair value through profit or loss provided that it eliminates or substantially reduces an accounting mismatch arising from the different measurement of financial assets and the gain or loss related to them in the consolidated financial statements.

In the first measurement of the financial assets other than the fair value changes that are reflected to the profit or loss (except for the trade receivables that are measured at the transaction cost and not having an important financing component at the time of the consolidated financial statements), the transaction costs directly attributable to the acquisition or issuance thereof are also added to the fair value.

ii. Impairment of Financial Assets

In accordance with TFRS 9, "Expected Credit Loss" model is applied. The new impairment model applies to financial assets and contractual assets measured at amortized cost but is not applied to investments on equity instruments.

Financial assets measured at amortized cost consist of trade receivables, other receivables and cash and cash equivalents.

The provisions for trade receivables, other receivables, other assets and contractual assets are always measured at an amount equal to the expected credit losses for life.

When determining whether the credit risk in a financial asset has increased substantially since its adoption in the consolidated financial statements and the expected credit losses are estimated, reasonable and supportable information that can be obtained without incurring excessive costs or efforts is taken into consideration. These include qualitative and quantitative information and analyzes and forward-looking information based on the Group's past experience and informed credit evaluations.

Credit-impaired financial asset

The Group assesses whether the financial assets measured at amortized cost are diminished in each reporting period. Under TFRS 9 a financial asset is credit-impaired when one or more events that have occurred and have a significant impact on the expected future cash flow of the financial asset. It includes observable data that has come to the attention of the holder of a financial asset about following events:

- significant financial difficulty of the issuer or borrower;
- a breach of contract, such as a default or past-due event;
- the lenders for economic or contractual reasons relating to the borrower's financial difficulty granted the borrower a concession that would not otherwise be considered;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for the financial asset because of financial difficulties.

Presentation

In the case of a financial asset that is not purchased or originated credit-impaired financial asset and for which there is no objective evidence of impairment at the reporting date, interest revenue is calculated by applying the effective interest rate method to the gross carrying amount.

Derecognition

If there is no reasonable expectation to recover a cash flow higher than the financial asset, the gross amount of the financial asset is deducted from the records. This is generally the case when the Group determines that the borrower does not have sufficient sources of income or assets that can repay the amounts subject to the reversal. However, the financial assets that are derecognized may still be subject to sanction activities applied by the Group for the recovery of past due receivables.

Financial assets are deducted from the records if there is no expectation of recovery (such as the debtor does not make any repayment plans with the Group). The Group continues to exercise sanctions in order to recover the receivables of trade receivables, other receivables, other assets and contract assets. The recovery amounts are recognized in consolidated statement of income.

2.08.09 Foreign Currency Translation

Foreign currency transactions are translated into Turkish Lira using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Turkish Lira using the exchange rates at the balance sheet date. Foreign exchange gains and losses resulting from trading activities (trade receivables and payables) denominated in foreign currencies of the Group companies operating in the non-finance sectors, have been accounted for under "other operating income/expenses" whereas foreign exchange gains and losses resulting from the translation of other monetary assets and liabilities denominated in foreign currencies have been accounted for under "financial income/expenses" in the consolidated income statement. The Group sells goods in terms of foreign currency denominated purchases goods. Therefore, the Group has no currency risk during the period.

2.08.10 Earnings Per Share

Earnings per share disclosed in the consolidated income statement are determined by dividing net income attributable to equity holders of the parent by the weighted average number of shares outstanding during the period concerned.

In Turkey, companies can increase their share capital through a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and inflation adjustment to equity. For the purpose of earnings per share computations, the weighted average number of shares in existence during the period has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier period as if the event had occurred at the beginning of the earliest period reported.

2.08.11 Events After the Balance Sheet Date

Subsequent events cover all events that occur between the balance sheet date and the publication date of the consolidated financial statements. The Group adjusts the amounts recognised in its consolidated financial statements to reflect the adjusting events after the balance sheet date. If non-adjusting events after the balance sheet date have material influence on the economic decisions of users of the consolidated financial statements, they are disclosed in the notes to the consolidated financial statements.

2.08.12 Provisions, Contingent Assets and Liabilities

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

Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the

time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

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

2.08.13 Leases

Group - as a lessee

Finance Leases

A lease is classified as finance lease if it transfers substantially all the risks and rewards incident to ownership. An entity assesses the classification of each element as finance or an operating lease separately. At commencement of the lease term, finance leases should be recorded as an asset and liability at the lower of the fair value of the asset and the present value of the minimum lease payments (discounted at the interest rate implicit in the lease, if practicable, or else entity's incremental borrowing rate)

Finance lease payments should be apportioned between the finance charge and the reduction of the outstanding liability (the finance charge to be allocated so as to produce a constant periodic rate of interest on the remaining balance of the liability.)

For operating leases, the lease payments should be recognized as an expense in the income statement over the lease term on a straight-line basis effective from 1 January 2019. Incentives for the agreement of a new agreement of a new or renewed operating lease should be recognized by the lessee as a reduction of the rental expense over the lease term.

TFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after 1 January 2019. TFRS 16 standard, in the liabilities of the "Lease Liability" amount calculated as the present value of the lease payments to be made during the lease term for the lease agreements with a maturity of more than 12 months and "Right of Use Assets" (Note: 18) requires an amount equal to the lease liabilities to be recognized in the assets of financial position statement. The amount recognized as "Right of Use Assets" is subject to depreciation according to the agreement period.

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

The Group reflects a right of use assets and lease liabilities in the consolidated financial statements at the date when the lease term actually begins.

Right-of-use asset Group - as a lessee

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

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

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

When applying the cost model, Group measures the right-of-use asset at cost:

- a) Less any accumulated depreciation and any accumulated impairment losses; and
- b) Adjusted for any remeasurement of the lease liability.

Group applies the depreciation requirements in TAS 16 Property, Plant and Equipment Standard in depreciating the right-of-use asset.

Lease liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease, if that rate can be readily determined, or by using the Group's incremental borrowing rate.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

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

The interest on the lease liabilities for each period in the lease term is the amount found by applying a fixed periodic interest rate to the remaining balance of the lease liabilities. The periodic interest rate, if easily determined, is the implied interest rate on the lease. If this rate cannot be easily determined, the Group uses the Group's incremental borrowing interest rate.

Within the framework of the transition provisions in TFRS 16, no adjustments were made in the net assets before January 1, 2019. As of January 1, 2019, the amount of "Right of Use Assets" and "Lease Liability" were calculated for the remaining period by taking into consideration the contracts that have been due for more than 12 months.

Group - as a lessor

Operating Leases

The lease process, where a significant part of the property risks and returns belong to the lessor, is classified as an operating lease. Rental payments is recognised in the consolidated statement of income as an expense on a straight-line basis over the lease term.

The lease contracts as the Group as the lessee are related to office, warehouses and motor vehicles leases in İstanbul, Diyarbakır and Ankara. Annual rental payments is recognised as an expense on a straight-line basis over the lease term.

Group - as a lessee

Operating Leases

Assets leased out under operating leases are included in investment property, property, plant and equipment or other current assets in the balance sheet. Rental income is recognised in the consolidated statement of income on a straight-line basis over the lease term.

The lease contracts as the Group as the lessor as a party of the contract, arise from the part of warehouse in which the Group operates and a non Group company which uses as the office and warehouse.

2.08.14 Related Parties

For the purpose of these consolidated financial statements, shareholders, parents of Indeks Bilgisayar A.Ş., key management personnel and Board of Directors members, their close family members and the legal entities over which these related parties exercise control and significant influence, are considered and expressed as "related parties". The detailed explanation of related parties is disclosed in **Note 37**.

2.08.15 Government Grants

None.

2.08.16 Investment Properties

As of 31 December 2020, 2019 and 2018, investment properties of the Group are accounted for on the basis of the following principles:

Land and buildings that are held for rental yields or for capital appreciation or both rather than held in the production or supply of goods or services or for administrative purposes or for the sale in the ordinary course of business are classified as "investment property". Investment properties are carried at cost less accumulated depreciation. If it meets the accepted principles, the cost of changing any part of the existing investment property is included in the amount in the balance sheet. Daily repair and maintenance for investment properties is not included in the above mentioned amount.

Depreciation has been provided for straight line bases, based on the economic useful lives, in order to deduct the cost of each asset to its token value, in accordance with the to the annual rate of 2%.

Investment properties are derecognized, in the event that investment properties are fully depreciated or sold. Gains or losses on sales of investment properties is recognized in the income statement as profit or loss.

2.08.17 Taxes on Income

Income tax expense (or income) is the sum of the current tax expense and the deferred tax expense (or income).

Current Tax

Current year tax liability is calculated over the taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it excludes items that cannot be taxed or deducted. The Group's liability for current tax is calculated using legal statutory tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax

Deferred tax assets and liabilities are determined by calculating the temporary differences between the amounts shown in the consolidated financial statements and the amounts considered in the statutory tax base in accordance with the balance sheet method. Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax liability or asset is not calculated in respect of temporary timing differences arising from the initial recognition of assets or liabilities other than goodwill or business combinations and which do not affect both commercial and financial profit /loss.

Deferred tax liabilities are calculated for all taxable temporary differences related to the investments in subsidiaries and associates and shares in joint ventures, except in cases where the Group is able to control the discontinuation of temporary differences and in the near future it is unlikely that such difference will be eliminated. Deferred tax assets resulting from taxable temporary differences related to such investments and shares are calculated on the condition that it is highly probable that future taxable profit will be available and that it is probable that future differences will be eliminated.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that financial profit will be available to allow the benefit of some or that entire amount.

Deferred tax assets and liabilities are calculated over the tax rates that are expected to be valid in the period when the assets are realized or the liabilities are fulfilled and legalized or substantially legalized as of the balance sheet date (tax regulations). During the calculation of deferred tax assets and liabilities, the tax consequences of the methods that the Group expects to recover or settle the carrying amount of the assets as of the balance sheet date are taken into consideration.

Deferred tax assets and liabilities are recognized when there is a legal right to offset current tax assets and current tax liabilities, or if such assets and liabilities are associated with the income tax collected by the same tax authority, or if the Group intends to pay off the current tax assets and liabilities.

Current and deferred tax for the period

The deferred tax, other than those directly attributable to debt or liability recognized in equity (in which case deferred tax is recognized directly in equity) or deferred tax, other than those arising from initial recognition of business combinations, is recognized as income or expense in the income statement. In business combinations, the tax effect is taken into consideration in the calculation of goodwill or in determining the part of the purchaser that exceeds the acquisition cost of the share of the acquiree's identifiable assets, liabilities and contingent liabilities in the fair value.

The taxes included in the consolidated financial statements include current period tax and the change in deferred taxes. The Group calculates current and deferred tax on the results for the period.

Offsetting in Tax Assets and Liabilities

The amount of corporate tax payable is netted because it is related to prepaid corporate tax amounts. Deferred tax assets and liabilities are also offset in the same way.

2.08.18 Employment Termination Benefits

The provision for employment termination benefits, as required by Turkish Labour Law represents the present value of the future probable obligation of the Group arising from the retirement of its employees based on the actuarial projections.

TAS 19 "Employee Benefits" requires actuarial assumptions (net discount rate, turnover rate to estimate the probability of retirement etc.) to estimate the entity's obligation for employment termination benefits. The effects of differences between the actuarial assumptions and the actual outcome together with the effects of changes in actuarial assumptions compose the actuarial gains / losses and recognised under other comprehensive income.

2.08.19 Statement of Cash Flow

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.

Cash flows from operating activities represent the cash flows generated from the Group's activities. Cash flows from investing activities represent the cash flows that are used in or provided from the investing activities of the Group (tangible and intangible assets and financial assets).

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

2.08.20 Income Accruals

Almost all of the products sold by the Group are of foreign origin. A portion of foreign purchases of some foreign companies or the companies from resident companies in Turkey are performed operations which are resident companies in Turkey. Depending on the realization of the targets given by the domestic or foreign companies, some costs are taken under the name of "rebate", "risturn", "sell out" and "bonus" or deducted from current accounts. These values are recognized as credit note income accrual on the balance sheet asset by providing the targets or conditions given by the seller companies. These prices are deducted or collected from the current account with the documents issued by the vendors under "rebate", "risturn", "sell out" and "bonus" and "credit note" within arranged documents (or invoices issued by the Group).

2.08.21 Warranty Provisions

The Group serves the Turkey distributor of information technology products. The guarantees of the products sold are given by the companies appointed by the manufacturers. The products offered to us under warranty come from the dealers and are sent to the manufacturers or manufacturers appointed by the manufacturers for repair. For products that need to be replaced within the scope of warranty after repair, new products are given to the customers and the amount is billed to the manufacturers. The Group has no warranty provisions during the period.

2.09 New and Revised Turkish Financial Reporting Standards

As at 31 December 2020, new standards in force and amendments to existing previous standards and interpretations

The accounting policies applied in the preparation of the consolidated financial statements as of 1 January - 31 December 2020 are consistent with those applied in the preparation of the consolidated financial statements as of 31 December 2019

except for except for the new and amended TFRS standards which are valid as of 1 January 2020. The effects of these standards and interpretations on the Group are summarised below.

New standards in force as of 31 December 2020 and changes and interpretations on existing previous standards:

Amendments to TAS 1 and TAS 8 Definition of materiality

Effective from annual periods beginning on or after 1 January 2020. These amendments to TAS 1 "Presentation of financial statements" and TAS 8 "Accounting policies, changes in accounting estimates and errors" and consequential amendments to other TFRSs:

- i) use of the definition of materiality consistent with TFRS and financial reporting framework
- ii) clarification of the definition of materiality and
- iii) the inclusion of some guidance in TAS 1 on non-essential information.

The mentioned amendment does not have a significant impact on the consolidated financial position and performance of the Group.

Amendments to TFRS 3 – Business definition

Effective for annual periods beginning on or after 1 January 2020. With this change, the definition of the business has been revised. Based on the feedback received by IASB, it is often considered that the current practice guidance is very complex and results in a large number of transactions to meet the definition of business combinations.

Amendments to TFRS 9, TAS 39, and TFRS 7 – Interest rate benchmark reform

Effective from annual periods beginning on or after 1 January 2020. These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries. The impacts of these amendments on financial position and performance of the Group is being assessed.

Amendments to TFRS 16 – "Leases" Covid 19 related rent concessions

Effective from annual periods beginning on or after 1 June 2020. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to TFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concessions related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the periods in which the event or condition that triggers the reduced payment occurs. The impacts of these amendments on financial position and performance of the Group is being assessed.

Standards, amendments and interpretations that are issued but not effective as at 31 December 2020

Amendments to TAS 1, Presentation of financial statements' on classification of liabilities;

Effective from 1 January 2022. These narrow-scope amendments to TAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what TAS 1 means when it refers to the 'settlement' of a liability.

A number of narrow-scope amendments to TFRS 3, TAS 16, TAS 37 and some annual improvements on TFRS 1, TFRS 9, TAS 41 and TFRS 16; effective from Annual periods beginning on or after 1 January 2022.

-Amendments to TFRS 3, 'Business combinations' update a reference in TFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

-Amendments to TAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

-Amendments to TAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 Interest Rate Benchmark Reform Phase 2;

effective from annual periods beginning on or after 1 January 2021. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one.

The impacts of these amendments on financial position and performance of the Group is being assessed.

NOTE 3 BUSINESS COMBINATIONS

In accordance with the investment and growth plans, the subsidiary of the Group, Datagate's effective ownership interest rate has changed following the acquisition of 49,13% of Despec Bilgisayar Pazarlama ve Ticaret A.Ş. of 11.300.994 number of shares, Desbil Teknolojik Ürünler A.Ş., N. Erol Bilecik and other shareholders shares purchased at the unit amount of TL 4,67 total TL 52.775, 640 on 12 March 2020. Business combinations under common control should be accounted for pooling of interest method,

i) Therefore, goodwill should not be included in the consolidated financial statements,

ii) During the initial application of pooling of interest method, the consolidated financial statements should be corrected as if the business combination had taken place at the beginning of the reporting period in which the business combination under common control was performed and presented comparatively from the beginning of the reporting period in which the joint control was performed and

iii) Since it would be appropriate to consider the business combinations subject to joint control from the perspective of the parent company in the reflection of the consolidated financial statements, the Group has restated the prior years financial statements as if the consolidated financial statements were prepared according to TAS, on the date and after the Group, which holds the control of the Group during the consolidation, has the control over the companies under business combination in accordance with TAS provisions.

