İNDEKS BİLGİSAYAR SİSTEMLERİ MÜHENDİSLİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2021
TOGETHER WITH THE INDEPENDENT AUDITORS' REPORT

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

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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

1) Opinion

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 2021, 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") and Capital Markets Board of Türkiye (the "CMB"). 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.

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Cash and Cash Equivalents	
Key Audit Matter	***How our audit addressed the key audit matter***
As of December 31, 2021 the Company's balance of the cash and cash equivalents is amount to TL 2.095.002.284, and account for 30,13 % percent of total assets. Cash and cash equivalents account group and its were chosen as a key audit matter due to the significance in financial statements. The Company's accounting policies, and amounts related to cash and cash equivalents explained in **Note: 2** and **Note: 6**.	We performed the following procedures in relation to the testing of cash and cash equivalents: In this context; we participate year end cash count checking to confirm the cash and cash equivalents do exist. Exchange rate valuations of foreign currency and calculations of interest from time deposit have been checked using the recalculation method. The Group has no blocked deposits and Examinations regarding the classification in the financial statements have been check in cash and cash equivalents. The appropriacy of the explanations in the related footnotes for Cash and Cash Equivalents has been evaluated. As a result of the reviewed, there was no significant materiailty.

Recoverability of Trade Receivables	
Key Audit Matter	***How our audit addressed the key audit matter***
Consolidated financial statements as of December 31, 2021 include trade receivables of TL 3.553.845.206 which constitutes 51,12% of the Indeks Bilgisayar's total assets. An impairment provision for trade receivables of Indeks Bilgisayar amounting to TL 39.340.860 included in the consolidated financial statements. The Group uses estimates and policies for recoverability of trade receivables and determination of the provisions. Trade receivables and its recoverability are material to Indeks Bilgisayar's consolidated financial statements. Therefore, this area is considered as key audit matter. The Company's accounting policies, amounts and guarantees related to trade receivables explained in **Note: 2, Note: 10** and **Note: 38.**	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: We have evaluated the effectiveness of internal control regarding financial reporting for the receivables risk and receivables from dealers. 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. 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. 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. We have reviewed the sufficiency of disclosures made in the consolidated financial statements of the Group with respect to trade receivables.

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Inventory and Recoverability of inventory

Key Audit Matter	*How our audit addressed the key audit matter*
Balance of the inventories is amount to TL 983.955.474, and account for 14,15% percent of total assets. Products in the company's inventory are subject to the risk of being impaired due to the rapid technological development and changes in the market. Provision for inventories amount to TL 24.102.404 within this group. The Company Management uses certain estimates and policies to determine the provision to reduce obsolescent inventories and slow moving inventory items to net realizable value. Existence of inventories and net impairmanten loss has been determined as a key audit matter due to the importance of inventory account. The Company's accounting policies and amounts related to inventory explained in **Note: 2** and **Note: 13**.	Our audit procedures base on to evaluate the Company's inventories do exist and net realizable amount of the inventories. In this context; we participate year end inventory checking to confirm the inventories do exist. In addition we audit documents related with purchasing inventories during the year. Provision for inventory impairment recoginized for the purpose of lower cost of inventories to their net realizable amount. We tested the Company's policy related with inventory impairment by turnover days of inventories. The Group's provision calculation method was critically evaluated, the stock impairment was evaluated, and the provision stock impairment provisions were recalculated. The inventory valuation method of the Company has been confirmed with controlling sample inventory cards.

Trade Payables

Key audit matters	*How our audit addressed the key audit matter*
Consolidated financial statements as of 31 December 2021 include trade payables of TL 4.253.217.565 which constitutes 61,18% of the Indeks Bilgisayar's total liabilities. Trade payables are material to Indeks Bilgisayar's consolidated financial statements. Therefore, this area is considered as key audit matter. The Company's accounting policies and amounts related to trade payables explained in **Note: 2** and **Note: 10**.	We performed the following procedures in relation to the testing of trade payables: 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. We have reviewed the sufficiency of disclosures made in the consolidated financial statements of the Group with respect to trade payables.

Revenue	
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. The Company's accounting policies and amounts related to trade payables explained in **Note: 2** and **Note: 28**.	We performed the following procedures in relation to the testing recognition of revenue: Evaluating the revenue as a process by observing sales and delivery procedures, Evaluating the audit procedures are focused on the assessment of invoices issued but risk and ownership have not been transferred, 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, 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. We had no material findings related to recognition of revenue as a result of these procedures.

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 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 which is published by Capital Markets Board of Türkiye (the "CMB") 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 which is published by Capital Markets Board of Türkiye (the "CMB"), 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 the Group 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.

- 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.

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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

The consolidated financial statements of the Group for the year ended December 31, 2020, whose report, dated March 1, 2021, expressed an unqualified opinion on those statements.

B) Other Responsibilities Arising from Regulatory Requirements

In accordance with subparagraph 4 of Article 398 of the Turkish Commercial Code ("TCC") No. 6102, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 28 February 2022.

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 2021 period are in compliance with the TCC and provisions of the Group's articles of association related to financial reporting.

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.

The engagement partner responsible for the audit resulting in this independent auditor's report is Özcan Aksu.

MGI BAĞIMSIZ DENETİM A.Ş.
A Member of MGI WORLDWIDE

ÖZCAN AKSU
Principal Auditor in Charge
(Istanbul, 28 February 2022)

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

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

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) (TL)

	Notes	*Audited* *Current Period* December 31, 2021	*Audited* *Previous Period* December 31, 2020
ASSETS			
Current Assets		**6.838.701.226**	**3.926.808.175**
Cash and Cash Equivalents	6	2.095.002.284	1.318.962.511
Financial Investments	7	-	-
Trade Receivables	10	3.553.845.206	2.013.904.733
-Trade Receivables from Related Parties	*10-37*	*1.118*	*83.173*
-Trade Receivables from Non Related Parties	*10*	*3.553.844.088*	*2.013.821.560*
Other Receivables	11	1.565.010	1.504.605
-Other Receivables from Related Parties	*11-37*	-	-
- Other Receivables from Non Related Parties	*11*	*1.565.010*	*1.504.605*
Derivative Instruments	12	42.950.689	-
Inventories	13	983.955.474	509.345.531
Prepaid Expenses	15	41.148.906	21.521.191
Current Income Tax Assets	25	16.467	44.327
Other Current Assets	26	120.217.190	61.525.277
Total		**6.838.701.226**	**3.926.808.175**
Non Current Assets		**113.440.500**	**134.564.967**
Financial Investments	7	-	-
Trade Receivables	10	-	-
- Trade Receivables from Related Parties	*10-37*	-	-
-Trade Receivables from Non Related Parties	*10*	-	-
Other Receivables	11	38.941	38.941
-Other Receivables from Related Parties	*11-37*	-	-
-Other Receivables from Non Related Parties	*11*	*38.941*	*38.941*
Investments Accounted for Using the Equity Method	4-16	-	-
Investment Properties	17	55.742.575	50.613.789
Property, Plant and Equipment	18	29.521.712	26.907.821
Right of Use Assets	18	11.733.677	15.186.177
Intangible Assets	19	12.668.620	17.604.599
- Goodwill	*19*	*1.897.699*	*1.897.699*
-Other Intangible Assets	*19*	*10.770.921*	*15.706.900*
Deferred Tax Assets	35	3.734.975	24.213.640
TOTAL ASSETS		**6.952.141.726**	**4.061.373.142**

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

T.C. BAĞIMSIZ DENETÇİ 1923

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2021

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

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) (TL)	Notes	*Audited* *Current Period* December 31, 2021	*Audited* *Previous Period* December 31, 2020
LIABILITIES			
Current Liabilities		**5.840.451.964**	**3.374.864.572**
Short-Term Financial Liabilities	8	1.120.922.956	853.800.118
Short Term Portion of Long Term Financial Liabilities	8	-	-
Other Financial Liabilities	9	-	-
Trade Payables	10	4.253.217.565	2.292.642.395
- Trade Payables to Related Parties	*10-37*	*96.828*	*256.210*
-Trade Payables to Non Related Parties	*10*	*4.253.120.737*	*2.292.386.185*
Employee Benefits Payables	20	1.250.015	996.155
Other Payables	11	32.289.843	32.453.746
-Other Payables to Related Parties	*11-37*	-	-
- Other Payables to Non Related Parties	*11*	*32.289.843*	*32.453.746*
Liabilities from Investments Accounted for Using the Equity Method	4-16	-	-
Derivative Instruments	12	-	27.721.631
Deferred Income	15	221.255.302	102.738.673
Current Income Tax Liabilities	35	119.286.346	22.101.621
Short Term Provisions	22	92.229.937	42.410.233
- Other Short Term Provisions	*22*	92.229.937	*42.410.233*
Other Short Term Liabilities	26	-	-
Total		**5.840.451.964**	**3.374.864.572**
Long-Term liabilities		**18.737.277**	**19.578.375**
Financial liabilities	8	6.774.488	10.797.435
Long Term Provisions for Employee Benefits	24	11.962.789	8.780.940
Deferred Tax Liabilities	35	-	-
EQUITY		**1.092.952.485**	**666.930.195**
Equity Holders of the Parent	27	**948.166.507**	**556.065.762**
Paid in Share Capital		224.000.000	56.000.000
Adjustment to Share Capital		1.064.323	1.064.323
Repurchased Shares (-)		(4.979.617)	(1.705.805)
Share Premium/discount		156.607	156.607
Business Combinations Under Common Control		(11.913.128)	(11.913.128)
Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss		(1.775.982)	(1.118.957)
- Revaluation and Remeasurement Gains/Losses		*(1.775.982)*	*(1.118.957)*
Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss		64.843.261	23.252.577
-Currency Translation Differences		*64.843.261*	*23.252.577*
Restricted Reserves From Retained Earnings		46.315.798	35.670.642
Retained Earnings		227.417.678	311.313.750
Net Profit/(Loss)		403.037.567	143.345.753
Non-controlling interest	27	144.785.978	110.864.433
TOTAL LIABILITIES AND EQUITY		**6.952.141.726**	**4.061.373.142**

The accompanying notes are integral parts of the financial statements.

