İNDEKS BİLGİSAYAR SİSTEMLERİ MÜHENDİSLİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

**CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023
TOGETHER WITH THE INDEPENDENT AUDITORS' REPORT**

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

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

İNDEKS BİLGİSAYAR SİSTEMLERİ MÜHENDİSLİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR 1 JANUARY- 31 DECEMBER 2023

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

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of İndeks Bilgisayar Sistemleri Mühendislik Sanayi ve Ticaret Anonim Şirketi

Report on the audit of the consolidated financial statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th colspan="2">Application of TAS 29, "Financial Reporting in Hyperinflationary Economies"</th></tr>
<tr><td colspan="2">Please refer to Note 2.02 to the consolidated financial statements</td></tr>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>The Group applied TAS 29 "Financial reporting in hyperinflationary economies" ("TAS 29") in its consolidated financial statements as of and for the year ending 31 December 2023.

According to TAS 29, the consolidated financial statements as of 31 December 2022 should be restated in accordance with 31 December 2023 purchasing power. Applying TAS 29 results in significant changes to financial statement items included in the Group's consolidated financial statements as of and for the year ending 31 December 2023. The application of TAS 29 has a pervasive and material impact on the consolidated financial statements. In addition, considering the additional effort required to perform the audit of the application of TAS 29, we identified the application of TAS 29 as a key audit matter.

The Group's accounting policies and related explanations regarding the application of TAS 29 are disclosed in Note 2.02.</td><td>We performed the following audit procedures in relation to the application of TAS 29 "Financial reporting in hyperinflationary economies":

-Verifying whether management's determination of monetary and non-monetary items is in compliance with TAS 29,

-Verifying the general price index rates used in calculations correspond with the coefficients in the "Consumer Price Index in Turkey" published by the Turkish Statistical Institute,

Understanding and evaluating the process and controls related to application of TAS 29 designed and implemented by management,

-Testing the mathematical accuracy of the restatement non-monetary items, income statement, and cash flow statement to reflect the material influence of inflation,

-Evaluating the adequacy of disclosures related to the application of TAS 29 in the notes to the consolidated financial statements in accordance with TFRS,</td></tr>
</table>

	We had no material findings related to the application of inflation accounting as a result of these procedures.

Trade Receivables	
Please refer to Notes 2.08 and 10 to the consolidated financial statements	
Key audit matter	**How our audit addressed the key audit matter**
The consolidated financial statements as of and for the year ended 31 December 2023 include trade receivables which the account includes provision for doubtful trade receivables amounting to TL 42.751.099 which constitutes 52.97% of İndeks Bilgisayar's total assets. The Group uses accounting estimates and policies for recoverability of trade receivables and determination of the provisions. Trade receivables and its recoverability are material to İndeks Bilgisayar's consolidated financial statements. Therefore, trade receivables are considered as a key audit matter. Please refer to Note 10 and Note 38 to the consolidated financial statements for the accounting policy, related balances, guarantees and the relevant disclosures regarding trade receivables.	We performed the following procedures in relation to the testing of trade receivables and provision for trade receivables considering the guarantees obtained for trade receivables for unrecoverable amounts: -We have evaluated and tested 3rd party reconciliations for the balances of the trade receivables. -The credit risk policy of the Group is based on the analysis of the customer's balances and aging reports. In this context, 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 and subsequent measurement of trade receivable collections. Collections after the balance sheet have been evaluated, if necessary. -We have evaluated for the balances of the trade receivables and we have calculated exchange rate valuation of trade receivables, discount on trade receivables (deferred interest income etc.) and other valuations included in the consolidated financial statements. Testing the disclosures in the consolidated financial statements in relation to the trade receivables and recoverability of trade receivables and evaluating the adequacy of such disclosures for TFRS' requirements, We had no material findings related to the net book value and recoverability of trade receivables as a result of these procedures.

Revenue	
Please refer to Notes 2.08 and 28 to the consolidated financial statements	
Key audit matter	**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.	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. Testing the disclosures in the consolidated financial statements in relation to the revenue recognition and evaluating the adequacy of such disclosures for TFRS' requirements,

	We had no material findings related to recognition of revenue as a result of these procedures.

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 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.

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

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

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

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

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

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

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

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

Other Legal and Regulatory Requirements

1) In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 16 May 2024.

2) No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") and that causes us to believe that the Group's bookkeeping activities concerning the period from 1 January to 31 December 2023 period are not in compliance with the TCC and provisions of the Group's articles of association related to financial reporting.

3) 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 who supervised and concluded this independent auditor's report is Erdoğan BAŞARSLAN.

GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.
An Independent Member of BAKER TILLY INTERNATIONAL

Erdoğan BAŞARSLAN
Partner
İstanbul, 16 May 2024

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 AND 2022
(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	***Audited current period*** 31 December 2023	***Audited prior period*** 31 December 2022
ASSETS			
Current Assets		**15.984.874.548**	**13.670.987.073**
Cash and Cash Equivalents	6	3.115.360.863	3.907.198.149
Financial Investments	7	642.976.366	-
Trade Receivables	10	9.189.029.167	7.512.644.683
Related Parties	*10-37*	*265.940*	*326*
Third Parties	*10*	*9.188.763.227*	*7.512.644.357*
Other Receivables	11	5.877.024	4.830.354
Related Parties	*11-37*	-	-
Third Parties	*11*	*5.877.024*	*4.830.354*
Derivative Instruments	12	-	-
Inventories	13	2.286.533.316	1.878.895.704
Prepaid Expenses	15	508.432.160	106.152.633
Current Income Tax Assets	25	-	-
Other Current Assets	26	236.665.652	261.265.550
Total		**15.984.874.548**	**13.670.987.073**
Non-Current Assets		**1.362.518.135**	**886.209.194**
Financial Investments	7	73.171.167	-
Trade Receivables	10	-	-
Related Parties	*10-37*	-	-
Third Parties	*10*	-	-
Other Receivables	11	38.941	64.164
Related Parties	*11-37*	-	-
Third Parties	*11*	*38.941*	*64.164*
Investments Accounted for Using the Equity Method	4-16	-	-
Investment Properties	17	728.942.795	684.357.987
Property, Plant and Equipment	18	487.294.618	127.657.524
Right of Use Assets	18	45.865.157	44.172.774
Intangible Assets	19	*27.205.457*	*29.956.745*
Goodwill	*19*	*5.136.551*	*5.136.551*
Other Intangible Assets	*19*	*22.068.906*	*24.820.194*
Deferred Tax Assets	35	-	-
TOTAL ASSETS		**17.347.392.683**	**14.557.196.267**

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 AND 2022
(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	*Audited* *current period* **31 December 2023**	*Audited* *prior period* **31 December 2022**
LIABILITIES			
Current Liabilities		**13.801.470.329**	**11.164.698.968**
Short-Term Borrowings	8	1.694.386.286	1.269.894.488
Short-Term Portion of Long-Term Borrowings	8	-	-
Other Financial Liabilities	9	-	-
Trade Payables	10	10.936.625.632	8.908.213.090
Related Parties	*10-37*	*134.897*	*117.096*
Third Parties	*10*	*10.936.490.735*	*8.908.095.994*
Employee Benefits	20	9.415.509	7.507.187
Other Payables	11	232.828.917	115.467.055
Related Parties	*11-37*	-	-
Third Parties	*11*	*232.828.917*	*115.467.055*
Investments Accounted for Using the Equity Method	4-16	-	-
Derivative Instruments	12	1.511.049	6.212.596
Deferred Income	15	509.667.565	491.781.010
Current Income Tax Liabilities	35	166.206.567	134.806.743
Short-Term Provisions	22	250.828.804	230.816.799
Other-Short Term Provisions	*22*	*250.828.804*	*230.816.799*
Other Current Liabilities	26	-	-
Total		**13.801.470.329**	**11.164.698.968**
Non-Current Liabilities		**130.872.769**	**118.350.794**
Long-Term Borrowings	8	20.393.467	10.604.766
Long-Term Provisions for Employee Benefits	24	16.811.165	39.087.042
Deferred Tax Liabilities	35	93.668.137	68.658.986
EQUITY		**3.415.049.585**	**3.274.146.505**
Equity Holders of the Parent	27	**3.213.814.820**	**2.976.565.719**
Paid-in Share Capital		750.000.000	224.000.000
Adjustment to Share Capital		1.270.545.564	1.255.149.544
Treasury Shares (-)		(255.165.729)	(15.101.319)
Share Premium		96.018.828	96.018.828
Business Combinations under Common Control		-	-
Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss		243.691.370	(10.194.912)
Property, plant and equipment revaluation surplus		*252.941.963*	-
Gains/(losses) on revaluation and remeasurements		*(9.250.593)*	*(10.194.912)*
Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss		154.714.838	150.676.035
Currency translation differences		*154.714.838*	*150.676.035*
Restricted Reserves		616.067.224	367.655.118
Retained Earnings		(170.275.792)	750.892.293
Profit for the Period		508.218.517	157.470.132
Non-Controlling Interests	**27**	**201.234.765**	**297.580.786**
TOTAL LIABILITIES AND EQUITY		**17.347.392.683**	**14.557.196.267**

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

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

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

	Notes	***Audited current period*** **1 January 2023 31 December 2023**	***Audited prior period*** **1 January 2022 31 December 2022**
CONTINUING OPERATIONS			
Revenue	28	49.234.240.530	45.706.575.698
Cost of Sales (-)	28	(45.927.116.321)	(43.344.721.762)
GROSS PROFIT/(LOSS) FROM OPERATING ACTIVITIES		**3.307.124.209**	**2.361.853.936**
GROSS PROFIT/(LOSS)		**3.307.124.209**	**2.361.853.936**
General Administrative Expenses (-)	29	(398.308.662)	(299.686.277)
Marketing, Sales and Distribution Expenses (-)	29	(290.341.014)	(227.882.865)
Other Operating Income	31	3.441.656.635	1.467.379.703
Other Operating Expenses (-)	31	(3.589.133.303)	(802.504.153)
OPERATING PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**2.470.997.865**	**2.499.160.344**
Gains from Investment Activities	32	234.426.109	186.448.916
Losses from Investment Activities (-)	32	-	(1.137)
Share of profit/loss of investments accounted for using the equity method	32	-	-
OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)		**2.705.423.974**	**2.685.608.123**
Financial Income	33	391.820.106	325.634.126
Financial Expenses (-)	33	(1.361.859.452)	(1.460.913.589)
Net Monetary Position Gains/(Losses)		(898.248.016)	(1.046.637.537)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**837.136.612**	**503.691.123**
Tax income/(expense)		**(425.033.379)**	**(440.893.838)**
- Current period tax expense	35	(448.511.248)	(417.530.282)
- Deferred income tax	35	23.477.869	(23.363.556)
Attributable to		**412.103.233**	**62.797.285**
Non-Controlling Interests		(96.115.284)	(94.672.847)
Equity Holders of the Parent		508.218.517	157.470.132
Earnings Per Share	36	**0.677625**	**0.209960**
OTHER COMPREHENSIVE INCOME		**257.694.348**	**(37.753.022)**
Items not to be reclassified to profit or loss		**253.655.545**	**(10.276.109)**
Property, plant and equipment revaluation surplus, after tax		252.941.963	-
Gains/(losses) on remeasurements of defined benefit plans		713.582	(10.276.109)
Items to be reclassified to profit or loss		**4.038.803**	**(27.476.913)**
Currency translation differences		4.038.803	(27.476.913)
Attributable to		**669.797.581**	**25.044.263**
Non-Controlling Interests		(96.346.021)	(95.592.063)
Equity Holders of the Parent		766.143.602	120.636.326

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

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

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

						Items not to be reclassified to profit or loss			Items to be reclassified to profit or loss		Retained Earnings					
Audited Current Period	Notes	Paid-in share capital	Adjustment to Share Capital (Currency translation differences)	Treasury shares	Share Premium	Property, plant and equipment revaluation surplus	Gains/(losses) on remeasurement of defined benefit plans	Other Gains/(Losses)	Currency Translation Differences	Gains/(losses) on hedges	Restricted Reserves	Prior Years' Income	Profit for the Period	Equity holders of the parent	Non-Controlling Interests	Total Equity
Balances at 1 January 2023 (Beginning of the period)	**27**	**224.000.000**	**1.255.149.544**	**(15.101.319)**	**96.018.828**	**-**	**(10.194.912)**	**-**	**150.676.035**	**-**	**367.655.118**	**750.892.293**	**157.470.132**	**2.976.565.719**	**297.580.786**	**3.274.146.505**
Transfers		-	-	-	-	-	-	-	-	-	248.412.106	(90.941.974)	(157.470.132)	-	-	-
Total Comprehensive Income		-	-	-	-	**252.941.963**	**944.319**	**-**	**4.038.803**	-	-	-	**508.218.517**	**766.143.602**	**(96.346.021)**	**669.797.581**
Profit for the period		-	-	-	-	-	-	-	-	-	-	-	508.218.517	508.218.517	(96.115.284)	412.103.233
Other Comprehensive Income		-	-	-	-	252.941.963	944.319	-	4.038.803	-	-	-	-	257.925.085	(230.737)	257.694.348
Capital increases		526.000.000	15.396.020	-	-	-	-	-	-	-	-	(541.396.020)	-	-	-	-
Business combinations under common control		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid		-	-	-	-	-	-	-	-	-	-	(288.830.091)	-	(288.830.091)	-	(288.830.091)
Increase/decrease from changes in ownership interest in subsidiaries without loss of control		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease from treasury shares		-	-	(240.064.410)	-	-	-	-	-	-	-	-	-	(240.064.410)	-	(240.064.410)
Balances at 31 December 2023 (End of the period)	**27**	**750.000.000**	**1.270.545.564**	**(255.165.729)**	**96.018.828**	**252.941.963**	**(9.250.593)**	**-**	**154.714.838**	**-**	**616.067.224**	**(170.275.792)**	**508.218.517**	**3.213.814.820**	**201.234.765**	**3.415.049.585**
Audited Prior Period																
Balances at 1 January 2022 (Beginning of the period)	**27**	**224.000.000**	**1.255.149.544**	**(20.235.652)**	**874.007**	**-**	**(838.019)**	**-**	**178.152.948**	**-**	**302.094.396**	**1.073.249.136**	**-**	**3.012.446.360**	**393.174.906**	**3.405.621.266**
Transfers		-	-	-	-	-	-	-	-	-	65.560.722	(65.560.722)	-	-	-	-
Total Comprehensive Income		-	-	-	-	-	**(9.356.893)**	-	**(27.476.913)**	-	-	-	**157.470.132**	**120.636.326**	**(95.592.063)**	**25.044.263**
Profit for the period		-	-	-	-	-	-	-	-	-	-	-	*157.470.132*	*157.470.132*	*(94.672.847)*	*62.797.285*
Other Comprehensive Income			-	-	-	-	*(9.356.893)*	-	*(27.476.913)*	-	-	-	-	*(36.833.806)*	*(919.216)*	*(37.753.022)*
Capital increases		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business combinations under common control		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid		-	-	-	-	-	-	-	-	-	-	(256.796.121)	-	(256.796.121)	(2.057)	(256.798.178)
Increase/decrease from changes in ownership interest in subsidiaries without loss of control		-	-	-	-	-	-	-		-	-	-	-	-	-	-
Increase/decrease from treasury shares		-	-	5.134.333	95.144.821	-	-	-	-	-	-	-	-	100.279.154	-	100.279.154
Balances at 31 December 2022 (End of the period)	**27**	**224.000.000**	**1.255.149.544**	**(15.101.319)**	**96.018.828**	**-**	**(10.194.912)**	**-**	**150.676.035**	**-**	**367.655.118**	**750.892.293**	**157.470.132**	**2.976.565.719**	**297.580.786**	**3.274.146.505**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