Therefore, goodwill has not been calculated as a result of these transactions, the difference arising from the of the subsidiary amount and the amount of effective ownership interest rate of the purchased Group recognised as "Business Combinations under Common Control" directly in equity. The transaction has been accounted for in accordance with "Business Combinations under Common Control" announced by POA numbered 2018-1.

Therefore, goodwill has not been calculated in the consolidated financial statements from the acquisition of Despec Bilgisayar Pazarlama ve Ticaret A.Ş. The difference arising from total acquisition cost and the Group's share of the net asset value of financial statements of Despec Bilgisayar Pazarlama ve Ticaret A.Ş prepared in accordance with TFRS recognised as "Business Combinations under Common Control" directly in equity.

Business Combinations Under Common Control- Change of Control	Amount (TL)
Carrying value of Despec shares (29.02.2020)	83.164.172
Carrying value of Group's share (49,1347565%)	(40.862.514)
Acquisition Cost	52.775.642
Business Combinations under Common Control (net change from the change of control)	11.913.128

NOTE 4 DISCLOSURE OF INTERESTS IN OTHER ENTITIES

The jointly controlled entities of the Group Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji A.Ş. are consolidated in accordance with the equity method until 29 February 2020. As of 1 March 2020, the financial statements of Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş have been accounted for using the full consolidation method. In accordance with the registration on 2.11.2020, our 100% subsidiaries of Neteks İletişim Ürünleri Dağıtım A.Ş. and Artım Bilişim Çözümleri A.Ş, have been controlled by the following acquisition of Neteks Teknoloji

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

İNDEKS BİLGİSAYAR SİSTEMLERİ MÜHENDİSLİK SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts are expressed in ("TL") unless otherwise indicated.)

Ürünleri Anonim Şirketi, our 100% subsidiary, and the following acquisition have been made through share transfer in accordance with the article numbered 134 and related articles of the Turkish Commercial Code and the articles numbered 18, 19 and 20 of the Corporate Tax Law No. 5520.

The summary financial information of these companies is as follows:

Neteks İletişim Ürünleri Dağıtım A.Ş. (*)

	31 December 2019	31 December 2018
Current Assets	156.197.611	135.002.092
Non Current Assets	5.177.363	4.672.806
Total Assets	161.374.974	139.674.898
Current Liabilities	158.359.687	134.464.379
Non Current Liabilities	28.442	-
Total Equity	2.986.845	5.210.519
Total Liabilities and Equity	161.374.974	139.674.898

	1 January 2019 31 December 2019	1 January 2018 31 December 2018
Revenue	353.669.016	285.086.047
Gross Profit/(Loss)	2.793.152	5.901.734
Operating Profit	1.422.359	13.235.501
Net Profit/(Loss) for the Period	(2.696.410)	(15.422.693)

Neteks Teknoloji A.Ş. (*)

	31 December 2019	31 December 2018
Current Assets	204.440.600	115.626.985
Non Current Assets	2.919.527	2.059.960
Total Assets	207.360.127	117.686.945
Current Liabilities	214.572.363	122.723.963
Non Current Liabilities	461.824	58.344
Total Equity	(7.674.060)	(5.095.362)
Total Liabilities and Equity	207.360.127	117.686.945

	1 January 2019 31 December 2019	1 January 2018 31 December 2018
Revenue	427.133.543	288.112.268
Gross Profit/(Loss)	18.551.896	9.345.016
Operating Profit	6.472.070	6.132.842
Net Profit/(Loss) for the Period	(1.822.539)	(4.520.274)

(*)On 28 February 2020, Indeks Bilgisayar's effective ownership interest rate has changed following the acquisition of 50,00% shares from Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. and effective ownership interest rate increased from 50,00% to 100% with the additional acquisition of share purchase. The financial statements of Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji A.Ş. are consolidated in accordance with the equity method until 29 February 2020. As of 1 March 2020, the financial statements of Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. have been accounted for using the full consolidation method. The balance sheets and income statements dated 29.02.2020 are as follows:

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	29.02.2020 Neteks A.Ş.	29.02.2020 Neteks Tek. A.Ş.
ASSETS		
Current Assets	172.664.352	231.550.341
Cash and Cash Equivalents	90.640.086	17.844.069
Trade Receivables	53.510.460	160.783.626
Other Receivables	239.282	25.125.523
Inventories	5.948.297	22.414.911
Prepaid Expenses	58.156	285.124
Current Income Tax Assets	-	408
Other Current Assets	22.268.071	5.096.680
Non Current Assets	5.218.934	3.794.461
Property, Plant and Equipment	52.509	637.364
Right of Use Assets	74.451	257.856
Intangible Assets	677.534	85.351
Deferred Tax Assets	4.414.440	2.813.890
TOTAL ASSETS	177.883.286	235.344.802
LIABILITIES		
Current Liabilities	174.910.986	245.469.185
Short Term Borrowings	64.037	115.083.954
Trade Payables	139.411.429	123.441.854
Employee Benefits Payables	-	168.678
Other Payables	25.007.768	944.773
Deferred Income	1.881.846	450.358
Short Term Provisions	8.545.906	5.379.568
Non Current Liabilities	23.296	449.964
Long Term Borrowings	23.296	169.592
Provision for Employment Termination Benefits	-	280.372
EQUITY	2.949.004	(10.574.347)
Paid in Share Capital	1.100.000	100.000
Adjustment to Share Capital	2.525.650	29.455
Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss	-	(199.303)
Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss	14.027.622	(1.729.444)
Restricted Reserves From Retained Earnings	220.000	-
Prior Years Income	(14.756.577)	(6.354.574)
Net Profit for the Period	(167.691)	(2.420.481)
TOTAL LIABILITIES AND EQUITY	177.883.286	235.344.802

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	01.01.2020 29.02.2020 Neteks A.Ş.	01.01.2020 29.02.2020 Neteks Tek. A.Ş.
PROFIT OR LOSS		
Revenue	68.144.074	77.920.935
Cost of Sales (-)	(67.620.469)	(77.000.418)
GROSS PROFIT FROM FINANCIAL OPERATIONS	523.605	920.517
GROSS PROFIT/(LOSS)	523.605	920.517
General Administrative Expenses (-)	(34.591)	(415.445)
Marketing Expenses (-)	(211.338)	(1.486.649)
Other Operating Income	2.587.704	6.859.641
Other Operating Expenses (-)	(3.582.798)	(5.847.867)
OPERATING PROFIT / (LOSS) FROM CONTINUING OPERATIONS	(717.418)	30.197
OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)	(717.418)	30.197
Financial Income/Expenses	722.971	(3.238.572)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	5.553	(3.208.375)
Tax income/(expense)	(173.244)	787.894
- Current income tax expense	-	-
- Deferred tax income	(173.244)	787.894
Attributable to:	(167.691)	(2.420.481)
Non-Controlling Interests	-	-
Equity Holders of the Parent	(167.691)	(2.420.481)

On 28 February 2020, Indeks Bilgisayar's effective ownership interest rate has changed following the acquisition of 50,00% shares from Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. and effective ownership interest rate increased from 50,00% to 100% with the additional acquisition of share purchase. The corresponding amounts to the Group's share of the profit / loss until 29 February 2020 are as follows:

Account Name	1 January 2020 31 December 2020	1 January 2019 31 December 2019
Share of profit/loss of investments accounted for using the equity method	(1.294.086)	(2.259.474)
Other Income / Expenses (Net)	(1.294.086)	(2.259.474)

NOTE 5 SEGMENT REPORTING

The segment reporting of the Group classified as IT Technologies and telecommunication and logistics services and leasing. IT Technologies group comprise of PC, notebooks, telecommunication and networking products, computer components and mobile phones. Telecommunication group sales comprise within Türk Telekom distributorship, mobile phones, mobile devices, accessories, GSM line, and airtime minutes sales. The financial information regarding the gross profit / loss on the basis of the operating segments of the Group for the period ends are as follows:

1 January 2020- 31 December 2020

Statement of Profit or Loss	IT Technologies and Telecommunication	Logistics Services and Leasing	Total	Elimination	Consolidated
Intra segment revenue	10.251.337.228	3.682.794	10.255.020.022	-	10.255.020.022
Inter segment revenue	-	61.728.825	61.728.825	(61.728.825)	-
Revenue	10.251.337.228	65.411.619	10.316.748.847	(61.728.825)	10.255.020.022
Cost of Sales (-)	(9.869.318.232)	-	(9.869.318.232)	-	(9.869.318.232)
Gross Profit/(Loss)	382.018.996	65.411.619	447.430.615	(61.728.825)	385.701.790

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1 January 2019- 31 December 2019

Statement of Profit or Loss	IT Technologies and Telecommunication	Logistics Services and Leasing	Total	Elimination	Consolidated
Intra segment revenue	5.300.048.817	2.660.790	5.302.709.607	-	5.302.709.607
Inter segment revenue	-	35.739.656	35.739.656	(35.739.656)	-
Revenue	5.300.048.817	38.400.446	5.338.449.263	(35.739.656)	5.302.709.607
Cost of Sales (-)	(5.034.895.536)	-	(5.034.895.536)	-	(5.034.895.536)
Gross Profit/(Loss)	265.153.281	38.400.446	303.553.727	(35.739.656)	267.814.071

NOTE 6 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents of the Group as of the end of the period are as follows.

Account Name	31 December 2020	31 December 2019	31 December 2018
Cash in hand	159.866	130.299	159.326
Banks (Demand Deposits)	800.283.072	62.348.808	29.190.639
Financial Assets Held to Maturity (Reverse Repo and Time Deposits)	511.170.500	216.705.818	415.837.241
Credit Card Slips	7.349.073	1.292.253	2.389.906
Total	1.318.962.511	280.477.178	447.577.112

As of 31 December 2020, 2019 and 2018, credit card slips have the maturity of 1-3 days.

As of 31 December 2020, reverse repo and demand deposits interest accrued total amounted to TL 152.884 and the maturity is 1 day. The reverse repo transactions are TL and USD and the annual interest rates are 12,74% - 17,63% for TL and 0,20% for USD.

As of 31 December 2019, reverse repo and demand deposits interest accrued total amounted to TL 290.955 and the maturity is 2-182 days. The reverse repo transactions are TL and USD and the annual interest rates are 8,33% - 10,51% for TL and 0,5%-2,78% for USD.

As of 31 December 2018, reverse repo and demand deposits interest accrued total amounted to TL 1.452.237 and the maturity is 1-171 days. The reverse repo transactions are TL, USD and EURO and the annual interest rates are 19,11% - 25,10% for TL, 2,02%-6,24% for USD and 0,90% for EURO.

As of 31 December 2020, 2019 and 2018, the Group has no blocked deposits and pledges in the cash and cash equivalents.

Cash and Cash Equivalents	31 December 2020	31 December 2019	31 December 2018
Cash and Cash Equivalents	1.318.962.511	280.477.178	447.577.112
Income Accruals (-)	(152.884)	(290.955)	(1.452.237)
Total	1.318.809.627	280.186.223	446.124.875

In the statement of cash flow, the Group's cash and cash equivalents are presented less the interest accrual.

NOTE 7 FINANCIAL INVESTMENTS

Short and long term financial investments is as follows

Account Name	31 December 2020	31 December 2019	31 December 2018
Equity Securities	-	135.519	83.407
Total	-	135.519	83.407

The above mentioned equities included in short term financial investments are valued at fair value and disclosed in the consolidated financial statements accordingly.

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In accordance with TFRS 13 "Fair Value Measurement" standard; in order to increase consistency and comparability in fair value measurements and related disclosures, fair value hierarchy has been estimated that classifies the inputs for the valuation methods used to measure the fair value in three levels.

As of 31 December 2020, the Group has no short and long term financial investments.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities: The fair value of financial assets and financial liabilities are determined with reference to quoted market prices. On estimation of fair value of the shares of the Group, BIST Session 2 closing data on 31.12.2019 and 31.12.2018 were considered.

NOTE 8 BORROWINGS

Account Name	31 December 2020	31 December 2019	31 December 2018
Bank Borrowings	847.582.286	466.449.223	271.865.807
Lease Liabilities	6.217.832	4.287.728	-
Financial Lease Liabilities	-	-	98.047
Interest Payables of Deferred Lease Costs	-	-	-
(-)	-	-	(4.933)
Total	853.800.118	470.736.951	271.958.921

Breakdown of short term portion of long borrowings is as follows:

Account Name	31 December 2020	31 December 2019	31 December 2018
Short Term Portion of Long Term Borrowings	-	5.580.603	27.130.066
Total	-	5.580.603	27.130.066

Breakdown of long term borrowings is as follows:

Account Name	31 December 2020	31 December 2019	31 December 2018
Bank Borrowings	-	-	3.604.399
Lease Liabilities	10.797.435	12.467.394	-
Total	10.797.435	12.467.394	3.604.399

As of 31 December 2020, the subsidiary of the Group, Datagate's short term borrowings portion amounted to TL 50.003.165 (31 December 2019: TL 75.862.490 and 31 December 2018: TL 58.867.782) include contracted campaigns with terms of 6 months, 12 months, 24 months and 36 months sold to subscribers of Türk Telekom Group (Türk Telekomünikasyon A.Ş., TT Mobil İletişim Hizmetleri A.Ş. and TTNET A.Ş.) has been used for financing, and total loan agreement are under Türk Telekom Group guarantorship. Within the scope of these contracted campaigns, the receivables from the dealers are assignment of trade receivables to Türk Telekom Group (Türk Telekomünikasyon A.Ş., TT Mobil İletişim Hizmetleri A.Ş. and TTNET A.Ş.) and collections are made by Türk Telekom Group (Türk Telekomünikasyon A.Ş., TT Mobil İletişim Hizmetleri A.Ş. and TTNET A.Ş.) at maturity and paid to the banks. TL and USD denominated short and long term lease liabilities amounted to TL 17.015.267.

In accordance with the assignment terms and conditions, the principal and interests of the loans are paid by Türk Telekom Group. In addition, Datagate's assignment of trade receivables, whose collection is mediated by Türk Telekom Group, are also collected by irrevocable transfer and assignment to factoring companies. In accordance with the assignment terms and conditions, the principal and interests of the loans are paid by Türk Telekom Group.

The reconciliation of borrowings is as follows:

Account Name	31 December 2020	31 December 2019
Beginning of the Period	488.784.948	302.693.386
Principal and Interest Additions During the Period	1.309.096.284	951.077.958
Lease Liabilities	17.015.267	16.755.122
Principal and Interest Payments During the Period	(1.089.443.422)	(782.946.094)
Additions in the scope of the Consolidation	115.340.879	-
Interest Accrual at the End of the Period	23.803.597	1.204.576
End of the Period	864.597.553	488.784.948

Breakdown of short term borrowings is as follows:

31 December 2020

Type	Currency Amount	TL Amount	Annual Effective Interest Rate (%)
TL Borrowings		566.827.958	7,95-17,77
TL Lease Liabilities		6.069.561	18,00-21,00
USD Lease Liabilities	20.199	148.271	7,00
USD Borrowings	38.247.303	280.754.328	1,85-5,12
Total Short Term Borrowings		853.800.118	

31 December 2019

Type	Currency Amount	TL Amount	Annual Effective Interest Rate (%)
TL Borrowings		287.080.161	10,50-29,95
TL Lease Liabilities		3.406.755	18,00-21,00
USD Lease Liabilities	148.307	880.973	7,00
USD Borrowings	30.195.795	179.369.062	3,24-5,32
Total Short Term Borrowings		470.736.951	

31 Decemeber 2018

Type	Currency Amount	TL Amount	Annual Effective Interest Rate (%)
Short Term Borrowings			
TL Borrowings		111.474.741	18,71 – 43,15
Lease Loans (EURO)	15.447	93.115	6,21- 6,99
USD Borrowings	30.487.381	160.391.065	4,90-9
Total Short Term Borrowings		271.958.921	

Breakdown of short term portion of long borrowings is as follows:

31 December 2020

As of 31.12.2020, the Group has no short term portion of long term borrowings.