T.C. BAĞIMSIZ DENETÇİ 3031

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

PROFİT OR LOSS
AND
OTHER COMPREHENSIVE INCOME STATEMENTS (TL)

	Notes	*Audited* *Current Period* January 1, 2021 December 31, 2021	*Audited* *Previous Period* January 1, 2020 December 31, 2020
STATEMENT OF PROFIT OR LOSS			
Net Sales	28	13.091.576.863	10.255.020.022
Cost of sales(-)	28	(12.525.819.774)	(9.869.318.232)
GROSS PROFIT/(LOSS) FROM FINANCIAL OPERATIONS		**565.757.089**	**385.701.790**
GROSS PROFIT/(LOSS)		**565.757.089**	**385.701.790**
General Administrative Expenses (-)	29	(91.309.272)	(75.284.585)
Marketing, Sales and Distribution Expenses (-)	29	(65.374.406)	(53.885.976)
Other Operating Income	31	677.359.790	289.857.159
Other Operating Expenses (-)	31	(518.441.023)	(200.776.277)
OPERATION PROFIT / (LOSS)		**567.992.178**	**345.612.111**
Income from Investment Activities	32	1.034.408	50.488
Expenses from Investment Activities (-)	32	-	-
Share of Profit/Loss of Investments Accounted for Using the Equity Method	32	-	(1.294.086)
OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)		**569.026.586**	**344.368.513**
Financial Income	33	319.845.807	94.076.066
Financial Expenses (-)	33	(256.908.113)	(213.324.766)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**631.964.280**	**225.119.813**
Tax Income/(Expense), Continuing Operations		**(194.945.497)**	**(58.617.308)**
- Tax Income /(Expense)	35	(166.714.780)	(59.381.546)
- Deferred Tax Income / (Expense)	35	(28.230.717)	764.238
PROFIT(LOSS) FROM CONTINUING OPERATIONS		**437.018.783**	**166.502.505**
NET PROFIT(LOSS)		**437.018.783**	**166.502.505**
Profit (loss), attributable to		**437.018.783**	**166.502.505**
Non-Controlling Interests		33.981.216	23.156.752
Equity Holders of the Parent		403.037.567	143.345.753
Earnings Per Share	36	**1,799275**	**0,639936**
OTHER COMPREHENSIVE INCOME/(LOSS)		**40.873.988**	**7.944.903**
Items not to be reclassified to profit/loss		**(716.696)**	**69.364**
Actuarial Gain/Loss Arising From Defined Benefit Plans		(716.696)	69.364
Items to be reclassified to profit/loss		**41.590.684**	**7.875.539**
Currency translation differences		41.590.684	7.875.539
Comprehensive Income/Expenses Attributable to		**477.892.771**	**174.447.408**
Non-Controlling Interests		33.921.545	23.136.696
Equity Holders of the Parent		443.971.226	151.310.712

The accompanying notes are integral parts of the financial statements.

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 2021 AND 2020

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

							Other Comprehensive Income/(Expense) not to be Reclassified to Profit or Loss		Other Comprehensive Income/(Expense) to be Reclassified to Profit or Loss		Accumulated Profit					
Audited Current Period	Notes	Paid in Share Capital	Adjustment to Share Capital (Translation Differences)	Repurchased Shares	Share Premiums/ Discounts	Business Combinations Under Common Control	Defined Benefit Plans and Revaluation and Gain/Loss Arising from Measurement	Other Gains/ (Losses)	Currency Translation Differences	Gains/ (Losses) on Hedge	Restricted Reserves from Retained Earnings	Retained Earnings	Profit for the Period	Equity Holders of the Parent	Non Controlling Interests	Total Equity
Balances at January 1, 2021	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
Transfers		-	-	-	-	-	-	-	-	-	10.645.156	132.700.597	(143.345.753)	-	-	-
Total Comprehensive Income		-	-	-	-	-	(657.025)	-	41.590.684	-	-	-	403.037.567	443.971.226	33.921.545	477.892.771
Net Current Profit		-	-	-	-	-	-	-	-	-	-	-	403.037.567	403.037.567	33.981.216	437.018.783
Other comprehensive income (Expense)		-	-	-	-	-	(657.025)	-	41.590.684	-	-	-	-	40.933.659	(59.671)	40.873.988
Increase in Paid-in Capital		168.000.000	-	-	-	-	-	-	-	-	-	(168.000.000)	-	-	-	-
Business Combinations Under Common Control		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid		-	-	-	-	-	-	-	-	-	-	(48.596.669)	-	(48.596.669)	-	(48.596.669)
Gains/Losses on without Changes in Ownership Interest on Interest in a Subsidiary												-		-	-	-
Gains/Losses on Repurchased Shares		-	-	(3.273.812)	-	-	-	-	-	-	-	-	-	(3.273.812)	-	(3.273.812)
Balances at December 31, 2021	27	224.000.000	1.064.323	(4.979.617)	156.607	(11.913.128)	(1.775.982)	-	64.843.261	-	46.315.798	227.417.678	403.037.567	948.166.507	144.785.978	1.092.952.485
Audited Previous Period																
January 1, 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 Current Profit		-	-	-	-	-	-	-	-	-	-	-	143.345.753	143.345.753	23.156.752	166.502.505
Other comprehensive income (Expense)		-	-	-	-	-	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)
Gains/Losses on without Changes in Ownership Interest on Interest in a Subsidiary		-	-	-	-	-	-	-	-	-	-	-		-	-	-
Dividends paid		-	-	-	-	-	-	-	-	-	-	(22.991.482)	-	(22.991.482)	-	(22.991.482)
Gains/Losses on Repurchased Shares		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
December 31, 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

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

T.C. BAĞIMSIZ DENETÇİ 2037

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

CONSOLIDATED STATEMENTS OF CASH FLOWS (TL)	Notes	*Audited Current Period* January 1, 2021 December 31, 2021	*Audited Previous Period* January 1, 2020 December 31, 2020
A) CASH FLOWS FROM OPERATING ACTIVITIES		**746.113.351**	**985.024.857**
Profit/Loss for the Period		**437.018.783**	**166.502.505**
Adjustments to Reconcile Profit (Loss)		**351.557.975**	**115.620.248**
Adjustments for depreciation and amortisation expenses	17-18-19	17.553.134	15.278.274
Adjustments for Impairment Loss (Reversal of Impairment Loss)		**16.745.074**	**9.870.142**
Adjustments for receivables impairment (reversal)	10	8.415.496	4.096.793
Adjustments for inventory impairment (reversal)	13	8.329.578	5.773.349
Adjustments for property, plant and equipment impairment (reversal)	17-18-19	-	-
Adjustments for provisions		**53.337.166**	**(18.675.930)**
Adjustments for provisions for employee benefits (reversal)	24	3.517.462	2.385.895
Adjustments for provisions for lawsuits and penalties	22	(20.689)	(129.845)
Adjustments for other provisions (reversal)	22	49.840.393	(20.931.980)
Adjustments for interest income/expense		**127.669.017**	**56.824.139**
Adjustments for interest income	31-33	(173.288.176)	(108.023.651)
Adjustments for interest expenses	31-33	300.233.972	163.422.667
Deferred Financial Expense from Term Purchases	10	(4.151.957)	(591.732)
Unrealised Financial Income from Term Sales	10	4.875.178	2.016.855
Adjustments for tax income/expense	35	**194.945.497**	**58.617.308**
Other adjustments to reconcile profit for the period	26	**(58.691.913)**	**(6.293.685)**
Changes in Working Capital		**(71.667.849)**	**534.767.373**
Adjustments for Gains/Losses in Trade Receivables	10	(1.553.231.147)	(357.693.105)
Adjustments for Gains/Losses In Other Receivables Related To Operations	11	(60.405)	25.072.832
Gains/Losses from Inventories	13	(482.939.521)	48.438.751
Adjustments for losses/(gains) in Trade Payables	10	1.964.727.127	818.888.726
Adjustments for Gains/Losses In Other Payables Related To Operations	11	(163.903)	60.169
Cash Flows From (Used in) Operations		**716.908.909**	**816.890.126**
Employee Termination Benefit Paid	24	(1.231.483)	(1.137.637)
Income Taxes Refund (paid)	35	(69.530.055)	(47.221.642)
Other inflows (outflows) of Cash		99.965.980	216.494.010
B) CASH FLOWS FROM INVESTING ACTIVITIES		**(10.564.045)**	**(102.539.474)**
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	**173.730**	**362.401**
Cash inflows from sale of property, plant and equipment		173.730	45.585
Cash inflows from sale of intangible assets		-	316.816
Cash outflows from purchase of property, plant and equipment and intangible assets	18-19	**(5.362.201)**	**(19.149.716)**
Cash outflows from purchase of property, plant and equipment	18	(5.176.446)	(2.320.547)
Cash outflows from purchase of intangible assets	19	(185.755)	(16.829.169)
Cash inflows from purchase of investment properties	17	**1.440.678**	-
Cash outflows from purchase of investment properties	17	**(6.816.252)**	**(18.646.425)**
C) CASH FLOWS FROM FINANCING ACTIVITES		**40.469.315**	**156.138.021**
Cash inflows from borrowings	8	1.468.557.742	**1.309.096.284**
Cash inflows from loans	8	1.468.557.742	1.309.096.284
Cash outflows from repayments of borrowings	8	**(1.253.378.171)**	**(1.089.443.422)**
Cash outflows from loan repayments	8	(1.253.378.171)	(1.089.443.422)
Cash outflows from payments of lease liabilities	8	(9.898.924)	(7.861.439)
Dividends paid		(48.596.669)	(22.991.482)
Interest paid	32-33	(116.214.663)	(32.661.920)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**776.018.621**	**1.038.623.404**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**776.018.621**	**1.038.623.404**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERİOD	6	1.318.809.627	280.186.223
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	2.094.828.248	1.318.809.627

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

T.C. BAĞIMSIZ DENETÇİ 1931

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. Indeks 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. Indeks Bilgisayar is subject to Capital Markets Board ("CMB") and its 15,34% shares have been quoted on the Borsa Istanbul ("BIST") since September 2004. The listed shares of Indeks Bilgisayar have been traded on the Borsa Istanbul ("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 2021 and 2020, the subsidiaries included in the consolidation scope of Indeks 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 (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
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, 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.

(**) 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.
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 462. (2020: 470)

The registered address of Indeks 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 Çayırova / 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 İndeks 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 2021 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 2021, the subsidiaries included in the consolidation scope of Indeks 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 (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
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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, 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. 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.

(**) 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 2021, 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.

Joing 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 associaties 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 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.

T.C. DENETÇİ

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 concolidation method and 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

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.

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	December 31, 2021 Rate (%)	December 31, 2020 Rate (%)
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. 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 2021 and 2020, 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 diffuculty 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 diffuculty 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 disapperance 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 2021 and 2020 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 derecgonized, 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 statuory 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

i) The standard, Amendments, and interpretations that are not effective or an early adoption is not used by the Company as of December 31, 2021, are as follows:

Standards issued but not yet effective and not early adopted

A number of new standards, interpretations of and amendments to existing standards are not effective at reporting date and earlier application is permitted; however the Company has not early adopted are as follows.

