DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET A.Ş.

FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022
TOGETHER WITH THE INDEPENDENT AUDITORS' REPORT

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

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

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Despec Bilgisayar Pazarlama ve Ticaret Anonim Şirketi

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Despec Bilgisayar Pazarlama ve Ticaret Anonim Şirketi (the "Company" or "Despec"), which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022 and its financial performance and its 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 financial statements section of our report. We are independent of the Company 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 financial statements in Turkey, 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

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<table>
<tr><td colspan="2">Trade Receivables</td></tr>
<tr><td>Key audit matters</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>Financial statements as of 31 December 2022 include trade receivables amounting to TL 274.088.132 which constitutes 63.89% of Despec's total assets. An impairment provision for doubtful trade receivables of Despec amounting to TL 2.537.938 included in the financial statements. The Company uses accounting estimates and policies for recoverability of trade receivables and determination of the provisions. Trade receivables and its recoverability are material to Despec's financial statements. Therefore, trade receivables are considered as a key audit matter.

Please refer to Note 10 and Note 38 to the financial statements for the accounting policy, related balances, standing guarantees and the relevant disclosures regarding trade receivables.</td><td>We performed the following procedures in relation to the testing of trade receivables and provision for trade receivables considering the guarantees for trade receivables for unrecoverable amounts:

We have evaluated and tested 3rd party reconciliations for the balances of the trade receivables.

The credit risk policy of the Company is based on the analysis of the customer's balances and aging reports. In this context, we have evaluated provision amounts recognized in the 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, rediscount on trade receivables (deferred interest income etc.) and other valuations included in the financial statements.

Testing the disclosures in the 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.</td></tr>
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Inventories and Provision for Inventory Impairment	
Key audit matters	**How the matter was addressed in our audit**
Financial statements as of 31 December 2022 include inventories amounting to TL 106.136.570 and which constitutes 24.74% of the Despec's total assets. An impairment provision for inventories of Despec amounting to TL 4.446.522 included in the financial statements. Products in the Company's inventory are subject to the risk of being impaired due to the rapid technological development and changes in the market. The Company management uses certain accounting estimates and policies to determine the provision to reduce obsolescent inventories and slow moving inventory items to net realizable value. Existence of inventories and net realizable amount has been considered as a key audit matter due to the importance of inventory account. Please refer to **Note 2.05.02** and **Note 13** to the financial statements for the accounting policy and related balances and the relevant disclosures regarding inventories.	We performed the following procedures in relation to the inventories and net realizable value of inventories: In this context, we have participated year-end inventory count to confirm the inventories. In addition, we have audited documents related to purchase of inventories during the year. Provision for inventory impairment recognized for the purpose of lower cost of inventories to their net realizable value. We have tested Company's policy regarding inventory impairment by turnover ratio. We have evaluated the whether provisions allocated in the accompanying financial statements regarding net realisable value in accordance with the changes in gross sales profit generally or on the product basis. The inventory valuation method of the Company has been confirmed with controlling sample inventory cards. Testing the disclosures in the financial statements in relation to the inventories and provision for impairment on inventories and evaluating the adequacy of such disclosures for TFRS' requirements. We had no material findings related to the inventories as a result of these procedures.

Borrowings	
Please refer to notes 2.09 and 8 to the financial statements	
Key audit matters	**How the matter was addressed in our audit**
Financial statements as of 31 December 2022 include borrowings amounting to TL 54.415.584 which constitutes 12.68% of Despec's total financial liabilities. The Company presented its borrowings over the discounted cost using the effective interest method. The reconciliation and calculation of discounted cost using the effective interest method of borrowings have been considered as a key audit matter.	We performed the following procedures in relation to the testing of borrowings: We have evaluated 3rd party reconciliations of borrowings balances. We have tested and recalculated internal rate of return and discount studies calculated by the Company for its borrowings Testing the disclosures in the financial statements in relation to the borrowings and evaluating the adequacy of such disclosures for TFRS' requirements. We had no material findings related to the borrowings as a result of these procedures.