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31 December 2019

Type	Currency Amount	TL Amount	Annual Effective Interest Rate (%)
TL Borrowings		5.580.603	15,95-43,80
Total Short Term Portion of Long Term Borrowings		5.580.603	

31 December 2018

Type	Currency Amount	TL Amount	Annual Effective Interest Rate (%)
TL Borrowings		27.130.066	18,05-31,90
Total Short Term Portion of Long Term Borrowings		27.130.066	

Breakdown of long term borrowings is as follows:

31 December 2020

Type	Currency Amount	TL Amount	Annual Effective Interest Rate (%)
TL Borrowings		-	-
TL Lease Liabilities		10.797.435	18,00 – 21,00
USD Lease Liabilities	-	-	-
Total Long Term Borrowings		10.797.435	

31 December 2019

Type	Currency Amount	TL Amount	Annual Effective Interest Rate (%)
TL Borrowings		-	-
TL Lease Liabilities		12.353.823	18,00 – 21,00
USD Lease Liabilities	19.119	113.571	7,00
Total Long Term Borrowings		12.467.394	

31 December 2018

Type	Currency Amount	TL Amount	Annual Effective Interest Rate (%)
TL Borrowings		3.604.399	18,11-31,90
Total Long Term Borrowings		3.604.399	

The redemption schedule of bank borrowings, lease liabilities and finance lease liabilities is as follows:

Account Name	31 December 2020	31 December 2019	31 December 2018
0-12 months	853.800.118	476.317.554	299.088.987
13-36 months	10.797.435	12.467.394	3.604.399
Total	864.597.553	488.784.948	302.693.386

NOTE 9 OTHER FINANCIAL LIABILITIES

As of 31 December 2020, 2019 and 2018, the Group has no other financial liabilities.

NOTE 10 TRADE RECEIVABLES AND PAYABLES

As of 31 December 2020, 2019 and 2018, short term trade receivables is as follows:

Account Name	31 December 2020	31 December 2019	31 December 2018
Trade Receivables	1.702.326.535	1.314.260.553	683.904.730
<i>Trade Receivables from Related Parties</i>	83.173	1.572.842	812.209
<i>Trade Receivables from Non Related Parties</i>	1.702.243.362	1.312.687.711	683.092.521
<i>- Other Receivables</i>	1.649.623.841	1.207.075.462	615.853.644
<i>-Assignment of Trade Receivables</i>	52.619.521	105.612.249	67.238.877
Notes Receivables	327.323.568	146.962.348	102.895.178
Rediscount on Notes Receivables (-)	(15.745.370)	(13.191.713)	(16.265.382)
Doubtful Trade Receivables	30.925.364	24.438.386	19.348.766
Provision for Doubtful Trade Receivables (-)	(30.925.364)	(24.438.386)	(19.348.766)
Total	2.013.904.733	1.448.031.188	770.534.526

As of 31 December 2020, the subsidiary of the Group, Datagate's short term portion of assignment of trade receivables amounted to TL 52.619.521 (31 December 2019: TL 105.612.249 and 31 December 2018: TL 67.238.877) include contracted campaigns with terms of 6 months, 12 months, 24 months and 36 months sold to subscribers of Türk Telekom Group (Türk Telekomünikasyon A.Ş., TT Mobil İletişim Hizmetleri A.Ş. and TTNET A.Ş.) has been used for financing of mobile devices, and these receivables are under Türk Telekom Group guarantorship. The portion amounted to TL 50.003.165 (31 December 2019: TL 75.862.490 and 31 December 2018: TL 58.867.782) was assigned to banks against for the loans used by Datagate Bilgisayar Malzemeleri Ticaret A.Ş within the scope of the same campaigns. The collections of receivables from devices are from Datagate subscribers by Türk Telekom Group(Türk Telekomünikasyon A.Ş., TT Mobil İletişim Hizmetleri A.Ş. and TTNET A.Ş.) dealers are made by Türk Telekom Group (Türk Telekomünikasyon A.Ş., TT Mobil İletişim Hizmetleri A.Ş. and TTNET A.Ş.) at maturities. The Group uses borrowings by assignment of trade receivables resulting from the sales of devices to financial institutions.

In accordance with the assignment terms and conditions, the principal and interests of the loans are paid by Türk Telekom Group. In addition, Datagate's assignment of trade receivables, whose collection is mediated by Türk Telekom Group, are also collected by irrevocable transfer and assignment to factoring companies. In accordance with the assignment terms and conditions, the principal and interests of the loans are paid by Türk Telekom Group.

As of 31 December 2020, 2019 and 2018, long term trade receivables is as follows:

Account Name	31 December 2020	31 December 2019	31 December 2018
Trade Receivables	-	-	6.551.338
<i>Trade Receivables from Related Parties</i>	-	-	-
<i>Trade Receivables from Non Related Parties</i>	-	-	6.551.338
Rediscount on Assignment of Trade Receivables (-)	-	-	(2.946.939)
Total	-	-	3.604.399

As of 31 December 2020 and 2019, the subsidiary of the Group, Datagate has no long term portion of assigned trade receivables. As of 31 December 2018, the portion amounted to TL 6.551.338 include contract campaigns with terms of 6 months, 12 months, 24 months and 36 months sold to subscribers of Türk Telekom Group (Türk Telekomünikasyon A.Ş., TT Mobil İletişim Hizmetleri A.Ş. and TTNET A.Ş.) has been used for financing, and total loan agreement are under Türk Telekom Group guarantorship. As of 31 December 2020 and 2019, the the subsidiary of the Group, Datagate has no long

term borrowings. As of 31 December 2018, the portion amounted to TL 3.604.399 is assigned to banks against the bank loans in scope of same campaigns.

Datagate used assignment of trade receivables resulting from sales of devices to financial institutions. In accordance with the assignment terms and conditions, the principal and interests of the loans are paid by Türk Telekom Group. In addition, Datagate's assignment of trade receivables, whose collection is mediated by Türk Telekom Group, are also collected by irrevocable transfer and assignment to factoring companies. In accordance with the assignment terms and conditions, the principal and interests of the loans are paid by Türk Telekom Group at maturities.

As of 31 December 2020, the above mentioned portion of receivables amounted to TL 52.619.521 in total amount of TL 2.013.904.733 are under Türk Telekom Group guarantorship (Türk Telekomünikasyon A.Ş., T.T. Mobil İletişim Hizmetleri A.Ş. ve TTNET A.Ş.). In addition, the portion amounted to TL 165.039.864 include collaterals obtained by Group's customers. The remaining portion of trade receivables amounted to TL 726.458.537 in total amount of TL 1.796.245.348 is guarantee in scope of Euler Hermes. The related disclosures regarding the nature of risks of trade receivables included in **Note 38**.

As of 31 December 2019, the above mentioned portion of receivables amounted to TL 105.612.249 in total amount of TL 1.448.031.188 are under Türk Telekom Group guarantorship (Türk Telekomünikasyon A.Ş., T.T. Mobil İletişim Hizmetleri A.Ş. ve TTNET A.Ş.). In addition, the portion amounted to TL 118.284.205 include collaterals obtained by Group's customers. The remaining portion of trade receivables amounted to TL 533.523.327 in total amount of TL 1.224.134.734 is guarantee in scope of Euler Hermes. The related disclosures regarding the nature of risks of trade receivables included in **Note 38**.

As of 31 December 2018, the above mentioned portion of TL 67.238.877 which is included in total receivables (short term receivables amounted to TL 770.534.526 and long term receivables amounted to TL 3.604.399 in total amount of TL 774.138.925) are under Türk Telekom Group guarantorship (Türk Telekomünikasyon A.Ş., T.T. Mobil İletişim Hizmetleri A.Ş. ve TTNET A.Ş.). In addition, the portion amounted to TL 87.882.536 include collaterals obtained by Group's customers. The remaining portion of trade receivables amounted to TL 292.502.993 in total amount of TL 619.057.512 is guarantee in scope of Euler Hermes. The related disclosures regarding the nature of risks of trade receivables included in **Note 38**.

The Group has credit insurance policy from Euler Hermes Sigorta A.Ş. within borders of Turkey for insuring its trade receivables until 31.03.2021. (the payment guarantee for trade receivables is determined as 80% - 90%)

Movement of the provision for doubtful receivables is as follows:

	1 January- 31 December 2020	1 January- 31 December 2019
Balance at the Beginning of the Period (-)	(24.438.386)	(19.348.766)
Additions in the scope of Consolidation(*)	(2.390.185)	-
TFRS 9 Adjustments (Note 2.06)		
Collections During the Period (+)		-
Expenses During the Period (-)	(4.096.793)	(5.089.620)
Balance at the End of the Period	(30.925.364)	(24.438.386)

(*)On 28 February 2020, Indeks Bilgisayar's effective ownership interest rate has changed following the acquisition of 50,00% shares from Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. and effective ownership interest rate increased from 50,00% to 100% with the additional acquisition of share purchase. As of 31 December 2019 and 2018, the financial statements of Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. have been accounted for using the equity method. As of 1 March 2020, the financial statements of Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. have been accounted for using the full consolidation method.

The related disclosures regarding the nature of risks of trade receivables included in **Note 38**.

As of 31 December 2020, 2019 and 2018, short term trade payables is as follows:

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Account Name	31 December 2020	31 December 2019	31 December 2018
Suppliers	2.297.543.552	1.209.358.901	677.967.312
<i>Other Suppliers</i>	2.297.287.342	1.209.197.020	677.965.855
<i>Related Party Suppliers</i>	256.210	161.881	1.457
Notes Payable	-	5.769.981	1.079.497
Rediscount on Notes Payable (-)	(4.901.157)	(3.636.763)	(6.466.081)
Total	2.292.642.395	1.211.492.119	672.580.728

As of 31 December 2020, 2019 and 2018, the Group has no long term trade payables.

The average maturity of trade receivables and payables is up to 3 months. In the case of rediscount of trade receivables and payables, compound interest rates of Government Debt Securities are used as effective interest rate in TL receivables and payables.

Libor and Eurobor rates are used in the accruals of USD and EURO denominated receivables and payables. 31 December 2020: TL 17,25% USD 0,34188% (31 December 2019: TL 10,85% USD 1,99625% , 31 December 2018: TL 23,44% USD 3,0054%)

NOTE 11 OTHER RECEIVABLES AND PAYABLES

As of 31 December 2020, 2019 and 2018, short term other receivables is as follows:

Account Name	31 December 2020	31 December 2019	31 December 2018
Deposits and Guarantees Given	86.262	213.093	14.105
Receivables from Employees	848.342	745.092	369.940
Other Receivables (*)	570.001	222.455	2.611.627
<i>Other Receivables from Non Related Parties</i>	-	31.424	4.128
Total	1.504.605	1.212.064	2.999.800

(*)As of 31 December 2020, other receivables amounted to TL 569.996 includes receivables from tax office. (31 December 2019: TL 221.512, 31 December 2018: TL 2.055.184)

As of 31 December 2020, 2019 and 2018, long term other receivables is as follows:

Account Name	31 December 2020	31 December 2019	31 December 2018
Deposits and Guarantees Given	38.941	39.509	51.037
Total	38.941	39.509	51.037

The related disclosures regarding the nature of risks of other receivables included in **Note 38**.

As of 31 December 2020, 2019 and 2018, short term other payables is as follows:

Account Name	31 December 2020	31 December 2019	31 December 2018
Taxes Payable	32.256.729	6.361.157	16.161.631
Deposits and Guarantees Received	184.312	-	-
Other Payables to Related Parties (Note 37)	-	-	-
Other Payables	12.705	79.879	84.177
Total	32.453.746	6.441.036	16.245.808

NOTE 12 DERIVATIVE INSTRUMENTS

The derivative instruments of the Group included in current assets are as follows:

Account Name	31 December 2020	31 December 2019	31 December 2018
Derivatives Receivables	-	1.613.674	-
Total	-	1.613.674	-

As of 31 December 2020, the Group has no receivables regarding derivative instruments.

As of 31 December 2019, the Group has foreign exchange purchase contract amounted to USD 45.027.855, USD 960.382 and EUR 63.450. The contract has 0-3 months maturities for USD 45.027.855 and remaining contracts of USD 960.382 and EUR 960.382 have 4-12 months maturities. As of 31 December 2019, the fair value of the contracts amounted to TL 271.987.633 and appraisal value of TL 1.613.674 recognised as an income.

As of 31 December 2018, the Group has no receivables regarding derivative instruments.

Derivative instruments included in current liabilities is as follows:

Account Name	31 December 2020	31 December 2019	31 December 2018
Derivatives Payables	27.721.631	-	6.226.417
Total	27.721.631	-	6.226.417

As of 31 December 2020, the Group has foreign exchange purchase contract amounted to USD 39.304.028 and USD 8.033.545 and EUR 135.435. The contracts have 0-3 months maturities for USD 39.304.028 and EUR 135.435 and remaining contract of USD 8.033.545 has 4-12 months maturities. As of 31 December 2020, the fair value of the contracts amounted to TL 81.147.694 and appraisal value of TL 6.226.417 recognised as an expense.

As of 31 December 2019, the Group has no payables regarding derivative instruments.

As of 31 December 2018, the Group has foreign exchange purchase contract amounted to USD 13.498.872 and EUR 56.500 and EUR 598.510. The contracts have 0-3 months maturities for USD 13.498.872 and EUR 598.510 and remaining contract of USD 56.500 has 4-12 months maturities. As of 31 December 2018, the fair value of the contracts amounted to TL 81.147.694 and appraisal value of TL 6.226.417 recognised as an expense.

NOTE 13 INVENTORIES

As of 31 December 2020, 2019 and 2018, inventories is as follows:

Account Name	31 December 2020	31 December 2019	31 December 2018
Merchandise	434.854.050	399.881.670	250.878.092
Goods in Transit	90.264.307	144.051.082	55.406.125
Provision for Inventory Impairment (-)	(15.772.826)	(8.738.328)	(10.680.972)
Total	509.345.531	535.194.424	295.603.245

Invoiced but not included in the inventories products are accounted for "Goods in Transit".

Movement of the provision for inventory impairment is as follows:

	1 January- 31 December 2020	1 January- 31 December 2019
Beginning of the Period (-)	(8.738.328)	(10.680.972)
Additions in the scope of Consolidation (*)	(1.261.149)	-
Reversal of Provisions from Gains on Net Realisable Value (+)	-	1.942.644
Provisions During the Period / Currency Translation Differences (-)	(5.773.349)	-
End of the Period (-)	(15.772.826)	(8.738.328)

(*)On 28 February 2020, Indeks Bilgisayar's effective ownership interest rate has changed following the acquisition of 50,00% shares from Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. and effective ownership interest rate increased from 50,00% to 100% with the additional acquisition of share purchase. As of 31 December 2019

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

İNDEKS BİLGİSAYAR SİSTEMLERİ MÜHENDİSLİK SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts are expressed in ("TL") unless otherwise indicated.)

and 2018, the financial statements of Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş have been accounted for using the equity method. As of 1 March 2020, the financial statements of Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş have been accounted for using the full consolidation method. In accordance with the registration on 2.11.2020, our 100% subsidiaries of Neteks İletişim Ürünleri Dağıtım A.Ş. and Artım Bilişim Çözümleri A.Ş, have been controlled by the following acquisition of Neteks Teknoloji Ürünleri Anonim Şirketi, our 100% subsidiary, and the following acquisition have been made through share transfer in accordance with the article numbered 134 and related articles of the Turkish Commercial Code and the articles numbered 18, 19 and 20 of the Corporate Tax Law No. 5520.

The provision for inventory impairment is recognised in accordance with the increasing percentages on waiting periods of inventories for merchandise for the periods more than 3 months. As of 31 December 2020, the net realisable value amounted to **TL 42.034.961** in inventories and the remaining portion is carried at cost in the consolidated financial statements. (As of 31 December 2019, net realisable value **TL 29.427.625**, and 31 December 2018 net realisable value amounted to **TL 49.333.842** and the remaining portion is carried at cost in the financial statements.)