COVID-19-Related Rent Concessions beyond 30 June 2021 (the 2021 amendment)

International Standard Board(IASB) has extended the practical expedient by 12 months – permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022. The original amendment was issued in May 2020 to make it easier for lessees to account for covid-19-related rent concessions, such as rent holidays and temporary rent reductions, while continuing to provide useful information about their leases to investors. Related changes were published by POA as Amendments to TFRS 16 on June 5, 2020.

The amendment is effective for annual reporting periods beginning on or after 1 April 2021. Lessees are permitted to apply it early, including in financial statements not authorised for issue as of 31 March 2021 the date of publication of this amendment. In other words, if the financial statements for the accounting periods before the date of publication of the amendment have not yet been issued, it is possible to apply this amendment for the relevant financial statements.. The 2021 amendments are applied retrospectively with the cumulative effect of initially applying it being recognised in opening retained earnings.

The original version of the practical expedient was, and remains, optional. However, the 2021 amendments are, in effect, not optional. This is because a lessee that chose to apply the practical expedient introduced by the 2020 amendments has to consistently apply the extension to eligible contracts with similar characteristics and in similar circumstances.

This means that lessees will need to reverse previous lease modification accounting if a rent concession was ineligible for the original practical expedient under the 2020 amendments but becomes eligible as a result of the extension.

Reference to the Conceptual Framework (Amendments to TFRS 3)

In May 2020, IASB issued Reference to the Conceptual Framework, which made amendments to IFRS 3 Business Combinations.
The amendments updated IFRS 3 by replacing a reference to an old version of the Board's Conceptual Framework for Financial Reporting with a reference to the latest version, which was issued in March 2018. And then, TFRS 3 amendment was issued on 27 July 2020 by POA to reflect these amendments.

The Company shall apply these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted.

Property, Plant and Equipment—Proceeds before Intended Use (Amendments to TAS 16)

In May 2020, IASB issued Property, Plant and Equipment—Proceeds before Intended Use, which made amendments to IAS 16 Property, Plant and Equipment.

The amendments improve transparency and consistency by clarifying the accounting requirements—specifically, the amendments 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. And then, TAS 16 amendment was issued on 27 July 2020 by POA to reflect these amendments.

The Company shall apply these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted. The amendments apply retrospectively, but only to items of Property, Plant and Equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

Onerous Contracts - Cost of Fulfilling a Contract (Amendments to TAS 37)

In May 2020, IASB issued Onerous Contracts - Cost of Fulfilling a Contract, which made amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. And then, TAS 37 amendment was issued on 27 July 2020 by POA to reflect these amendments.

IASB developed amendments to TAS 37 to clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

The Company shall apply these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.

T.C. BAĞIMSIZ DENETÇİ 3037

TFRS 17 – Insurance Contracts

On 16 February 2019, POA issued IFRS 17 Insurance Contracts. This first truly globally accepted standard for insurance contracts will help investors and others better understand insurers' risk exposure, profitability and financial position. TFRS 17 replaces TFRS 4, which was brought in as an interim Standard in 2004. TFRS 4 has given companies dispensation to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches. As a consequence, it is difficult for investors to compare and contrast the financial performance of otherwise similar companies. TFRS 17 solves the comparison problems created by TFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner, benefiting both investors and insurance companies. Insurance obligations will be accounted for using current values – instead of historical cost. The information will be updated regularly, providing more useful information to users of financial statements. TFRS 17 has an effective date of 1 January 2023 but companies can apply it earlier.

The Company does not expect that application of TFRS 17 will have significant impact on its financial statements.

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

In December 2021, IASB issued Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17). Related changes were published by POA as Amendments to TFRS 17 on 31 December 2021.

The amendment is a transition option relating to comparative information about financial assets presented on initial application of TFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements. TFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after 1 January 2023.

The Company does not expect that application of these amendments to TFRS 17 will have significant impact on its financial statements.

Amendments to TFRS 4: Applying TFRS 9 Financial Instruments with TFRS 4 Insurance Contracts

TFRS 4 has also been amended by POA within the amendments issued by IASB in order to reduce the impact of the differing effective dates of the new insurance contracts standard and TFRS 9. These amendments to TFRS 4 provide two optional solutions for insurers to reduce concerns about implementations: i) when applying TFRS 9 by insurers to its financial assets, an insurer will be permitted to reclassify the difference between profit or loss and other comprehensive income and the amounts recognised in profit or loss under TFRS 9 and those that would have been reported under TAS 39; or ii) an optional temporary exemption from applying TFRS 9 for companies whose activities are predominantly connected with insurance before January 1, 2021. These companies will be permitted to continue to apply existing requirements for financial instruments in TAS 39.

The Company does not expect that application of these amendments to TFRS 4 will have significant impact on its financial statements.

Classification of Liabilities as Current or Non-current (Amendments to TAS 1)

On 23 January 2020, IASB issued "Classification of Liabilities as Current or Non-Current" which amends IAS 1 Presentation of Financial Statements to clarify its requirements for the presentation of liabilities in the statement of financial position which are issued by POA on 12 March 2020 as amendments to TAS 1.

The amendments clarify one of the criteria in TAS 1 for classifying a liability as non-current—that is, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

The amendments include:

(a) Specifying that an entity's right to defer settlement must exist at the end of the reporting period;
(b) Clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
(c) Clarifying how lending conditions affect classification; and
(d) Clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.
The Company shall apply retrospectively these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted. However, IASB decided to defer the effective date of IAS 1 until 1 January 2023 with the amendment published on 15 July 2020, and the amendment was issued by POA on 15 January 2021.

The Company is assessing the potential impact on its financial statements resulting from the application of the amendments to IAS 1

Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to TAS 12 Income Taxes

In May 2021 IASB issued *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*, which amended IAS 12 Income Taxes. Related changes were published by POA as Amendments to TAS 12 on 27 August 2021.

The amendments to TAS 12 Income Taxes clarify how companies should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions.

The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

The amendments clarify that the exemption does not apply to transactions such as leases and decommissioning obligations. These transactions give rise to equal and offsetting temporary differences.

For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If a company previously accounted for deferred tax on leases and decommissioning liabilities under the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

The Company is assessing the potential impact on its financial statements resulting from the application of the amendments to Amendments to TAS 12

Definition of Accounting Estimates (Amendments to TAS 8)

The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty which is issued by IASB on 12 February 2021. Related changes were published by POA as Amendments to TAS 8 on 11 August 2021.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

Developing an accounting estimate includes both:

- selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and
- choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying TAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

The Company is assessing the potential impact on its financial statements resulting from the application of the amendments to Amendments to TAS 8)

Disclosure of Accounting Policies (Amendments to TAS 1)

IASB has issued amendments to IAS 1 Presentation of Financial Statements and an update to IFRS Practice Statement 2 Making Materiality Judgements to help companies provide useful accounting policy disclosures on 12 February 2021. Among these amendments, the ones related to TAS 1 were published by POA as Amendments to TAS 1 on 11 August 2021.

The key amendments to TAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The amendments are effective from 1 January 2023, but companies can apply it earlier.

The Company is assessing the potential impact on its financial statements resulting from the application of the amendments to Amendments to TAS 1)

Annual Improvements to TFRS Standards 2018–2020

Improvements to TFRSs

For the current standards, "Annual Improvements in TFRSs / 2018-2020 Cycle" published by POA on 27 July 2020 is presented below. The amendments are effective as of 1 January 2022. Earlier application is permitted. The Company does not expect that application of these improvements to TFRSs will have significant impact on its financial statements.

TFRS 1 First-time Adoption of International Financial Reporting Standards

This amendment simplifies the application of TFRS 1 for a subsidiary that becomes a first-time adopter of IFRS Standards later than its parent – i.e. if a subsidiary adopts TFRS Standards later than its parent and applies TFRS 1.D16(a), then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to TFRSs. This amendment will ease transition to TFRS Standards for subsidiaries applying this optional exemption by i) reducing undue costs; and ii) avoiding the need to maintain parallel sets of accounting records.

TFRS 9 Financial Instruments

This amendment clarifies that – for the purpose of performing the ''10 per cent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

TAS 41 Agriculture

This amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in TAS 41 with those in TFRS 13 Fair Value Measurement. The amendments provide the flexibility to use either, as appropriate, in line with TFRS 13.

T.C. BAĞIMSIZ DENETÇİ 3037

Amendments are effective on 1 January 2021

Changes that have become effective and have been adopted for annual periods beginning on or after 1 January 2021:

Interest Rate Benchmark Reform – Phase 2 – Amendments to TFRS 9 Financial Instruments, TAS 39 Financial Instruments: Recognition and Measurement, TFRS 7 Financial Instruments: Disclosures, TFRS 4 Insurance Contracts and TFRS 16 Leases

There is no the impacts of these amendments on financial position and performance of the Group

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 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 balance sheets and income statements dated 29.02.2020 are as follows:

	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 Liabilities	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 Liabilities	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**

T.C. BAĞIMSIZ DENETÇİ

STATEMENT OF PROFIT OR LOSS	01.01.2020 29.02.2020 Neteks A.Ş.	01.01.2020 29.02.2020 Neteks Tek. A.Ş.
Net Sales	68.144.074	77.920.935
Cost of sales(-)	(67.620.469)	(77.000.418)
GROSS PROFIT (LOSS) FROM TRADE OPERATION	**523.605**	**920.517**
GROSS PROFIT	**523.605**	**920.517**
General Administrative Expenses (-)	(34.591)	(415.445)
Marketing, Sales and Distribution (-)	(211.338)	(1.486.649)
Other income from operating activities	2.587.704	6.859.641
Other expenses from operating activities	(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)

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. 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:

January 1, 2021- December 31, 2021

Statement of Profit or Loss	IT Technologies and Telecommunication	Logistics Services and Leasing	Total	Elimination	Consolidated
Intra segment revenue	13.085.318.867	6.257.996	13.091.576.863	-	13.091.576.863
Inter segment revenue	-	67.623.232	67.623.232	(67.623.232)	-
Revenue	**13.085.318.867**	**73.881.228**	**13.159.200.095**	**(67.623.232)**	**13.091.576.863**
Cost of Sales (-)	(12.525.819.774)	-	(12.525.819.774)	-	(12.525.819.774)
Gross Profit/(Loss)	**559.499.093**	**73.881.228**	**633.380.321**	**(67.623.232)**	**565.757.089**

January 1, 2020- December 31, 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**

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	December 31, 2021	December 31, 2020
Cash in hand	257.642	159.866
Banks (Demand Deposits)	1.821.765.363	800.283.072
Financial Assets Held to Maturity (Reverse Repo and Time Deposits)	268.590.851	511.170.500
Credit Card Slips	4.388.428	7.349.073
Total	**2.095.002.284**	**1.318.962.511**

As of December 31, 2021, reverse repo and demand deposits total amounted of interest accrued to TL 190.851 and the maturity is 1 - 4 days. The reverse repo transactions are TL the annual interest rates are 15,02 % - 26,45 % for TL.