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

	Notes	Audited current period 1 January 2023 31 December 2023	Audited prior period 1 January 2022 31 December 2022
A) CASH FLOWS FROM OPERATING ACTIVITIES		**(244.788.204)**	**129.629.111**
Profit for the Period		**412.103.233**	**62.797.286**
Adjustments to reconcile profit for the period to cash generated from operating activities		**1.449.169.051**	**1.142.124.216**
Depreciation and amortisation	**18-19**	75.645.727	71.030.187
Adjustments for impairment loss/(reversal of impairment loss)		**55.605.702**	**32.904.670**
Adjustments for receivables impairment (reversal)	**10**	2.715.807	1.144.236
Adjustments for inventory impairment (reversal)	**13**	52.889.895	31.760.434
Adjustments for impairment on property, plant and equipment (reversal)	**18-19**	-	-
Adjustments for provisions		**129.860.561**	**74.154.813**
Adjustments for provisions for employee benefits (reversal)	**24**	19.113.444	11.308.244
Adjustments for provisions for lawsuits and penalties	**22**	(33.795)	361.990
Adjustments for other provisions (reversal)	**22**	110.780.912	62.484.579
Adjustments for interest income/expense		**885.713.243**	**899.587.533**
Adjustments for interest income	**31-33**	(1.113.442.759)	(671.736.827)
Adjustments for interest expenses	**31-33**	1.955.214.714	1.582.427.270
Deferred Financial Expense from Term Purchases	**10**	(53.507.831)	(9.883.381)
Unrealised Financial Income from Term Sales	**10**	97.449.119	(1.219.529)
Adjustments for fair value gains/(losses)		(44.584.808)	(129.656.848)
Investment properties		(44.584.808)	(129.656.848)
Adjustments for tax income/expense	**35**	**425.033.379**	**257.283.941**
Other adjustments to reconcile profit for the period	**26**	**(78.104.753)**	**(63.180.080)**
Changes in Working Capital		**(828.324.052)**	**63.278.663**
Changes in financial investments	**7**	(642.976.366)	-
Adjustments for Gains/(Losses) on Trade Receivables	**10**	(4.729.803.487)	(1.656.792.029)
Adjustments for Gains/(Losses) on Other Receivables Related To Operations	**11**	(2.945.504)	(2.251.640)
Changes in inventories	**13**	(1.199.129.775)	(249.882.079)
Adjustments for Gains/(Losses) on Trade Payables	**10**	5.583.778.605	1.909.942.298
Adjustments for Gains/(Losses) on Other Payables Related To Operations	**11**	162.752.475	62.262.113
Cash flows from Operating Activities		**1.032.948.232**	**1.268.200.165**
Adjustments for gains (losses) in payables due to employee benefits	**24**	(21.885.429)	(4.382.542)
Income Taxes Refund/Paid	**35**	(282.304.681)	(507.120.338)
Other Cash Inflows/(Outflows)		(973.546.326)	(627.068.174)
B) CASH FLOWS FROM INVESTING ACTIVITIES		**(41.363.682)**	**(4.567.137)**
Cash outflows from acquisition of interests or debt instruments		-	-
Cash inflows from sale of property, plant and equipment and intangible assets	**18-19**	**3.645.096**	**1.533.247**
Cash inflows from sale of property, plant and equipment		3.645.096	1.533.247
Cash inflows from sale of intangible assets		-	-
Cash outflows from purchase of property, plant and equipment and intangible assets	**18-19**	**(45.285.089)**	**(6.100.384)**
Cash outflows from purchase of property, plant and equipment		(41.325.962)	(5.797.787)
Cash outflows from purchase of intangible assets		(3.959.127)	(302.597)
Cash inflows from sale of investment properties	**17**	**276.311**	**-**
Cash outflows from purchase of investment properties	**17**	**-**	**-**
C) CASH FLOWS FROM FINANCING ACTIVITES		**(507.765.937)**	**(1.889.089.605)**
Cash outflows from treasury shares or equity-based instruments		**(240.064.410)**	**-**
Treasury shares		**(240.064.410)**	**-**
Cash inflows from treasury shares or equity-based instruments		**-**	**-**
Treasury shares		**-**	**-**
Cash inflows from borrowings	**8**	3.141.892.563	6.141.106.621
Cash inflows from loans	**8**	3.141.892.563	6.141.106.621
Cash outflows from repayments of borrowings	**8**	**(2.313.940.258)**	**(6.758.805.359)**
Cash outflows from loan repayments	**8**	(2.313.940.258)	(6.758.805.359)
Cash outflows from payments of lease liabilities	**8**	(27.247.254)	(21.146.906)
Dividends paid		(288.830.091)	(256.798.178)
Interest paid	**32-33**	(779.576.487)	(993.445.783)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		**(793.917.823)**	**(1.764.027.631)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(793.917.823)**	**(1.764.027.631)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERİOD	**6**	3.906.098.604	5.670.126.235
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**6**	3.112.180.781	3.906.098.604

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

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

NOTE 1 GROUP'S ORGANISATION AND NATURE OF OPERATIONS

İndeks Bilgisayar Sistemleri Mühendislik Sanayi ve Ticaret Anonim Şirketi ("the Company" or "İndeks Bilgisayar") 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.

As of 31 December 2023 and 2022, the details of the subsidiaries included in the full consolidation scope of Indeks Bilgisayar is as follows:

Subsidiaries	Nature of Business	Share Capital	Direct Ownership Interest Held by İndeks Bilgisayar (%)	Effective Ownership Interest (%)
Datagate Bilgisayar Malzemeleri A.Ş. (Datagate)	IT products and telecom	TL 30.000.000	59.24	59.24
Despec Bilgisayar Pazarlama ve Ticaret A.Ş.(Despec) (*)	Consumer electronics and telecom	TL 23.000.000	-	29.11
Neteks Teknoloji Ürünleri A.Ş. (Neteks Tek.)	Network and communication products and spare parts purchasing – selling	TL 28.410.000	100.00	100.00
Teklos Teknoloji Lojistik Hizmetleri A.Ş. (Teklos)	Logistics services and leasing	TL 5.000.000	99.99	99.99
İndeks International FZE (Indeks FZE)	Buying and selling computers and computer components	UAE Dirham 150.000	100.00	100.00
İnfin Bilgisayar Ticaret A.Ş.	Buying and selling computers and computer components	TL 50.000	99.80	99.80
Neotech Teknolojik Ürünler Dağ. A.Ş. (Neotech)	Buying and selling home electronics (Dormant)	TL 1.000.000	80.00	80.00

(*) Despec Bilgisayar is the subsidiary of Datagate Bilgisayar with 49.13% ownership interest which is our subsidiary.

As of 31 December 2023 and 2022, the financial statements of Datagate Bilgisayar Malzemeleri Anonim Şirketi, Teklos Teknoloji Lojistik Hizmetleri Anonim Şirketi, İndeks International FZE, İnfin Bilgisayar Ticaret Anonim Şirketi, Neotech Teknolojik Ürünler Dağıtım Anonim Şirketi, Neteks Teknoloji Ürünleri Anonim Şirketi and Despec Bilgisayar Pazarlama ve Ticaret Anonim Şirketi are consolidated in accordance with the full consolidation method.

The principal shareholder of the Group is Nevres Erol Bilecik (32.31%). Total end of period and average number of personnel employed by the Group is 423 (2022: 462).

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 Anonim Şirketi which is included in the scope of consolidation at the registered addresses of Cumhuriyet Mahallesi Yahyakaptan Caddesi No:10A D:2 Çayırova / KOCAELİ and Akse Mah., 534.Sokak No:23 Çayırova/KOCAELİ.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Basis of Presentation

İndeks Bilgisayar Sistemleri Mühendislik Sanayi ve Ticaret Anonim Şirketi and its subsidiaries registered in Turkey maintain their books of account and prepare their statutory financial statements in TL in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Treasury and Finance.

The consolidated financial statements of the Group have been prepared in accordance with Turkish Financial Reporting Standards ("TFRS") promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") that are set out in the 5th article of the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board ("CMB") on 13 June 2013 and published in Official Gazette numbered 28676. The accompanying consolidated financial statements as of and for the year ended 31 December 2023 have been prepared in accordance with Turkish Financial Reporting Standards ("TFRS/TAS") with additions and interpretations as issued by POA. TFRS has been updated through communiqués to ensure conformity with the changes in International Financial Reporting Standards ("IFRS").

In addition, the accompanying consolidated financial statements as of and for the year ended 31 December 2023 have been prepared in accordance with the "TAS Taxonomy" published by the POA on the basis of sub-paragraph (b) of Article 9 of the Statutory Decree numbered 660 ("Decree"), approved by the Board decision on 2 June 2016 numbered 30 and the "Announcement regarding to TAS Taxonomy" which was published on 15 April 2019 by POA and the format and mandatory information including amendments regarding TFRS 15 "Revenue from Contracts with Customers" and TFRS 16 "Leases" standards and current TAS taxonomy published as "TFRS 2022", which was published on 4 October 2022.

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 2023 and 2012, the non-monetary items included in the consolidated financial statements are presented in US Dollars until 30 June 2013). In accordance with the Turkish 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 currencies of İndeks International FZE and Neteks Teknoloji Anonim Şirketi are "USD".

As of 31 December 2023, 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 basis of accounting.

These consolidated financial statements as of and for the year ended 31 December 2023 have been approved for issue by the Board of Directors ("BOD") on 16 May 2024. These consolidated financial statements will be finalised following their approval in the General Assembly.

2.02 Adjustments of Financial Statements in Hyperinflationary Periods

In accordance with the CMB's decision on 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying provisions of TAS 29 to their annual financial statements for the accounting periods ending on 31 December 2023.

The Group has prepared the consolidated financial statements as of 31 December 2023 and for the annual reporting period ending on the same date by applying TAS 29 "Financial Reporting in Hyperinflation Economies" according to the announcement made and "Implementation Guide on Financial Reporting in Hyperinflation Economies" published by the Public Oversight Accounting and Auditing Standards Authority ("POA") on 23 November 2023. In accordance with the standard, financial statements prepared in the currency of a hyperinflationary economy have to be prepared on purchasing power on reporting date and comparative period information is expressed in terms of current measurement unit at the end of the reporting period. The table below shows the inflation rates for the relevant years calculated by taking into account the Consumer Price Indices published by the Turkish Statistical Institute (TURKSTAT):

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

Date	Index	Adjustment coefficient
31 December 2023	1.859,38	1.00000
31 December 2022	1.128,45	1.64773
31 December 2021	686,95	2.70672

The Group has prepared the consolidated financial statements as of 31 December 2023 and for the annual reporting period ending on the same date by applying TAS 29 "Financial Reporting in Hyperinflation Economies" according to the announcement made and "Implementation Guide on Financial Reporting in Hyperinflation Economies" published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). In accordance with the standard, financial statements prepared in the currency of a hyperinflationary economy have to be prepared on purchasing power on reporting date and comparative period information is expressed in terms of current measurement unit at the end of the reporting period. Therefore, the Group has presented the consolidated financial statements as of 31 December 2022 effective from the opening balances of 1 January 2022 on the basis of purchasing power as of 31 December 2023. However, it is not necessary to present the opening statement of financial position during the period according to the aforementioned communique.

In accordance with the aforementioned standard, the consolidated financial statements prepared based on the currency of a hyperinflationary economy are prepared in the purchasing power of the currency at the balance sheet date, and comparative information is expressed in terms of the current measurement unit at the end of the reporting period for the purpose of comparison in the consolidated financial statements of the prior period. Therefore, the Group has presented its consolidated financial statements as of and for the year ended 31 December 2022 on the basis of purchasing power as of 31 December 2023.

2.03 Basis of Consolidation

Subsidiaries is company over which Indeks Bilgisayar has the power to control the financial and operating policies for the benefit of Indeks Bilgisayar, 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 Bilgisayar members and companies owned by them where by Indeks Bilgisayar exercises control over the ownership interest of the shares held by them and shares to be used according to Indeks Bilgisayar's preferences; or (b) although not having the power to exercise more than 50% of the ownership interest, Indeks Bilgisayar 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 statement of financial position and profit or loss of the subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by Indeks Bilgisayar and its subsidiaries is eliminated against the related equity. Intercompany transactions and balances between Indeks Bilgisayar and its subsidiaries are eliminated during the consolidation. The nominal amount of the shares held by Indeks Bilgisayar 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 2023 and 2022, the details of the subsidiaries included in the full consolidation scope of Indeks Bilgisayar is as follows:

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

Subsidiaries	Nature of Business	Share Capital	Direct Ownership Interest Held by İndeks Bilgisayar (%)	Effective Ownership Interest (%)
Datagate Bilgisayar Malzemeleri A.Ş. (Datagate)	IT products and telecom	TL 30.000.000	59.24	59.24
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Teklos Teknoloji Lojistik Hizmetleri A.Ş. (Teklos)	Logistics services and leasing	TL 5.000.000	99.99	99.99
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(*) Despec Bilgisayar is the subsidiary of Datagate Bilgisayar with 49.13% ownership interest which is our subsidiary.

As of 31 December 2023 and 2022, the financial statements of Datagate Bilgisayar Malzemeleri Anonim Şirketi, Teklos Teknoloji Lojistik Hizmetleri Anonim Şirketi, İndeks International FZE, İnfin Bilgisayar Ticaret Anonim Şirketi, Neotech Teknolojik Ürünler Dağıtım Anonim Şirketi, Neteks Teknoloji Ürünleri Anonim Şirketi and Despec Bilgisayar Pazarlama ve Ticaret Anonim Şirketi are consolidated in accordance with the full consolidation method.