Explanations	31 December 2020	31 December 2019	31 December 2018
Cost	57.807.787	38.165.953	60.014.814
Provision for Inventory Impairment	(15.772.826)	(8.738.328)	(10.680.972)
Net Realisable Value (a)	42.034.961	29.427.625	49.333.842
Carried at Cost Value (b)	467.310.569	505.766.799	246.269.403
Total Inventories (a+b)	509.345.531	535.194.424	295.603.245

The Group has no inventories given as guarantee against liabilities.

Total insurance coverage on assets is disclosed in **Note 22**.

The inventories recognised as an expense during the period is disclosed in **Note 28**.

NOTE 14 BIOLOGICAL ASSETS

None.

NOTE 15 PREPAID EXPENSES AND DEFERRED INCOME

As of 31 December 2020, 2019 and 2018, prepaid expenses is as follows:

Account Name	31 December 2020	31 December 2019	31 December 2018
Short Term Prepaid Expenses	4.951.302	3.429.042	3.426.912
Advances Given for Purchases	16.569.889	21.925.038	12.058.439
Total	21.521.191	25.354.080	15.485.351

As of 31 December 2020, 2019 and 2018, deferred income is as follows:

Account Name	31 December 2020	31 December 2019	31 December 2018
Advances Received from Customers	12.753.037	16.945.468	14.470.076
Short Term Deferred Income	89.985.636	51.648.325	49.311.499
Total	102.738.673	68.593.793	63.781.575

As of 31 December 2020, the portion for advances received from customers amounted to **TL 1.561.359** include advances recieved from physical and virtual airtime meters of Datagate Bilgisayar Malzemeleri A.Ş.

As of 31 December 2019, the portion for advances received from customers amounted to **TL 3.833.279** include advances recieved from physical and virtual airtime meters of Datagate Bilgisayar Malzemeleri A.Ş.

As of 31 December 2018, the portion for advances received from customers amounted to **TL 2.500.373** include advances recieved from physical and virtual airtime meters of Datagate Bilgisayar Malzemeleri A.Ş and the Group has no sales advances given for property, plant and equipment and intangible assets.

The amounts invoiced but not shipped are included in "Short Term Deferred Income".

NOTE 16 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

As of 31 December 2020, 2019 and 2018, investments accounted for using the equity method is as follows:

	31 December 2020	31 December 2019	31 December 2018
Assets from Investments Accounted for Using the Equity Method	-	2.110.197	3.221.926
Liabilities from Investments Accounted for Using the Equity Method	-	(3.837.029)	(2.547.681)
Total	-	(1.726.832)	674.245

Assets from investments accounted for using the equity method is as follows:

Subsidiary	Owners hip Interest	31 December 2020	31 December 2019	31 December 2018
Neteks İletişim Ürünleri Dağıtım A.Ş.	50	-	2.110.197	3.221.926
Total		-	2.110.197	3.221.926

Liabilities from investments accounted for using the equity method is as follows:

Subsidiary	Ownership Interest	31 December 2020	31 December 2019	31 December 2018
Neteks Teknoloji Ürünleri A.Ş.	50	-	(3.837.029)	(2.547.681)
Total		-	(3.837.029)	(2.547.681)

The movement of fair value for investments accounted for equity method is as follows:

	31 December 2020	31 December 2019	31 December 2018
Beginning of the Period – 1 January	-	674.245	8.771.537
Capital Increases	-	37.500	-
Investments Accounted for Using the Equity Method	-	(2.259.474)	(9.971.483)
Currency Translation Differences and Actuarial Gains	-	(179.103)	1.874.191
End of the Period	-	(1.726.832)	674.245

As of 31 December 2019 and 2018, investments accounted for using the equity method include goodwill amounted to TL 616.776.

On 28 February 2020, Indeks Bilgisayar's effective ownership interest rate has changed following the acquisition of 50,00% shares from Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. and effective ownership interest rate increased from 50,00% to 100% with the additional acquisition of share purchase. The corresponding amounts to the Group's share of the profit / loss until 29 February 2020 are as follows:

Account Name	1 January- 31 December 2020	1 January- 31 December 2019
Share of profit/loss of investments accounted for using the equity method	(1.294.086)	(2.259.474)
Other Income / Expenses (Net)	(1.294.086)	(2.259.474)

The summary information regarding share of profit/loss of investments accounted for using the equity method is disclosed in Note 4.

NOTE 17 INVESTMENT PROPERTIES

As of 31 December 2020, 2019 and 2018, investment properties is as follows:

	31 December 2020	31 December 2019	31 December 2018
Investment Properties	50.613.789	32.955.273	26.278.641
End of the Period	50.613.789	32.955.273	26.278.641

The breakdown of investment properties is as follows:

31 December 2020

Cost

Account Name	1 January 2020	Acquisitions	Disposals (-)	Transfers	31 December 2020
Land	1.589.431	600.000	-	-	2.189.431
Buildings	32.308.538	18.046.425	-	-	50.354.963
Total	33.897.969	18.646.425	-	-	52.544.394

Accumulated Depreciation

Account Name	1 January 2020	Current Period Depreciation	Disposals	Transfers	31 December 2020
Buildings	(942.696)	(987.909)	-	-	(1.930.605)
Total	(942.696)	(987.909)	-	-	(1.930.605)

Net Book Value	32.955.273	50.613.789
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As of 31 December 2020, the net amount of investment properties is TL 50.613.789 and investment properties with net book value of TL 3.393.935 include investment properties acquired from Istanbul and Tekirdag against receivables from dealers (31 December 2019 TL 2.822.103). The Group Management estimates that the carrying value of the buildings in Tekirdag is approximate to their fair value. The portion amounting to TL 47.219.854 includes the head office of the consolidated subsidiaries and the Group which is classified in investment properties.

The financial information of depreciation and amortization expenses are recognized is disclosed in **Note 30-31**.

The financial information of depreciation rates and related procedures of investment properties are disclosed in **Note 2.08.16**. The Group has no rental income from investment properties during the period.

Expenses from investment properties are recognized under operating expenses. (**Note 31**)

Mortgages and title deed restrictions on investment properties are disclosed in **Note 22**.

Except from the above mentioned matter, the Group has no restriction on the investment properties of the Group's cash generated units from revenues.

Total insurance coverage on investment properties is disclosed in **Note 22**.

31 December 2019

Cost

Account Name	1 January 2019	Acquisitions	Disposals (-)	Transfers	31 December 2019
Land	1.589.431	-	-	-	1.589.431
Buildings	24.954.525	2.566.447	-	4.787.566	32.308.538
Total	26.543.956	2.566.447	-	4.787.566	33.897.969

Accumulated Depreciation

Account Name	1 January 2019	Current Period Depreciation	Disposals	Transfers	31 December 2019
Buildings	(265.315)	(543.389)	-	(133.992)	(942.696)
Total	(265.315)	(543.389)	-	(133.992)	(942.696)

Net Book Value	26.278.641	32.955.273
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As of 31 December 2019, the net amount of investment properties is TL 32.955.273 and investment properties with net book value of TL 2.822.103 include investment properties acquired from Istanbul and Tekirdag against receivables from dealers (31 December 2018 TL 2.822.103). The Group Management estimates that the carrying value of the buildings in Tekirdağ is approximate to their fair value. The portion amounting to TL 30.133.170 includes the head office of the consolidated subsidiaries and the Group which is classified in investment properties.

The financial information of depreciation and amortization expenses are recognized is disclosed in **Note 30-31**.

The financial information of depreciation rates and related procedures of investment properties are disclosed in **Note 2.08.16**. The Group has no rental income from investment properties during the period.

Expenses from investment properties are recognized under operating expenses. (**Note 31**)

Mortgages and title deed restrictions on investment properties are disclosed in **Note 22**.

Except from the above mentioned matter, the Group has no restriction on the investment properties of the Group's cash generated units from revenues.

Total insurance coverage on investment properties is disclosed in **Note 22**.

NOTE 18 PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS

As of 31 December 2020 and 2019, the movements for property, plant and equipment, and related depreciation are as follows:

31 December 2020

Cost

Account Name	1 January 2020	(*) Additions in the Scope of Consolidation	Acquisitions	Disposals (-)	Currency Translation Differences	31 December 2020
Buildings	20.659.335	-	-	-	-	20.659.335
Plant, Machinery and Equipment	4.051.829	-	-	-	-	4.051.829
Motor Vehicles	3.409.625	-	552.156	(3.203)	489	3.959.067
Furniture and Fixtures	11.958.387	2.647.875	1.138.810	(2.114.122)	394.795	14.025.745
Leasehold Improvements	7.723.228	446.895	629.581	(565.369)	35.685	8.270.020
Total	47.802.404	3.094.770	2.320.547	(2.682.694)	430.969	50.965.996

Accumulated Depreciation

Account Name	1 January 2020	(*) Additions in the Scope of Consolidation	Current Period Depreciation	Disposals	Currency Translation Differences	31 December 2020
Buildings	(477.978)	-	(413.186)	-	-	(891.164)
Plant, Machinery and Equipment	(3.884.028)	-	(38.887)	-	-	(3.922.915)
Motor Vehicles	(1.723.725)	-	(592.463)	3.203	(489)	(2.313.474)
Furniture and Fixtures	(8.915.459)	(1.980.017)	(1.217.936)	2.114.122	(225.675)	(10.224.965)
Leasehold Improvements	(6.379.851)	(424.880)	(436.377)	565.370	(29.919)	(6.705.657)
Total	(21.381.041)	(2.404.897)	(2.698.849)	2.682.695	(256.083)	(24.058.175)

Net Book Value	26.421.363	26.907.821
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(*)On 28 February 2020, Indeks Bilgisayar's effective ownership interest rate has changed following the acquisition of 50,00% shares from Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. and effective ownership interest rate increased from 50,00% to 100% with the additional acquisition of share purchase. As of 31 December 2019 and 2018, the financial statements of Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. have been accounted for using the equity method. On 28 February 2020, Indeks Bilgisayar's effective ownership interest rate has changed following the acquisition of 50,00% shares from Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. and effective ownership interest rate increased from 50,00% to 100% with the additional acquisition of share purchase. As of 1 March 2020, the financial statements of Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. have been accounted for using the full consolidation method. In accordance with the registration on 2.11.2020, our 100% subsidiaries of Neteks İletişim Ürünleri Dağıtım A.Ş. and Artım Bilişim Çözümleri A.Ş., have been controlled by the following acquisition of Neteks Teknoloji Ürünleri Anonim Şirketi, our 100% subsidiary, and the following acquisition have been made through share transfer in accordance with the article numbered 134 and related articles of the Turkish Commercial Code and the articles numbered 18, 19 and 20 of the Corporate Tax Law No. 5520.

31 December 2019

Cost

Account Name	1 January 2019	Acquisitions	Disposals (-)	Acquisitions	31 December 2019
Buildings	22.765.532	2.681.371	-	(4.787.566)	20.659.335
Plant, Machinery and Equipment	4.062.181	12.928	(23.280)	-	4.051.829
Motor Vehicles	3.465.187	908.247	(963.809)	-	3.409.625
Furniture and Fixtures	9.675.732	2.282.655	-	-	11.958.387
Leasehold Improvements	6.533.023	1.190.205	-	-	7.723.228
Total	46.501.655	7.075.406	(987.089)	(4.787.566)	47.802.404

Accumulated Depreciation

Account Name	1 January 2019	Current Period Depreciation	Disposals	Transfers	31 December 2019
Buildings	(113.828)	(498.142)	-	133.992	(477.978)
Plant, Machinery and Equipment	(3.813.765)	(93.543)	23.280	-	(3.884.028)
Motor Vehicles	(2.158.656)	(426.969)	861.900	-	(1.723.725)
Furniture and Fixtures	(7.868.145)	(1.047.314)	-	-	(8.915.459)
Leasehold Improvements	(5.352.394)	(1.027.457)	-	-	(6.379.851)
Total	(19.306.788)	(3.093.425)	885.180	133.992	(21.381.041)

Net Book Value	27.194.867	26.421.363
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Other Information:

Depreciation and amortization expenses are included in operating expenses.

The Group has no mortgage on buildings in property, plant and equipment. Total insurance coverage on property, plant and equipment is disclosed in **Note 22**.

As of 31 December 2020, the movements for right of use assets, and related depreciation are as follows:

31 December 2020

Cost

Account Name	1 January 2020	(*) Additions in the Scope of Consolidation	Acquisitions	Disposals	Currency Translation Differences	Disposals/(-) Contract Costs	31 December 2020
Buildings	15.205.286	32.195	1.752.639	-	-	-	16.990.120
Motor Vehicles	5.102.315	484.509	3.722.293	(2.225.923)	255.640	-	7.338.834
Total	20.307.601	516.704	5.474.932	(2.225.923)	255.640	-	24.328.954

Accumulated Depreciation

Account Name	1 January 2020	(*) Additions in the Scope of Consolidation	Acquisitions	Current Period Depreciation	Currency Translation Differences	Disposals/(-) Contract Costs	31 December 2020
Buildings	(2.942.213)	(5.519)	-	(3.420.379)	-	-	(6.368.111)
Motor Vehicles	(1.704.927)	(178.877)	-	(2.638.529)	(161.443)	1.909.110	(2.774.666)
Total	(4.647.140)	(184.396)	-	(6.058.908)	(161.443)	1.909.110	(9.142.777)

Net Book Value 15.660.461

15.186.177

(*)On 28 February 2020, Indeks Bilgisayar's effective ownership interest rate has changed following the acquisition of 50,00% shares from Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. and effective ownership interest rate increased from 50,00% to 100% with the additional acquisition of share purchase. As of 31 December 2019 and 2018, the financial statements of Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. have been accounted for using the equity method. On 28 February 2020, Indeks Bilgisayar's effective ownership interest rate has changed following the acquisition of 50,00% shares from Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. and effective ownership interest rate increased from 50,00% to 100% with the additional acquisition of share purchase. As of 1 March 2020, the financial statements of Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. have been accounted for using the full consolidation method. In accordance with the registration on 2.11.2020, our 100% subsidiaries of Neteks İletişim Ürünleri Dağıtım A.Ş. and Artım Bilişim Çözümleri A.Ş. have been controlled by the following acquisition of Neteks Teknoloji Ürünleri Anonim Şirketi, our 100% subsidiary, and the following acquisition have been made through share transfer in accordance with the article numbered 134 and related articles of the Turkish Commercial Code and the articles numbered 18, 19 and 20 of the Corporate Tax Law No. 5520.

31 December 2019

Cost

Account Name	1 January 2019	TFRS-16 Initial Recognition	Acquisitions	Disposals/(-) /Contract Costs	31 December 2019
Buildings	-	15.205.286	-	-	15.205.286
Motor Vehicles	-	5.273.831	-	(171.516)	5.102.315
Total	-	20.479.117	-	(171.516)	20.307.601

Accumulated Depreciation

Account Name	1 January 2019	TFRS-16 Initial Recognition	Current Period Depreciation	Disposals/(-) /Contract Costs	31 December 2019
Buildings	-	-	(2.942.213)	-	(2.942.213)
Motor Vehicles	-	-	(1.876.443)	171.516	(1.704.927)
Total	-	-	(4.818.656)	171.516	(4.647.140)

Net Book Value -

15.660.461

NOTE 19 INTANGIBLE ASSETS

Other intangible assets comprise of art masterpieces and the Group management determined that related assets are classified in intangible assets. Art masterpieces are not depreciated as it is deemed to have an indefinite useful life.