As of December 31, 2021 credit card slips have the maturity of 1-31 days and total amounted of interest accrued is TL 16.815. The credit card slips interest rates are 18 % for TL. Total amount of net interest is TL 174.036 in groups cash and cash equivalents

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 December 31, 2021 and 2020 the Group's has no blocked deposits and pledges in the cash and cash equivalents.

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

Cash and Cash Equivalents	December 31, 2021	December 31, 2020
Cash and Cash Equivalents	2.095.002.284	1.318.962.511
Deferred Interest Income(-) / Deferred Interest Expenses (+)	(174.036)	(152.884)
Total	**2.094.828.248**	**1.318.809.627**

NOTE 7 FINANCIAL INVESTMENTS

As of 31.12.2021, the Group has no short term short-term and long-term financial investments.

NOTE 8 SHORT-TERM, LONG-TERM FINANCIAL LIABILITIES AND SHORT TERM PORTION OF LONG TERM FINANCIAL LIABILITIES

Short Term Financial Liabilities for the periods ended are as follows:

Account Name	December 31, 2021	December 31, 2020
Bank Borrowings	1.114.333.011	847.582.286
Lease Liabilities	6.589.945	6.217.832
Total	**1.120.922.956**	**853.800.118**

There is no short term portion of long term financial liabilities at the end of the periods.

Long Term Financial Liabilities for the periods ended are as follows:

Account Name	December 31, 2021	December 31, 2020
Lease Liabilities	6.774.488	10.797.435
Total	**6.774.488**	**10.797.435**

T.C. BAĞIMSIZ DENETÇİ

As of December 31, 2021, the subsidiary of the Group, Datagate's has no short term borrowings portion amounted to TL (31 December 2020: TL 50.003.165) 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 13.364.433. (December 31, 2020: TL 17.015.267)

Movements of the liabilities are as below:

Account Name	December 31, 2021	December 31, 2020
Balance at January 1	864.597.553	488.784.948
Principal and Interest Additions During the Period	1.468.557.742	1.309.096.284
Lease Liabilities	13.364.433	17.015.267
Principal and Interest Payments During the Period	(1.253.378.171)	(1.089.443.422)
Additions in the scope of the Consolidation	-	115.340.879
Interest Accrual at the End of the Period	34.555.887	23.803.597
Balance at Ending	**1.127.697.444**	**864.597.553**

The details of short-term liabilities are explained below.

December 31, 2021

Type	Currency Amount	TL Amount	Annual Effective Interest Rate (%)
TL Loans		655.216.384	*18,40-33,00*
TL Lease Liabilities		6.589.945	*18,00-21,00*
USD Loans	34.383.032	459.116.627	*1,00-5,75*
Total Short Term Liabilities		**1.120.922.956**	

December 31, 2020

Type	Currency Amount	TL Amount	Annual Effective Interest Rate (%)
TL Loans		*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 Loans	*38.247.303*	*280.754.328*	*1,85-5,12*
Total Short Term Liabilities		**853.800.118**	

December 31, 2021

There is no short term portion of long term financial liabilities at the end of the periods

The details of long-term liabilities are explained below.

December 31, 2021

Type	Currency Amount	TL Amount	Annual Effective Interest Rate (%)
TL Lease Liabilities		6.774.488	*18,00 – 21,00*
Total Long Term Liabilities		**6.774.488**	

December 31, 2020

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

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

Account Name	December 31, 2021	December 31, 2020
0-12 months	1.120.922.956	853.800.118
13-36 months	6.774.488	10.797.435
Total	**1.127.697.444**	**864.597.553**

NOTE 9 OTHER FINANCIAL LIABILITIES

As of December 31, 2021 and 2020, the Group has no other financial liabilites.

NOTE 10 TRADE RECEIVABLES AND PAYABLES

As of December 31 2021and 2020, short term trade receivables is as follows:

Account Name	December 31, 2021	December 31, 2020
Trade Receivables	3.198.351.135	1.702.326.535
Trade Receivables from Related Parties	*1.118*	*83.173*
Trade Receivables from Non Related Parties	*3.198.350.017*	*1.702.243.362*
- Other Receivables	*3.198.350.017*	*1.649.623.841*
- Assignment of Trade Receivables	-	*52.619.521*
Notes Receivables	376.114.619	327.323.568
Rediscount on Notes Receivables (-)	(20.620.548)	(15.745.370)
Doubtful Trade Receivables	39.340.860	30.925.364
Provision for Doubtful Trade Receivables (-)	(39.340.860)	(30.925.364)
Total	**3.553.845.206**	**2.013.904.733**

As of December 31, 2021, the subsidiary of the Group, Datagate's has no short term portion of assignment of trade receivables.

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 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 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 instutions.

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 December 31 2021 and 2020, the Group has no long term trade receivables.

As of 31 December 2021, the TL 1.903.767.313 portion of receivables total amount of TL 3.553.845.206 are Euler Hermes guarantorship.The remaining balance of TL 1.650.077.893 portion of trade receivables are guaranteed by TL 190.475.725 with collaterals obtained by Group's customers.. The related disclosures regarding the nature of risks of trade receivables included in **Note 38**.

In addition, the portion amounted to TL 190.475.725 include collaterals obtained by Group's customers.

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 1.287.446.196 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 recivables until 31.03.2022. (the payment guarantee for trade receivables is determined as 85% - 90%)

Movement of the provision for doubtful receivables is as follows:

	January 1, 2021- December 31, 2021	January 1, 2020- December 31, 2020
Balance at the Beginning of the Period (-)	(30.925.364)	(24.438.386)
Additions in the scope of Consolidation(*)	-	(2.390.185)
Collections During the Period (+)	-	-
Expenses During the Period (-)	(8.415.496)	(4.096.793)
Balance at the End of the Period	**(39.340.860)**	**(30.925.364)**

(*)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.

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

As of December 31, 2021 and 2020, short term trade payables is as follows:

Account Name	**December 31, 2021**	**December 31, 2020**
Trade payables	4.262.270.679	2.297.543.552
Others	*4.262.173.851*	*2.297.287.342*
Due to related parties	*96.828*	*256.210*
Notes payables	-	-
Discount of notes payables (-)	(9.053.114)	(4.901.157)
Total	**4.253.217.565**	**2.292.642.395**

The Company has no non-current trade receivables.

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 rates are used in the accruals of TL and USD denominated receivables and payables. 31 December 2021: TL 18% USD 0,5831 % (31 December 2020: TL 17,25% USD 0,34188%)

T.C. BAĞIMSIZ DENETÇİ 1923 LEO2

NOTE 11 OTHER RECEIVABLES AND PAYABLES

As of December 31, 2021 and 2020, short term other receivables is as follows:

Account Name	December 31, 2021	December 31, 2020
Deposits and Guarantees Given	14.105	86.262
Receivables from Employees	1.065.840	848.342
Other Receivables (*)	485.065	570.001
Total	**1.565.010**	**1.504.605**

(*)As of 31 December 2021, other receivables amount is arising from receivables from tax office. (31 December 2020: TL 569.996)

As of 31 December 2021 and 2020, long term other receivables is as follows:

Account Name	December 31, 2021	December 31, 2020
Deposits and Guarantees Given	38.941	38.941
Total	**38.941**	**38.941**

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

As of December 31, 2021 and 2020, short term other payables is as follows:

Account Name	December 31, 2021	December 31, 2020
Taxes, Fees and Other Deductions Payable	31.966.137	32.256.729
Deposits and Guarantees Received	279.312	184.312
Non-Trade Receivables From Other Payables to Related Parties (**Note 37**)	-	-
Other Payables	44.394	12.705
Total	**32.289.843**	**32.453.746**

NOTE 12 DERIVATIVE INSTRUMENTS

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

Account Name	December 31, 2021	December 31, 2020
Derivatives Receivables	42.950.689	-
Total	**42.950.689**	-

As of December 31, 2021, the Group has foreign exchange purchase contract amounted to USD 46.825.335, and EUR 100.000. The contract 0-3 months maturities contracts of USD 45.843.918 and EUR 100.000 The contract has 4-12 months maturities for remaining contracts of USD 981.417. As of 31 December 2021, the fair value of the contracts amounted to TL 582.692.871 and appraisal value of TL 42.950.689 recognised as an income.

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

Derivative instruments included in current liabilities is as follows:

Account Name	December 31, 2021	December 31, 2020
Derivatives Payables	-	27.721.631
Total	-	**27.721.631**

As of December 31 2021, the Group has no payables regarding derivative instruments.

As of 31 December 2020, the Group made foreign exchange purchase contracts which have maturities. USD 39.304.028 and EUR 135.435 of contracts are 0-3 months and USD 8.033.545 of contracts are 4-12 months. As of 31 December 2020, the fair value of the contracts amounted to TL 376.423.071 and appraisal value of TL 27.721.631 recognised as an expense.

NOTE 13 INVENTORIES

As of December 31, 2021, and 2020, inventories is as follows:

Account Name	December 31, 2021	December 31, 2020
Merchandise	941.722.215	434.854.050
Goods in Transit	66.335.663	90.264.307
Provision for Inventory Impairment (-)	(24.102.404)	(15.772.826)
Total	**983.955.474**	**509.345.531**

Inventories whose invoices are received at an earlier date than their physical entry in the warehouses are classified under the account "Goods in Transit".

Movement of the provision for inventory impairment is as follows:

	January 1, 2021-December 31, 2021	January 1, 2020-December 31, 2020
Beginning of the Period (-)	(15.772.826)	(8.738.328)
Additions in the scope of Consolidation (*)	-	(1.261.149)
Cancellation of Provision Due to Increase in Net Realizable Value Net (+)	-	-
Provisions During the Period / Currency Translation Differences (-)	(8.329.578)	(5.773.349)
End of the Period (-)	**(24.102.404)**	**(15.772.826)**

(*)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. 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 2021, the net realisable value amounted to **TL 64.240.770** in inventories and the remaining portion is carried at cost in the consolidated financial statements. (As of December 31, 2020, net realisable value **TL 42.034.961** .)