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Revenue	
Key audit matters	**How the matter was addressed in our audit**
In accordance with the Company's revenue policy, revenue shall recognized when the Company has transferred the significant risks and rewards of ownership to the buyer, the amounts received or going to be received are accounted for at their fair value on an accrual basis in the financial statements. The Company recognizes the revenue when the Company transfers control of products over a period of time. Recognition and determination of revenue in correct period considered as a key audit matter for the audit of the financial statements.	According to the nature of the Company's operation, there is risk that goods have been invoiced and have not been delivered. We performed the following procedures in relation to the testing of sales and cost of sales recognized regarding aforementioned products according to matching principle that both transactions are realized in same period. We have focused on sales that invoiced but unearned by analyzing the Company's procedures on sales and delivery terms. We have evaluated the Company's delivery notes, other delivery amounts and sale invoices by comparing them with each other on sampling method to evaluate sales and cost of sales recognized in the correct period. We have tested that the turnover premium incomes obtained from the suppliers and turnover premium expenses netted from the turnover premium income are recognized in the correct period. Evaluating whether there is a high amount of returns incurred after the balance sheet date, In addition, we have evaluated the adequacy of disclosures included in "Revenue" in **Note 2.05.01** and **Note 28** within framework of TFRS 15. We had no material findings related to the revenue recognition as a result of these procedures.

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

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

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Our aim is to obtain reasonable assurance about whether the 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 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 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 Company'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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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.

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Other Legal and Regulatory Requirements

1) In accordance with subparagraph 4 of Article 398 of the Turkish Commercial Code ("TCC") No. 6102, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 24 February 2023.

2) No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of the Turkish Commercial Code ("TCC") and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2022 period are not in compliance with the TCC and provisions of the Company'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 responsible for the audit resulting in this independent auditor's report is Hakkı DEDE.

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

İstanbul, 24 February 2023

Dr. Hakkı Dede
Partner

BALANCE SHEETS
AS AT 31 DECEMBER 2022 AND 2021
(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
ASSETS			
Current Assets		**418.231.206**	**394.902.404**
Cash and Cash Equivalents	6	6.359.239	3.742.609
Financial Investments	7	-	-
Trade Receivables	10	274.088.132	281.443.590
Related Parties	*10-37*	*13.120*	*933.847*
Third Parties	*10*	*274.075.012*	*280.509.743*
Other Receivables	11	228.774	294.057
Related Parties	*11-37*	-	-
Third Parties	*11*	*228.774*	*294.057*
Derivative Instruments	12	-	5.389.259
Inventories	13	106.136.570	79.434.875
Prepaid Expenses	15	24.489.079	14.110.288
Current Income Tax Assets	25	-	-
Other Current Assets	26	6.929.412	10.487.726
Total		**418.231.206**	**394.902.404**
Non-Current Assets		**10.763.091**	**4.191.222**
Financial Investments	7	-	-
Investment Properties	17	228.490	233.170
Property, Plant and Equipment	18	195.875	196.820
Right of Use Assets	18	1.309.652	906.700
Intangible Assets	19	300.724	322.293
Other Intangible Assets	*19*	*300.724*	*322.293*
Deferred Tax Assets	35	8.728.350	2.532.239
TOTAL ASSETS		**428.994.297**	**399.093.626**

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

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

DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET A.Ş.

BALANCE SHEETS
AS AT 31 DECEMBER 2022 AND 2021
(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

LIABILITIES	Notes	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
Current Liabilities		**246.215.761**	**257.855.698**
Short Term Borrowings	8	53.734.061	171.990.053
Trade Payables	10	75.811.777	68.984.901
Related Parties	*10-37*	*6.783.883*	*7.133.231*
Third Parties	*10*	*69.027.894*	*61.851.670*
Employee Benefits	20	359.989	84.479
Other Payables	11	103.741.384	320.459
Related Parties	*11-37*	*103.037.124*	-
Third Parties	*11*	*704.260*	*320.459*
Derivative Instruments	12	912.399	-
Deferred Income	15	4.016.378	2.127.861
Current Income Tax Liabilities	35	1.382.567	9.048.906
Short Term Provisions	22	6.257.206	5.299.039
Short Term Provisions for Employee Benefits		-	-
Other Short Term Provisions	*22*	*6.257.206*	*5.299.039*
Total		**246.215.761**	**257.855.698**
Non-Current Liabilities		**3.104.474**	**1.597.575**
Long Term Borrowings	8	681.523	545.308
Long Term Provisions	*24*	2.422.951	1.052.267
Long Term Provisions for Employee Benefits	*24*	*2.422.951*	*1.052.267*
Deferred Tax Liabilities	35	-	-
EQUITY		**179.674.062**	**139.640.353**
Equity Holders of the Parent	27	**179.674.062**	**139.640.353**
Paid-in Share Capital		23.000.000	23.000.000
Adjustment to Share Capital		437.133	437.133
Treasury Shares (-)		-	-
Share Premium		2.967.707	2.967.707
Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss		(1.026.702)	(301.653)
Gains/Losses on remeasurement of defined benefit plans		*(1.026.702)*	*(301.653)*
Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss		606.110	606.110
Currency Translation Differences		*606.110*	*606.110*
Gains/losses on Hedges		-	-
Restricted Reserves		9.611.418	9.611.418
Legal Reserves		*9.611.418*	*9.611.418*
Retained Earnings		103.319.638	61.651.738
Profit for the Period		40.758.758	41.667.900
Non-Controlling Interests	27	-	-
TOTAL LIABILITIES AND EQUITY		**428.994.297**	**399.093.626**