Joint 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 ventures 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 statement of financial position and profit or loss of the subsidiaries are accounted for using the full consolidated method and the carrying values held by Indeks Bilgisayar and its subsidiaries is offset from the related equity, respectively.

Intercompany transactions and balances between Indeks Bilgisayar 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.

2.04 Comparatives and Adjustment of Prior Period’s 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.

2.05 Offsetting

Financial assets and liabilities are offset, and the net amount is recognised in the statement of financial position 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.

The Group realised changes in accounting policy regarding its investment properties carried at cost. Accordingly, the Group recognised its investment properties at fair value during the reporting period. Due to the change in accounting policy, the prior period consolidated financial statements are adjusted. As a result of the change in accounting policy, there incurs a net increase amounting to TL 85.044.084 in the equity of the opening consolidated financial statement for the year ended 31 December 2021, and a net increase amounting to TL 358, 358.105.456 in the equity for the year ended 31 December 2023.

The Group has no changes in accounting policies except for the aforementioned disclosures.

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 a material influence on the outcome of the current period or is expected to have a material influence 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 the consolidated financial statements are summarised below:

2.08.01 Revenue Recognition

Revenue is recognized when the amount of income can be measured reliably and it is probable that there will be an inflow of economic 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-step 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.

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

Buildings included in property, plant and equipment are carried at fair value in the accompanying consolidated financial statements. Other property, plant and equipment are carried as costs adjusted for the effects of inflation, less accumulated depreciation as of 31 December 2023. 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:

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

	Economic useful lives (year)
- Buildings	50
- Machinery and equipment	5
- Furniture and fixtures	4-5
- Motor vehicles	2-5
- Leasehold improvements	5

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 operating profit in the current period.

Repairs and maintenance expenses are charged to the statement of profit or loss during the period in which they are incurred. Machinery and equipment are capitalised and amortised when their capacity is fully available for use.

2.08.04 Intangible assets and related amortisation

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

Intangible assets are carried as costs adjusted for the effects of inflation, less accumulated depreciation as of 31 December 2023.

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 indefinite useful life and not subject to amortization.

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 assessment by Group management as of 31 December 2023 and 2012, 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 fixtures 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 Asset and Liabilities-Classification and Measurement
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

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 led 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 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 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 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 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 material influence on the expected future cash flow of the financial asset. It includes observable data that has come to the attention of the holder of a financial asset about following events:

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

Presentation

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

Derecognition

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

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

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 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 statement of profit or loss. 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 statement of profit or loss 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 Reporting Period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue and those events are disclosed in the accompanying consolidated financial statements. The two types of events are those that provide evidence of conditions that existed at the end of the reporting period (adjusting events); and those that are indicative of conditions that arose after the reporting period (non-adjusting events). The Group adjusts the amounts recognised in its financial statements to reflect adjusting events, but it does not adjust those amounts to reflect non-adjusting events.

2.08.12 Provisions, Contingent Liabilities and Contingent Assets

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. Contingent liabilities are consistently reviewed prior to the probability of any cash out-flow. In case of the cash outflow is probable, provision is allocated in the consolidated financial statements of the year the probability of contingent liability accounts is changed. A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and reliable estimate can be made for the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

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 statement of profit or loss 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 lease 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 lease term.

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

The 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” 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 1 January 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. Lease 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 lease payments are 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 consolidated statement of financial position. Rent 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 Sistemleri Mühendislik Sanayi ve Ticaret Anonim Şirketi, 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 transactions with the related parties from ordinary operations are occurred in accordance with the market conditions. The detailed analysis of related parties has been disclosed under Note 37.

2.08.15 Government Grants

None.

2.08.16 Investment Properties

As of 31 December 2023 and 2022, the investment properties of Indeks Bilgisayar are recognised in accordance with the following accounting 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".

The investment properties are carried at fair value in the accompanying consolidated financial statements. The Group has no capitalised financing costs in accordance with TAS 23 included in investment properties (Note 17).

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

Deferred Tax

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

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

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

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

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

Current and deferred tax for the period

The deferred tax, other than those directly attributable to debt or liability recognized in equity (in which case deferred tax is recognized directly in equity) or deferred tax, other than those arising from initial recognition of business combinations, is recognized as income or expense in the statement of profit or loss. 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 Provision for 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 and cash equivalents are carried at cost in the consolidated statement of financial position. Cash equivalents are short-term, highly-liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. 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 (property, plant and equipment, 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 acts as the distributor company of information technology products in Türkiye. The guarantees of the products sold are given by companies appointed by the manufacturers. The products that purchased are under warranty that delivered from dealers and are sent to manufacturers or companies appointed by manufacturers for repair and maintenance. For products that required to be replaced under warranty after repair and maintenance, the replaced products are given to customers and the amount is invoiced to the manufacturers. The Group has no provision for warranty during the annual reporting periods.

2.09 New and Revised Turkish Financial Reporting Standards

New and revised standards and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of 31 December 2023 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards ("TAS")/TFRS and TFRS interpretations effective as of 1 January 2023 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

The new standards, amendments and interpretations and interpretations to the existing previous standards which are effective from 31 December 2023 are as follows:

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

In January 2020, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments effective from 1 1 January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted.

The amendments do not have a significant material influence on the financial position or performance of the Group.

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of "accounting estimates". The amendments issued to TAS 8 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date. Earlier application is permitted.

The amendments do not have a significant material influence on the financial position or performance of the Group.

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

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments issued to TAS 12 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

The amendments do not have a significant material influence on the financial position or performance of the Group.

Amendment to TAS 12 - International tax reform - pillar two model rules

The deferred tax exemption and disclosure of the fact that the exception has been applied, is effective immediately. The other disclosure requirements are effective annual periods beginning on or after 1 January 2023. The amendments do not have a significant material influence on the financial position or performance of the Group.

Standards and amendments issued but not yet effective and not early yet adopted as of 31 December 2023

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary amendments if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

Amendment to TAS 1 – Non-current liabilities with covenants

The amendment is effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments to TAS 7 and TFRS 7 on Supplier finance arrangements

The amendment is effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

Amendments to TFRS 16 - Leases on sale and leaseback
The standard is effective from annual periods beginning on or after 1 January 2024. The amendments include requirements for sale and leaseback transactions in TFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

TFRS S1, 'General requirements for disclosure of sustainability-related financial information

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

TFRS S2, 'Climate-related disclosures

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

2.09.01. Going Concern

As of 31 December 2023, 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 basis of accounting.

NOTE 3 - BUSINESS COMBINATIONS

As of 31 December 2023 and 2022, the Group has no business combinations under common control and relevant transactions.

NOTE 4 - DISCLOSURE OF INTERESTS IN OTHER ENTITIES

As of 31 December 2023 and 2022, the Group has no interests in subsidiaries, joint arrangements, associates and unconsolidated "structured entities".

NOTE 5 – OPERATING SEGMENTS

The Group has classified its reportable segments into two categories as information technology and telecom, and logistics and leasing. The information technology and telecom segment include sales of computers, mobile phones, computer and mobile phone components such as PCs, laptops, mobile phones and networking products. The summary financial information regarding the gross profit by operating segments is as follows:

1 January 2023- 31 December 2023

Profit or loss	Information technology and telecom	Logistics and leasing	Total	Elimination	Consolidated, net
Non-intersegment revenue	49.195.157.954	39.082.576	49.234.240.530	-	49.234.240.530
Intersegment revenue	-	227.789.440	227.789.440	(227.789.440)	-
Revenue	**49.195.157.954**	**266.872.016**	**49.462.029.970**	**(227.789.440)**	**49.234.240.530**
Cost of sales (-)	(45.927.116.321)	-	(45.927.116.321)	-	(45.927.116.321)
Gross profit	**3.268.041.633**	**266.872.016**	**3.534.913.649**	**(227.789.440)**	**3.307.124.209**

1 January 2022- 31 December 2022

Profit or loss	Information technology and telecom	Logistics and leasing	Total	Elimination	Consolidated, net
Non-intersegment revenue	45.677.125.046	29.450.651	45.706.575.698	-	45.706.575.698
Intersegment revenue	-	244.944.732	244.944.732	(244.944.732)	-
Revenue	**45.677.125.046**	**274.395.383**	**45.951.520.429**	**(244.944.732)**	**45.706.575.698**
Cost of sales (-)	(43.344.721.762)	-	(43.344.721.762)	-	(43.344.721.762)
Gross profit	**2.332.403.285**	**274.395.383**	**2.606.798.668**	**(244.944.732)**	**2.361.853.936**

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

NOTE 6 – CASH AND CASH EQUIVALENTS

As of 31 December 2023 and 2022, the breakdown and detailed analysis of cash and cash equivalents are as follows:

Account Name	31 December 2023	31 December 2022
Cash on hand	370.838	468.435
Banks (Demand deposit)	2.149.062.649	2.521.095.709
Financial assets held-to-maturity (Reverse repurchase agreements)	959.354.319	1.361.839.578
Credit card slips	6.573.057	23.794.427
Cash and cash equivalents, net	**3.115.360.863**	**3.907.198.149**

As of 31 December 2023, the reverse repurchase agreements and time deposits have maturity between 3-92 days and the Group has interest income accrued amounting to TL 3.199.319 arising from reverse repurchase agreements and time deposits. The annual effective interest rate of reverse repurchase agreements is between 30%-41.5% denominated in TL. The maturity of credit card slips is between 1-29 days and the Group has interest expense accrued amounting to TL 19.237 arising from credit card slips. The annual effective interest rate of credit card slips is 43.63%. Accordingly, the Group has net interest income accrued amounting to TL 3.180.082.

As of 31 December 2022, the reverse repurchase agreements and time deposits have maturity of 3 days and the Group has interest income accrued amounting to TL 1.160.620 arising from reverse repurchase agreements and time deposits. The annual effective interest rate of reverse repurchase agreements is between 9.41%-22.12% denominated in TL. The maturity of credit card slips is 32 days and the Group has interest expense accrued amounting to TL 61.075 arising from credit card slips. The annual effective interest rate of credit card slips is 11.75%. Accordingly, the Group has net interest income accrued amounting to TL 1.099.545.

The cash and cash equivalents is presented in the consolidated statement of cash flows less interest accruals.

Cash and cash equivalents	31 December 2023	31 December 2022
Cash and cash equivalents	3.115.360.863	3.907.198.149
Interest accruals (-)	(3.180.082)	(1.099.545)
Total	**3.112.180.781**	**3.906.098.604**

NOTE 7 - FINANCIAL INVESTMENTS

As of 31 December 2023 and 2022, the details of financial investments are as follows: *

Account Name	31 December 2023	31 December 2022
Associates (*)	73.171.167	-
Currency-protected deposits (**)	642.976.366	-
Total	**716.147.533**	**-**

(*) The Group acquired 19.728.740 mutual funds on 5 May 2023. The relevant mutual funds are carried at fair value in the accompanying consolidated financial statements considering the valuation report at the end of the reporting period. The mutual fund is recognised in "Associates" as it is considered to be included in assets 1 year and over by the Group management.

(**) Includes 3-month exchange rate currency-protected deposits on 4 October 2023 and 12 December 2023.

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

NOTE 8 – BORROWINGS

As of 31 December 2023 and 2022, the breakdown of short-term borrowings is as follows:

Account Name	31 December 2023	31 December 2022
Bank borrowings	1.683.008.180	1.251.848.626
Lease liabilities	11.378.106	18.045.862
Short-term borrowings, net	**1.694.386.286**	**1.269.894.488**

As of 31 December 2023 and 2022, the Group has no short-term portion of long-term borrowings.
As of 31 December 2023 and 2022, the breakdown of long-term borrowings is as follows:

Account Name	31 December 2023	31 December 2022
Lease liabilities	20.393.467	10.604.766
Long-term borrowings, net	**20.393.467**	**10.604.766**

The movement of borrowings is as follows:

Account Name	31 December 2023	31 December 2022
Beginning of the period – 1 January	1.280.499.254	3.052.368.072
Additions	3.141.892.563	6.141.106.621
Lease liabilities	31.771.573	28.650.628
Payments during the period	(2.313.940.258)	(6.758.805.359)
Interest accruals	75.682.460	11.406.455
Adjustments for inflation	(501.125.839)	(1.194.227.164)
End of the period – 31 December	**1.714.779.753**	**1.280.499.254**

The detailed analysis of short-term borrowings is as follows:

31 December 2023

Type	Original currency amount	TL equivalent	Annual effective interest rate (%)
Loans - TL		-	-
Lease liabilities - TL		11.378.106	*18.00-21.00*
Loans - USD	57.067.955	1.683.008.180	*4.60-13.00*
Total		**1.694.386.286**	

31 December 2022

Type	Original currency amount	TL equivalent	Annual effective interest rate (%)
Loans - TL		319.350.478	*18.17-41.48*
Lease liabilities - TL		18.045.862	*18.00-21.00*
Loans - USD	30.211.882	932.498.148	*6.62-15.75*
Total		**1.269.894.488**	

The detailed analysis of long-term borrowings is as follows:

31 December 2023

Type	Original currency amount	TL equivalent	Annual effective interest rate (%)
Lease liabilities - TL		20.393.467	*18.00 – 21.00*
Total		**20.393.467**	

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

31 December 2022

Type	Original currency amount	TL equivalent	Annual effective interest rate (%)
Lease liabilities - TL		10.604.766	*18.00 – 21.00*
Total		**10.604.766**	

The summary financial information regarding short-term portion of long-term borrowings is as follows:

Account Name	31 December 2023	31 December 2022
0-12 months	1.694.386.286	1.269.894.488
13-36 months	20.393.467	10.604.766
Total	**1.714.779.753**	**1.280.499.254**

NOTE 9 - OTHER FINANCIAL LIABILITIES

None.

NOTE 10 - TRADE RECEIVABLES AND PAYABLES

As of 31 December 2023 and 2022, the functional breakdown of short-term trade receivables is as follows:

Account Name	31 December 2023	31 December 2022
Trade Receivables	8.821.562.525	6.881.095.472
Related parties	265.940	326
Third parties	8.821.296.585	6.881.095.146
Notes receivables	498.049.008	686.143.856
Discount on notes receivables (-)	(130.582.366)	(54.594.645)
Doubtful trade receivables	42.751.099	65.967.352
Provision for doubtful trade receivables (-)	(42.751.099)	(65.967.352)
Short-term trade receivables, net	**9.189.029.167**	**7.512.644.683**

As of 31 December 2023 and 2022, the Group has no long-term trade receivables.

As of 31 December 2023, trade receivables amounted to TL 4.336.980.509 in total amount of TL 9.189.029.167, is in under scope of guarantee (including guarantees in scope of Euler Hermes). The Group obtained collateral for the amount of TL 604.554.934 regarding the remaining amount of TL 4.852.048.658. The related explanations regarding the nature and level of risks on trade receivables are disclosed in Note 38.