Explanation	December 31, 2021	December 31, 2020
Cost	88.343.174	57.807.787
Provision for Value Decrease in Inventories	(24.102.404)	(15.772.826)
Net Realizable Value (a)	64.240.770	42.034.961
Inventory presented with its cost value (b)	919.714.704	467.310.570
Total Inventories (a+b)	**983.955.474**	**509.345.531**

There are not any inventories given as a guarantee for payables.
The information related to the 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

Short-term prepaid expenses as of December 31, 2021 and December 31, 2020 are as follows:

Account Name	December 31, 2021	December 31, 2020
Prepaid Expenses for Following Months	8.164.610	4.951.302
Advances Given for Purchases	32.984.296	16.569.889
Total	**41.148.906**	**21.521.191**

Deferred Incomes as of December 31, 2021 and December 31, 2020 are as follows:

Account Name	December 31, 2021	December 31, 2020
Advances Received from Customers	31.844.091	12.753.037
Income for the Following Months	189.411.211	89.985.636
Total	**221.255.302**	**102.738.673**

As of 31 December 2021, the portion for advances received from customers amounted to **TL 3.915.564** include advances recieved from physical and virtual airtime meters of Datagate Bilgisayar Malzemeleri A.Ş.

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.

The amounts invoiced but not shipped are included in "Income for the Following Months ".

NOTE 16 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

As of December 31, 2021 and 2020, the Group has no investments accounted for using the equity method

NOTE 17 INVESTMENT PROPERTIES

As of 31 December 2021 and 2020, investment properties is as follows:

Account Name	December 31, 2021	December 31, 2020
Investment Properties	55.742.575	50.613.789
Total	**55.742.575**	**50.613.789**

Movement of investment properties is as follows:

December 31, 2021

Cost

Account Name	January 1, 2021	Acquisitions	Disposals (-)	Transfers	December 31, 2021
Land	2.189.431	-	-	(600.000)	1.589.431
Buildings	50.354.963	6.816.252	(600.000)	600.000	57.171.215
Total	**52.544.394**	**6.816.252**	**(600.000)**	**-**	**58.760.646**

Accumulated Depreciation

Account Name	January 1, 2021	Current Period Depreciation	Disposals	Transfers	December 31, 2021
Buildings	(1.930.605)	(1.107.466)	20.000	-	(3.018.071)
Total	**(1.930.605)**	**(1.107.466)**	**20.000**	**-**	**(3.018.071)**
Net Book Value	**50.613.789**				**55.742.575**

As of December 31, 2021, the net amount of investment properties is TL 55.742.575 and investment properties with net book value of TL 2.765.765 include investment properties acquired from Istanbul and Tekirdag against receivables from dealers (31 December 2020 TL 3.393.935). The Group Management estimates that the carrying value of the buildings in Tekirdağ is approximate to their fair value. The portion amounting to TL 52.976.810 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**.

December 31, 2020

Cost

Account Name	January 1, 2020	Acquisitions	Disposals (-)	Transfers	December 31, 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	January 1, 2020	Current Period Depreciation	Disposals	Transfers	December 31, 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**

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 Tekirdağ 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**.

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

As of 31 December 2021 and 2020, the movements for property, plant and equipment, and related depreciation are as follows:

December 31, 2021

Cost

Account Name	January 1, 2021	Acquisitions	Disposals (-)	Currency Translation Differences	December 31, 2021
Buildings	20.659.335	-	-	-	20.659.335
Plant, Machinery and Equipment	4.051.829	-	-	-	4.051.829
Motor Vehicles	3.959.067	3.482.155	(182.520)	-	7.258.702
Furniture and Fixtures	14.025.745	1.547.005	-	1.821.408	17.394.158
Leasehold Improvements	8.270.020	147.285	-	38.637	8.455.942
Total	**50.965.996**	**5.176.445**	**(182.520)**	**1.860.045**	**57.819.966**

Accumulated Depreciation

Account Name	January 1, 2021	Current Period Depreciation	Disposals	Currency Translation Differences	December 31, 2021
Buildings	(891.164)	(413.187)	-	-	(1.304.351)
Plant, Machinery and Equipment	(3.922.915)	(38.733)	-	-	(3.961.648)
Motor Vehicles	(2.313.474)	(868.213)	182.520	-	(2.999.167)
Furniture and Fixtures	(10.224.965)	(1.555.641)	-	(1.044.522)	(12.825.128)
Leasehold Improvements	(6.705.657)	(479.957)	-	(22.346)	(7.207.960)
Total	**(24.058.175)**	**(3.355.731)**	**182.520**	**(1.066.868)**	**(28.298.254)**
Net Book Value	**26.907.821**				**29.521.712**

December 31, 2020

Cost

Account Name	January 1, 2020	(*) Additions in the Scope of Consolidation	Acquisitions	Disposals (-)	Currency Translation Differences	December 31, 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
Toplam	**47.802.404**	**3.094.770**	**2.320.547**	**(2.682.694)**	**430.969**	**50.965.996**

Accumulated Depreciation

Account Name	January 1, 2020	(*) Additions in the Scope of Consolidation	Current Period Depreciation	Disposals	Currency Translation Differences	December 31,2020
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**

T.C. BAĞIMSIZ DENETÇİ 3037

(*)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 March 31, 2020 and 2018, the financial statements have been accounted for using the equity method.

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 December 31, 2021 and, December 31, 2020 the movements for right of use assets, and related depreciation are as follows:

December 31, 2021

Cost

Account Name	January 1, 2021	Acquisitions	Currency Translation Differences	Disposals/(-) /Contract Costs	December 31, 2021
Buildings	16.990.120	1.471.737	-	-	18.461.857
Motor Vehicles	7.338.834	2.055.402	1.168.203	(1.833.995)	8.728.444
Total	**24.328.954**	**3.527.139**	**1.168.203**	**(1.833.995)**	**27.190.301**

Accumulated Depreciation

Account Name	January 1, 2021	Current Period Depreciation	Currency Translation Differences	Disposals/(-) /Contract Costs	December 31, 2021
Buildings	(6.368.111)	(3.915.086)	-	-	(10.283.197)
Motor Vehicles	(2.774.666)	(3.342.004)	(540.576)	1.483.819	(5.173.427)
Total	**(9.142.777)**	**(7.257.090)**	**(540.576)**	**1.483.819**	**(15.456.624)**
Net Book Value	**15.186.177**				**11.733.677**

December31, 2020

Cost

Account Name	January 1, 2020	(*) Additions in the Scope of Consolidation	Acquisitions	Disposals	Currency Translation Differences	Disposals/(-) /Contract Costs	December31, 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	January 1, 2020	(*) Additions in the Scope of Consolidation	Acquisition	Current Period Depreciation	Currency Translation Differences	Disposals/(-) /Contract Costs	December 31, 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**

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.

December 31, 2021

Cost

Account Name	January 1, 2021	Acquisitions	Disposals	Currency Translation Differences	December 31, 2021
Rights	23.536.894	185.756	-	1.106.842	24.829.492
Other Intangible Assets	155.811	-	-	-	155.811
Total	**23.692.705**	**185.756**	-	**1.106.842**	**24.985.303**

Accumulated Depreciation

Account Name	January 1, 2021	Current Period Depreciation	Disposals	Currency Translation Differences	December 31, 2021
Rights	(7.950.421)	(5.832.847)	-	(395.730)	(14.178.998)
Other Intangible Assets	(35.384)	-	-	-	(35.384)
Total	**(7.985.805)**	**(5.832.847)**	-	**(395.730)**	**(14.214.382)**
Net Book Value	**15.706.900**				**10.770.921**

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

December 31, 2020

Cost

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

(*)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 2021 and 2020, the financial statements of Neteks İletişim Ürünleri Dağıtım A.Ş. and Neteks Teknoloji Ürünleri A.Ş have been accounted for using the equity method.

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	December 31, 2021	December 31, 2020
Goodwill	1.897.699	1.897.699
Total	**1.897.699**	**1.897.699**

NOTE 20 EMPLOYEE BENEFIT OBLIGATIONS

Employee Benefit obligations as of December 31,2021 and December 31,2020 are as follows:

Account Name	December 31, 2021	December 31, 2020
Payables to Personnel	114.990	21.072
Social Security Payables	1.135.025	975.083
Total	**1.250.015**	**996.155**

NOTE 21 GOVERNMENT GRANTS

None.

NOTE 22 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

i) Provisions

Account Name	December 31, 2021	December 31, 2020
Provisions for Price Differences	92.122.180	42.281.787
Provision for Lawsuits	107.757	128.446
Total	**92.229.937**	**42.410.233**

December 31, 2021	Provision for Lawsuits	Provisions for Price Differences	Total
Beginning of the Period - 1 January	128.446	42.281.787	42.410.233
Additional Provisions	37.352	92.122.180	92.159.532
Payments During the Period	-	(42.281.787)	(42.281.787)
Reversal of Provisions	(58.041)	-	(58.041)
End of the period	**107.757**	**92.122.180**	**92.229.937**

December 31, 2020	Provision for Lawsuits	Provisions for Price Differences	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**

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.

Contingent Assets and Liabilities:

December 31, 2021

As of 31 December 2021, the provisions for lawsuits amounted to **TL 107.757** 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.

December 31, 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.

In accordance with TFRS 9, execution proceedings amounted to **TL 39.340.860** for provisions for doubtful receivables of the Group and the related provisions are reflected in to the consolidated financial statements. (31.12.2020: **TL 30.925.364**)

Commitments, mortgages and guarantees not included in the liability:

December 31, 2021

	TL	USD	EURO
Bill of Guarantees Given	73.349.314	16.865.000	-
Letters of Guarantee Given	272.451.030	13.000.000	1.200.000
Total	**345.800.344**	**29.865.000**	**1.200.000**

December 31, 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**

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;

December 31, 2021

Type of Insured Asset	**USD**	**TL**
Merchandise	92.000.000	-
Motor Vehicles	-	14.095.300
Plant, Machinery and Equipment	25.000	8.678.652
Buildings	-	14.500.000
Total	**92.025.000**	**37.273.952**

December 31, 2020

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**

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.) The ratio of Mortgages and Guarantees Given to Shareholders' Equity is as follows:

Collateral, Pledge, Mortgages Given by the Group	December 31, 2021 Currency Amount	December 31, 2021 TL Equivalent	December 31, 2020 Currency Amount	December 31, 2020 TL Equivalent
A. Total amount of CPM's given in the name of its own legal personality	-	**464.176.710**	-	**380.594.842**
Letters of Guarantee (USD)	*13.000.000*	173.589.000	*13.000.000*	*95.426.500*
Letters of Guarantee (EUR)	*1.200.000*	18.136.680	*1.350.000*	*12.160.665*
Letters of Guarantee (TL)	*272.451.030*	272.451.030	*273.007.677*	*273.007.677*
Letters and Notes of Guarantee (TL)	-	-	-	-
Pledge		-		-
Mortgages (USD)	-	-	-	-
B. Total amount of CPM's given on behalf of the fully consolidated companies	-	**298.547.659**	-	**186.882.207**
Bill of Guarantees (USD)	*16.865.000*	225.198.345	*5.265.000*	*38.647.733*
Bill of Guarantees (EURO)				
Bill of Guarantees (TL)	*73.349.314*	73.349.314	*148.234.474*	*148.234.474*
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	-	**762.724.369**	-	**567.477.049**

The ratio of other CPM given by the Group to the equity is 0%: (31 December 2020: 0%)

NOTE 23 COMMITMENTS

None.