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

STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021
(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Audited Current Period 1 January 2022- 31 December 2022	Audited Prior Period 1 January 2021- 31 December 2021
PROFIT OR LOSS			
Revenue	28	1.338.805.343	774.702.184
Cost of Sales (-)	28	(1.229.231.638)	(718.081.808)
GROSS PROFIT/(LOSS) FROM FINANCIAL OPERATIONS		**109.573.705**	**56.620.376**
GROSS PROFIT/(LOSS)		**109.573.705**	**56.620.376**
General Administrative Expenses (-)	29	(13.659.453)	(7.832.617)
Marketing, Sales and Distribution Expenses (-)	29	(15.819.182)	(8.914.645)
Other Operating Income	31	67.861.749	40.877.123
Other Operating Expenses (-)	31	(16.882.338)	(23.297.729)
OPERATING PROFIT / (LOSS) FROM CONTINUING OPERATIONS		**131.074.481**	**57.452.508**
Gains from Investment Activities	32	-	-
Losses from Investment Activities (-)	32	(690)	-
OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)		**131.073.791**	**57.452.508**
Financial Income	33	2.955.058	23.660.817
Financial Expenses (-)	33	(78.879.310)	(25.658.543)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**55.149.539**	**55.454.782**
Tax income/(expense)		**(14.390.781)**	**(13.786.882)**
- Current period tax expense	35	(20.405.630)	(13.074.697)
- Deferred tax income/expense	35	6.014.849	(712.185)
PROFIT / (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**40.758.758**	**41.667.900**
PROFIT / (LOSS) FOR THE PERIOD		**40.758.758**	**41.667.900**
Attributable to:		**40.758.758**	**41.667.900**
Non-Controlling Interests	27	-	-
Equity Holders of the Parent	27	40.758.758	41.667.900
Earnings Per Share	36	1,7721	1,8116
OTHER COMPREHENSIVE INCOME			
Items not to be reclassified to profit/loss		**(725.049)**	**(76.074)**
Gains/(losses) on remeasurements of defined benefit plans	24	(906.311)	(95.092)
Taxes relating to other comprehensive income not to be reclassified to profit/(loss)	35	181.262	19.018
- Deferred tax income/expense		181.262	19.018
Items to be reclassified to profit/loss		-	-
Gains/(losses) on cash flow hedges	27	-	-
OTHER COMPREHENSIVE INCOME/(LOSS)		**(725.049)**	**(76.074)**
TOTAL COMPREHENSIVE INCOME/(LOSS)		**40.033.709**	**41.591.826**
Attributable to:		**40.033.709**	**41.591.826**
Non-Controlling Interests		-	-
Equity Holders of the Parent		40.033.709	41.591.826

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

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

DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET A.Ş.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021
(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

					Items not to be reclassified to profit/loss		Items to be reclassified to profit/loss			Retained Earnings			
Audited Current Period	Notes	Paid-in share capital	Adjustment to Share Capital	Share Premium	Gains/(losses) on remeasurement of defined benefit plans	Other Gains/(Losses)	Currency Translation Differences	Gains/(losses) on hedges	Other Gains/(Losses)	Restricted Reserves	Prior Years Income	Profit for the Period	Total Equity
Balances at 1 January 2022 (Beginning of the period)	Not-27	23.000.000	437.133	2.967.707	(301.653)	-	606.110	-	-	9.611.418	61.651.738	41.667.900	139.640.353
Transfers		-	-	-	-	-	-	-	-	-	41.667.900	(41.667.900)	-
Total ComprehensiveIncome		-	-	-	(725.049)	-	-	-	-	-	-	40.758.758	40.033.709
-Profit/LossforthePeriod		-	-	-	-	-	-	-	-	-	-	40.758.758	40.758.758
OtherComprehensiveIncome/Expense		-	-	-	(725.049)	-	-	-	-	-	-	-	(725.049)
Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	-
Balances at 31 December 2022 (End of the period)	Not-27	23.000.000	437.133	2.967.707	(1.026.702)	-	606.110	-	-	9.611.418	103.319.638	40.758.758	179.674.062
Audited Prior Period													
Balances at 1 January 2021 (Beginning of the period)	Not-27	23.000.000	437.133	2.967.707	(225.579)	-	606.110	-	-	9.611.418	41.393.990	20.257.748	98.048.527
Transfers		-	-	-	-	-	-	-	-	-	20.257.748	(20.257.748)	-
Total ComprehensiveIncome		-	-	-	(76.074)	-	-	-	-	-	-	41.667.900	41.591.826
-Profit/LossforthePeriod		-	-	-	-	-	-	-	-	-	-	41.667.900	41.667.900
OtherComprehensiveIncome/Expense		-	-	-	(76.074)	-	-	-	-	-	-	-	(76.074)
Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	-
Balances at 31 December 2021 (End of the period)	Not -27	23.000.000	437.133	2.967.707	(301.653)	-	606.110	-	-	9.611.418	61.651.738	41.667.900	139.640.353