31 December 2020

Cost

Account Name	1 January 2020	(*) Additions in the Scope of Consolidation	Acquisitions	Disposals	Transfers	Currency Translation Differences	31 December 2020
Rights (*)	4.905.758	1.103.640	16.829.169	(236.146)	687.486	246.987	23.536.894
Other	843.297						
Intangible Assets		-	-	-	(687.486)	-	155.811
Total	5.749.055	1.103.640	16.829.169	(236.146)	-	246.987	23.692.705

Accumulated Depreciation

Account Name	1 January 2020	(*) Additions in the Scope of Consolidation	Current Period Depreciation	Disposals	Transfers	Currency Translation Differences	31 December 2020
Rights	(1.955.144)	(340.756)	(5.497.224)	236.143	(301.584)	(91.856)	(7.950.421)
Other Intangible Assets	(301.584)	-	(35.384)	-	301.584	-	(35.384)
Total	(2.256.728)	(340.756)	(5.532.608)	236.143	-	(91.856)	(7.985.805)

Net Book Value	3.492.327						15.706.900
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(*)On 28 February 2020, Indeks Bilgisayar's effective ownership interest rate has changed following the acquisition of 50,00% shares from Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. and effective ownership interest rate increased from 50,00% to 100% with the additional acquisition of share purchase. As of 31 December 2019 and 2018, the financial statements of Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. have been accounted for using the equity method. On 28 February 2020, Indeks Bilgisayar's effective ownership interest rate has changed following the acquisition of 50,00% shares from Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. and effective ownership interest rate increased from 50,00% to 100% with the additional acquisition of share purchase. As of 1 March 2020, the financial statements of Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. have been accounted for using the full consolidation method. In accordance with the registration on 2.11.2020, our 100% subsidiaries of Neteks İletişim Ürünleri Dağıtım A.Ş. and Artım Bilişim Çözümleri A.Ş. have been controlled by the following acquisition of Neteks Teknoloji Ürünleri Anonim Şirketi, our 100% subsidiary, and the following acquisition have been made through share transfer in accordance with the article numbered 134 and related articles of the Turkish Commercial Code and the articles numbered 18, 19 and 20 of the Corporate Tax Law No. 5520. Goodwill arising as a result of the acquisition of Neteks İletişim Ürünleri Dağıtım A.Ş.'nin ve Neteks Teknoloji Ürünleri A.Ş. included in "Rights" and redeemed in 3 years.

Other intangible assets comprise of art masterpieces. Art masterpieces are not depreciated as it is deemed to have an indefinite useful life.

31 December 2019

Cost

Account Name	1 January 2019	Acquisitions	Disposals	Transfers	31 December 2019
Rights	4.905.758	-	-	-	4.905.758
Other Intangible Assets	818.297	25.000	-	-	843.297
Total	5.724.055	25.000	-	-	5.749.055

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Accumulated Depreciation

Account Name	1 January 2019	Current Period Depreciation	Disposals	Transfers	31 December 2019
Rights	(1.615.913)	(339.231)	-	-	(1.955.144)
Other Intangible Assets	(259.549)	(42.035)			(301.584)
Total	(1.875.462)	(381.266)	-	-	(2.256.728)
Net Book Value	3.848.593				3.492.327

Other intangible assets comprise of art masterpieces. Art masterpieces are not depreciated as it is deemed to have an indefinite useful life.

Depreciation and amortization expenses are included in operating expenses.

Account Name	31 December 2020	31 December 2019	31 December 2018
Goodwill	1.897.699	1.897.699	1.897.699
Total	1.897.699	1.897.699	1.897.699

NOTE 20 EMPLOYEE BENEFITS PAYABLES

As of 31 December 2020, 2019 and 2018, employee benefits payables is as follows:

Account Name	31 December 2020	31 December 2019	31 December 2018
Payables to Personnel	21.072	1.337.165	106.089
SSI Premium Payables	975.083	1.185.668	698.895
Total	996.155	2.522.833	804.984

NOTE 21 GOVERNMENT GRANTS

None.

NOTE 22 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

i) Provisions

Account Name	31 December 2020	31 December 2019	31 December 2018
Provision for Price Revision	42.281.787	49.288.293	48.836.550
Provision for Lawsuits	128.446	258.291	382.122
Total	42.410.233	49.546.584	49.218.672

31 December 2020	Provision for Lawsuits	Provision for Price Revision	Total
Beginning of the Period – 1 January	258.291	49.288.293	49.546.584
Additional Provisions	-	42.281.787	42.281.787
Payments During the Period	-	(49.288.293)	(49.288.293)
Reversal of Provisions	(129.845)	-	(129.845)
End of the period	128.446	42.281.787	42.410.233

31 December 2019	Provision for Lawsuits	Provision for Price Revision	Total
Beginning of the Period – 1 January	382.122	48.836.550	49.218.672
Additional Provisions	-	49.288.293	49.288.293
Payments During the Period	-	(48.836.550)	(48.836.550)
Reversal of Provisions	(123.831)	-	(123.831)
End of the period	258.291	49.288.293	49.546.584

Price difference invoices are obtained from customers for products sold at different prices for the prior period and provisions are disclosed in the consolidated financial statements during the period. In addition, for increasing the sales, customers has the direct sales target and for achieving the given targets, invoices such as turnover premium, credit note, price difference are obtained from the dealers and related provisions are disclosed in the consolidated financial statements during the period.

ii)Contingent Assets and Liabilities

31 December 2020

As of 31 December 2020, the provisions for lawsuits amounted to **TL 128.446** filed against the Group and the related provisions are reflected in to the consolidated financial statements. Provision for lawsuits comprise of case law in the areas of customs and duties.

31 December 2019

As of 31 December 2019, the provisions for lawsuits amounted to **TL 258.291** filed against the Group and the related provisions are reflected in to the consolidated financial statements. Provision for lawsuits comprise of case law in the areas of customs and duties.

31 December 2018

As of 31 December 2018, the provisions for lawsuits amounted to **TL 382.122** filed against the Group and the related provisions are reflected in to the consolidated financial statements. Provision for lawsuits comprise of case law in the areas of customs and duties.

In accordance with TFRS 9, execution proceedings amounted to **TL 30.925.364** for provisions for doubtful receivables of the Group and the related provisions are reflected in to the consolidated financial statements. (31.12.2019: **TL 24.438.386** and 31.12.2018: **TL 19.348.766**)

iii)Commitments, mortgages and guarantees not included in the liability:

31 December 2020

	TL	USD	EURO
Bill of Guarantees Given	148.234.474	5.265.000	-
Letters of Guarantee Given	273.007.677	13.000.000	1.350.000
TOTAL	421.242.151	18.265.000	1.350.000

31 December 2019

	TL	USD	EURO
Bill of Guarantees Given	115.801.070	8.465.000	-
Letters of Guarantee Given	215.169.018	14.000.000	1.350.000
TOTAL	330.970.088	22.465.000	1.350.000

31 December 2018

	TL	USD	EURO
Bill of Guarantees Given	179.939.752	9.465.000	-
Letters of Guarantee Given	153.496.094	13.000.000	-
TOTAL	333.435.846	22.465.000	-

Letters of guarantee given include letters given to some public institutions and domestic and foreign suppliers from which the purchase of the Group is made. Letters of guarantee are in the nature of debts arising from purchase of goods. The Group has no cashoutflow of funds for the letters of guarantee since the debts related to the purchase of goods are paid on their due date.

iv) Total insurance coverage on assets:

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Type of Insured Asset	USD	TL
Merchandise	89.000.000	-
Motor Vehicles	-	7.854.367
Plant, Machinery and Equipment	25.000	7.098.652
Buildings	-	8.500.000
Total	89.025.000	23.453.019

31 December 2019

Type of Insured Asset	USD	TL
Merchandise	66.000.000	-
Motor Vehicles	-	5.907.975
Plant, Machinery and Equipment	25.000	6.388.652
Buildings	-	7.000.000
Total	66.025.000	19.296.627

Additional disclosures for receivables insurance from trade receivables are disclosed in **Note 10**.

31 December 2018

Type of Insured Asset	USD	TL
Merchandise	125.000.000	-
Motor Vehicles	-	3.894.711
Plant, Machinery and Equipment	420.000	3.332.541
Total	125.420.000	7.227.252

Additional disclosures for receivables insurance from trade receivables are disclosed in **Note 10**.

The above mention amounts include the ceiling amount for the merchandise of the Group. The amount of the premium is equal to the average amount of the merchandise, provided that the above ceiling amount does not exceed. The premium base cannot be less than 40% of the ceiling amount.

v) Ratio of guarantees and mortgages to equity

As of 31 December 2020, 2019 and 2018, the Group's collateral / pledge / mortgage position are as follows:

Collateral, Pledge, Mortgages Given by the Group	31 December 2020 Currency Amount	31 December 2020 TL Equivalent	31 December 2019 Currency Amount	31 December 2019 TL Equivalent	31 December 2018 Currency Amount	31 December 2018 TL Equivalent
A. Total amount of CPM's given in the name of its own legal personality	-	380.594.842	-	307.310.128	-	221.887.794
Letters of Guarantee (USD)	13.000.000	95.426.500	14.000.000	83.162.800	13.000.000	68.391.700
Letters of Guarantee (EUR)	1.350.000	12.160.665	1.350.000	8.978.310	-	-
Letters of Guarantee (TL)	273.007.677	273.007.677	215.169.018	215.169.018	153.496.094	153.496.094
Letters and Notes of Guarantee (TL)	-	-	-	-	-	-
Pledge	-	-	-	-	-	-
Mortgages (USD)	-	-	-	-	-	-
B. Total amount of CPM's given on behalf of the fully consolidated companies	-	186.882.207	-	166.084.863	-	229.734.171
Bill of Guarantees (USD)	5.265.000	38.647.733	8.465.000	50.283.793	9.465.000	49.794.419
Bill of Guarantees (EURO)	-	-	-	-	-	-
Bill of Guarantees (TL)	148.234.474	148.234.474	115.801.070	115.801.070	179.939.752	179.939.752
C. Total amount of CPM's given on behalf of third parties for ordinary course of business	-	-	-	-	-	-
D. Total amount of other CPM's given	-	-	-	-	-	-
i. Total amount of CPM's given on behalf of the majority shareholder	-	-	-	-	-	-
ii. Total amount of CPM's given to on behalf of other companies which are not in scope of B and C	-	-	-	-	-	-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-	-	-
Total	-	567.477.049	-	473.394.991	-	451.621.965

The ratio of other CPM given by the Group to the equity is 0%: (31 December 2019: 0%)

NOTE 23 COMMITMENTS

None.

NOTE 24 LONG TERM PROVISIONS FOR EMPLOYEE BENEFITS

Account Name	31 December 2020	31 December 2019	31 December 2018
Provision for Employment Termination Benefits	8.780.940	7.270.394	6.306.691
Total	8.780.940	7.270.394	6.306.691

Under Turkish Labour Law, Indeks and its Subsidiaries are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men).

As of 1 January 2021, the amount payable consists of one month's salary limited to a maximum of TL7.638,96 (31 December 2019: TL 6.730,15 and 31 December 2018: TL 6.017,60) for each year of service.

The liability is not funded as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. TAS 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions are used in the calculation of total liabilities:

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. As of 31 December 2020, the provisions in the accompanying consolidated financial statements are calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. As of the 31 December 2020, the provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 12.50% and an interest rate of 8.50%, resulting in a real discount rate of 3.69%. (31 December 2019: 3.69%, 31 December 2018: 3,51% real discount rate).

As of the 31 December 2020, turnover rate to estimate the probability of retirement is 96,95%. (31 December 2019: 97,08 % and 31 December 2018: 97,36%)

The principal actuarial assumptions made by the Group regarding the real discount rates are reviewed in each balance sheet date.

	1 January 2020 31 December 2020	1 January 2019 31 December 2019
Beginning of the Period – 1 January	7.270.394	6.306.691
Additions in the Scope of Consolidation (*)	272.774	-
Current Period Service Cost	804.189	714.242
Actuarial Gains / Losses	(10.486)	86.365
Interest Cost	942.896	788.338
Payment/Reduction of Benefits /Loss due to Dismissal	638.810	581.632
Payments During the Period (-)	(1.137.637)	(1.206.874)
End of the Period	8.780.940	7.270.394

(*)On 28 February 2020, Indeks Bilgisayar's effective ownership interest rate has changed following the acquisition of 50,00% shares from Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. and effective ownership interest rate increased from 50,00% to 100% with the additional acquisition of share purchase. As of 31 December 2019 and 2018, the financial statements of Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. have been accounted for using the equity method. On 28 February 2020, Indeks Bilgisayar's effective ownership interest rate has

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changed following the acquisition of 50,00% shares from Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. and effective ownership interest rate increased from 50,00% to 100% with the additional acquisition of share purchase. As of 1 March 2020, the financial statements of Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. have been accounted for using the full consolidation method. In accordance with the registration on 2.11.2020, our 100% subsidiaries of Neteks İletişim Ürünleri Dağıtım A.Ş. and Artım Bilişim Çözümleri A.Ş. have been controlled by the following acquisition of Neteks Teknoloji Ürünleri Anonim Şirketi, our 100% subsidiary, and the following acquisition have been made through share transfer in accordance with the article numbered 134 and related articles of the Turkish Commercial Code and the articles numbered 18, 19 and 20 of the Corporate Tax Law No. 5520.

Provision for employment termination benefits are recognized under operating expenses.

In accordance with the TAS 19 entered into force as of 1 January 2013, actuarial gains and losses initially recognized in equity as other comprehensive income.

Provision for employment termination benefits recognised during the period is as follows:

	1 January 2020 31 December 2020	1 January 2019 31 December 2019
General Administrative and Marketing Expenses	(2.385.895)	(2.084.212)
Other Operating Income	-	-
Income / (Expense) Recognised in Profit or Loss	(2.385.895)	(2.084.212)
Actuarial Gains/Losses Recognized in Other Comprehensive Income	10.486	(86.365)
Profit / (Loss) for the Period	(2.375.409)	(2.170.577)

	1 January 2020 31 December 2020	1 January 2019 31 December 2019
Actuarial Gains/Losses Recognized in Other Comprehensive Income	10.486	(86.365)
Tax Effect 20%	(2.097)	17.273
Total	8.389	(69.092)
Non Controlling Interests / Actuarial Gains/Losses Accounted for Using the Equity Method	60.975	(71.064)
Net Amount	69.364	(140.156)

The actuarial gain recognized in the current period is TL 10.486. Net other comprehensive income is amounted to TL 8.389 as a result of the recognition of deferred income tax corresponding to the amount in other comprehensive income / expense. The actuarial gains/losses from to investments accounted for using the equity method and non controlling interests, after adding TL 60.975, which is presented in the statement of other comprehensive income as TL 69.364.

The actuarial loss recognized in the prior period is TL 86.365. Net other comprehensive loss is amounted to TL 69.092 as a result of the recognition of deferred income tax corresponding to the amount in other comprehensive income / expense. The actuarial losses from to investments accounted for using the equity method and non controlling interests, after adding TL 71.064, which is presented in the statement of other comprehensive income as as loss amounted to TL 140.156.

NOTE 25 CURRENT PERIOD TAX ASSETS AND LIABILITIES

As of 31 December 2020, 2019 and 2018, tax assets and liabilities is as follows:

Account Name	31 December 2020	31 December 2019	31 December 2018
Prepaid Taxes	44.327	88.535	257.030
Total	44.327	88.535	257.030

NOTE 26 OTHER ASSETS AND LIABILITIES

As of 31 December 2020, 2019 and 2018, other current assets is as follows:

Account Name	31 December 2020	31 December 2019	31 December 2018
Credit Note Income Accruals	15.194.676	9.815.050	16.254.622
Deferred VAT	45.328.326	17.800.684	92.618
Business Cash Advances	1.002.275	251.107	126.926
Total	61.525.277	27.866.841	16.474.166

NOTE 27 EQUITY

i) Non Controlling Interests

Account Name	1 January 2020 31 December 2020	1 January 2019 31 December 2019	1 January 2018 31 December 2018
Beginning of the Period	128.648.181	118.600.090	38.938.880
Gains/Losses on Non Controlling Interests	23.156.752	9.600.493	7.317.490
Currency Translation Differences	-	-	(10.226)
Business Combinations Under Common Control	(40.920.444)	463.971	77.437.579
Gains/Losses on Repurchased Shares	-	-	(217.474)
Gains/Losses on Minority Interests	(20.056)	(15.773)	(37.265)
Jointly Controlled Entity Dividends Paid	-	(600)	(4.828.894)
Total	110.864.433	128.648.181	118.600.090

(ii) Capital / Capital Adjustments Due to Cross Ownership / Repurchased Shares

The capital of the Group has 56.000.000 shares with a nominal value of TL 1 and issued capital of the Group is TL 56.000.000. The capital of the Group is TL 56.000.000 which include Class A shares amounting to TL 318,18 and Class B shares amounting to TL 55.999.681,82.