As of 31 December 2022, trade receivables amounted to TL 4.258.217.774 in total amount of TL 7.512.644.683, is in under scope of guarantee (including guarantees in scope of Euler Hermes). The Group obtained collateral for the amount of TL 637.832.511 regarding the remaining amount of TL 3.254.426.909. The related explanations regarding the nature and level of risks on trade receivables are disclosed in Note 38.

The Group has credit insurance policy from Euler Hermes Sigorta Anonim Şirketi within borders of Turkey for the insurance of its trade receivables until 31 March 2025 (the payment guarantee insurance for trade receivables is determined as 85%-90%).

Movements of the provision for doubtful receivables are as follows:

	1 January 2023- 31 December 2023	1 January 2022- 31 December 2022
Beginning of the period – 1 January	(65.967.352)	(106.484.932)
Collections during the period (+)	10.896	584.824
Increases during the period (-)	(2.715.799)	(1.729.060)
Adjustments for inflation	25.921.156	41.661.816
End of the period – 31 December	**(42.751.099)**	**(65.967.352)**

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

The additional explanations regarding the nature and level of risks on trade receivables are disclosed in Note 38.

As of 31 December 2023 and 2022, the functional breakdown of trade payables is as follows:

Account Name	**31 December 2023**	**31 December 2022**
Suppliers	11.011.003.194	8.942.600.770
Third parties	*11.010.868.296*	*8.942.483.674*
Related parties (Note 37)	*134.897*	*117.096*
Notes payable	-	-
Discount on notes payable (-)	(74.377.561)	(34.387.680)
Short-term trade payables, net	**10.936.625.632**	**8.908.213.090**

As of 31 December 2023 and 2022, the Group has no long-term trade payables.

The average maturity turnover for trade receivables and payables is up to 3 months. In the case of discount of trade receivables and payables, compound interest rates of Government Debt Securities are used as effective interest rate in TL denominated receivables and payables. Libor rates are used in the rediscount of TL, USD and EURO denominated receivables and payables. As of 31 December 2023, the rates are 43.63%, 5.33% and 3.513% for TL, USD and EUR, respectively (31 December 2022: 11.75%, 5.4821% and 3.2910%, respectively).

NOTE 11 - OTHER RECEIVABLES AND PAYABLES

As of 31 December 2023 and 2022, the functional breakdown of short-term other receivables is as follows:

Account Name	**31 December 2023**	**31 December 2022**
Deposits and guarantees given	64.105	23.241
Due from employee	1.796.356	1.763.134
Other (*)	4.016.563	3.043.979
Short-term other receivables, net	**5.877.024**	**4.830.354**

(*) Represents tax refund from tax office (31 December 2022: TL 3.043.979).

As of 31 December 2023 and 2022, the functional breakdown of long-term other receivables is as follows:

Account Name	**31 December 2023**	**31 December 2022**
Deposits and guarantees given	38.941	64.164
Long-term other receivables, net	**38.941**	**64.164**

The related explanations regarding the nature and level of risks on other receivables are disclosed in Note 38.

As of 31 December 2023 and 2022, the functional breakdown of short-term other payables is as follows:

Account Name	**31 December 2023**	**31 December 2022**
Taxes payable	232.305.152	114.463.196
Deposits and guarantees received	477.312	786.481
Due to related parties (Note 37)	-	-
Other	46.453	217.378
Short-term other payables, net	**232.828.917**	**115.467.055**

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

NOTE 12 - DERIVATIVE INSTRUMENTS

As of 31 December 2023 and 2022, the breakdown and detailed analysis of derivative instruments classified under current assets are as follows:

Account Name	31 December 2023	31 December 2022
Derivative liabilities	1.511.049	6.212.596
Total	**1.511.049**	**6.212.596**

As of 31 December 2023, the Group has foreign exchange forward contract amounted to USD 3.447.244. The contracts have 0-3 months maturities amounting to USD 3.033.244 and 4-12 months amounted to USD 414.000. As of 31 December 2023, the fair value of the contracts amounted to TL 102.991.704 and losses from the forward contract is amounting TL 1.511.049 recognised as an expense in the accompanying consolidated financial statements.

As of 31 December 2022, the Group has foreign exchange forward contract amounted to USD 27.618.272. The contracts have 0-3 months maturities amounting to USD 27.448.822 and 4-12 months amounted to USD 169.450. As of 31 December 2022, the fair value of the contracts amounted to TL 857.124.648 and losses from the forward contract is amounting TL 6.212.596 recognised as an expense in the accompanying consolidated financial statements.

As of 31 December 2023 and 2022, the Group has no derivative assets.

NOTE 13 - INVENTORIES

As of 31 December 2023 and 2022, the breakdown of inventories is as follows:

Account Name	31 December 2023	31 December 2022
Merchandise	2.182.359.591	1.839.348.569
Goods in transit	221.584.025	145.859.342
Provision for impairment (-)	(117.410.300)	(106.312.207)
Total	**2.286.533.316**	**1.878.895.704**

Merchandise that invoiced but not included in the inventories are recognised in “Goods in transit” account under inventories.

<u>Movements of the provision for impairment on inventories are as follows:</u>

	1 January 2023- 31 December 2023	1 January 2022- 31 December 2022
Beginning of the period – 1 January (-)	(106.312.207)	(57.918.630)
Reversal of provisions from gains on net realisable value (+)	-	-
Additions during the period/Currency translation differences (-)	(11.098.093)	(48.393.577)
End of the period – 31 December (-)	**(117.410.300)**	**(106.312.207)**

For merchandise that included in inventories for 3 months and over, provision for impairment is calculated with increasing percentages depending on the increase in inventory turnover. As of 31 December 2023, the inventories amounting to TL 300.679.272 are carried at net realisable value and the remaining inventories are carried at cost in the accompanying consolidated financial statements (31 December 2022: TL 185.522.365).

Disclosures	31 December 2023	31 December 2022
Cost	389.922.921	236.177.088
Less: Provision for impairment on inventories	(117.410.300)	(106.312.207)
Net realisable value **(a)**	272.512.621	129.864.881
Carried at cost **(b)**	1.741.508.074	1.619.165.942
Total inventories (a+b)	**2.286.533.316**	**1.878.895.704**

The Group has no inventories performed as guarantee against its liabilities.

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

The breakdown of inventories recognised as an expense in the consolidated financial statements is disclosed in **Note 28**.

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

NOTE 14 - BIOLOGICAL ASSETS

None.

NOTE 15 - PREPAID EXPENSES AND DEFERRED INCOME

As of 31 December 2023 and 2022, the details of prepaid expenses are as follows:

Account Name	31 December 2023	31 December 2022
Short-term prepaid expenses	26.994.432	27.115.210
Advances given	481.437.728	79.037.423
Total	**508.432.160**	**106.152.633**

As of 31 December 2023 and 2022, the details of deferred income are as follows:

Account Name	31 December 2023	31 December 2022
Advances received	78.706.363	88.190.804
Short-term deferred income	430.961.202	403.590.206
Total	**509.667.565**	**491.781.010**

Products that invoiced but not transferred and deliveries are not realised are recognised in “Short-term deferred income” account.

NOTE 16 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

None.

NOTE 17 - INVESTMENT PROPERTIES

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”.

The investment properties are carried at fair value in the accompanying consolidated financial statements. The Group has no capitalised financing costs in accordance with TAS 23 included in investment properties.

As of 31 December 2023 and 2022, the details of the investment properties carried at fair value in the accompanying consolidated financial statements are as follows:

31 December 2023

Carrying value	Opening balance – 1 January 2023	Changes in fair value, net	Transfers (PP&E)	Additions	Disposals	Closing balance – 31 December 2023
Land	**123.090.372**	**8.027.423**	**-**	**-**	**-**	**131.117.795**
Sakarya Sapanca	4.663.075	316.925	-	-	-	4.980.000
Hatay Arsuz	21.419	1.376				22.795
İstanbul Çatalca	118.405.878	7.709.122				126.115.000
Buildings	**561.267.615**	**36.557.385**	**-**	**-**	**-**	**597.825.000**
Tekirdağ Çorlu	7.579.558	495.442				8.075.000
İstanbul Beylikdüzü	3.130.687	199.313				3.330.000
İstanbul Ataşehir	2.290.346	149.654				2.440.000
İstanbul Sarıyer	548.267.024	35.712.976	-	-	-	583.980.000
TOTAL	**684.357.987**	**44.584.808**	**-**	**-**	**-**	**728.942.795**

31 December 2022

Carrying value	Opening balance – 1 January 2022	Changes in fair value, net	Transfers (PP&E)	Additions	Disposals	Closing balance – 31 December 2022
Land	**99.760.177**	**23.330.195**	**-**	**-**	**-**	**123.090.372**
Sakarya Sapanca	3.789.416	873.659	-	-	-	4.663.075
Hatay Arsuz	17.322	4.097				21.419
İstanbul Çatalca	95.953.439	22.452.439				118.405.878
Buildings	**454.940.962**	**106.326.653**	**-**	**-**	**-**	**561.267.615**
Tekirdağ Çorlu	6.225.470	1.354.088				7.579.558
İstanbul Beylikdüzü	2.436.053	694.634				3.130.687
İstanbul Ataşehir	1.867.649	422.697				2.290.346
İstanbul Sarıyer	444.411.790	103.855.234	-	-	-	548.267.024
TOTAL	**554.701.139**	**129.656.848**	**-**	**-**	**-**	**684.357.987**

As of 31 December 2023, the fair value of the land and buildings included in the investment properties is determined by independent appraisal firm "Kale Taşınmaz Değerleme ve Danışmanlık Anonim Şirketi" in accordance with the report prepared on 29 January 2024.
As of 31 December 2023 and 2022, the detailed list of the investment properties is as follows:

31 December 2023

City	Nature	Town	Neighborhood	Title deed (m^2)	Date of acquisition
Hatay **(a)**	Land	Arsuz	Aşağı Kepirce	6792,09 m^2	26.11.2020
İstanbul **(b)**	Land	Çatalca	Dağyenice	2.242,53 m^2	30.06.2021
Sakarya **(c)**	Land	Sapanca	Nailiye	3.112,53 m^2	12.10.2018
İstanbul **(d)**	Building	Ataşehir	Esatpaşa	13.985,94 m^2	17.11.2017
İstanbul **(e)**	Building	Beylikdüzü	Kavaklı	13.985,94 m^2	01.12.2014
Tekirdağ **(f)**	Building	Çorlu	Nusratiye	10.730,88 m^2	06.12.2012
İstanbul **(g)**	Building	Sarıyer	K.Ayazağa	24.651,86 m^2	-

31 December 2022

City	Nature	Town	Neighborhood	Title deed (m^2)	Date of acquisition
Hatay **(a)**	Land	Arsuz	Aşağı Kepirce	6792,09 m^2	26.11.2020
İstanbul **(b)**	Land	Çatalca	Dağyenice	2.242,53 m^2	30.06.2021
Sakarya **(c)**	Land	Sapanca	Nailiye	3.112,53 m^2	12.10.2018
İstanbul **(d)**	Building	Ataşehir	Esatpaşa	13.985,94 m^2	17.11.2017
İstanbul **(e)**	Building	Beylikdüzü	Kavaklı	13.985,94 m^2	01.12.2014
Tekirdağ **(f)**	Building	Çorlu	Nusratiye	10.730,88 m^2	06.12.2012
İstanbul **(g)**	Building	Sarıyer	K.Ayazağa	24.651,86 m^2	-

Land

a) As of the reporting date, the land classified under investment properties in Hatay and the parcel numbered 45,

*In accordance with the Article numbered 22, paragraph C of the Communiqué on Principles Regarding Real Estate Investment Companies, "Without prejudice to the limitations included in this Communiqué, REICs may include in their portfolio only real estates and real estate-based rights not restricted by any mortgage or by any encumbrance which directly and materially affects the value of real estate, without prejudice to provisions of article numbered 30 of this Communiqué in connection therewith." Considering the aforementioned paragraph, there is a "**precautionary measure**" decision in the Land Registry of the properties subject to the report that may restrict the sale. The actual purpose of the land subject to appraisal is road, and the inability to access the official zoning* *information of the land determines a limitation on the information, and when evaluated within the framework of the legislative provisions, it establishes a limitation to its inclusion in the REIT portfolio.*

The information regarding the land subject to appraisal received from the Land Registry Office on 9 January 2024 is as follows:

***Other (Subject of matter:** The immovable must not remain within the military forbidden zone, military security zone, or the zone determined within the framework of Article 28 of Law No. 2565.) Date: 22 May 2018 numbered 1450723 (24 May 2018 numbered 3918),*

***Precautionary measure:** In accordance with the decision of the Ankara 13th Civil Court of Peace on 19 January 2023 and numbered 2022/64 (14 April 2023 and numbered 3112),*

b) There incur encumbrances on 3 properties classified as "land" according to the title deed recorded in Istanbul, Çatalca parcel numbered 44, 70 and 71 Parcel, which the Group has classified under "Investment properties". ***It can be included in the REIT portfolio, provided that precautionary measure and public attachments are removed.***

The information regarding the land subject to appraisal received from the Land Registry Office on 9 January 2024 is as follows:

***Attachment**: In accordance with the decision of the Second Enforcement Office on 26 September 2014 and numbered 2014/139, (29 September 2014 and numbered 10219,*

***Public attachment**: In accordance with the decision of the Large Taxpayers Tax Office on 20 January 2011 and numbered 2685 regarding public attachments (29 September 2014 and numbered 10219),*

c) In accordance with the land registry registered in Sakarya and parcel numbered 64, and the Group has classified under investment properties, there incurs an attachment as encumbrance on the "land". The relevant land can be included in the REIT portfolio, provided that the encumbrance is removed.

The information regarding the land subject to appraisal received from the Land Registry Office on 9 January 2024 is as follows:

***Attachment:** In accordance with the decision of the Istanbul Anatolia 20th Enforcement Office on 10 January 2018 and numbered 2016/6494 E., (17 January 2018 and numbered 978),*

Buildings

d) In accordance with the land registry registered in Istanbul, Ataşehir and parcel numbered 13, and the Group has classified under investment properties, the residences are 3 independent sections located on the building qualified as "4-storey reinforced concrete building with attic and its land". As of the reporting date, there has been no restriction and mortgage incur on the building. ***The residence considered as a condominium and there is no restriction and limitation to it being included in the REIT portfolio.***

e) It represents the residences with 30 independent sections qualified as "land" in accordance with the land registry registered in Istanbul, Beylikdüzü and parcel numbered 5, and the Group has classified under "investment properties". *As of the reporting date, there has been no restriction and mortgage incur on the building*. ***Since the building has not been considered as a "flat ownership", the matter determines a limitation to its inclusion in the REIT portfolio.***

f) It represents the residences as "a, b, c block 13-storey reinforced concrete tunnel formwork apartment, 2-storey reinforced concrete doorman apartment" Block C, 7th floor, 29 independent sections, with "swimming pool, parking lot and land" in accordance with the land registry registered in Tekirdağ, Çorlu and parcel numbered 1, and the Group has classified under "investment properties". *As of the reporting date, there has been no restriction and* *mortgage incur on the building*. The residence "Block B, 9th Floor, numbered 39" on the building has been sold through attachment, precautionary measure and enforcement office. ***Both residences are considered as "flat ownerships" and there will be no limitations to the residences with numbered 39 being included in the REIT portfolio, provided that the attachment, precautionary measure and enforcement office matters are removed***.