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

DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET A.Ş.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

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

	Notes	Audited Current Period 1 January 2022- 31 December 2022	Audited Prior Period 1 January 2021- 31 December 2021
A) CASH FLOWS FROM OPERATING ACTIVITIES		**168.367.501**	**(29.710.251)**
Profit for the Period		**40.758.758**	**41.667.900**
Adjustments to reconcile profit for the period to cash generated from operating activities:		**65.494.802**	**22.477.106**
Depreciation and amortisation	17-18-19	826.915	650.915
Adjustments for impairment loss/(reversal of impairment loss)		**3.729.122**	**(1.845.877)**
Adjustments for receivables impairment (reversal)	10	(30.412)	25.289
Adjustments for inventory impairment (reversal)	13	3.759.534	(1.871.166)
Adjustments for impairment on property, plant and equipment (reversal)	17-18-19	-	-
Adjustments for provisions		1.454.462	**3.092.030**
Adjustments for provisions for employee benefits (reversal)	24	496.295	325.279
Adjustments for provisions for lawsuits and penalties	22	4.461	4.461
Adjustments for other provisions (reversal)	22	953.706	2.762.290
Adjustments for interest income/expense		**41.958.388**	**11.465.574**
Adjustments for interest income	31-33	(34.585.770)	(17.555.342)
Adjustments for interest expenses	31-33	77.191.500	27.369.424
Deferred Financial Expense from Term Purchases	10	(106.434)	(29.409)
Unrealised Financial Income from Term Sales	10	(540.908)	1.680.901
Adjustments for tax income/expense	35	**14.390.781**	**13.786.882**
Other adjustments to reconcile profit for the period	26	**3.135.134**	**(4.672.418)**
Changes in Working Capital		**87.885.067**	**(81.308.156)**
Adjustments for Gains/Losses in Trade Receivables	10	7.926.778	(92.544.640)
Adjustments for Gains/Losses In Other Receivables Related To Operations	11	65.283	18.019
Gains/Losses from Inventories	13	(30.461.229)	(20.548.992)
Adjustments for losses/(gains) in Trade Payables	10	6.933.310	31.664.342
Adjustments for Gains/Losses In Other Payables Related To Operations	11	103.420.925	103.115
Cash flows from Operating Activities		**194.138.627**	**(17.163.150)**
Payments Within Provisions Related To Employee Benefits	24	(31.922)	(116.513)
Income Taxes Refund/Paid	35	(28.071.969)	(4.223.113)
Other Cash Inflows (Outflows)		2.332.765	(8.207.475)
B) CASH FLOWS FROM INVESTING ACTIVITIES		**(90.571)**	**(112.447)**
Cash inflows from sale of property, plant and equipment and intangible assets		8.475	-
Cash inflows from sale of property, plant and equipment	18-19	8.475	-
Cash inflows from sale of intangible assets		-	-
Cash outflows from purchase of property, plant and equipment and intangible assets		**(99.046)**	**(112.447)**
Cash outflows from purchase of property, plant and equipment	18	(83.714)	(112.447)
Cash outflows from purchase of intangible assets	19	(15.332)	-
Investment Properties (-)		-	-
C) CASH FLOWS FROM FINANCING ACTIVITES		**(165.660.300)**	**20.875.778**
Cash inflows from borrowings	8	**182.366.569**	**262.558.184**
Cash inflows from loans	8	182.366.569	262.558.184
Cash outflows from repayments of borrowings	8	**(304.901.930)**	**(227.936.590)**
Cash outflows from loan repayments	8	(304.901.930)	(227.936.590)
Cash outflows from payments of lease liabilities	8	(974.497)	(741.900)
Dividends paid		-	-
Interest paid	31-33	(42.150.442)	(13.003.916)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		**2.616.630**	**(8.946.920)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**2.616.630**	**(8.946.920)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERİOD	6	3.742.609	12.689.529
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	6.359.239	3.742.609