Class A shares have concessions to determine more than half of the members of the board of directors and to get 5% of the remaining profit after the first legal reserve and the first dividend to shareholders are set aside.

At the Ordinary General Assembly Meeting of Indeks held on 23 May 2019, the valid period of the Registered Capital Ceiling will be extended to 2019-2023 and the registered capital ceiling will be increased from TL 150.000.000 (Hundred and Fifty Million) to TL 300.000.000 (Three Hundred Million). The amendment of article 6 of the articles of association was registered by the Istanbul Trade Registry Office on 7 June 2019.

The paid in share capital of the Group presented in the consolidated balance sheet is the Group's paid in share capital; paid-in share capital of subsidiaries in the consolidated balance sheet has been eliminated accordingly with the subsidiaries balances.

Shareholders	Shareholding Rate %	31 December 2020 Shareholding Amount	Shareholding Rate %	31 December 2019 Shareholding Amount	Shareholding Rate %	31 December 2018 Shareholding Amount
Nevres Erol Bilecik (*)	36,37%	20.369.646	36,37%	20.369.646	36,37%	20.369.646
Alfanor 13131 AS (**)	-	-	5,58%	3.125.000	19,03%	10.654.887
Listed Shares	61,26%	34.302.899	55,68%	31.177.899	42,23%	23.648.012
Other	2,37%	1.327.455	2,37%	1.327.455	2,37%	1.327.455
Total	100%	56.000.000	100%	56.000.000	100%	56.000.000

(*)The ultimate controlling party of the Group is Nevres Erol Bilecik and his family members. The total shareholding rate of Nevres Erol Bilecik including listed shares of 63.380 is 36.37%.

(**)On 20.04.2020 Alfanor 13131 AS sold its shares with a nominal value of TL 3.125.000. Alfanor 13131 AS has no outstanding shares after the share transaction realized.

iii) Capital Reserves

None.

(iv) Accumulated Other Comprehensive Income or Expenses not to be Reclassified in Profit or Loss

The analysis of accumulated other comprehensive income or expenses not to be reclassified in profit or loss is as follows:

Account Name	31 December 2020	31 December 2019	31 December 2018
Beginning of the Period – 1 January	(1.208.377)	(1.083.994)	(380.706)
Actuarial Gains and (Losses) (Note 24)	10.486	(86.365)	(893.782)
Tax Effect (Note 24, Note 35)	(2.097)	17.273	178.756
Actuarial Gains and (Losses) on Non Controlling Interests / Share of other comprehensive income/(expenses) of investments accounted for using the equity method	81.031	(55.291)	11.738
Actuarial Gains and (Losses) (Net)	(1.118.957)	(1.208.377)	(1.083.994)
Gains/(losses) on Remeasurements of Defined Benefit Plans	(1.118.957)	(1.208.377)	(1.083.994)
Other Gains and Losses	-	-	-
Accumulated Other Comprehensive Income or Expenses not to be Reclassified in Profit or Loss	(1.118.957)	(1.208.377)	(1.083.994)

(v) Accumulated Other Comprehensive Income or Expenses to be Reclassified in Profit or Loss

Movement of currency translation differences is as follows:

	31 December 2020	31 December 2019	31 December 2018
Beginning of the Period – 1 January	15.377.038	15.434.110	13.479.683
Gains / (Losses)	7.875.539	(57.072)	1.954.427
End of the Period	23.252.577	15.377.038	15.434.110

The Group has no gains/(losses) on cash flow hedges.

vi) Restricted Reserves from Retained Earnings

Legal reserves consist of first and second reserves as stipulated in the Turkish Commercial Code. According to Article 519 of the Turkish Commercial Code ("TCC"), the general legal reserve is allocated as 5% of the annual profit until it reaches 20% of the Group's paid-in capital. After reaching this limit, 10% of the total amount will be added to the general legal reserves after the dividend payment is paid to the shareholders. According to the Turkish Commercial Code, if the general legal reserve does not exceed 50% of the share capital or the issued capital, it can be used only to close the losses, to continue the business when business is not going well or to take measures to mitigate the results.

(vii) Retained Earnings

Legal reserves consist of first and second reserves as stipulated in the Turkish Commercial Code.

Publicly traded companies have special provision regarding to dividend distribution policy in accordance with the Article 19 of the Capital Market Law No. 6362 and the "Communiqué on Dividends" No. II-19.1 of the Capital Markets Board, which entered into force as of 1 February 2014. In accordance with the Communiqué, corporations have no dividend distribution obligation for shareholders whose shares are traded on the stock exchange and corporations distribute their profits by decisions of the general assembly of shareholders within the frame of their dividend distribution policies to be determined by the general assembly of shareholders and in accordance with provisions of the applicable laws and

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regulations. In addition, publicly traded companies may distribute dividend advances in cash over their profits shown in their interim period financial statements.

As of 31 December 2020, 2019 and 2018, equity items is as follows:

Account Name	31 December 2020	31 December 2019	31 December 2018
Paid in Share Capital	56.000.000	56.000.000	56.000.000
Adjustment to Share Capital	1.064.323	1.064.323	1.064.323
Repurchased Shares (-)	(1.705.805)	(1.705.805)	(1.705.805)
Share Premium	156.607	156.607	156.607
Business Combinations Under Common Control	(11.913.128)	-	-
Accumulated Other Comprehensive Income Or Expenses not to Be Reclassified In Profit Or Loss	(1.118.957)	(1.208.377)	(1.083.994)
-Gains/(Losses) on Remeasurements of Defined Benefit Plans	(1.118.957)	(1.208.377)	(1.083.994)
Accumulated Other Comprehensive Income or Expenses to be Reclassified in Profit or Loss	23.252.577	15.377.038	15.434.110
- Hedge Funds (Note 9)	-	-	-
-Currency Translation Differences	23.252.577	15.377.038	15.434.110
Restricted Reserves from Retained Earnings	35.670.642	38.620.502	31.006.238
- Legal Reserves	34.523.592	37.473.452	29.859.188
- Gains on Sale of Interest in a Subsidiary Exempt from Corporate Tax	1.147.050	1.147.050	1.147.050
Retained Earnings	311.313.750	238.824.749	153.911.932
Net Profit for the Period	143.345.753	92.530.623	121.648.391
Equity Holders of the Parent	556.065.762	439.659.660	376.431.802
Non Controlling Interests	110.864.433	128.648.181	118.600.090
Total Equity	666.930.195	568.307.841	495.031.892

In the event of reacquisition of equity based financial instruments, "Repurchased Shares" are deducted from equity; gain or loss has not been reflected in profit or loss due to its purchase, sale, issue or reversal. The amounts received or paid are accounted for directly deducted from equity. The nominal value of repurchased shares in 2013 is amounting to TL 162.402, and all of the above mentioned shares were sold amounting to TL 790.897 on 21 February 2018. Gain or loss has not been reflected in profit or loss due to the repurchase of these shares and the sale of the repurchased shares. Net gain amounting to TL 156.607 arising from repurchased shares was recorded in Share Premium. As of 31 December 2019, repurchased shares comprise of parent company's shares amounting to TL 1.225.481, and repurchase of Datagate A.Ş's own shares which is the subsidiary of the Group. Non controlling interests are deducted from the amount resulting from Datagate A.Ş's repurchase of its own shares.

In accordance with the declaration of CMB dated 25 February 2005 and numbered 7/242, the companies which are subject to CMB regulations should distribute their profit stated in the financial statements prepared in accordance with CMB regulations at the minimum level set by the CMB if such minimum distributable profit is covered by the profit in the statutory financial statements. If the minimum distributable profit is not covered by the profit in the statutory financial statements, all profit in the statutory financial statements should be distributed. If the net result for the period in either of the financial statements prepared in accordance with CMB regulations or the statutory financial statements is loss, no profit distribution should be made.

NOTE 28 REVENUE AND COST OF SALES

As of 31 December 2020 and 2019, revenue and cost of sales is as follows:

Account Name	1 January 2020 31 December 2020	1 January 2019 31 December 2019
Domestic Sales	10.308.146.991	5.395.435.217
Foreign Sales	101.492.789	29.565.788
Other Sales	47.332.585	9.079.276
Sales Returns (-)	(184.267.074)	(115.868.555)
Sales Discounts (-)	(17.685.269)	(15.502.119)
Net Sales	10.255.020.022	5.302.709.607
Cost of Goods Sold (-)	(9.869.318.232)	(5.034.895.536)
Gross Profit	385.701.790	267.814.071

NOTE 29 RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SALES AND DISTRIBUTION EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES

As of 31 December 2020 and 2019, operating expenses is as follows:

Account Name	1 January 2020 31 December 2020	1 January 2019 31 December 2019
General Administrative Expenses (-)	(75.284.585)	(58.833.823)
Marketing, Sales and Distribution Expenses (-)	(53.885.976)	(47.099.139)
Total Operating Expenses	(129.170.561)	(105.932.962)

NOTE 30 EXPENSES BY NATURE

As of 31 December 2020 and 2019, expenses by nature is as follows:

Account Name	1 January 2020 31 December 2020	1 January 2019 31 December 2019
Marketing, Sales and Distribution Expenses and General Administrative Expenses (-)	(129.170.561)	(105.932.962)
- Personnel Expenses	(65.730.502)	(56.040.897)
- Transportation, Distribution and Storage Expenses	(8.152.928)	(6.425.300)
- Depreciation and Amortisation Charges	(15.278.274)	(8.836.736)
- Rent Expenses	(982.755)	(1.749.128)
- Outsourcing Expenses (Office Supplies)	(4.153.851)	(3.527.608)
- Information Systems and Communication Expenses	(519.664)	(449.165)
- Travel Expenses	(300.740)	(1.048.443)
- Representation and Hospitality Expenses	(4.138.656)	(2.498.474)
- Motor Vehicle Expenses	(2.187.947)	(3.894.718)
- Consultancy and Audit Expenses	(3.258.318)	(2.119.369)
- Sales and International Trade Costs	(973.059)	(935.253)
- Insurance Expenses	(9.280.316)	(7.221.619)
- Advertisement and Promotion Expenses	(1.301.391)	(1.310.176)
- Taxes, Duties and Charges	(3.848.288)	(439.744)
- Provision for Employment Termination Benefits	(2.385.895)	(2.286.922)
- Provision for Doubtful Receivables	(4.096.793)	(5.089.620)
- Other Expenses	(2.581.184)	(2.059.790)
Total Operating Expenses	(129.170.561)	(105.932.962)

Depreciation and amortization expenses and personnel expenses are included in operating expenses.

NOTE 31 OTHER OPERATING INCOME / (EXPENSES)

As of 31 December 2020 and 2019, other operating income/expenses is as follows:

Account Name	1 January 2020 31 December 2020	1 January 2019 31 December 2019
Other Operating Income	289.857.159	165.832.053
Provisions No Longer Required (Lawsuits)	-	60.480
Interest Eliminated from Sales	94.868.566	74.791.098
Interest and Rediscount Income	11.434.022	10.752.527
Foreign Exchange Gains (Trade Receivables and Payables)	183.409.564	80.101.122
Other Income and Profits	145.007	126.826
Other Operating Expenses (-)	(200.776.277)	(146.831.740)
Interest Eliminated from Purchases	(50.091.345)	(57.758.423)
Interest and Rediscount Expenses	(17.847.798)	(13.671.609)
Foreign Exchange Losses (Trade Receivables and Payables)	(129.927.506)	(74.072.078)
Other Expenses and Losses (-)	(2.909.628)	(1.329.630)
Other Operating Income / Expenses (Net)	89.080.882	19.000.313

NOTE 32 GAINS/ (LOSSES) FROM INVESTMENT ACTIVITIES AND INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

As of 31 December 2020 and 2019, gains and losses from investment activities is as follows:

Account Name	1 January 2020 31 December 2020	1 January 2019 31 December 2019
Gains from Investment Activities	50.488	557.643
Gain on Sale of Property, Plant and Equipment	-	551.576
Dividend Income	-	6.067
Other	50.488	-
Losses from Investment Activities (-)	-	-
Other Gains / Losses (Net)	50.488	557.643

Account Name	1 January 2020 31 December 2020	1 January 2019 31 December 2019
Gains/Losses on Investments Accounted for Using the Equity Method	(1.294.086)	(2.259.474)
Other Gains / Losses (Net)	(1.294.086)	(2.259.474)

On 28 February 2020, Indeks Bilgisayar's effective ownership interest rate has changed following the acquisition of 50,00% shares from Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. and effective ownership interest rate increased from 50,00% to 100% with the additional acquisition of share purchase. The corresponding amounts to the Group's share of the profit / loss until 29 February 2020 are as follows:

The related information is disclosed in **Note 17**.

NOTE 33 FINANCIAL INCOME / EXPENSE

As of 31 December 2020 and 2019, financial income is as follows:

Account Name	1 January 2020 31 December 2020	1 January 2019 31 December 2019
Interest Income	13.155.085	17.102.595
Foreign Exchange Gains	80.920.981	48.240.823
Total Financial Income	94.076.066	65.343.418

As of 31 December 2020 and 2019, financial expenses is as follows:

Account Name	1 January 2020 31 December 2020	1 January 2019 31 December 2019
Bank Charges and Interest Expenses	(113.331.322)	(59.204.751)
Foreign Exchange Losses	(99.993.444)	(37.929.865)
Total Financial Expenses	(213.324.766)	(97.134.616)

The Group has no capitalised financing costs during the period.

NOTE 34 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None.

NOTE 35 TAX ASSETS AND LIABILITIES

The Group's tax expense (or income) consists of current period's corporate tax expense and deferred tax expense (or income).

Account Name	31 December 2020	31 December 2019
Current Income Tax Liabilities	59.381.546	23.809.064
Prepaid Taxes (-)	(37.279.925)	(13.867.346)
Current income tax liabilities (net)	22.101.621	9.941.718

As of 31 December 2020 and 2019, tax assets and liabilities is as follows:

Account Name	1 January 2020 31 December 2020	1 January 2019 31 December 2019
Current Period Tax Expense (-)	(59.381.546)	(23.809.064)
Deferred Income Tax / (Expense)	764.238	(8.984.242)
Total Tax Income / (Expense)	(58.617.308)	(32.793.306)

Account Name	31 December 2020	31 December 2019
Deferred Tax Assets/Liabilities at the Beginning of the Period	14.187.963	23.154.932
Additions in the Scope of Consolidation (*)	7.228.330	-
Actuarial Gains/Losses	(2.097)	17.273
Currency Translation Differences	2.035.206	-
Deferred Income Tax / (Expense)	764.238	(8.984.242)
Deferred Tax Assets/Liabilities at the End of the Period	24.213.640	14.187.963

(*)On 28 February 2020, Indeks Bilgisayar's effective ownership interest rate has changed following the acquisition of 50,00% shares from Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. and effective ownership interest rate increased from 50,00% to 100% with the additional acquisition of share purchase. As of 31 December 2019 and 2018, the financial statements of Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. have been accounted for using the equity method. As of 31 December 2020, the financial statements are accounted for using the full consolidation method.

i) Current Period Statutory Tax Provision

Advance tax in Turkey is calculated and accrued on a quarterly basis. The corporation tax rate is 22% in Turkey in 2020 (2019 and 2018: 22%). Corporation tax is payable on the total income of the Group after adjusting for certain disallowable expenses, income not subject to tax and allowances.

According to Turkish Corporate Tax Law, losses can be carried forward to offset the future taxable income for a maximum period of 5 years. On the other hand, such losses cannot be carried back to offset prior years profits.

Pursuant to Article 24 of the Corporate Tax Law No. 5520, the corporate tax return is levied upon the declaration of the taxpayer. There is no clear and definitive agreement on tax assessment procedures in Turkey. Pursuant to Article 25 of the Corporate Tax Law No. 5520, corporations prepare and declare their tax returns from the first day of the fourth month to the evening of the twenty-fifth day of the fourth month following the end of the accounting period for their annual earnings. It is possible to carry out an inspection by the Tax Administration within the 5-year statute of limitations starting from the following accounting period.