NOTE 24 LONG TERM PROVISIONS FOR EMPLOYEE BENEFITS

Account Name	December 31, 2021	December 31, 2020
Provision for Employment Termination Benefits	11.962.789	8.780.940
Total	**11.962.789**	**8.780.940**

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 TL 10.848,59 (31 December 2020: TL 7.638,96) 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:

T.C. BAĞIMSIZ DENETÇİ

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 2021, 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 2021, the provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 17% and an interest rate of 21%, resulting in a real discount rate of 3.42%. (31 December 2020: 3.69 real discount rate).

As of the 31 December 2021, turnover rate to estimate the probability of retirement is 96,88%. (31 December 2020: 96,95%)

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

	January 1, 2021 December 31, 2021	January 1, 2020 December 31, 2020
Balance at January 1	8.780.940	7.270.394
Additions in the Scope of Consolidation (*)	-	272.774
Current Period Service Cost	1.070.024	804.189
Actuarial Gains / Losses	895.870	(10.486)
Interest Cost	1.843.998	942.896
Payment/Reduction of Benefits /Loss due to Dismissal	603.440	638.810
Payments During the Period (-)	(1.231.483)	(1.137.637)
End of the Period	**11.962.789**	**8.780.940**

(*)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. 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.

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:

	January 1, 2021 December 31, 2021	January 1, 2020 December 31, 2020
General Administrative and Marketing Expenses	(3.517.462)	(2.385.895)
Other Operating Income	-	-
Income / (Expense) Recognised in Profit or Loss	**(3.517.462)**	**(2.385.895)**
Actuarial Gains/Losses Recognized in Other Comprehensive Income	(895.870)	10.486
Profit / (Loss) for the Period	**(4.413.332)**	**(2.375.409)**

	January 1, 2021 December 31, 2021	January 1, 2020 December 31, 2020
Actuarial Gains/Losses Recognized in Other Comprehensive Income	(895.870)	10.486
Tax Effect 20%	179.174	(2.097)
Total	**(716.696)**	**8.389**

The actuarial gain recognized in the current period is TL 895.870. Net other comprehensive income is amounted to TL 716.696 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 which is presented in the statement of other comprehensive income as TL 59.671.

The actuarial gain recognized in the previous 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.

NOTE 25 CURRENT PERIOD TAX ASSETS AND LIABILITIES

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

Account Name	December 31, 2021	December 31, 2020
Prepaid Taxes	16.467	44.327
Total	**16.467**	**44.327**

NOTE 26 OTHER ASSETS AND LIABILITIES

As of 31 December 2021 and 2020, other current assets is as follows:

Account Name	December 31, 2021	December 31, 2020
Credit Note Income Accruals	63.749.354	15.194.676
Deferred VAT	55.346.381	45.328.326
Business Cash Advances	1.121.455	1.002.275
Total	**120.217.190**	**61.525.277**

As of December 31, 2021, the Group has no other liabilities.

NOTE 27 EQUITY

i) Non Controlling Interests

Account Name	January 1, 2021 December 31, 2021	January 1, 2020 December 31, 2020
Balance at January 1	110.864.433	128.648.181
Gains/Losses on Non Controlling Interests	33.981.216	23.156.752
Business Combinations Under Common Control	-	(40.920.444)
Gains/Losses on Minority Interests	(59.671)	(20.056)
Total	**144.785.978**	**110.864.433**

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

The capital of the Group has 224.000.000 shares with a nominal value of TL 1 and issued capital of the Group is TL 224.000.000. The capital of the Group is TL 224.000.000 which include Class A shares amounting to TL 1.272,72 and Class B shares amounting to TL 223.998.727,28.

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.

T.C. BAĞIMSIZ DENETÇİ 1923

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.

	December 31, 2021		December 31, 2020	
Shareholder	**Shareholding Rate %**	**Shareholding Amount**	**Shareholding Rate %**	**Shareholding Amount**
Nevres Erol Bilecik (*)	% 32,31	72.378.584	% 36,37	20.369.646
Desbil A.Ş.	% 7,79	17.439.535	-	-
Public Shares	% 57,53	128.872.061	% 61,26	34.302.899
Other	% 2,37	5.309.820	% 2,37	1.327.455
Total	**% 100**	**224.000.000**	**% 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 Desbil A.Ş. share (N. Erol Bilecik has %100 of shares) of is 40.10%.

In accordance with decision of board dated 03.03.2021 and numbered 2021/03 issued capital has arisen from 56.000.000 TL to 224.000.000 TL on the condition that the upper limit of registered capital 300.000.000 TL of companies where the registered capital system is accepted. The arisen amount 168.000.000 TL has afforded from extraordinary reserves which announced by capital market board on 08.04.2021 and 2021/19 weekly bulletin and registered-announced by İstanbul Commerce Registership on 19.04.2021.

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	**December 31, 2021**	**December 31, 2020**
Beginning of the Period – 1 January	*(1.118.957)*	*(1.208.377)*
Actuaria Gains and (Losses) ***(Note 24)***	*(895.870)*	*10.486*
Tax Effect ***(Note 24, Note 35)***	*179.174*	*(2.097)*
Actuarial Gains and (Losses) on Non Controlling Interests / Share of other comprehensive income/(expenses) of investments accounted for using the equity method	*59.671*	*81.031*
Actuarial Gains and (Losses) (Net)	**(1.775.982)**	**(1.118.957)**
Gains/(losses) on Remeasurements of Defined Benefit Plans	**(1.775.982)**	**(1.118.957)**
Other Gains and Losses	-	-
Accumulated Other Comprehensive Income or Expenses not to be Reclassified in Profit or Loss	**(1.775.982)**	**(1.118.957)**

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

Movement of currency translation differences is as follows:

	December 31, 2021	December 31, 2020
Balance at January 1	23.252.577	15.377.038
Gains / (Losses)	41.590.684	7.875.539
End of the Period	**64.843.261**	**23.252.577**

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

As of December 31, 2021 and 2020, equity items is as follows:

Account Name	December 31, 2021	December 31, 2020
Paid in Share Capital	224.000.000	56.000.000
Adjustment to Share Capital	1.064.323	1.064.323
Repurchased Shares (-)	(4.979.617)	(1.705.805)
Share Premium	156.607	156.607
Business Combinations Under Common Control	(11.913.128)	(11.913.128)
Accumulated Other Comprehensive Income Or Expenses not to Be Reclassified In Profit Or Loss	(1.775.982)	(1.118.957)
- Gains/(Losses) on Remeasurements of Defined Benefit Plans	*(1.775.982)*	*(1.118.957)*
Accumulated Other Comprehensive Income or Expenses to be Reclassified in Profit or Loss	*64.843.261*	23.252.577
- Currency Translation Differences	*64.843.261*	*23.252.577*
Restricted Reserves from Retained Earnings	46.315.798	35.670.642
- Legal Reserves	*45.168.748*	*34.523.592*
- Gains on Sale of Interest in a Subsidiary Exempt from Corporate Tax	*1.147.050*	*1.147.050*
Retained Earnings	227.417.678	311.313.750
Net Profit for the Period	403.037.567	143.345.753
Equity Holders of the Parent	**948.166.507**	**556.065.762**
Non Controlling Interests	144.785.978	110.864.433
Total Equity	**1.092.952.485**	**666.930.195**

T.C. BAĞIMSIZ DENETÇİ

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 2021, repurchased shares comprise of parent company's shares amounting to TL 4.499.293, 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 SALES AND COST OF SALES

Sales and cost of sales for the periods ended December 31, 2021 and December 31, 2020 are as follows:

Account Name	January 1, 2021 December 31, 2021	January 1, 2020 December 31, 2020
Domestic Sales	13.141.012.766	10.308.146.991
Foreign Sales	110.601.152	101.492.789
Other Sales	52.945.918	47.332.585
Sales Returns (-)	(186.508.188)	(184.267.074)
Sales Discounts (-)	(26.474.785)	(17.685.269)
Net Sales	**13.091.576.863**	**10.255.020.022**
Cost of Goods Sold (-)	(12.525.819.774)	(9.869.318.232)
Gross Profit	**565.757.089**	**385.701.790**

NOTE 29 RESEARCH AND DEVELOPMENT, MARKETING, SALES & DISTRIBUTION EXPENSES AND GENEREAL ADMINISTRATION EXPENSES

The Operational Expenses for the periods ended December 31, 2021 and December 31, 2020 are as follows:

Account Name	January 1, 2021 December 31, 2021	January 1, 2020 December 31, 2020
General Administration Expenses (-)	(91.309.272)	(75.284.585)
Marketing, Sales & Distribution Expenses (-)	(65.374.406)	(53.885.976)
Total Operating Expenses	**(156.683.678)**	**(129.170.561)**

T.C. BAĞIMSIZ DENETÇİ 1603

NOTE 30 EXPENSES BY NATURE

Expenses By Nature of the Company for the periods ended December 31, 2021 and December 31, 2020 are as follows:

Account Name	January 1, 2021 December 31, 2021	January 1, 2020 December 31, 2020
Marketing, Sales and Distribution Expenses and General Administrative Expenses (-)	**(156.683.678)**	**(129.170.561)**
- Personnel Expenses	(76.408.070)	(65.730.502)
- Depreciation and Amortisation Charges	(17.553.134)	(15.278.274)
- Insurance Expenses	(17.021.978)	(9.280.316)
- Transportation, Distribution and Storage Expenses	(9.995.259)	(8.152.928)
- Provision for Doubtful Receivables	(8.415.496)	(4.096.793)
- Outsourcing Expenses (Office Supplies)	(4.744.028)	(4.153.851)
- Provision for Employment Termination Benefits	(3.517.462)	(2.385.895)
- Maintenance and repair expenses	(3.378.618)	(2.702.721)
- Consultancy and Audit Expenses	(3.197.684)	(3.258.318)
- Motor Vehicle Expenses	(3.094.247)	(2.187.947)
- Representation and Hospitality Expenses	(3.048.382)	(4.138.656)
- Advertisement and Promotion Expenses	(2.038.746)	(1.301.391)
- Sales and International Trade Costs	(1.572.039)	(973.059)
- Taxes, Duties and Charges	(925.040)	(3.848.288)
- Other Expenses	(1.773.495)	(1.681.622)
Total Operating Expenses	**(156.683.678)**	**(129.170.561)**

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

Fees for Services Received from Independent Auditor/ Independent Audit Firms for the periods ended December 31, 2021 and December 31, 2020 are as follows:

The Group's explanation regarding the fees for the services received from the independent audit firms, which is based on the letter of POA dated August 19, 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on March 30, 2021, are as follows:

Account Name	January 1, 2021- December 31, 2021	January 1, 2020- December 31, 2020
Audit and assurance fee	71.000	47.500
Tax consulting fee	-	-
Other assurance services fee	15.000	32.000
Other service fee apart from audit	-	-
Total	**86.000**	**79.500**

NOTE 31 OTHER OPERATING INCOME / EXPENSE

Other income / expense for the periods ended December 31, 2021 and December 31, 2020 are as follows:

Account Name	January 1, 2021 December 31, 2021	January 1, 2020 December 31, 2020
Other Operating Income	**677.359.790**	**289.857.159**
Provisions No Longer Required (Lawsuits)	20.689	-
Interest Eliminated from Sales	153.286.009	94.868.566
Interest and Rediscount Income	23.800.955	11.434.022
Foreign Exchange Gains (Trade Receivables and Payables)	500.201.103	183.409.564
Other Income and Profits	51.034	145.007
Other Operating Expenses (-)	**(518.441.023)**	**(200.776.277)**
Interest Eliminated from Purchases	(95.396.099)	(50.091.345)
Interest and Rediscount Expenses	(25.534.400)	(17.847.798)
Foreign Exchange Losses (Trade Receivables and Payables)	(396.417.234)	(129.927.506)
Other Expenses and Losses (-)	(1.093.290)	(2.909.628)
Other Operating Income / Expenses (Net)	**158.918.767**	**89.080.882**

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

As of December 31 2021 and 2020, gains and losses from investment activities is as follows:

Account Name	January 1, 2021 December 31, 2021	January 1, 2020 December 31, 2020
Gains from Investment Activites	**1.034.408**	**50.488**
Gain on Sale of Property, Plant and Equipment	1.034.408	-
Dividend Income	-	-
Other	-	50.488
Losses from Investment Activities (-)	-	-
Other Gains / Losses (Net)	**1.034.408**	**50.488**

Account Name	January 1, 2021 December 31, 2021	January 1, 2020 December 31, 2020
Gains/Losses on Investments Accounted for Using the Equity Method	-	(1.294.086)
Other Gains / Losses (Net)	-	**(1.294.086)**

(*) 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**.

T.C. BAĞIMSIZ DENETÇİ

NOTE 33 FINANCIAL INCOME / EXPENSE

As of 31 December 2021 and 2020, financial income is as follows:

Account Name	January 1, 2021 December 31, 2021	January 1, 2020 December 31, 2020
Interest Income	20.002.167	13.155.085
Foreign Exchange Gains	299.843.640	80.920.981
Total Financial Income	**319.845.807**	**94.076.066**

As of December 31, 2021 and 2020, financial expenses is as follows:

Account Name	January 1, 2021 December 31, 2021	January 1, 2020 December 31, 2020
Bank Charges and Interest Expenses	(204.837.873)	(113.331.322)
Foreign Exchange Losses	(52.070.240)	(99.993.444)
Total Financial Expenses	**(256.908.113)**	**(213.324.766)**

The Group has no capitalised financing costs during the period.

NOTE 34 FIXED ASSETS HELD FOR SALE PURPOSES 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	December 31, 2021	December 31, 2020
Current Income Tax Liabilities	166.714.780	59.381.546
Prepaid Taxes (-)	(47.428.434)	(37.279.925)
Current income tax liabilities (net)	**119.286.346**	**22.101.621**

As of 31 December 2021 and 2020, tax assets and liabilities is as follows:

Account Name	January 1, 2021 December 31, 2021	January 1, 2020 December 31, 2020
Current Period Tax Expense (-)	(166.714.780)	(59.381.546)
Deferred Income Tax / (Expense)	(28.230.717)	764.238
Total Tax Income / (Expense)	**(194.945.497)**	**(58.617.308)**

Account Name	December 31, 2021	December 31, 2020
Deferred Tax Assets / Liabilities at the Beginning of the Period	24.213.640	14.187.963
Additions in the Scope of Consolidation (*)	-	7.228.330
Actuarial Gains/Losses	179.174	(2.097)
Currency Translation Differences	7.572.878	2.035.206
Deferred Income Tax / (Expense)	(28.230.717)	764.238
Deferred Tax Assets/Liabilities at the End of the Period	**3.734.975**	**24.213.640**

(*)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 2020 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 25% in Turkey in 2021 (2020: 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.

The corporate tax rate has been determined as 25% for 2021 and 23% for 2022 with the law numbered 7316 dated April 15, 2021, and it has been stated that the application will be applied as of the provisional corporate tax returns to be declared after 1 July 2021.

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.

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 taxation periods of the companies for 2018 - 2020 (Financial periods starting in the relevant year for the companies designated as special financial period) will be applied at a rate of 22% for corporate incomes. With the article 11 of the "Law on the Collection of Public Claims and Amendments to Some Laws" dated 15 April 2021 and numbered 7316, the taxation periods of the companies for 2021 (financial periods starting in the relevant year for the companies designated as a special financial period) will be applied at a rate of 25% for corporate incomes and 23% for 2022. During the calculation of deferred tax assets and liabilities, the tax rates of the periods estimated by the Company to recover the book value of its assets or settle liabilities as of the date of the statement of financial position are taken into account.

T.C. BAĞIMSIZ DENETÇİ

Account Name	December 31, 2021 Cumulative Temporary Differences	December 31, 2021 Deferred Tax Assets/(Liabilities)	December 31, 2020 Cumulative Temporary Differences	December 31, 2020 Deferred Tax Assets/(Liabilities)
Property, Plant and Equipment and Intangible Assets	(6.857.012)	(1.371.402)	(5.784.402)	(1.156.880)
Rediscount Expenses	73.540.064	16.914.215	54.818.663	10.963.733
Provision for Employment Termination Benefits	11.962.783	2.392.557	8.780.942	1.756.188
Provision for Inventory Impairment	24.102.404	5.543.553	15.772.826	3.154.565
Valuation Difference on Notes Payable	(8.313.854)	(1.912.187)	(4.042.122)	(808.424)
Derivative Instruments	(42.950.686)	(9.878.658)	27.721.631	5.544.326
Finance Loss	-	-	21.464.128	4.292.826
Other	(34.578.709)	(7.953.103)	2.336.531	467.306
Deferred Tax Assets / (Liabilities), Net		**3.734.975**		**24.213.640**

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.

In accordance with the Turkish Accounting Standard ("TAS") numbered 33 "Earning Per Share" paragraph numbered 64 Retrospective Adjustments, amount of calculated earnings per share was adjusted retrospectively by the Group due to capital increase through bonus issues.

Number of total shares and calculation of earnings per share at 1 January – 31 December 2021 and 2020 is as follows:

	January 1, 2021 December 31, 2021	January 1, 2020 December 31, 2020
Profit for the Period	403.037.567	143.345.753
Weighted Average Number of Shares	224.000.000	224.000.000
Earnings Per Share	**1,799275**	**0,639936**
Profit attributable to equity holders of the parent	15.833,71	5.631,47
Profit attributable to non-controlling interests	1,709321	0,607943

NOTE 37 RELATED PARTY DISCLOSURES

Related parties balances are as follows:

	Receivables		Payables	
December 31, 2021	**Trade Receivables**	**Non-Trade Receivables**	**Trade Receivables**	**Non-Trade Receivables**
Homend A.Ş.	29	-	-	-
Desbil A.Ş.	1.089	-	96.828	-
Total	**1.118**	-	**96.828**	-

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

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 2021 is USD 3,15 % - 6,50 % and EUR 3,00 % - 5,00% and TL 18,00 % - 23,00%. (31 December 2020: (2,65% - 7,00%) (2,50% - 5,50%) and (8,75% - 21,00%) respectively.

Related parties transactions are as follows:

January 1, 2021–December 31, 2021

Sales to Related Parties	Sales of Goods and Services	General Expense Allocation	Interest and Foreign Exchange Income	Total Income / Sales
Desbil A.Ş.	-	11.071	-	11.071
Homend A.Ş.	-	2.000	-	2.000
Total	-	**13.071**	-	**13.071**

Purchases from Related Parties	Purchases of Goods and Services	General Expense Allocation	Interest and Foreign Exchange Expense	Total Expenses / Purchases
Desbil A.Ş.	-	948.203	-	948.203
Total	-	**948.203**	-	**948.203**

January 1, 2020 – December 31, 2020

Sales to Related Parties	Sales of Goods and Services	General Expense Allocation	Interest and Foreign Exchange Income	Total Income / Sales
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 from Related Parties	Purchases of Goods and Services	General Expense Allocation	Interest and Foreign Exchange Expense	Total Expenses / Purchases
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.