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

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

NOTE 1 – COMPANY'S ORGANISATION AND NATURE OF OPERATIONS

Despec Bilgisayar Pazarlama ve Ticaret A.Ş. ("Despec", or the "Company") was established on 4 January 1995. Despec's business activities include distribution services of almost all kinds of Information Technology ("IT") consumables (toner, cartridge, ribbon, backup products, side components, accessories, paper products, mobile phone and etc.) to computer companies and office supply stores countrywide in Turkey through its well organized distribution network. The Company, which was established on 4 January 1995, has been changed its title to "İndeks Teknolojik Ürünler Dağıtım A.Ş." on 2 August 1995 and "Despec Bilgisayar Pazarlama ve Ticaret A.Ş." on 9 October 1998. The nature of business activities of the Company has been started towards the end of 1998. Despec Bilgisayar Pazarlama ve Ticaret A.Ş. carries out sales and distribution of the products in its portfolio through sales teams employed in its branches in İstanbul ("Head Office"), Ankara and Gebze and using the warehouses in these cities.

As of 31 December 2022 and 2021, the principal shareholders and their respective shareholding rates in Despec are as follows:

	31 December 2022		31 December 2021	
Shareholders	**Share %**	**Amount**	**Share %**	**Amount**
Datagate Bilgisayar Mal.Tic. A.Ş.	49.13%	11.300.994	49.13%	11.300.994
Other	50.87%	11.699.006	50.87%	11.699.006
Total share capital	**100%**	**23.000.000**	**100%**	**23.000.000**

Despec's sales mainly consists of Realme, HP and Canon products. Other products distributed by the Company are of brands of Steelseries, Epson, Xerox, IBM, Lexmark, Trust, Samsung, Belkin, Jabra, Apple, Sbs and Targus.

The head office activities of the Company are carried out in Ayazağa/Sarıyer/Istanbul and the Company has branches in Ankara and Gebze.

The breakdown of sectoral risks of the Company is as follows:

a- Receivables Risk: Capital structure of dealer channel, which is determined as classical dealer in distribution network is low. Not only the ownership of these retailers (around 3.000) are handed over frequently, but also their closing and opening of these dealers are significantly high.

b- Sectoral Competition Risk: Manufacturing companies in operating sector are in intense competition in brand and product bases worldwide. The effects of competitive medium created by these companies also affect the prices in national markets. This creates significant risks to the entities which do not have strong financial structures.

c- Foreign Exchange Risk: IT products and consumables are either imported or purchased domestically using denominated in foreign currencies or in TL. During the acquisition of these products, the Company has foreign currency denominated payables and makes its payments in same currency. The Company which do not adopt their sales policies using foreign currencies in which they purchase the products may have foreign exchange losses if changes of the exchange rates of different foreign currencies in net foreign currency position.

d- The distribution agreements made with producers are not exclusive: There is no mutual exclusivity in distributorship agreements made with producer companies. In distributorship agreements according to market conditions producers can assign other distributorships, whereas in the meantime distributors can also sign distributorship agreements with other producers.

The Company management estimates that operating in the sector for many years and maintaining a high level of know-how reduces the risk of agreement cancellation of distributorship.

e- Amendments on import legislation: The amendments made by the government in certain periods regarding import regulations and laws may affect the import of the Company both in positive and negative manner.

The registered addresses of Despec and its branches is as follows:

Head Office: Ayazağa Mahallesi Mimar Sinan Sokak No:21 Seba Office Boulevard D Blok Kat: 1 Bölüm No:9 Sarıyer, 34485 İstanbul. In addition, the Company has branches in Ankara and Gebze.

Branches:

Ankara Branch: Çetin Emeç Bulvarı Öveçler 4.Cadde No:4/9 Dikmen/ANKARA

Gebze Branch: Cumhuriyet Mahallesi Yahya Kaptan Caddesi No:10 A/2 Çayırova / KOCAELİ

Total end of period and average number of personnel employed by Despec is 33 (2021: 31). The personnel of the Company include administrative personnel.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.01 Basis of Presentation

Despec Bilgisayar Pazarlama ve Ticaret A.Ş. maintains their books of account and prepares their statutory financial statements in Turkish Lira in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The accompanying financial statements have been prepared in accordance with the provisions of Capital Markets Board ("CMB") which have been put into force by Turkish Accounting Standards and interpretations related to these additional ("TAS") are considered.

The accompanying financial statements are prepared in accordance with the Capital Market Board's Communiqué "Principles of Financial Reporting in Capital Markets" ("Communiqué") which was published in the Official Gazette dated June 13, 2013 and numbered 28676 Series: II, 14.1 and that communiqué was repealed.

The Company is applied in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") and its addendum and interpretations issued by Public Oversight Accounting. In accordance with CMB's code article 14. Decisions are made as determining the implementation by committee for financial reporting principle, procedures and principles, providing apparentness and comprehensible or provding secure uniformity of implementation. Entities are required to comply with this decision.