Corporation Tax rate applied in Turkey is 20%. In accordance with the "Law on the Amendment of Certain Tax Acts and Some Other Laws" numbered 7061 and published in Official Gazette on 5 December 2017; the corporate tax rate for the years 2018, 2019 and 2020 has been increased from 20% to 22%. Therefore, deferred tax assets and liabilities as of 31 December 2020 are calculated with 22% tax rate for the temporary differences that will be realised in 2019 and 2020; and with 22% tax rate for the temporary differences that will be realised after 2021 and onwards. (for the accounting periods starting within the related year for the institutions designated as special accounting period). This amendment is effective for taxation for periods beginning on 1 January 2018.

Since the effective tax rate for 3 periods has changed as 22% as of 1 January 2018, 22% tax rate has been used for the temporary differences expected to occur within 3 years (2018, 2019 and 2020) in the deferred tax calculation as of 31 December 2018. However, since the corporate tax rate after 2020 is 20%, tax rate has been calculated 20% for temporary differences expected to occur after 2020.

Income Withholding Tax:

In addition to the corporate tax, it is required to calculate income tax withholding on any dividends, except for those distributed to all taxpayer entities and Turkish branches of foreign companies gaining dividend for such distribution and declaring these dividends within the corporate profit. The rate of income withholding tax implemented as 10% between 24 April 2003 and 22 July 2006. The rate of withholding tax has been increased from 10% to 15% upon the Cabinet decision No: 2006/10731, which was published in Official Gazette on July 23, 2006.

ii) Deferred Tax:

The Group's tax basis with the statutory financial statements prepared in accordance with Turkish Financial Reporting Standards arising from differences between the consolidated financial statements for temporary differences and deferred tax assets and liabilities are accounted for published by POA. These differences usually result in the recognition of revenue and expenses in different reporting periods for tax purposes and for the purposes of the POA and disclosed below.

Temporary differences are result of recognizing certain income and expense items differently for accounting and tax purposes. Temporary differences are calculated off of the tangible assets (except land), intangible assets, inventories, the revaluation of prepaid expenses, discount of receivables, provision for severance payments, and prior years losses. Every accounting year, the Group reviews the deferred tax asset and in circumstances, where the deferred tax assets cannot be used against the future taxable income, the Group writes-off the recognized deferred tax asset.

The breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates are as follows:

Account Name	31 December 2020 Cumulative Temporary Differences	31 December 2020 Deferred Tax Assets/ (Liabilities)	31 December 2019 Cumulative Temporary Differences	31 December 2019 Deferred Tax Assets/ (Liabilities)
Property, Plant and Equipment and Intangible Assets	(5.784.402)	(1.156.880)	(4.723.539)	(944.708)
Rediscount Expenses	54.818.663	10.963.733	51.550.925	11.341.204
Provision for Employment Termination Benefits	8.780.942	1.756.188	7.270.394	1.454.079
Provision for Inventory Impairment	15.772.826	3.154.565	8.738.327	1.922.432
Valuation Difference on Notes Payable	(4.042.122)	(808.424)	(2.917.987)	(641.957)
Derivative Instruments	27.721.631	5.544.326	(1.613.674)	(355.009)
Finance Loss	21.464.128	4.292.826	-	-
Other	2.336.531	467.306	6.417.830	1.411.922
Deferred Tax Assets / (Liabilities), Net		24.213.640		14.187.963

Account Name	31 December 2020	31 December 2019
Deferred tax assets	24.213.640	14.188.518
Deferred tax liabilities (-)	-	(555)
Deferred tax assets (net)	24.213.640	14.187.963

NOTE 36 EARNINGS PER SHARE

Earnings per share disclosed in the consolidated profit or loss and other comprehensive income is determined by dividing the net income by the weighted average number of shares that have been outstanding during the relevant period. Number of total shares and calculation of earnings per share at 1 January – 31 December 2020 and 2019 is as follows:

	1 January 2020 31 December 2020	1 January 2019 31 December 2019
Profit for the Period	143.345.753	92.530.623
Weighted Average Number of Shares	56.000.000	56.000.000
Earnings Per Share	2,559746	1,652333
Profit attributable to equity holders of the parent	22.525,89	14.540,61
Profit attributable to non-controlling interests	2,431772	1,569725

NOTE 37 RELATED PARTY DISCLOSURES

a) Related parties balances are as follows:

	Receivables		Payables	
31 December 2020	Trade Receivables	Other Receivables	Trade Payables	Other Payables
Homend A.Ş.	-	-	147.584	-
Desbil A.Ş.	83.173	-	108.626	-
Total	83.173	-	256.210	-

	Receivables		Payables	
	Trade Receivables	Other Receivables	Trade Payables	Other Payables
31 December 2019				
Neteks A.Ş.	625	-	70	-
Homend A.Ş.	140.365	31.424	84.782	-
Desbil A.Ş.	533.733	-	77.029	-
Neteks Teknoloji A.Ş.	898.119	-	-	-
Total	1.572.842	31.424	161.881	-

The receivables and payables from related parties are not include collateral. The provision for doubtful receivables has not been calculated and reflected to the consolidated financial statements for the related parties. Neteks Dış Ticaret A.Ş. , Desbil, Despec ve Homend are other related parties of the Group.

The current account balances between the parties are generally caused by the finance operations. However, in some cases, there may also be cash disbursements among intercompany transactions. The balances due to non finance operations are classified as other payables or receivables. The bank operates interest for current account balances and is invoiced on a quarterly basis. The Group has interest gains on USD, EUR and TL for the account balances during the period, and the effective annual interest in 2020 is USD 2,65% - 7,00% and EUR 2,50% -5,50% and TL 8,75% -21,00%. (31 December 2019: (3,50% - 8,50%) (2,75% - 8,25%) and (10,80% -29,00%) respectively.

a) Related parties transactions are as follows:

1 January 2020– 31 December 2020

Sales	Goods and Services	Subsidiaries	Interest Income and Foreign Exchange	Total
			Gains	
Desbil A.Ş.	-	9.900	11.055	20.955
Homend A.Ş.	203.622	51.057	174.121	428.800
Neteks Dubai(*)	133.425	-	-	133.425
Neteks Teknoloji (*)	8.648.831	1.424.019	16.965	10.089.815
TOTAL	8.985.878	1.486.626	202.141	10.674.645

Purchases	Goods and Services	Subsidiaries	Interest Expenses and Foreign Exchange	Total
			Losses	
Desbil A.Ş.	-	856.400	62.600	919.000
Neteks Teknoloji (*)	8.751.222	1.327.325	16.965	10.095.512
TOTAL	8.751.222	2.183.725	79.565	11.014.512

(*)On 28 February 2020, Indeks Bilgisayar's effective ownership interest rate has changed following the acquisition of 50,00% shares from Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş. and effective ownership interest rate increased from 50,00% to 100% with the additional acquisition of share purchase. Includes the amounts for sales and purchases until 29 February 2020.

1 January 2019– 31 December 2019

Sales	Goods and Services	Subsidiaries	Interest Income and Foreign Exchange Gains	Total
Desbil A.Ş.	-	8.800	-	8.800
Homend A.Ş.	41.184	46.661	3.173.703	3.261.548
Neteks Dubai	4.949.433	-	176	4.949.609
Neteks A.Ş.	21.891	186.827	17.417	226.135
Neteks Teknoloji	89.404	6.717.527	3.274.057	10.080.988
TOTAL	5.101.912	6.959.815	6.465.353	18.527.080

Purchases	Goods and Services	Subsidiaries	Interest Expenses and Foreign Exchange Losses	Total
Desbil A.Ş.	-	618.412	68.698	687.110
Neteks A.Ş.	-	-	1.345	1.345
Neteks Teknoloji	5.620.115	146.894	349.970	6.116.979
TOTAL	5.620.115	765.306	420.013	6.805.434

C) Key management compensation:

Account Name	1 January 2020 31 December 2020	1 January 2019 31 December 2019
Key management compensation	15.741.522	13.169.315
Employment termination benefits	-	-
Other long term benefits	-	-
Total	15.741.522	13.169.315

Key management compensation include the benefits and services provided to the senior management and the remuneration of the general manager and assistant general managers.

NOTE 38 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Financial Instruments and Financial Risk Management

(a) Capital Risk Management

The Group's main objectives for capital management are to keep 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.

The capital structure of the Group consists of debts includes the credits explained in note 8, cash and cash equivalents explained in note 6 and resource items containing respectively issued capital, capital reserves, profit reserves and profits of previous years explained in note 27. Risks, associated with each capital class, and the senior management evaluates the capital cost. It is aimed that the capital structure will be stabilized by means of new borrowings or repaying the existing debts as well as dividend payments and new share issuances based on the senior management evaluations.

The Group monitors capital by using the debt to total capital ratio. This ratio is calculated by dividing net debt by total capital.

Net debt is calculated by deducting cash and cash equivalents from the total debt amount (as shown in the balance sheet, loans, financial leasing and trade payables). Total capital is calculated by summing the equity and net debt as shown in the balance sheet.

General strategy based on the Group's equity does not differ from the previous period.

Consolidated net financial debt/invested capital ratios as of 31 December 2020 and 2019 are as follows:

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	31 December 2020	31 December 2019
Total borrowings	3.394.442.947	1.848.431.009
Less: Cash and cash equivalents	(1.318.962.511)	(280.477.178)
Net financial debt	2.075.480.436	1.567.953.831
Equity	666.930.195	568.307.841
Total Capital	2.742.410.631	2.136.261.672
Net financial debt/total equity multiplier	75,68%	73,40%

(b) Significant accounting policies

The Group's significant accounting policies relating to financial instruments are presented in the **Note 2**.

(c) Risks

Because of its operations, the Group is exposed to financial risks related to exchange rates and interest rates. The Group also holds the financial instruments risk that other party not be able to meet the requirements of the agreement.

Market risks seen at the level of Group are measured according to the sensitivity analysis principle. Market risks faced by the Group in current period or the process of undertaking the faced risks or the process of the measure of faced risks were not changed compare to previous year.

(c1) Foreign Exchange Risk

The difference between the foreign currency denominated and foreign currency indexed assets and liabilities for USD and EURO of the Group are defined as the "Net foreign currency position" and it is the basis of the currency risk. Another important dimension of the currency risk exposure is the transactions of the Group. These risks arise from the Group's purchase and sale of goods and services in a foreign currency and the use of foreign currency bank borrowings.

The Group management evaluates and monitors the balance of the assets and liabilities denominated in Turkish Lira as open positions. As of 31 December 2020 and 2019, assets and liabilities denominated in foreign currency are as follows:

As of 31 December 2020, if EUR and USD had appreciated by 10% against TL with all other variables held constant, profit before tax would have been TL 55.866.088 higher. (31 December 2019: TL 30.685.338 higher)

Exchange Rate Sensitivity Analysis Table

Current Period 31 December 2020		
	Profit / Loss	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
The impact of 10% USD increase in income statement		
1- USD Net Asset / Liability	54.589.569	(54.589.569)
2- Hedged portion of USD Risk (-)		
3- USD Net Effect (1+2)	54.589.569	(54.589.569)
The impact of 10% EURO increase in income statement		
4- EURO Net Asset / Liability	1.116.217	(1.116.217)
5- Hedged portion of Euro Risk (-)		
6- EURO Net Effect (4+5)	1.116.217	(1.116.217)
The impact of 10% Other currencies increase in income statement		
7- Other currencies Net Asset / Liability	160.302	(160.302)
8- Hedged portion of Other Currencies Risk (-)	-	-
9- Other Currencies Net Effect (7+8)	160.302	(160.302)
Total	55.866.088	(55.866.088)

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Exchange Rate Sensitivity Analysis Table

Prior Period 31 December 2019		
	Profit / Loss	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
The impact of 10% USD increase in income statement		
1- USD Net Asset / Liability	29.142.915	(29.142.915)
2- Hedged portion of USD Risk (-)		
3- USD Net Effect (1+2)	29.142.915	(29.142.915)
The impact of 10% EURO increase in income statement		
4- EURO Net Asset / Liability	1.542.423	(1.542.423)
5- Hedged portion of Euro Risk (-)		
6- EURO Net Effect (4+5)	1.542.423	(1.542.423)
The impact of 10% Other currencies increase in income statement		
7- Other currencies Net Asset / Liability	-	-
8- Hedged portion of Other Currencies Risk (-)	-	-
9- Other Currencies Net Effect (7+8)	-	-
Total	30.685.338	(30.685.338)

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Foreign Exchange Position Table							
	Current Period				Prior Period		
	TL Equivalent	TL	USD	EURO	TL Equivalent	USD	EURO
1. Trade Receivables	519.612.053	39.134.385	65.200.113	208.288	566.590.816	92.976.672	2.148.797
2a. Monetary Financial Assets	460.921.219	21.436.614	58.867.633	817.810	208.068.389	32.762.072	2.023.145
2b. Non-monetary financial assets	-	-	-	-	-	-	-
3. Other	90.349.530	38.036.287	6.428.603	568.844	55.737.662	8.470.529	815.119
4. Total Current Assets (1+2+3)	1.070.882.802	98.607.286	130.496.348	1.594.942	830.396.867	134.209.273	4.987.060
5. Trade Receivables	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-	-
7. Other	9.331.713	9.331.713	-	-	-	-	-
8. Total Non Current Assets(5+6+7)	9.331.713	9.331.713	-	-	-	-	-
9. Total Assets (4+8)	1.080.214.515	107.938.999	130.496.348	1.594.942	830.396.867	134.209.273	4.987.060
10. Trade Payables	607.174.197	29.182.640	78.211.619	430.641	547.278.797	89.332.513	2.499.895
11. Financial Liabilities	153.097.493	42.561.098	15.058.429	-	180.251.542	30.344.356	-
12a. Other Monetary Liabilities	9.057.802	8.757.881	21.093	16.107	39.156.718	6.448.681	127.848
12b. Other Non- Monetary Liabilities	75.034.968	23.560.690	6.957.788	44.476	30.407.675	5.003.037	103.544
13. Total Current Liabilities (10+11+12)	844.364.460	104.062.309	100.248.929	491.223	797.094.732	131.128.588	2.731.287
14. Trade Payables	-	-	-	-	-	-	-
15. Financial Liabilities	1.658.965	1.658.965	-	-	50.068	8.429	-
16a. Other Monetary Liabilities	614.703	614.703	-	-	-	-	-
16b. Other Non- Monetary Liabilities	-	-	-	-	-	-	-
17. Total Non Current Liabilities (14+15+16)	2.273.668	2.273.668	-	-	50.068	8.429	-
18. Total Liabilities (13+17)	846.638.128	106.335.977	100.248.929	491.223	797.144.800	131.137.016	2.731.287
19. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b)	325.084.491	-	44.120.224	135.435	273.601.307	45.988.237	63.450
19a. Total Asset Amount of Hedged (*)	325.084.491	-	44.120.224	135.435	273.601.307	45.988.237	63.450
19b. Total Liabilities Amount of Hedged	-	-	-	-	-	-	-
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	558.660.878	1.603.022	74.367.643	1.239.154	306.853.373	49.060.494	2.319.224
21. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (1+2a+3+5+6a-10-11-12a-14-15-16a)	208.930.112	(22.204.289)	30.776.605	579.351	9.278.113	(166.953)	1.544.199
22. Total Fair Value of Financial Instruments Used for Foreign Exchange Hedge							
23. Foreign Exchange Hedged Portion Amount of Assets	350.799.855	-	44.120.224	135.435	271.987.633	45.988.237	63.450
24. Foreign Exchange Hedged Portion Amount of Liabilities	-	-	-	-	-	-	-
25. Export	101.492.789	-	-	-	29.565.788	-	-
26. Import	1.890.861.948	-	-	-	894.166.454	-	-

(*)Includes USD forward contracts amounting to USD 3.127.349 for the company which has the functional currency of "USD". Hedged amount of asset and USD forward contracts are amounted to USD 47.337.573 and EUR 135.435 EUR.