T.C. BAĞIMSIZ DENETÇİ

Benefits and Services Provided for Senior Management;

Account Name	**January 1, 2021 December 31, 2021**	**January 1, 2020 December 31, 2020**
Short-Term Benefits Provided to Management Staff	18.174.829	15.741.522
Employment Termination Benefits	-	-
Other long term benefits	-	-
Total	**18.174.829**	**15.741.522**

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 managemen 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 2021 and 2020 are as follows:

	December 31, 2021	**December 31, 2020**
Total Liabilities	5.859.189.241	3.394.442.947
Negative: Cash and Cash Equivalents	(2.095.002.284)	(1.318.962.511)
Net Liabilities	3.764.186.957	2.075.480.436
Total Equity	1.092.952.485	666.930.195
Total Capital	4.857.139.442	2.742.410.631
Net Liabilities/Total Capital Rate	**77,50%**	**75,68%**

(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 2021 and 2020, assets and liabilities denominated in foreign currency are as follows:

As of 31 December 2021, if EUR and USD had appreciated by 10% against TL with all other variables held constant, profit before tax would have been TL 132.635.257 higher. (31 December 2020: TL 55.705.786 higher)

Foreign Exchange Rate Sensitivity Analysis Table

Current Period December 31, 2021

	Profit / Loss	
	Appreciation of Foreign Currency	**Depreciation of Foreign Currency**
In the event of 10% value change of US Dollar against TL;		
1- US Dollar Net Asset / Liability	130.566.137	(130.566.137)
2- The part, hedged from US Dollar Risk (-)		
3- US Dollar Net Effect (1+2)	**130.566.137**	**(130.566.137)**
In the event of 10% value change of Euro against TL		
4- Euro Net Asset/ (Liabilities)	2.069.120	(2.069.120)
5- The part, hedged from Euro Risk (-)		
6- Euro Net Effect (4+5)	**2.069.120**	**(2.069.120)**
Total	**132.635.257**	**(132.635.257)**

Foreign Exchange Rate Sensitivity Analysis Table

Current Period December 31, 2020

	Profit / Loss	
	Appreciation of Foreign Currency	**Depreciation of Foreign Currency**
In the event of 10% value change of US Dollar against TL;		
1- US Dollar Net Asset / Liability	54.589.569	(54.589.569)
2- The part, hedged from US Dollar Risk (-)		
3- US Dollar Net Effect (1+2)	**54.589.569**	**(54.589.569)**
In the event of 10% value change of Euro against TL		
4- Euro Net Asset/ (Liabilities)	1.116.217	(1.116.217)
5- The part, hedged from Euro Risk (-)		
6- Euro Net Effect (4+5)	**1.116.217**	**(1.116.217)**
Total	**55.705.786**	**(55.705.786)**

Table of Foreign Exchange Position

	Current Period				Previous Period			
	Amount in TL	**TL(*)**	**USD**	**EURO**	**Amount in TL**	**TL(*)**	**USD**	**EURO**
1. Trade Receivables	1.517.277.964	59.557.262	108.951.231	365.205	519.612.053	39.134.385	65.200.113	208.288
2a. Monetary Financial Assets	1.213.764.827	536.931	89.244.308	1.570.291	460.921.219	21.436.614	58.867.633	817.810
2b. Non-monetary financial assets	4.596.138	148.466	327.608	5.368	-	-	-	-
3. Other	89.202.543	47.973.140	2.690.653	355.657	90.349.530	38.036.287	6.428.603	568.844
4. Total Current Assets (1+2+3)	**2.824.841.472**	**108.215.799**	**201.213.800**	**2.296.521**	**1.070.882.802**	**98.607.286**	**130.496.348**	**1.594.942**
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-	-	-
7. Other	2.098.464	2.098.464	-	-	9.331.713	9.331.713	-	-
8. Total Non Current Assets(5+6+7)	**2.098.464**	**2.098.464**	-	-	**9.331.713**	**9.331.713**	-	-
9. Total Assets (4+8)	**2.826.939.936**	**110.314.263**	**201.213.800**	**2.296.521**	**1.080.214.515**	**107.938.999**	**130.496.348**	**1.594.942**
10. Trade Payables	1.849.797.573	80.647.948	131.388.124	974.203	607.174.197	29.182.640	78.211.619	430.641
11. Financial Liabilities	227.117.305	26.066.734	15.056.584	-	153.097.493	42.561.098	15.058.429	-
12a. Other Monetary Liabilities	24.211.696	22.843.945	77.265	22.234	9.057.802	8.757.881	21.093	16.107
12b. Other Non- Monetary Liabilities	111.690.658	67.341.949	3.290.973	26.754	75.034.968	23.560.690	6.957.788	44.476
13. Total Current Liabilities (10+11+12)	**2.212.817.232**	**196.900.576**	**149.812.946**	**1.023.190**	**844.364.460**	**104.062.309**	**100.248.929**	**491.223**
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	1.211.596	1.211.596	-	-	1.658.965	1.658.965	-	-
16a. Other Monetary Liabilities	923.700	923.700	-	-	614.703	614.703	-	-
16b. Other Non- Monetary Liabilities	-	-	-	-	-	-	-	-
17. Total Non Current Liabilities (14+15+16)	**2.135.296**	**2.135.296**	-	-	**2.273.668**	**2.273.668**	-	-
18. Total Liabilities (13+17)	**2.214.952.528**	**199.035.872**	**149.812.946**	**1.023.190**	**846.638.128**	**106.335.977**	**100.248.929**	**491.223**
19. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b	625.643.560	-	46.825.335	100.000	325.084.491	-	44.120.224	135.435
19a. Total Asset Amount of Hedged (*)	625.643.560	-	46.825.335	100.000	325.084.491	-	44.120.224	135.435
19b. Total Liabilities Amount of Hedged	-	-	-	-	-	-	-	-
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	**1.237.630.968**	**(88.721.609)**	**98.226.189**	**1.373.331**	**558.660.878**	**1.603.022**	**74.367.643**	**1.239.154**
21. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (1+2a+3+5+6a-10-11-12a-14-15-16a)	**627.780.921**	**(71.599.730)**	**51.673.567**	**939.060**	**208.930.112**	**(22.204.289)**	**30.776.605**	**579.351**
22. Total Fair Value of Financial Instruments Used for Foreign Exchange Hedge								
23. Foreign Exchange Hedged Portion Amount of Assets	582.692.871	-	46.825.335	100.000	350.799.855	-	44.120.224	135.435
24. Foreign Exchange Hedged Portion Amount of Liabilities	-	-	-	-	-	-	-	-
25. Export	110.601.152	-	-	-	101.492.789	-	-	-
26. Import	2.636.182.754	-	-	-	1.890.861.948	-	-	-

(*)When a co[illegible]'s of the Group functional currency is USD, whose foreign currencies are TL and Euro.

c2) Credit Risk Details

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

	Receivables					Bank	
	Trade Receivables		Other Receivables			Deposits and	
Current Period	Related Party	Other	Related Party	Other	Notes	Reverse Repo	Notes
Maximum exposure to credit risk as of reporting date (A+B+C+D) (*)	1.118	3.553.844.088	-	1.603.951		2.090.356.214	
- Maximum risk, secured with guarantees	-	2.094.243.038	-	-			
A. Net book value of neither past due nor impaired financial assets	1.118	3.551.966.100	-	1.603.951	10-11	2.090.356.214	6
B. Net book value of past due but not impaired financial assets	-	8.450.708				-	
- Secured with guarantees		(6.572.720)			10-11	-	6
C. Net book value of impaired assets	-	-	-	-		-	
- Past due (gross amount)	-	39.340.860	-	-	10-11	-	6
- Impairment (-)		(39.340.860)			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					Bank	
	Trade Receivables		Other Receivables			Deposits and	
Previous Period	Related Party	Other	Related Party	Other	Notes	Reverse Repo	Notes
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	-	5.152.211				-	
- Secured with guarantees		(4.019.198)			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 (-)							

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

	Receivables	
Current Period (December 31, 2021)	**Trade Receivables**	**Other Receivables**
Past due up to 1 month	4.394.168	-
Past due 1-3 months	2.332.180	-
Past due more than 3 months	1.724.360	-
Secured with guarantees	6.572.720	-

	Receivables	
Previous Period (December 31, 2020)	**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	-

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

Indeks 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.

T.C. BAĞIMSIZ DENETÇİ 3037

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).**

(e3) 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	Previous Period
Fixed Interest Rate Financial Instruments		
Financial Assets	268.590.851	511.170.500
Financial Liabilities	1.127.697.444	864.597.553
Floating Interest Rate Financial Instruments		
Financial Assets	-	-
Financial Liabilities	-	-

As of December 31, 2021, in the case of 100 bps rise in the annual interests, with all other variables held constant, profit before tax would have been TL 8.591.066 lower. (31 December 2020: TL 3.534.271 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.

(e4) 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 2021 and 2020 are as follows:

December 31, 2021

Expected Terms	Book Value	Cash Outflows Total As Per the Agreement	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
Non-Derivative Financial Liabilities	**5.413.204.852**	**5.467.638.571**	**5.097.243.003**	**362.889.356**	**7.506.212**	-
Bank Loans	1.114.333.011	1.157.095.828	800.238.627	356.857.201	-	-
Lease obligations	13.364.433	15.982.221	2.443.854	6.032.155	7.506.212	-
Trade Liabilities	4.253.217.565	4.262.270.679	4.262.270.679	-	-	-
Other Liabilities	32.289.843	32.289.843	32.289.843	-	-	-

Expected Terms	Book Value	Cash Outflows Total As Per the Agreement	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
Derivative Financial Liabilities	**42.950.689**	**32.327.675**	**33.654.237**	**(1.326.562)**	-	-
Derivative Cash Inflows	625.643.560	625.643.560	612.562.253	13.081.307	-	-
Derivative Cash Outflows	(582.692.871)	(593.315.885)	(578.908.016)	(14.407.869)	-	-

Forward transactions include USD 46.825.335 and EUR 100.000 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 December 31, 2021. Actual profit or loss will be determined at the maturity date.

December 31, 2020

Expected Terms	Book Value	Cash Outflows Total As Per the Agreement	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
Non-Derivative Financial Liabilities	*3.189.693.694*	*3.211.185.784*	*3.076.370.478*	*122.046.175*	*12.769.131*	-
Bank Loans	847.582.286	859.550.727	744.106.095	115.444.632	-	-
Lease obligations	17.015.267	21.637.759	2.267.085	6.601.543	12.769.131	-
Trade Liabilities	2.292.642.395	2.297.543.552	2.297.543.552	-	-	-
Other Liabilities	32.453.746	32.453.746	32.453.746	-	-	-

Expected Terms	Book Value	Cash Outflows Total As Per the Agreement	Less than 3 Months	3-12 Months	1-5 Years	More than 5 Years
Derivative Financial Liabilities	**(27.721.631)**	**(35.648.420)**	**(29.819.022)**	**(5.829.398)**	-	-
Derivative Cash Inflows	348.701.445	348.701.445	289.731.208	58.970.237	-	-
Derivative Cash Outflows	(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 December 31, 2020. Actual profit or loss will be determined at the maturity date.

T.C. BAĞIMSIZ DENETÇİ 1923 SEOT

(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 December 31, 2021 and 2020, the Group has no financial investments. (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.

NOTES 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

None.