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

The information regarding the land subject to appraisal received from the Land Registry Office on 9 January 2024 is as follows:
Precautionary measure: *In accordance with the decision of the Istanbul Anatolian 9th Civil Court of First Instance, numbered 2015/180, on 20 May 2015 (25 May 2015 and numbered 11585),*

Attachment: *In accordance with the decision of the Istanbul Anatolian 20th Enforcement Directorate numbered 2016/6494 on 10 January 2018 (17 January 2018 and numbered 978),*

Other: *The sale was realised in accordance with the decision of the Çorlu Enforcement Office on 25 April 2023 and numbered 2019/2022 tlmt (26 April 2023 and numbered 13625).*

g) It represents the buildings as "A block is 9-storey, B block is 8-storey, C block is 9-storey, D block is 15-storey, E block is 3-storey, F block is 4-storey located in Istanbul, Sarıyer, and classified as "investment properties". A Block 23, 29, 37, C Block 15, 20, 23, 26, 41, D Block 16, 53 and 74 are independent sections located on the building and qualified as "reinforced concrete building and land". *As of the reporting date, there has been no restriction and mortgage incur on the building*. ***Since the building has been considered as a "flat ownership", the matter determines a limitation to its inclusion in the REIT portfolio.***

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

As of 31 December 2023 and 2022, the movements for property, plant and equipment, and related depreciation are as follows:

31 December 2023

Cost

Account Name	Opening balance – 1 January 2023	Additions	Disposals (-)	Currency translation differences	Transfers	Revaluation surplus	Closing balance – 31 December 2023
Buildings	107.106.317	-	(2.893.486)	-	(9.988.782)	337.255.951	431.480.000
Plant, machinery and equipment	44.830.393	1.011.392	-	-	-	-	45.841.785
Motor vehicles	28.597.399	22.937.507	(844.239)	-	-	-	50.690.667
Furniture and fixtures	127.194.865	6.126.288	(292.307)	(348.058)	-	-	132.680.788
Leasehold improvements	58.723.502	11.250.776	-	(8.851)	-	-	69.965.427
Total	**366.452.476**	**41.325.963**	**(4.030.032)**	**(356.909)**	**(9.988.782)**	**337.255.951**	**730.658.667**

Accumulated depreciation

Account Name	Opening balance – 1 January 2023	Current period depreciation	Disposals	Currency translation differences	Transfers	Offsetting	Closing balance – 31 December 2023
Buildings	(9.269.645)	(9.623.742)	400.900	-	9.988.782	8.503.705	-
Plant, machinery and equipment	(44.166.447)	(419.767)	-	-	-	-	(44.586.214)
Motor vehicles	(17.735.164)	(6.055.266)	1.070.270	-	-	-	(22.720.160)
Furniture and fixtures	(112.942.727)	(6.157.841)	292.308	178.109	-	-	(118.630.151)
Leasehold improvements	(54.680.970)	(2.752.062)	-	5.508	-	-	(57.427.524)
Total	**(238.794.953)**	**(25.008.678)**	**1.763.478**	**183.617**	**9.988.782**	**8.503.705**	**(243.364.049)**
Net book value	**127.657.524**						**487.294.618**

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

31 December 2022

Cost

Account Name	Opening balance – 1 January 2022	Additions	Disposals (-)	Currency translation differences	Transfers	Revaluation surplus	Closing balance – 31 December 2022
Buildings	107.106.317	-	-	-	-	-	107.106.317
Plant, machinery and equipment	44.537.234	293.159	-	-	-	-	44.830.393
Motor vehicles	32.830.603	-	(4.233.205)	-	-	-	28.597.399
Furniture and fixtures	124.256.773	4.572.456	(44.640)	(1.589.723)	-	-	127.194.865
Leasehold improvements	57.825.321	932.172	-	(33.991)	-	-	58.723.502
Total	**366.556.248**	**5.797.787**	**(4.277.845)**	**(1.623.714)**	**-**	**-**	**366.452.476**

Accumulated depreciation

Account Name	Opening balance – 1 January 2022	Current period depreciation	Disposals	Currency translation differences	Transfers	Revaluation surplus	Closing balance – 31 December 2022
Buildings	(7.127.518)	(2.142.126)	-	-	-	-	(9.269.645)
Plant, machinery and equipment	(43.857.417)	(309.030)	-	-	-	-	(44.166.447)
Motor vehicles	(18.011.696)	(3.956.646)	4.233.178	-	-	-	(17.735.164)
Furniture and fixtures	(107.570.600)	(6.187.150)	19.343	795.681	-	-	(112.942.727)
Leasehold improvements	(52.320.639)	(2.377.111)	-	16.780	-	-	(54.680.970)
Total	**(228.887.870)**	**(14.972.064)**	**4.252.521**	**812.461**	**-**	**-**	**(238.794.952)**
Net book value	**137.668.378**						**127.657.524**

Other information

Depreciation and amortisation charges on property, plant and equipment are presented under operating expenses.

There has been no mortgage realised on the buildings. Total insurance coverage on property, plant and equipment is disclosed in **Note 22**.

As of 31 December 2023 and 2022, the movements for right of use assets, and related depreciation are as follows:

31 December 2023

Cost

Account Name	Opening balance – 1 January 2023	Additions	Disposals	Currency translation differences	Closing balance – 31 December 2023
Buildings	88.307.479	26.339.074	-	8.354.174	123.000.727
Motor vehicles	34.128.781	12.648.439	(6.321.308)	(154.368)	40.301.544
Total	**122.436.260**	**38.987.513**	**(6.321.308)**	**8.199.806**	**163.302.271**

Accumulated depreciation

Account Name	Opening balance – 1 January 2023	Current period depreciation	Disposals	Currency translation differences	Closing balance – 31 December 2023
Buildings	(67.366.846)	(29.799.197)	-	(1.314.734)	(98.480.777)
Motor vehicles	(10.896.640)	(14.287.436)	6.212.120	15.619	(18.956.337)
Total	**(78.263.486)**	**(44.086.633)**	**6.212.120**	**(1.299.115)**	**(117.437.114)**
Net book value	**44.172.774**				**45.865.157**

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

31 December 2022

Cost

Account Name	Opening balance – 1 January 2022	Additions	Disposals	Currency translation differences	Closing balance – 31 December 2022
Buildings	83.342.678	6.109.455	-	(1.144.653)	88.307.479
Motor vehicles	31.105.165	22.271.625	(17.303.480)	(1.944.529)	34.128.781
Total	**114.447.842**	**28.381.080**	**(17.303.480)**	**(3.089.182)**	**122.436.260**

Accumulated depreciation

Account Name	Opening balance – 1 January 2022	Current period depreciation	Disposals	Currency translation differences	Closing balance – 31 December 2022
Buildings	(47.225.919)	(20.705.715)	-	564.787	(67.366.846)
Motor vehicles	(19.082.228)	(10.770.310)	16.517.208	2.438.690	(10.896.640)
Total	**(66.308.147)**	**(31.476.024)**	**16.517.208**	**3.003.477**	**(78.263.486)**
Net book value					**44.172.774**

NOTE 19 - INTANGIBLE ASSETS

As of 31 December 2023 and 2022, the movements for intangible assets, and related depreciation are as follows:

Other intangible assets include art masterpieces. In accordance with the assessment realised by the Group management, it has been decided to classify art masterpieces under intangible assets. Art masterpieces are not depreciated as it is deemed to have an indefinite useful life.

31 December 2023

Cost

Account Name	Opening balance – 1 January 2023	Additions	Disposals	Currency translation differences	Closing balance – 31 December 2023
Rights	115.167.016	3.959.127	-	(232.512)	118.893.621
Other intangible assets	2.023.431	-	-	-	2.023.431
Total	**117.190.447**	**3.959.127**	**-**	**(232.512)**	**120.917.062**

Accumulated depreciation

Account Name	Opening balance – 1 January 2023	Current period depreciation	Disposals	Currency translation differences	Closing balance – 31 December 2023
Rights	(92.370.253)	(6.550.416)	-	72.513	(98.848.156)
Other intangible assets	-	-	-	-	-
Total	**(92.370.253)**	**(6.550.416)**	**-**	**72.513**	**(98.848.156)**
Net book value	**24.820.194**				**22.068.906**

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

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

31 December 2022

Cost

Account Name	Opening balance – 1 January 2022	Additions	Disposals	Currency translation differences	Closing balance – 31 December 2022
Rights	115.957.043	183.206	-	(973.233)	115.167.016
Other intangible assets	1.904.036	119.395	-	-	2.023.431
Total	**117.861.079**	**302.601**	**-**	**(973.233)**	**117.190.446**

Accumulated depreciation

Account Name	Opening balance – 1 January 2022	Current period depreciation	Disposals	Currency translation differences	Closing balance – 31 December 2022
Rights	(68.108.653)	(24.582.098)	-	320.498	(92.370.253)
Other intangible assets	-	-	-	-	-
Total	**(68.108.653)**	**(24.582.098)**	**-**	**320.498**	**(92.370.253)**
Net book value	**49.752.426**				**24.820.194**

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

Depreciation and amortisation charges on intangible assets are presented under operating expenses.

Account Name	31 December 2023	31 December 2022
Goodwill	5.136.551	5.136.551
Total	**5.136.551**	**5.136.551**

NOTE 20 - EMPLOYEE BENEFITS

As of 31 December 2023 and 2022, the detailed analysis of employee benefits is as follows:

Account Name	31 December 2023	31 December 2022
Due to employee	121.336	80.411
Social security premiums payable	9.294.173	7.426.776
Total	**9.415.509**	**7.507.187**

NOTE 21 - GOVERNMENT GRANTS

None.

NOTE 22 - PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions

Account Name	31 December 2023	31 December 2022
Provision for price revision	236.104.059	212.297.108
Provision for unused vacation	14.431.093	17.980.147
Provision for lawsuits	293.652	539.544
Total	**250.828.804**	**230.816.799**

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

31 December 2023	Provision for lawsuits	Provision for price revision	Provision for unused vacation	Total
Beginning of the period – 1 January	539.544	212.297.108	17.980.147	230.816.799
Additions	153.352	236.104.059	3.519.022	239.776.433
Payments during the period	-	(128.842.169)	-	(128.842.169)
Reversals	(399.244)	(83.454.939)	(7.068.076)	(90.922.259)
End of the period – 31 December	**293.652**	**236.104.059**	**14.431.093**	**250.828.804**

31 December 2022	Provision for lawsuits	Provision for price revision	Provision for unused vacation	Total
Beginning of the period – 1 January	291.668	249.349.506	26.283.520	275.924.694
Additions	361.990	212.297.107	1.979.951	214.639.048
Payments during the period	-	(151.792.480)	-	(151.792.480)
Reversals	(114.114)	(97.557.025)	(10.283.324)	(107.954.463)
End of the period – 31 December	**539.544**	**212.297.108**	**17.980.147**	**230.816.799**

Invoices regarding price revisions are obtained from customers for the products sold at different prices in the prior period and relevant provisions are allocated in the consolidated financial statements. In addition, the specific sales objectives are provided to customers, and in accordance with the sales achievement, invoices such as turnover premium, credit note, price revisions are received from the dealers and provisions are allocated in the consolidated financial statements accordingly.

Contingent liabilities and contingent assets

31 December 2023

As of 31 December 2023, the provision for lawsuits is amounted to **TL 293.652** filed against the Group and the related provisions are recognised in the consolidated financial statements. The relevant provisions are arising from customs disputes.

31 December 2022

As of 31 December 2022, the provision for lawsuits is amounted to **TL 539.544** filed against the Group and the related provisions are recognised in the consolidated financial statements. The relevant provisions are arising from customs disputes.

In accordance with TFRS 9, provision for doubtful receivables is amounted to **TL 42.751.099** for execution proceedings of the Group and the related provisions recognised in the consolidated financial statements (31 December 2022: **TL 65.967.352**).

Commitments, mortgages and guarantees not included in the liability

31 December 2023

Account Name	TL	USD	EUR
Pledges given	134.161.944	4.365.000	
Letter of guarantee given	1.250.868.530	14.000.000	1.200.000
Total	**1.385.030.474**	**18.365.000**	**1.200.000**

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

31 December 2022

Account Name	TL	USD	EUR
Pledges given	151.381.877	22.965.000	-
Letter of guarantee given	1.186.972.838	13.000.000	1.200.000
Total	**1.338.354.715**	**35.965.000**	**1.200.000**

The letter of guarantees given consist of guarantees provided to public institutions and domestic and international suppliers against the goods and merchandise that are purchased. The guarantee provided for the borrowings arising from the purchase of goods considered as the collateral. Since the borrowings related to the purchases of goods are paid on their due dates, there exists no possible cash outflow regarding the letter of guarantees.

iv) Total insurance coverage on assets

31 December 2023

Type of insured asset	USD	TL
Merchandise	146.000.000	-
Motor vehicles	-	54.739.523
Office and plant, machinery and equipment	958.548	3.972.958
Building	1.839.319	-
Total	**148.797.867**	**58.712.481**

31 December 2022

Type of insured asset	USD	TL
Merchandise	105.000.000	-
Motor vehicles	-	46.676.289
Office and plant, machinery and equipment	35.000	16.399.787
Building	-	19.607.987
Total	**105.035.000**	**82.684.064**

The additional disclosures for the receivables insurance regarding trade receivables are presented in Note 10.

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

Ratio of guarantees and mortgages to equity

Collaterals, Pledges, Mortgages Given by the Group	31 December 2023		31 December 2022	
	Original currency amount	TL equivalent	Original currency amount	TL equivalent
A. Total amount of CPM's given in the name of its own legal personality	-	***1.702.905.850***	-	**1.609.518.858**
Letter of guarantee (USD)	*14.000.000*	*412.878.200*	*13.000.000*	383.386.900
Letter of guarantee (EUR)	*1.200.000*	*39.159.120*	*1.200.000*	39.159.120
Letter of guarantee (TL)	*1.250.868.530*	*1.250.868.530*	*1.186.972.838*	1.186.972.838
Guarantee notes and cheques (TL)			-	-
Pledges				-
Mortgages (USD)			-	-
B. Total amount of CPM's given on behalf of the fully consolidated companies		***262.891.470***		**828.649.582**
Bill of guarantees (USD)	4.365.000	128.729.526	*22.965.000*	677.267.705
Bill of guarantees (EURO)				
Bill of guarantees (TL)	134.161.944	134.161.944	*151.381.877*	151.381.877
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	**-**	**1.965.797.320**	**-**	**2.438.168.440**

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

The ratio of other CPM’s given by the Group to its equity is 0% (31 December 2022: 0%)

NOTE 23 - COMMITMENTS

None.