The accompanying financial statements have been prepared in accordance with Communiqué No: II-14.1 and financial statements and notes are presented in accordance with the formats required by the CMB dated on 7 June 2013. In addition, the financial statements were published by POA with the decision numbered 30 on June 2, 2016 and together with the changes in TFRS 15 Revenue from Contracts with Customers and TFRS 16 Leases standards, it was presented in accordance with the "Announcement regarding to TAS Taxonomy", and "Financial Statement Examples and User Guide" and the format and mandatory information recommended by CMB which was published on April 15, 2019.

These financial statements as of and for the year ended 31 December 2022 have been approved for issue by the Board of Directors ("BOD") on 24 February 2023. These financial statements will be finalised following their approval in the General Assembly

In the accompanying financial statements as of 31 December 2022, non-monetary items included in the financial statements were presented as "USD" until 30 June 2013. Non-monetary items have been recognized in TL since the functional currency of the transactions are translated after this date was presented in "TL".

2.02 Adjustments of Financial Statements in Hyperinflationary Periods

In accordance with the statement made by the Public Oversight, Accounting and Auditing Standards Authority on January 20, 2022, since the cumulative change in the general purchasing power of the last three years according to the Consumer Price Index (CPI) is 74.41%, it has been stated that there is no need to make any adjustments within the scope of TAS 29 "Financial Reporting in Hyperinflationary Economies" standard. In this respect, while preparing the financial statements as of 31 December 2022 and 2021, no inflation adjustment was made according to TAS 29.

2.03 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 prior periods Company's financial statements are adjusted. Whether the changes are amended in accounting policies effect the previous periods, aforementioned policy is implemented retrospectively to the financial statements as it had been used in.

The Company has no significant changes in accounting policies in the current period.

2.04 Changes in Accounting Estimates and Errors

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

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

The Company 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 Company, and the determination of the inventory impairment. Explanations on the estimates used are included in the related notes and changes in the accounting estimates is as follows.

TAS 21 "The Effects of Changes in Foreign Exchange Rates" outlines how to account for foreign currency transactions and operations in financial statements, and also how to translate financial statements into a presentation currency. The Company 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 Company Management reviews the accounting estimates regarding the functional currency and the policies applied in each balance sheet date.

In accordance with the amendment on TAS 19, actuarial gains/losses on employment termination benefits are accounted for profit or loss in the prior period, are accounted for other comprehensive income in the current period.

Significant Accounting Estimates and Assumptions

The preparation of the financial statements in accordance with TFRS requires management to make estimates and assumptions that are reflected in the measurement of income and expense in the statement of profit or loss and in the carrying value of assets and liabilities in the balance sheet, and in the disclosure of information in the notes to the financial statements. Managements do exercise judgment and make use of information available at the date of the preparation of the financial statements in making these estimates. The actual future results from operations in respect of the areas where these judgments and estimates have been made may in reality be different than those estimates.

The key assumptions concerning the future and other key resources of estimation at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and the significant judgments (apart from those involving estimations) with the most significant effect on amounts recognized in the financial statements are as follows:

- Provision for employment termination benefits is determined by using actuarial assumptions (discount rates, future salary increases and employee exit rates) **(Note 24)**.
- The Company depreciates its property, plant and equipment and intangible assets on a straight-line basis over their useful lives. Expected useful life residual value and amortization method are reviewed every year for possible effects of changes in estimates and are accounted for prospectively if there is a change in estimates. The Company has no changes in estimates during the period **(Note 18-19)**.
- On the provision for lawsuits in **Note 22**, the probability of losing these cases regarding collecting the receivables and the consequences to be faced if these cases are lost evaluated in accordance with the opinions of the Company's legal counsel as of 31 December 2022 and 2021. The Company obtains letters of guarantee from companies it deems necessary and risky in order to prevent doubtful trade receivables **(Note 10)**.
- Inventories are valued at the lower of cost or net realisable value. For determination of inventory impairment, the technological obsolescence of the products in the Company's inventories are also taken into consideration **(Note 13)**.

- The Company obtains premiums at pre-determined rates from sales or purchases from the companies that have distributorship agreement. Accrued premiums are recognized as income on the basis of progress payment **(Note 26)**.

2.05 Summary of Significant Accounting Policies

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

2.05.01 Revenue Recognition

Revenues, that reflect the goods and/ or services promised to transfer, presented as an expected earning amount. Revenue is accounted for in the financial statements in accordance with TFRS 15 within the scope of the five-stage model below.