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c2) Credit Risk Details

The exposure of consolidated financial assets to credit risk is as follows:

c2) Credit Risk Details	Receivables								Bank Deposits and Reverse Repo
	Trade Receivables				Other Receivables				
	Related Party	Other	Related Party	Other	Notes	Notes			
CURRENT PERIOD									
Maximum exposure to credit risk as of reporting date (A+B+C+D) (*)	83.173	2.013.821.560	-	1.543.546		1.311.453.572			
- Maximum risk, secured with guarantees	-	944.117.922	-	-					
A. Net book value of neither past due nor impaired financial assets	83.173	2.012.688.547	-	1.543.546	10-11	1.311.453.572	6		
B. Net book value of past due but not impaired financial assets	-	1.133.013						-	
- Secured with guarantees		-			10-11		6		
C. Net book value of impaired assets	-	-	-	-				-	
- Past due (gross amount)	-	30.925.364	-	-	10-11		6		
- Impairment (-)		(30.925.364)			10-11		6		
- Secured with guarantees	-		-		10-11		6		
- Not past due (gross amount)	-	-	-	-	10-11		6		
- Impairment (-)					10-11		6		
- Secured with guarantees					10-11		6		
D. Expected Credit Losses (-)									

	Receivables				Notes	Bank Deposits and Reverse Repo	Notes
	Trade Receivables		Other Receivables				
	Related Party	Other	Related Party	Other			
PRIOR PERIOD							
Maximum exposure to credit risk as of reporting date (A+B+C+D) (*)	1.572.842	1.446.458.346	31.424	1.220.149		279.054.626	
- Maximum risk, secured with guarantees	-	757.419.781	-	-			
A. Net book value of neither past due nor impaired financial assets	1.572.842	1.444.790.311	31.424	1.220.149	10-11	279.054.626	6
B. Net book value of past due but not impaired financial assets	-	1.668.035					-
- Secured with guarantees		-			10-11		6
C. Net book value of impaired assets	-	-	-	-			-
- Past due (gross amount)	-	24.438.386	-	-	10-11		6
- Impairment (-)		(24.438.386)			10-11		6
- Secured with guarantees	-		-		10-11		6
- Not past due (gross amount)	-	-	-	-	10-11		6
- Impairment (-)					10-11		6
- Secured with guarantees					10-11		6
D. Expected Credit Losses (-)							

(*) While determining the amount, factors that increase credit reliability such as guarantees received have not been considered.

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31 Mart 2020 Tarihinde Sona Eren Hesap Dönemine Ait Konsolide Finansal Tablolara İlişkin Notlar

(Tutarlar, aksi belirtilmedikçe Türk Lirası olarak gösterilmiştir)

Current Period (31 December 2020)	Receivables	
	Trade Receivables	Other Receivables
Past due up to 1 month	3.481.252	-
Past due 1-3 months	1.253.092	-
Past due more than 3 months	417.867	-
Secured with guarantees	4.019.198	-

Prior Period (31 December 2019)	Receivables	
	Trade Receivables	Other Receivables
Past due up to 1 month	2.490.094	-
Past due 1-3 months	1.400.495	-
Past due more than 3 months	598.408	-
Secured with guarantees	2.820.962	-

As collaterals obtained from customers and notes and letters of guarantee have been taken into consideration as factors that increase collateral and credit reliability.

İndeks Bilgisayar's collection risk arises mainly from its trade receivables. Almost all of the trade receivables are due to receivables from dealers. The Group has established an effective control system on its dealers and the credit risk arising from these transactions is followed by the risk management team and the Group management and limits are set for each dealer and limits are revised when necessary. Receiving sufficient collateral from dealers is another method used in the management of credit risk. The Group does not have a significant trade receivable risk due to the fact that it is a creditor from a large number of customers rather than a small number of customers. Trade receivables are evaluated by taking into consideration the past experiences and current economic situation of the Group management and are presented on the balance sheet net of provision for doubtful receivables. The low profit margin of the sector due to the structure of the sector makes collection and risk tracking policies significant for the Group and maximum sensitivity is presented accordingly. Our detailed explanations on our collection and risk management policy are as follows.

For receivables exceeding the maturity of several months, enforcement proceedings and / or lawsuits are filed. The same process could be executed some dealers who are in financial stress. Since profit margins in the sector are low, collection of receivables is extremely important. There are current accounts and risk management units in order to reduce the risk of receivables with credibility evaluations are made through dealers. Cash collections are made from the resellers who are new or risky and sales are made.

The Group sells goods to Turkey in nearly every enterprise engaged in the buying and selling of computers. The capital structure of the dealers, which are defined as the classic dealers within the distribution channel, is low. This group of dealers, which is estimated to be around 5,000 in Turkey, takes the risk in terms of risk management, the Group has established its own organization and working system to minimize the group and take necessary measures. Measures taken can be listed as follows:

Cash collecting procedure with companies that have not completed 1 year in the sector: In the sector, it is worked with cash collecting with the computer companies that have not completed 1 year.

The intelligence team, which consists of two personnel who are structured within the current accounts and risk management department, constantly make the intelligence of the dealers.

Credit Committee: The necessary intelligence services of the companies that have completed one year in the sector and the credit limit increase are arranged by the intelligence team and presented to the credit committee collected every week. The credit committee consists of the finance manager, current accounts manager, intelligence staff and the sales department manager of the relevant customer, under the chairmanship of the deputy general manager in charge of financial affairs. The credit committee establishes credit limits to firms based on the information obtained and past payment and sales performance. It determines the mode of operation and, if necessary, requests the collateral to be received from the dealer.

The Group's sales have been spread across Turkey and it reduces the risk of condensation.

Trade receivables are evaluated by taking into consideration the Group policies and procedures and accordingly, and doubtful receivables are presented in the balance sheet accordingly. (Note 10).

(c3) Interest Rate Risk

The Group is exposed to interest rate risk arising from the rate changes on interest-bearing liabilities and assets. The Group manages this risk by balancing the repricing terms of interest-bearing assets and liabilities with fixed and floating interest and short-long term nature of borrowings as well as using derivative instruments for hedging purposes. The Group's fixed interest rate financial liabilities are disclosed in Note: 8 and their fixed rate assets (deposits, etc.) in Note: 6.

Interest Rate Position Table

	Current Period	Prior Period
Fixed Interest Rate Financial Instruments		
Financial Assets	511.170.500	216.705.818
Financial Liabilities	864.597.553	488.784.948
Floating Interest Rate Financial Instruments		
Financial Assets	-	-
Financial Liabilities	-	-

As of 31 December 2020, in the case of 100 bps rise in the annual interests, with all other variables held constant, profit before tax would have been TL 3.534.271 lower. (31 December 2019: TL 2.720.791 higher).

A significant portion of the Group's fixed-rate assets and liabilities are short-term. Therefore, fixed interest assets and liabilities are taken into consideration in the interest rate risk calculation. There is no interest rate risk considering only assets and liabilities with floating interest rates.

(c4) Liquidity Risk

Liquidity risk is the risk that a Group will be unable to meet its funding needs. Prudent liquidity risk management is to provide sufficient cash and cash equivalents, to enable funding with the support of credit limits provided by reliable credit institutions and to close funding deficit. The Group provides funding by balancing cash inflows and outflows through the provision of credit lines in the business environment.

Liquidity risk statements

Prudent liquidity risk management signifies maintaining sufficient cash, the utility of fund sources by sufficient credit transactions and the ability to close out market positions. The ability to fund existing and prospective debt requirements is managed by maintaining the availability of adequate and high quality lenders.

Undiscounted contractual cash flows of the consolidated financial liabilities as of 31 December 2020 and 2019 are as follows:

31 December 2020

	Carrying Value	Total Contractual Cash Outflow	Demand or up to 3 months	3-12 months	1-5 years	5 years and over
Financial Liabilities	3.189.693.694	3.211.185.784	3.076.370.478	122.046.175	12.769.131	-
Bank Borrowings	847.582.286	859.550.727	744.106.095	115.444.632	-	-
Lease Liabilities	17.015.267	21.637.759	2.267.085	6.601.543	12.769.131	-
Trade Payables	2.292.642.395	2.297.543.552	2.297.543.552	-	-	-
Other Payables	32.453.746	32.453.746	32.453.746	-	-	-

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	Carrying Value	Total Contractual Cash Outflow	Demand or up to 3 months	3-12 months	1-5 years	5 years and over
Derivative Instruments	(27.721.631)	(35.648.420)	(29.819.022)	(5.829.398)	-	-
<i>Cash Inflows</i>	348.701.445	348.701.445	289.731.208	58.970.237	-	-
<i>Cash Outflows</i>	(376.423.076)	(384.349.865)	(319.550.230)	(64.799.635)	-	-

Forward transactions include USD 47.337.573 USD and EUR 135.435 equivalent of Turkish Lira. While calculating the liabilities, cash outflows have been calculated by considering the exchange rates at the end of the term. Cash inflows have been calculated considering the closing exchange rate as of 31 December 2020. Actual profit or loss will be determined at the maturity date.

31 December 2019

	Carrying Value	Total Contractual Cash Outflow	Demand or up to 3 months	3-12 months	1-5 years	5 years and over
Financial Liabilities	1.706.718.103	1.722.246.271	1.621.666.128	84.801.847	15.778.297	-
<i>Bank Borrowings</i>	472.029.825	478.209.740	398.315.104	79.894.636	-	-
<i>Lease Liabilities</i>	16.755.123	22.466.613	1.781.106	4.907.211	15.778.297	-
<i>Trade Payables</i>	1.211.492.119	1.215.128.882	1.215.128.882	-	-	-
<i>Other Payables</i>	6.441.036	6.441.036	6.441.036	-	-	-

	Carrying Value	Total Contractual Cash Outflow	Demand or up to 3 months	3-12 months	1-5 years	5 years and over
Derivative Instruments	1.613.674	(495.277)	(394.907)	(100.370)	-	-
<i>Cash Inflows</i>	273.601.307	273.601.307	267.474.465	6.126.842	-	-
<i>Cash Outflows</i>	(271.987.633)	(274.096.584)	(267.869.372)	(6.227.212)	-	-

Forward transactions include USD 45.988.237 USD and EUR 63.450 equivalent of Turkish Lira. While calculating the liabilities, cash outflows have been calculated by considering the exchange rates at the end of the term. Cash inflows have been calculated considering the closing exchange rate as of 31 December 2019. Actual profit or loss will be determined at the maturity date.

31 December 2018

	Carrying Value	Total Contractual Cash Outflow	Demand or up to 3 months	3-12 months	1-5 years	5 years and over
Financial Liabilities	991.519.922	1.017.108.190	970.255.729	40.301.123	6.551.338	-
<i>Bank Borrowings</i>	302.600.271	321.722.228	274.869.767	40.301.123	6.551.338	-
<i>Financial Lease Liabilities</i>	93.115	93.345	93.345	-	-	-
<i>Trade Payables</i>	672.580.728	679.046.809	679.046.809	-	-	-
<i>Other Payables</i>	16.245.808	16.245.808	16.245.808	-	-	-
<i>Other</i>	-	-	-	-	-	-

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	Carrying Value	Total Contractual Cash Outflow	Demand or up to 3 months	3-12 months	1-5 years	5 years and over
Derivative Instruments	(6.226.417)	(7.680.386)	(7.658.888)	(21.498)	-	-
Cash Inflows	74.921.277	74.921.277	74.624.036	297.241	-	-
Cash Outflows	(81.147.694)	(82.601.663)	(82.282.924)	(318.739)	-	-

Forward transactions include USD 13.555.372 USD and EUR 598.510 equivalent of Turkish Lira. While calculating the liabilities, cash outflows have been calculated by considering the exchange rates at the end of the term. Cash inflows have been calculated considering the closing exchange rate as of 31 December 2018. Actual profit or loss will be determined at the maturity date.

c5 Other Risks Analysis

Common Stocks, etc. Risks Related to Financial Instruments

The Group does not have any securities and similar financial assets sensitive to changes in fair value.

NOTE 39 FINANCIAL INSTRUMENTS

Financial Risk Management

The Group is exposed to variety of financial risks due to its operations. These risks include credit risk, market risk (foreign exchange risk, interest rate risk, commodity price risk and product profit margin/crack margin risk) and liquidity risk. The Group's overall risk management strategy focuses on the unpredictability of financial markets and targets to minimise potential adverse effects on the Group's financial performance. The Group also uses derivative instruments to hedge risk exposures.

Fair Value of Financial Instruments

Fair value is the amount for which a financial instrument could be exchanged, or a liability settled between, willing parties during current transaction, other than in a forced sale or liquidation, and is best evidenced through a quoted market price, if one exists.

The Group determined fair value of financial instruments by using available market information and appropriate valuation methods. However, evaluating the market information and forecasting the real values requires interpretation. As a result, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

The following methods and assumptions are used to estimate the fair values of financial instruments:

Financial Assets

Financial assets and liabilities denominated in foreign exchanges have been translated into Turkish Lira at the exchange rates prevailing at the balance sheet date. The carrying values of financial assets and liabilities denominated in foreign exchanges are considered to approximate their respective carrying values.

The carrying values of cash and cash equivalents including cash in hand and demand deposits, accrued interests and other financial assets are considered to approximate their respective carrying values due to their short-term nature and insignificant credit risk. The carrying values of trade receivables after deduction of provision for doubtful receivables are considered to approximate their respective carrying values.

Financial Liabilities

Financial assets and liabilities denominated in foreign exchanges have been translated into Turkish Lira at the exchange rates prevailing at the balance sheet date. The carrying values of Financial assets and liabilities denominated in foreign exchanges are considered to approximate their respective carrying values.

The fair values of trade payables, bank borrowings and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.

Fair value estimation:

Effective from 1 January 2009, the Group has applied the amendment to TFRS 7 for financial instruments measured at fair value in the balance sheet. This amendment is explained on the basis of the levels in the following calculation hierarchy of the fair value calculations.

The classification of the Group's consolidated financial assets and liabilities at fair value is as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities: The fair value of financial assets and financial liabilities are determined with reference to quoted market prices.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices): The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions

Level 3: Inputs for the asset or liability that are not based on observable market data.

The carrying values of financial assets and liabilities denominated in foreign exchanges are considered to approximate their respective carrying values.

As of 31 December 2020, the Group has no financial investments. As of 31 December 2019, the Group has presented its financial investments at fair value in the consolidated financial statements. (Level 2) (Note 7)

The fair values of certain financial assets carried at amortized cost, such as cash and cash equivalents, are considered to approximate their respective carrying values due to their short-term nature.

Trade receivables and payables are measured at amortized cost using the effective interest method, and are therefore considered to approximate their fair values.

NOTE 40 EVENTS AFTER THE BALANCE SHEET DATE

None.

NOTE 41 THE OTHER MATTERS WHICH SUBSTANTIALLY AFFECT THE CONSOLIDATED FINANCIAL STATEMENTS OR ARE REQUIRED TO BE DESCRIBED IN TERMS OF MAKING THE CONSOLIDATED FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE

As of the reporting date, possible effects of COVID-19 (Coronavirus) pandemic, which affects the whole World and Turkey, on the Group's operations and financial results are closely monitored in all respects, and necessary actions are taken to ensure that the Group is affected in the least possible way. Due to the Coronavirus, there may be disruptions in the Group's procurement, production and sales processes in parallel with the developments/slowdown in the sectors in which the Group operates and in general economic activity. The Group's purchases and sales from operations decreased in April 2020, but operations of the Group significantly compensate the decrease in April from May and June. In order to ensure the sustainability of businesses, regulations have been made by the government regarding short-time work allowance, compensatory work, deferral of tax and SSI payables, and facilitating access to financing resources, and the scope of the precautionary measures are constantly expanded according to the emerging needs of businesses. In addition, to the effects on general economic activity, the effects of the pandemic on the operations of the Group are evaluated comprehensively by the Group Management and plans are implemented to mitigate the possible negative impact of the pandemic on the consolidated financial statements. As of 31 December 2020, the Group Management estimated no significant impairment in the consolidated financial statements as a result of the assessments.