NOTE 24 – PROVISIONS FOR EMPLOYEE BENEFITS

Account Name	31 December 2023	31 December 2022
Provision for employment termination benefits	16.811.165	39.087.042
Total	**16.811.165**	**39.087.042**

Under Turkish Labour Law, Indeks Bilgisayar and its subsidiaries incorporated in Turkey is 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 31 December 2023, the amount payable consists of one month’s salary limited to a maximum of TL 35.058,58 (31 December 2022: TL 19.982,83) for each year of service.

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

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As of 31 December 2023, 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 2023, the provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 20.00% and an interest rate of 24.00%, resulting in a discount rate of 3.33% (31 December 2022: 3.33%). The discount rates are reviewed and revised if deemed necessary, in every reporting period.

As of the 31 December 2023, turnover rate to estimate the probability of retirement is 95.94% (31 December 2022: 96.31%).

Movements in the provision for employment termination benefits are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Beginning of the period – 1 January	39.087.042	32.379.992
Service costs	2.367.711	3.358.237
Actuarial (gains)/losses	(951.443)	12.845.136
Interest costs	5.659.863	4.730.748
Losses on remeasurements of defined benefit plans	7.898.710	2.824.016
Payments during the period (-)	(21.885.428)	(4.382.541)
Adjustments for inflation	(15.365.290)	(12.668.546)
End of the period – 31 December	**16.811.165**	**39.087.042**

Provision for employment termination benefits is recognised under operating expenses in the consolidated financial statements.

In accordance with the regulation in TAS 19 that entered into force as of 1 January 2013, actuarial gains and losses have started to be recognized under equity as other comprehensive income.

The breakdown and classification of the provision for employment termination benefits are as follows:

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

	1 January 2023 31 December 2023	**1 January 2022 31 December 2022**
General administrative and marketing expenses	(15.926.284)	(10.913.001)
Other operating income	-	-
Gains/(losses) charge to the profit or loss	**(15.926.284)**	**(10.913.001)**
Actuarial gains/(losses) charge to the other comprehensive income	951.443	(12.845.136)
Profit/(loss) for the period	**(14.974.841)**	**(23.758.137)**

	1 January 2023 31 December 2023	**1 January 2022 31 December 2022**
Actuarial gains/(losses) charge to the other comprehensive income	951.443	(12.845.136)
Tax calculated at domestic tax rate 25%- 20%	(237.861)	2.569.027
Amount	**713.582**	**(10.276.109)**
Minority interest actuarial gains/losses	**230.737**	**919.216**
Net amount	**944.319**	**(9.356.893)**

The amount recognized as actuarial gains in the current period is amounting to TL 951.443. Deferred tax effect of the relevant amount was also taken into consideration and recognised in other comprehensive income and result of the aforementioned transaction, the amount of other comprehensive income is amounting to TL 713.582. The amount of TL 230.737 was recognised in the consolidated statement of other comprhensive income after offseting minority interest actuarial gains/losses.

The amount recognized as actuarial losses in the prior period is amounting to TL 12.845.136. Deferred tax effect of the relevant amount was also taken into consideration and recognised in other comprehensive income and result of the aforementioned transaction, the amount of other comprehensive expense is amounting to TL 10.276.109. The amount of TL 919.216 was recognised in the consolidated statement of other comprhensive income after offseting minority interest actuarial gains/losses.

NOTE 25 - TAX ASSETS AND LIABILITIES

None.

NOTE 26 - OTHER ASSETS AND LIABILITIES

As of 31 December 2023 and 2022, the breakdown of other current assets is as follows:

Account Name	**31 December 2023**	**31 December 2022**
Income accruals (Credit note)	226.563.144	193.499.925
Deferred VAT	9.197.003	66.596.785
Cash advances	905.505	1.168.840
Other current assets, net	**236.665.652**	**261.265.550**

As of 31 December 2023 and 2022, the Group has no other liabilities

NOTE 27 - EQUITY

i)Non-controlling interests

Account Name	**1 January 2023 31 December 2023**	**1 January 2022 31 December 2022**
Beginning of the period – 1 January	297.580.786	393.174.906
Share of profit/(loss) from non-controlling interests	(96.115.284)	(94.672.847)
Actuarial gains/(losses) from minority interests	(230.737)	(919.216)
Minority interest of the dividend payments of the subsidiary	-	(2.057)
End of the period – 31 December	**201.234.765**	**297.580.786**

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

ii) Share capital/Capital adjustments due to cross-ownership/Treasury shares

The current issued share capital of Indeks Bilgisayar is amounting to TL 750.000.000 which comprise of 750.000.000 outstanding shares each with a nominal value of TL 1. The current share capital of the Group consists of Class A shares issued to the name as paid-in share capital is amounting to TL 4.261,37 and Class B shares issued to the bearer as paid-in share capital is amounting to TL 749.995.738,66.

Class A shares have voting privileges in the nomination one more than half of the members of the Board of Directors and to receive a 5% share of the profit after the legal reserve fund and the first dividend are allocated accordingly.

Paid-in share capital of the consolidated statement of financial position is the paid-in share capital of the Group. The statement of financial position of the subsidiaries are consolidated on a line-by-line basis and the carrying value of the paid-in share capital of Indeks Bilgisayar and its subsidiaries is eliminated against the related equity.

As of 31 December 2023 and 2022, the principal shareholders and their respective shareholding rates in Indeks Bilgisayar are as follows:

		31 December 2023		**31 December 2022**
Shareholders	**Share (%)**	**Amount**	**Share (%)**	**Amount**
Nevres Erol Bilecik (*)	31.68	237.567.797	32.31	72.378.584
Desbil A.Ş.	8.42	63.162.505	7.79	17.439.535
Listed shares (quoted on the BIST)	57.53	431.491.283	57.53	128.872.061
Other	2.37	17.778.415	2.37	5.309.820
Total share capital	**100**	**750.000.000**	**100**	**224.000.000**

(*) The ultimate controlling party of the Group is Nevres Erol Bilecik and his family members. Total ownership interest of Nevres Erol Bilecik is 40.10% including the ownership interests in Desbil Anonim Şirketi (ultimate controlling party of the entity with 100% ownership interest).

In accordance with the decision of the General Assembly on 25 October 2023 and numbered 2023/14, it was decided to increase current issued share capital from TL 224.000.000 to TL 750.000.000 by incresing 234.82142%. The amount of TL 526.000.000 subject to capital increase was paid from extraordinary reserves. In accordance with the bullettin published by the Capital Markets Board (the "CMB") on 15 November 2023 and numbered 2023/71, the current increase in share capital was authorised and the relevant decision was published in the Official Gazette on 29 November 2023.

Treasury shares

If the Group reacquires equity-based financial instruments, the treasury shares are recognised in the consoldiated financial statements as deducted from equity. Gains or losses are not recognised in profit or loss due to its acquisition, disposal, export or reversal. Amounts received or paid are recognized directly in equity which is considered as a "reduction".

The nominal amount of the treasury shares is amounting to TL 162.402 in 2013. The relevant shares were disposed on 21 February 2018 amounting to TL 790.897. Gains or losses are not recognised in profit or loss due to aforementioned disclosure. The gain amounting to TL 156.607 arising from the sale of tresury shares was recognised in "share premium" in the consolidated financial statements

The number of shares constituting 8.771.571 outstanding shares are subject to treasury share transaction between 2018-2022. Accordingly, 8.100.000 outstanding shares were disposed in November 2022 amounting to TL 137.110.000. Thus, the gain from disposal of the treasury shares amounting to TL 57.067.857 is recognised in "share premium" in the consolidated financial statements. The balance of the share Premium account is amounting to TL 255.165.729.

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

As of 31 December 2023, the amount of TL 155.800.212 of the treasury shares consists of the acquisition of the parent and the remaining, shares acquired by the subsidiary, Datagate Anonim Şirketi. The minority interest has been deducted from the amount resulting from Datagate's treasury share transaction.

iii) Capital reserves

None.

iv) Other comprehensive income or expenses not to be reclassified to profit or loss

The analysis of other comprehensive income or expenses not to be reclassified to profit or loss recognised under equity is as follows:

Account Name	**31 December 2023**	**31 December 2022**
Beginning of the period – 1 January	*(10.194.912)*	*(838.019)*
Actuarial gains and (losses) ***(Note 24)***	*951.443*	*(12.845.136)*
Tax effect ***(Note 24, Note 35)***	*(237.861)*	*2.569.027*
Actuarial gains/(losses) from minority interests	*230.737*	*919.216*
Actuarial gains/(losses), (net)	**(9.250.593)**	**(10.194.912)**
Property, plant and equipment revaluation surplus	337.255.951	-
Tax effect ***(Note 24, Note 35)***	(84.313.988)	-
Gains/(losses)on revaluation surplus of property, plant and equipment, (net)	**252.941.963**	**-**
Other comprehensive income or expenses not to be reclassified to profit or loss, net	**243.691.370**	**(10.194.912)**

(v) Other comprehensive income or expenses to be reclassified to profit or loss

The movement of currency translation differences is as follows:

	31 December 2023	**31 December 2022**
Beginning of the period – 1 January	150.676.035	178.152.948
Increases/decreases during the period	4.038.803	(27.476.913)
End of the period – 31 December	**154.714.838**	**150.676.035**

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

vi) *Restricted reserves*

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group's historical paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the historical paid-in share capital. Under TCC, the legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted.

vii) Retained earnings

Retained earnings comprise of extraordinary reserves and prior years' income.

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 framework 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 presented in their interim period financial statements. The amount of distributable profit based on the companies' decision, does not exceed the net distributable profit in the statutory accounts, the whole amount should be distributed, and otherwise all distributable amount in the statutory accounts is distributed. However, no profit distribution would be made if any financial statements prepared in accordance with the CMB or any statutory accounts carrying net loss for the period.

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

As of 31 December 2023 and 2022, the breakdown of equity items is as follows:

Account Name	**31 December 2023**	**31 December 2022**
Paid-in share capital	750.000.000	224.000.000
Adjustment to share capital	1.270.545.564	1.255.149.544
Treasury shares (-)	(255.165.729)	(15.101.319)
Share premium	96.018.828	96.018.828
Business combinations under common control	-	-
Other comprehensive income or expenses not to be reclassified to profit or loss	243.691.370	(10.194.912)
- Property, plant and equipment revaluation surplus	*252.941.963*	-
-Gains/(losses) on revaluation and remeasurements	*(9.250.593)*	*(10.194.912)*
Other comprehensive income or expenses to be reclassified to profit or loss	154.714.838	150.676.035
-Currency translation differences	*154.714.838*	*150.676.035*
Restricted reserves	616.067.224	367.655.118
- Legal reserves	*600.686.757*	*352.274.651*
- Gain on subsidiary exempted from corporate tax	*15.380.467*	*15.380.467*
Retained earnings	(170.275.792)	750.892.293
Profit for the period	508.218.517	157.470.132
Equity holders of the parent	**3.213.814.820**	**2.976.565.719**
Minority interests	201.234.765	297.580.786
Total equity	**3.415.049.585**	**3.274.146.505**

As required by CMB decision numbered 7/242 dated 25 February 2005; amount of distributable profit, calculated from net distributable profit in accordance with CMB regulations related to minimum dividend distribution requirements shall be fully distributed, wherein the amount could be compensated by net distributable profit per statutory books, otherwise full amount of net distributable profit per statutory books will be distributed. No profit distribution shall be made in the case of net loss in either statutory books or the financial statements prepared in accordance with CMB regulations.

NOTE 28 - REVENUE AND COST OF SALES

As of 31 December 2023 and 2022, the breakdown and detailed analysis of revenue and cost of sales are as follows:

Account Name	**1 January - 31 December 2023**	**1 January - 31 December 2022**
Domestic sales	49.839.302.893	46.282.622.007
Foreign sales	195.094.267	156.499.448
Other sales	105.690.761	106.024.190
Sales returns (-)	(807.162.251)	(762.544.125)
Other discounts (-)	(98.685.140)	(76.025.822)
Net sales	**49.234.240.530**	**45.706.575.698**
Cost of merchandise sold (-)	(45.927.116.321)	(43.344.721.762)
Gross profit	**3.307.124.209**	**2.361.853.936**

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

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

As of 31 December 2023 and 2022, the breakdown of operating expenses is as follows:

Account Name	1 January 2023 31 December 2023	1 January 2022 31 December 2022
General administrative expenses (-)	(398.308.662)	(299.686.277)
Marketing, sales and distribution expenses (-)	(290.341.014)	(227.882.865)
Total operating expenses	**(688.649.676)**	**(527.569.142)**

NOTE 30 - EXPENSES BY NATURE

As of 31 December 2023 and 2022, the functional breakdown of expenses by nature is as follows:

Account Name	1 January 2023 31 December 2023	1 January 2022 31 December 2022
Marketing, sales and distribution expenses and general administrative expenses (-)		
- Personnel expenses	(354.980.108)	(249.021.570)
- Insurance expenses	(67.033.783)	(68.079.114)
- Depreciation and amortisation charges	(75.645.727)	(71.030.187)
- Transportation, distribution and storage expenses	(45.227.338)	(35.433.655)
- Representation and hospitality expenses	(31.236.582)	(9.542.444)
- Provision for employment termination benefits	(19.113.444)	(11.308.247)
- Outsourcing expenses	(18.583.477)	(15.953.934)
- Audit and consultancy expenses	(15.039.197)	(20.166.721)
- Advertisement and promotion expenses	(14.318.603)	(7.096.386)
- Repair and maintenance expenses	(12.875.087)	(9.746.778)
- Motor vehicle expenditures	(13.060.311)	(13.513.849)
- Sales and export and import costs	(5.002.063)	(5.125.892)
- Taxes, duties and charges	(2.229.431)	(1.381.922)
- Other	(14.304.525)	(10.168.443)
Operating expenses, net	**(688.649.676)**	**(527.569.142)**

Depreciation and amortisation charges and personnel expenses are recognised in operating expenses in the consolidated financial statements.