- Identification of customer contracts,
- Identification of performance obligations,
- Determination of the transaction price in the contracts,
- Allocation of transaction price to the performance obligations,
- Recognition of revenue when the performance obligations are satisfied.

Despec's sales mainly consists of Realme, HP and Canon products.

Other products distributed by the Company are of brands of Steelseries, Epson, Xerox, IBM, Lexmark, Trust, Samsung, Belkin, Jabra, Dexim, Sbs and Targus. The purchases of the Company are provided from the top ten IT consumable vendors at the level of 90%-95%.

The majority of the Company's purchases are made directly from the manufacturers. According to the market conditions, the price differences that may occur in the prices are met by the manufacturer firms. Apart from this, the damage costs related to the products containing the production error are paid to the Company by the manufacturer. In addition, in the public and private sectors, special prices are received from the manufacturers and the companies operating in these sectors are priced with the most favorable conditions. Depending on the dynamic and changing nature of the IT sector, new products and technologies are directly supported by the direct manufacturers.

The Company has been importing and marketing the products from its IT manufacturers which has the distributorship. The sales of the Company have been made through distribution channels of 3.000 dealers and these products are not sold to end users. The sales of the Company at 50%-65% are made through top ten dealers.

In the event that the pending products are sold below the purchase price in case of demand by the marketing strategies of the manufacturers, payment is made by the manufacturer companies under the name of inventory protection. These payments are deducted from the inventory cost. On the other hand, turnover premiums received based on sales are recognized as revenue by adding to the sales amount.

2.05.02 Inventories

Inventories are valued at the lower of cost or net realisable value. The inventories of the Company include toner, cartridge, ribbon, backup products, side components, accessories, paper products and IT consumables.

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.

In addition, the Company allocates provision of a net realizable value for the merchandise impaired after the balance sheet date **(Note 13)**.

2.05.03 Property, plant and equipment and related depreciation

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

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

	Economic Useful Lives (years)
- Furniture and Fixtures	3-10
- Motor Vehicles	5-10
- Leasehold Improvements	5-10
- Rights	3-15

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. Recoverable amount of the property, plant and equipment is the higher of future net cash flows from the utilisation of this property, plant and equipment or its fair value less cost to sell.

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

2.05.04 Intangible assets and related amortisation

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

Intangible assets comprise assets acquired through computer and IT software. They are initially recognised at acquisition cost and amortised on a straight-line basis over their estimated useful lives for 3-15 years.

2.05.05 Leases

The Company has no finance leases. The Company becomes a party to various operating leases as a lessee. Operating leases are leases where the lessor continues to hold significant risks and benefits related to the leased asset. The operating leases of the Company include head office lease made with the related party of the Company "Teklos Teknoloji Lojistik A.Ş." The lease payments and related expenses are invoiced on a monthly basis. The explanations related to purchases of related parties are disclosed in **Note 37**.

2.05.05.01 Company - as a lessee

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

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

At inception of a contract, the Company 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 Company reflects a right of use assets and lease liabilities in the financial statements at the date when the lease term actually begins.

Right-of-use asset Company - as a lessee

At the commencement date, the Company 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 Company, and

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

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

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

Lease liability

At the commencement date, the Company 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 Company'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 Company 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.

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

2.05.06 Impairment of Assets

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 that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.05.07 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 Company does not have capitalized financing costs during the period.

2.05.08 Financial Instruments

i. Financial Asset and Liabilities-Classification and Meausurement

A financial asset is recognized for the first time in its 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.

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

A debt instrument at FV through other comprehensive income if both of the following conditions are met and the FV is not classified as measured by the difference in profit or loss:
- The retention of the financial asset based on a business model aimed at collecting contractual cash flows and selling financial assets;
- The contractual terms of the financial asset lead to cash flows that include interest payments on principal and principal balance on certain dates.

All financial assets that are not measured by the above mentioned amortised cost or measured at FV through other comprehensive income are measured at FV through profit or loss. These include all derivative financial assets. In the event that financial assets are recognized for the first time in their 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 Company's past experience and informed credit evaluations.

Credit-impaired financial asset

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

- significant financial diffuculty of the issuer or borrower;
- a breach of contract, such as a default or past-due event;

- the lenders for economic or contractual reasons relating to the borrower's financial diffuculty granted the borrower a concession that would not otherwise be considered;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disapperance of an active market for the financial asset because of financial difficulties.

Presentation

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

Derecognition

If there is no reasonable expectation to recover a cash flow higher than the financial asset, the gross amount of the financial asset is deducted from the records. This is generally the case when the Company 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 Company 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 Company). The Company 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 statement of income.

2.05.09 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.