Fees for Services Received from Independent Auditor/Independent Audit Firms

The Group's disclosure 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 which are based on the Board Decision published in the Official Gazette on March 30, 2021, are as follows:

Account Name	1 January - 31 December 2023	1 January - 31 December 2022
Audit fee for the reporting period	1.723.000	326.251
Tax consulting fee	1.431.000	821.574
Other assurance fees	-	240.369
Other service fee apart from audit	-	-
Total	**3.154.000**	**1.388.194**

NOTE 31 - OTHER OPERATING INCOME/(EXPENSES)

As of 31 December 2023 and 2022, the breakdown and detailed analysis of other operating income and expenses are as follows:

Account Name	1 January - 31 December 2023	1 January - 31 December 2022
Other operating income	**3.441.656.635**	**1.467.379.703**
Interest income	823.142.824	582.686.186
Discount income	126.521.782	75.702.375
Foreign exchange gains	2.491.084.724	808.077.049
Other	907.305	914.093
Other operating expenses (-)	**(3.589.133.303)**	**(802.504.153)**
Interest expenses	(889.797.224)	(484.402.839)
Discount expenses	(180.173.462)	(79.076.192)
Foreign exchange losses	(2.508.126.695)	(232.783.084)
Other	(11.035.922)	(6.242.038)
Other operating income/(expenses), net	**(147.476.668)**	**664.875.550**

NOTE 32 - GAINS/ (LOSSES) FROM INVESTMENT ACTIVITES

As of 31 December 2023 and 2022, the breakdown of gains and losses from investment activities is as follows:

Account Name	1 January - 31 December 2023	1 January - 31 December 2022
Gains from investment activities	**234.426.109**	**186.448.916**
Gain on sale of property, plant and equipment and intangible assets	1.378.540	1.509.064
Gain on changes in fair value of currency-protected deposits (*)	65.077.946	22.078.333
Interest income from currency-protected deposits (*)	120.652.512	32.450.452
Gain on disposal of a subsidiary	2.732.303	754.219
Investment properties revaluation surplus	44.584.808	129.656.848
Losses from investment activities (-)	**-**	**(1.137)**
Loss on sale of property, plant and equipment and intangible assets (-)	-	(1.137)
Gains/(losses) from investment activities, net	**234.426.109**	**186.447.779**

(*) The Group opened an Currency-Protected Deposit Account denominated in Turkish Lira in 2022, in accordance with the "Communiqué Amending the Communiqué on the Support of Conversion to Turkish Lira Deposits and Participation Accounts". In accordance with the announcement regarding the "Accounting of Foreign Exchange/Gold Converted Exchange Rate/Price Protected TL Deposit Accounts" announced by the POA on 1 March 2022, the Group classifies its currency-protected deposits under financial investments and calculates interest income and foreign exchange gains as a result of the fair value calculation. Accordingly, the Group gains and losses under gains/(losses) from investment activities.

NOTE 33 - FINANCIAL INCOME/(EXPENSE)

As of 31 December 2023 and 2022, the breakdown of financial income is as follows:

Account Name	1 January - 31 December 2023	1 January - 31 December 2022
Interest income	290.299.935	89.050.640
Foreign exchange gains	101.520.171	236.583.486
Financial income, net	**391.820.106**	**325.634.126**

As of 31 December 2023 and 2022, the breakdown of financial expenses is as follows:

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

Account Name	1 January - 31 December 2023	1 January - 31 December 2022
Bank fees and charges and interest expenses	(1.065.417.490)	(1.098.024.431)
Foreign exchange losses	(296.441.962)	(362.889.158)
Financial expenses, net	**(1.361.859.452)**	**(1.460.913.589)**

The Group has no capitalised financing costs during the period.

NOTE 34 – NON-CURRENT ASSETS HELD FOR SALE AND DISCOUNTINUED OPERATIONS

None.

NOTE 35 - INCOME TAXES

The Group’s tax expense (or income) consists of current period's corporate tax expense and deferred tax expense (or income) and the functional breakdown of income taxes is as follows:

Account Name	31 December 2023	31 December 2022
Current period tax expense	448.511.248	417.530.282
Deferred income tax	(282.304.681)	(282.723.539)
Total tax income/(expense)	**166.206.567**	**134.806.743**

As of 31 December 2023 and 2022, the details of tax assets and liabilities are as follows:

Account Name	1 January - 31 December 2023	1 January - 31 December 2022
Current period tax expense (-)	(448.511.248)	(417.530.282)
Deferred income tax	23.477.869	(23.363.556)
Total tax income/(expense)	**(425.033.379)**	**(440.893.838)**

Movements in deferred tax assets/(liabilities) are as follows:

Account Name	31 December 2023	31 December 2022
Beginning of the period – 1 January	(68.658.986)	(80.486.097)
Actuarial gains/(losses)	(237.861)	2.569.027
Property, plant and equipment revaluation surplus	(84.313.988)	-
Deferred income tax during the period	23.477.869	(23.363.556)
Currency translation differences/Adjustments for inflation	36.064.829	32.621.640
End of the period – 31 December	**(93.668.137)**	**(68.658.986)**

i) Corporate tax

Advance tax in Turkey is calculated and accrued on a quarterly basis. Accordingly, the Group has been calculated tax in accordance with the 2023 earnings in the first advance tax period, an advance tax of 25% was calculated on corporate earnings. The corporate tax rate applied in Turkey is 20%.

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 year’s profits.

According to Corporate Tax Law Article numbered 24, the corporate tax is imposed by the taxpayer’s tax returns. In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their corporate tax returns between 1-25 April following the close of the accounting year. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

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 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. With the Presidential Decree No 4936 published in the Official Gazette numbered 31697, the tax withholding rate on dividend distribution within the scope of Article 94 of the Income Tax Law and Articles 15 and 30 of the Corporate Tax Law has been reduced from 15% to 10%.

ii) Deferred tax

Indeks Bilgisayar and its subsidiaries, recognise deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with TFRS and the Turkish tax legislations. These differences usually result in the recognition of revenue and expenses in different reporting periods for tax purposes and for the purposes of the Turkish Financial Reporting Standards 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 property, plant and equipment (except land), intangible assets, inventories, the revaluation of prepaid expenses, discount of receivables, provision for employment termination benefits, and previous 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. Corporate tax rate is used in the calculation of deferred taxes.

As of 31 December 2023, the effective corporate tax rate is 25%.

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

Account Name	**31 December 2023 Cumulative temporary differences**	**31 December 2023 Deferred tax assets/ (liabilities)**	**31 December 2022 Cumulative temporary differences**	**31 December 2022 Deferred tax assets/ (liabilities)**
Property, plant and equipment and intangible assets	361.277.241	(90.319.310)	700.044.810	(140.008.963)
Discount expenses	289.934.067	72.483.517	233.803.253	46.760.651
Provision for employment termination benefits	16.811.165	4.202.791	39.087.031	7.817.406
Provision for impairment on inventories	89.243.649	22.310.912	106.312.207	21.262.441
Discount on notes payable	59.364.647	(14.841.162)	15.090.605	(3.018.121)
Derivative instruments	335.744.902	(83.936.226)	6.212.590	1.242.519
Provision for doubtful receivables	12.259.699	3.064.925	17.696.559	3.539.313
Financial losses	23.280.341	5.820.085	-	-
Provision for unused vacation	14.431.093	3.607.773	17.980.147	3.596.029
Other	64.245.769	(16.061.442)	49.251.310	(9.850.261)
Deferred tax liabilities (net)		**(93.668.137)**		**(68.658.986)**

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

NOTE 36 - EARNINGS PER SHARE

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.

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Accordingly, the weighted average number of shares used in earnings per share calculation as of 31 December 2023 and 2022, which is as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Profit for the period	508.218.517	157.470.132
Weighted average number of shares	750.000.000	224.000.000
Earnings per share	**0.677625**	**0.7029916**
Earnings per share of preferred shares	19.965,84	6.186,36
Earnings per share of common shares	2.155403	0.667846

NOTE 37 - RELATED PARTY DISCLOSURES

Related party balances are as follows:

	Receivables		Payables	
31 December 2023	**Trade receivables**	**Other receivables**	**Trade payables**	**Other payables**
Homend A.Ş.	265.940	-	-	-
Desbil A.Ş.	-	-	134.897	-
Total	**265.940**	**-**	**134.897**	**-**

	Receivables		Payables	
31 December 2022	**Trade receivables**	**Other receivables**	**Trade payables**	**Other payables**
Desbil A.Ş.	326	-	117.096	-
Total	**326**	**-**	**117.096**	**-**

The Group has no collateral obtained against its receivables and payables due from/due to related parties. The Group has no provision for doubtful receivables allocated for related parties. Desbil and Homend are other related parties.

Current balances between related parties mainly arise from operating activities. However, there exists cash allocations between related parties. Balances arising from non-finance sector operations and transactions are classified as other receivables and payables

The Group has interest gains on USD, EUR and TL for the current accounts during the period, and the effective annual interest in 2023 is for USD 11.50% - 14.50%, EUR 9.65% -14.10% and TL 24.00% – 49.00%, respectively (31 December 2022: 7.00% - 13.00%, 3.00% – 11.50% and 21.00% -37.00%, respectively).

Related party transactions are as follows:

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

1 January 2023– 31 December 2023

Sales	Goods and services	Common costs	Interest income and currency translation differences	Total
Desbil A.Ş.	-	150.366	115.667	266.033
Total	**-**	**150.366**	**115.667**	**266.033**

Purchases	Goods and services	Common costs	Interest expenses and currency translation differences	Total
Desbil A.Ş.	-	3.636.058	3.268.876	6.904.934
Total	**-**	**3.636.058**	**3.268.876**	**6.904.934**

1 January 2022– 31 December 2022

Sales	Goods and services	Common costs	Interest income and currency translation differences	Total
Desbil A.Ş.	-	24.341	2.610.826	2.635.167
Total	**-**	**24.341**	**2.610.826**	**2.635.167**

Purchases	Goods and services	Common costs	Interest expenses and currency translation differences	Total
Desbil A.Ş.	-	2.337.966	78.811	2.416.777
Total	**-**	**2.337.966**	**78.811**	**2.416.777**

c) Key management compensation

Account Name	1 January - 31 December 2023	1 January - 31 December 2022
Short-term employee benefits	71.633.825	48.447.887
Employee leaves and dismissals	-	-
Other long-term benefits	-	-
Total	**71.633.825**	**48.447.887**

The key management of Indeks Bilgisayar is identified as the general managers and assistant general managers.

NOTE 38 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

(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 borrowings includes loans disclosed in note 8, cash and cash equivalents disclosed in note 6 and equity items containing respectively issued share capital, capital reserves, profit reserves and prior years' income disclosed in note 27.

Risks, associated with each capital class, and the senior management evaluates the capital cost. It is aimed that the capital structure will be stabilized by means of new borrowings or repaying the existing debts as well as dividend payments and new share issuances based on the senior management evaluations.
The Group monitors capital on the basis of the net financial debt/total equity ratio. This ratio calculated as dividing net debt by total capital. Net debt is calculated by deducting cash and cash equivalents from the total debt amount (includes borrowings, finance leases and trade payables as disclosed in the consolidated statement of financial position). Total capital is calculated as equity, as presented in the consolidated statement of financial position, plus net debt.

The general strategy regarding equity does not differ from the prior period.

Consolidated net financial debt/invested capital ratio as of 31 December 2023 and 2022 is as follows:

	31 December 2023	**31 December 2022**
Total borrowings	13.932.343.098	11.283.049.762
Less: Cash and cash equivalents	(3.115.360.863)	(3.907.198.149)
Net financial debt	10.816.982.235	7.375.851.613
Equity	3.415.049.585	3.274.146.505
Total capital	14.232.031.820	10.649.998.118
Net financial debt/invested capital ratio	**76.00%**	**69.26%**

(b) Significant accounting policies

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

(c) Risks

Due to 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. 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 prior year.

(c1) Foreign exchange risk

Foreign exchange risk arises from the fact that the Group has liabilities denominated in USD and EURO.

The difference between the foreign currency denominated and foreign currency indexed assets and liabilities of the Group are defined as the "Net foreign currency position" and it is the basis of the foreign exchange risk. Another important dimension of the risk is the changes of the exchange rates of different foreign currencies in net foreign currency position. The Group's exposure to foreign exchange risk arises from its receivables, payables and bank borrowings denominated in foreign currencies. In order to minimize this risk, the Group monitors its financial position and cash inflows/outflows with detailed consolidated statements of cash flow.

As of 31 December 2023, if EUR and USD had appreciated by 10% against TL with all other variables held constant, profit before tax would have been TL 56.423.911 lower (31 December 2022: TL 11.363.129 higher).

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

Foreign Exchange Sensitivity Analysis

Current period - (31.12.2023)

	Profit/(Loss)	
	Appreciation of Foreign Currency	**Depreciation of Foreign Currency**
Change in USD against TL by 10%		
1- USD Net Asset / Liability	(28.439.825)	28.439.825
2- Hedged portion of USD Risk (-)		
3- USD Net Effect (1+2)	**(28.439.825)**	**28.439.825**
Change in EUR against TL by 10%		-
4- EUR Net Asset / Liability	(7.234.299)	7.234.299
5- Hedged portion of EUR Risk (-)		
6- EUR Net Effect (4+5)	**(7.234.299)**	**7.234.299**
Change in TL against USD by 10%		-
7- TL Net Asset / Liability	(20.749.787)	20.749.787
8- Hedged portion of TL Risk (-)		
9- TL Net Effect (1+2)	**(20.749.787)**	**20.749.787**
Total	**(56.423.911)**	**56.423.911**

Foreign Exchange Sensitivity Analysis

Prior period - (31.12.2022)

	Profit/(Loss)	
	Appreciation of Foreign Currency	**Depreciation of Foreign Currency**
Change in USD against TL by 10%		
1- USD Net Asset / Liability	138.213.621	(138.213.621)
2- Hedged portion of USD Risk (-)		
3- USD Net Effect (1+2)	**138.213.621**	**(138.213.621)**
Change in EUR against TL by 10%		
4- EUR Net Asset / Liability	1.707.759	(1.707.759)
5- Hedged portion of EUR Risk (-)		
6- EUR Net Effect (4+5)	**1.707.759**	**(1.707.759)**
Change in TL against USD by 10%		-
7- TL Net Asset / Liability	(9.333.771)	9.333.771
8- Hedged portion of TL Risk (-)		
9- TL Net Effect (1+2)	**(9.333.771)**	**9.333.771**
Total	**130.587.608**	**(130.587.608)**

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

As of 31 December 2023 and 2022, foreign exchange position of the Group is as follows:

Foreign Exchange Position

	Current period - (31.12.2023)				Prior period - (31.12.2022)			
	TL equivalent	**TL (*)**	**USD**	**EUR**	**TL equivalent**	**TL (*)**	**USD**	**EUR**
1. Trade Receivables	4.147.623.271	57.098.928	137.665.991	1.163.059	2.213.655.685	32.184.598	115.742.745	866.747
2a. Monetary Financial Assets	2.068.263.606	41.108.693	68.811.777	44.823	473.584.712	42.909.120	22.745.046	269.974
2b. Non-Monetary Financial Assets	44.483.900	902.261	1.310.308	153.759	22.526.256	1.102.654	851.431	276.063
3. Other	96.685.788	29.888.798	1.932.680	303.997	86.554.154	41.438.696	1.982.768	403.367
4. Total Current Assets (1+2+3)	**6.357.056.565**	**128.998.680**	**209.720.756**	**1.665.638**	**2.796.320.806**	**117.635.068**	**141.321.990**	**1.816.150**
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-	-	-
7. Other	27.480.093	27.480.093	-	-	15.431.501	15.431.501	-	-
8. Total Non-Current Assets(5+6+7)	**27.480.093**	**27.480.093**	**-**	**-**	**15.431.501**	**15.431.501**	**-**	**-**
9. Total Assets (4+8)	**6.384.536.658**	**156.478.773**	**209.720.756**	**1.665.638**	**2.811.752.307**	**133.066.569**	**141.321.990**	**1.816.150**
10. Trade Payables	5.371.612.313	92.813.469	174.899.482	3.701.383	1.544.105.480	46.412.406	78.999.495	895.034
11. Financial Liabilities	820.494.190	2.348.226	27.741.943	-	326.065.461	42.740.234	15.125.199	-
12a. Other Monetary Liabilities	132.609.253	123.142.541	267.956	47.938	59.668.773	58.255.729	55.630	18.577
12b. Other Non-Monetary Liabilities	724.056.527	144.188.268	19.518.266	130.214	89.020.305	75.564.974	671.240	44.148
13. Total Current Liabilities (10+11+12)	**7.048.772.283**	**362.492.504**	**222.427.647**	**3.879.535**	**2.018.860.020**	**222.973.343**	**94.851.563**	**957.758**
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	1.051.496	1.051.496	-	-	1.354.922	1.354.922	-	-
16a. Other Monetary Liabilities	432.643	432.643	-	-	2.076.016	2.076.016	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-	-	-	-	-
17. Total Non-Current Liabilities (14+15+16)	1.484.139	1.484.139	**-**	**-**	**3.430.938**	**3.430.938**	**-**	**-**
18. Total Liabilities (13+17)	**7.050.256.422**	**363.976.642**	**222.427.647**	**3.879.535**	**2.022.290.958**	**226.404.281**	**94.851.563**	**957.758**
19. Off-Balance Sheet Derivative Instruments Net Asset/(Liability) Position (19a-19b)	**101.480.658**	**-**	**3.447.244**	**-**	**516.414.735**	**-**	**27.618.272**	**-**
19a. Total Asset Amount of Hedged	101.480.658	-	3.447.244	-	516.414.735	-	27.618.272	-
19b. Total Liabilities Amount of Hedged	-	-	-	-	-	-	-	-
20. Net Foreign Exchange Asset/(Liability) Position (9-18+19)	**(564.239.106)**	**(207.497.869)**	**(9.259.647)**	**(2.213.897)**	**1.305.876.084**	**(93.337.712)**	**74.088.698**	**858.392**
21. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (1+2a+3+5+6a-10-11-12a-14-15-16a)	**(110.313.018)**	**(121.580.755)**	**3.568.387**	**(2.541.439)**	**753.969.744**	**(75.745.589)**	**44.307.468**	**223.110**
22. Total Fair Value of Financial Instruments Used for Foreign Exchange Hedge					-	-	-	-
23. Foreign Exchange Hedged Portion Amount of Assets	**109.086.348**	**-**	**3.447.244**	**-**	**870.648.489**	**-**	**27.618.272**	**-**
24. Foreign Exchange Hedged Portion Amount of Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25. Export	**195.094.267**	**-**	**-**	**-**	**172.483.781**	**-**	**-**	**-**
26. Import	**9.421.212.750**	**-**	**-**	**-**	**11.479.827.912**	**-**	**-**	**-**

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

(*) Foreign currencies of entities whose functional currency is USD are presented as TL and EUR.

c2) *Credit risk details*

As of 31 December 2023 and 2022, the exposure of consolidated financial assets to credit risk is as follows:

	Receivables						
	Trade Receivables		**Other Receivables**			**Bank deposits and reverse repo**	
CURRENT PERIOD	**Related Party**	**Other**	**Related Party**	**Other**	**Notes**		**Notes**
Maximum exposure to credit risk as of the reporting date (A+B+C+D) (*)	**265.940**	**9.188.783.227**	**-**	**5.915.965**		**3.751.393.334**	
- Maximum risk, secured with guarantees and collaterals	-	4.941.535.444	-	-			
A. Net book value of neither past due nor impaired financial assets	**265.940**	**9.193.105.466**	**-**	**5.915.965**	**10-11**	**3.751.393.334**	**6**
B. Net book value of past due but not impaired financial assets	-	8.309.647	-	-		-	
- Maximum risk, secured with guarantees and collaterals	-	(12.651.886)	-	-	**10-11**	-	**6**
C. Net book value of impaired assets	-	-	-	-		-	
- Past due (gross book value)	-	42.751.099	-	-	**10-11**	-	**6**
- Impairment (-)	-	(42.751.099)	-	-	**10-11**	-	**6**
- Secured with guarantees and collaterals	-	-	-	-	**10-11**	-	**6**
- Undue (gross book value)	-	-	-	-	**10-11**	-	**6**
- Impairment (-)	-	-	-	-	**10-11**	-	**6**
- Secured with guarantees and collaterals	-	-	-	-	**10-11**	-	**6**
D. Off-balance sheet expected credit losses (-)							

	Receivables						
	Trade Receivables		**Other Receivables**			**Bank deposits and reverse repo**	
PRIOR PERIOD	**Related Party**	**Other**	**Related Party**	**Other**	**Notes**		**Notes**
Maximum exposure to credit risk as of the reporting date (A+B+C+D) (*)	**326**	**7.512.644.683**	**-**	**4.894.518**		**3.882.935.287**	
- Maximum risk, secured with guarantees and collaterals	-	4.896.050.285	-	-		-	
A. Net book value of neither past due nor impaired financial assets	**326**	**7.508.387.429**	**-**	**4.894.518**	**10-11**	**3.882.935.287**	**6**
B. Net book value of past due but not impaired financial assets	-	20.859.258				-	
- Maximum risk, secured with guarantees and collaterals	-	(16.602.003)			**10-11**	-	**6**
C. Net book value of impaired assets	-	-	-	-		-	
- Past due (gross book value)	-	65.967.352	-	-	**10-11**	-	**6**
- Impairment (-)	-	(65.967.352)			**10-11**	-	**6**
- Secured with guarantees and collaterals	-		-		**10-11**	-	**6**
- Undue (gross book value)	-	-	-	-	**10-11**	-	**6**
- Impairment (-)					**10-11**	-	**6**
- Secured with guarantees and collaterals					**10-11**	-	**6**
D. Off-balance sheet expected credit losses (-)							

(*) The factors that increase credit reliability, such as guarantees and collaterals received, were not taken into consideration in determining the amount.

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

	Receivables	
Current period - (31 December 2023)	**Trade receivables**	**Other receivables**
Past due up to 1 month	3.146.645	-
Past due 1-3 months	2.128.225	-
Past due more than 3 months	3.034.777	-
Secured with guarantees and collaterals	12.651.886	-

	Receivables	
Prior period (31 December 2022)	**Trade receivables**	**Other receivables**
Past due up to 1 month	13.802.496	-
Past due 1-3 months	5.211.743	-
Past due more than 3 months	1.845.018	-
Secured with guarantees and collaterals	16.602.003	-

Mortgages, cheques and letter of guarantees received from customers were taken into consideration as collateral held as security and as factors that increase 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 consolidated statement of financial position less provision for doubtful receivables. The low profit margin of the sector due to the structure of the sector makes collection and risk monitoring policies significant for the Group and maximum sensitivity is presented accordingly. 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 accordingly.

Indeks Bilgisayar sells goods to Turkey in nearly every entity 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 can be listed are 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.

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

The Group's sales are diversified throughout Turkey which reduces the concentration risk.

Trade receivables are evaluated by taking into consideration the Group's policies and procedures, are presented in the consolidated statement of financial position less provision for doubtful receivables **(Note 10).**

(c3) Interest rate risk

The Group is exposed to interest rate risk arising from the rate changes on interest-bearing liabilities and assets. The Group manages this risk by balancing the repricing terms of interest-bearing assets and liabilities with fixed interest (Note 6) and short-long term nature of borrowings (Note 8).

Interest rate position

	Current period	Prior period
Fixed-interest rate financial instruments		
Financial assets	959.354.319	1.361.839.578
Financial liabilities	(1.714.779.753)	(1.280.499.254)
Floating-interest rate financial instruments		
Financial assets	-	-
Financial liabilities	-	-

As of 31 December 2023, in the case of 100 bps rise in the annual interests, with all other variables held constant, profit before tax would have been 7.554.254 lower (31 December 2022: TL 813.403 higher). The significant portion of the Group's fixed-interest bearing assets and liabilities are short-term. Thus, fixed-interest assets and liabilities are also taken into consideration in the interest rate risk. The Group has no interest rate risk considering assets and liabilities with floating-interest rates.

(c4) Liquidity risk

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

Liquidity risk statements

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

Undiscounted contractual cash flows of the derivative and non-derivative consolidated financial liabilities as of 31 December 2023 and 2022 are as follows:

31 December 2023

	Carrying Value	Total Contractual Cash Outflow	Demand or up to 3 months	3-12 months	1-5 years	5 years and over
Non-Derivative Financial Liabilities	**12.884.234.303**	**13.019.027.752**	**12.038.367.118**	**952.227.455**	**28.433.179**	**-**
Bank Borrowings	1.683.008.180	1.727.785.956	788.878.179	938.907.777	-	-
Lease Liabilities	31.771.573	47.409.685	5.656.828	13.319.678	28.433.179	-
Trade Payables	10.936.625.632	11.011.003.193	11.011.003.193			-
Other Payables	232.828.917	232.828.917	232.828.917			-

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

	Carrying Value	Total Contractual Cash Outflow	Demand or up to 3 months	3-12 months	1-5 years	5 years and over
Derivative Instruments	**(1.511.049)**	**(7.605.696)**	**(6.172.511)**	**(1.433.185)**	**-**	**-**
Cash Inflows	101.480.655	101.480.652	89.293.237	12.187.415	-	-
Cash Outflows	(102.991.704)	(109.086.348)	(95.465.748)	(13.620.600)	-	-

Forward transactions comprise of TL equivalent of USD 3.447.244. Cash outflows from derivative transactions were calculated by considering the exchange rates at the end of the maturity. On the other hand, cash inflows were calculated considering exchange rate as at 31 December 2023. The actual profit/loss will be realised and determined at the maturity date.

31 December 2022

	Carrying Value	Total Contractual Cash Outflow	Demand or up to 3 months	3-12 months	1-5 years	5 years and over
Non-Derivative Financial Liabilities	**10.304.179.399**	**10.375.406.820**	**10.157.219.992**	**203.403.879**	**14.782.949**	**-**
Bank Borrowings	1.251.848.626	1.277.075.580	1.092.434.688	184.640.892	-	-
Lease Liabilities	28.650.628	40.263.415	6.717.478	18.762.987	14.782.949	-
Trade Payables	8.908.213.090	8.942.600.770	8.942.600.770	-	-	-
Other Payables	115.467.055	115.467.056	115.467.056	-	-	-

	Carrying Value	Total Contractual Cash Outflow	Demand or up to 3 months	3-12 months	1-5 years	5 years and over
Derivative Instruments	**(6.212.596)**	**(19.736.437)**	**(19.205.379)**	**(531.058)**	**-**	**-**
Cash Inflows	850.912.051	850.912.051	845.691.339	5.220.712	-	-
Cash Outflows	(857.124.648)	(870.648.489)	(864.896.718)	(5.751.771)	-	-

Forward transactions comprise of TL equivalent of USD 27.618.272. Cash outflows from derivative transactions were calculated by considering the exchange rates at the end of the maturity. On the other hand, cash inflows were calculated considering exchange rate as at 31 December 2022. The actual profit/loss will be realised and determined at the maturity date.

c5) Other risks analysis

Equity securities and other related risks related financial instruments

The Group has no securities and similar financial assets sensitive to changes in fair value.

NOTE 39 - FINANCIAL INSTRUMENTS

Financial Instruments and Financial Risk Management Objectives

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, price 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.

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:

Monetary assets

Foreign currency transactions are translated into Turkish lira using the exchange rates prevailing at the dates of the transactions. Monetary assets denominated in foreign currencies are translated using the exchange rates at the balance sheet date. Monetary assets denominated in foreign currencies are considered to approximate their respective carrying values.

Carrying values of significant portion of cash and cash equivalents, accrued interests and other financial assets are carried at cost which are assumed to reflect their fair values due to their short-term nature and insignificant credit risk. The carrying values of receivables estimated that reflecting the fair value less provision for doubtful receivables in the accompanying consolidated financial statements.

Monetary liabilities

Foreign currency transactions are translated into Turkish lira using the exchange rates prevailing at the dates of the transactions. Monetary liabilities denominated in foreign currencies are translated using the exchange rates at the balance sheet date. Monetary liabilities and trade payables denominated in foreign currencies are considered to approximate their respective carrying values.

The fair values of trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. Bank borrowings are expressed with discounted cost and transaction costs are added to the initial cost of the loan. The fair values of the loans after discount are considered to be approximate to their corresponding carrying values. In addition, it is considered that the fair values of the trade payables are approximate to their respective carrying value due to their short-term nature.

Fair value estimate

The Group has applied the amendment to TFRS 7 for financial instruments carried at fair value in the consolidated statement of financial position effective from 1 January 2019.

Fair value measurements hierarchy table

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

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);

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

It is estimated that the fair values of balances denominated in foreign currencies are translated at year-end exchange rates and considered that approximate their carrying values.

As of 31 December 2023, the Group has financial investment amounting to USD 21.841.565 equivalent of TL 642.976.366 (31 December 2022: None) (Level 2) (Note 7).

It is estimated that the carrying values of financial assets, such as cash and cash equivalents, at discounted cost are approximate to their fair values due to their short-term nature.

Trade receivables and payables are carried at discounted costs using the effective interest method. Thus, it is estimated that their carrying values are considered to approximate their fair values.

NOTE 40 - EVENTS AFTER THE REPORTING PERIOD

None.

NOTE 41 - THE OTHER MATTERS WHICH SUBSTANTIALLY AFFECT THE CONSOLIDATED FINANCIAL STATEMENTS

None.