2.05.10 Earnings Per Share

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

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

2.05.11 Events After the Balance Sheet Date

Events after balance sheet date are those events, which occur between the balance sheet date and the date when the financial statements are authorized for issue. The Company adjusts the amounts recognised in financial statements to reflect the adjusting events after the balance sheet date. If non-adjusting events after the balance sheet date have material influence on the economic decisions of users of the financial statements, they are disclosed in the notes to the financial statements **(Note 40)**.

2.05.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company 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.

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 Company are not included in the financial statements and treated as contingent assets or liabilities.

2.05.13 Related Parties

TAS 24 "Related Party Disclosures" requires disclosures about transactions and outstanding balances with an entity's related parties. An entity is a related party if shareholding is defined as an entity associated with organizations that can directly or indirectly control or significantly affect the other party through contractual rights, family relations. Related parties also include shareholders and Company management. A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

For the purpose of these financial statements, shareholders, parents of Despec Bilgisayar A.Ş. key management personnel and Board of Directors members, their close family members and the legal entities over which these related parties exercise control and significant influence, are considered and expressed as "related parties". Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity. The detailed explanation of related parties is disclosed in **Note 37**.

2.05.14 Taxes on Income

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

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

Deferred Tax

Deferred tax assets and liabilities are determined by calculating the temporary differences between the amounts shown in the 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 Company 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 Company expects to recover or settle the carrying amount of the assets as of the balance sheet date are taken into consideration.

Current and deferred tax for the period

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

Offsetting in Tax Assets and Liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. 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.

2.05.15 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 Company 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.

2.05.16 Statement of Cash Flow

Cash and cash equivalents are carried at cost in the balance sheets. The cash and cash equivalents comprises cash in hand, bank deposits and highly liquid investments. 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 Company's activities. Cash flows from investing activities represent the cash flows that are used in or provided from the investing activities of the Company (tangible and intangible assets and financial assets).

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

2.06 Comparatives and Adjustment of Prior Period Financial Statements

The current period financial statements of the Company 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 financial statements.

2.07 Offsetting

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

2.08 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". Investment properties are carried at cost less accumulated depreciation. The investment properties of the Company comprise of land and buildings (Note 17).

2.09 New and Revised Turkish Financial Reporting Standards

New and revised standards and interpretations

The accounting policies adopted in preparation of the financial statements as at 31 December 2022 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards ("TAS")/TFRS and ("TAS")/TFRS interpretations effective as of 1 January 2022. The effects of these standards and interpretations on the Company'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 2022 are as follows:

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

In December 2020, the POA issued Interest Rate Benchmark Reform – Phase 2, Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 to provide temporary reliefs which address the financial reporting effects when an interbank offering rate (IBOR) is replaced with an alternative nearly risk-free rate (RFR, amending the followings. The amendments are effective for periods beginning on or after 1 January 2021. Earlier application is permitted.

Amendments include the following matters:

Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform

The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Under this practical expedient, if the interest rates applicable to financial instruments change as a result of the IBOR reform, the situation is not considered as a derecognition or contract modification; instead, this would be determined by recalculating the carrying amount of the financial instrument using the original effective interest rate to discount the revised contractual cash flows.

The practical expedient is required for entities applying TFRS 4 Insurance Contracts that are using the exemption from TFRS 9 Financial Instruments (and, therefore, apply TAS 39 Financial Instruments: Classification and Measurement) and for TFRS 16 Leases, to lease modifications required by IBOR reform.

Relief from discontinuing hedging relationships

- The amendments permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.

- Amounts accumulated in the cash flow hedge reserve are deemed to be based on the RFR.

- For the TAS 39 assessment of retrospective hedge effectiveness, on transition to an RFR, entities may elect on a hedge-by-hedge basis, to reset the cumulative fair value changes to zero.

- The amendments provide relief for items within a designated group of items (such as those forming part of a macro cash flow hedging strategy) that are amended for modifications directly required by IBOR reform. The reliefs allow the hedging strategy to remain and not be discontinued.

- As instruments transition to RFRs, a hedging relationship may need to be modified more than once. The phase two reliefs apply each time a hedging relationship is modified as a direct result of IBOR reform.

Separately identifiable risk components

The amendments provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

Additional disclosures

Amendments need additional TFRS 7 Financial Instruments disclosures such as;

How the entity is managing the transition to RFRs, its progress and the risks to which it is exposed arising from financial instruments due to IBOR reform, quantitative information about financial instruments that have yet to transition to RFRs and If IBOR reform has given rise to changes in the entity's risk management strategy, a description of these changes in notes to the financial statements.

The amendments did not have a significant material impact on the financial position or performance of the Company.

Amendments to TFRS 4 Extension of the Temporary Exemption from Applying TFRS 9

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 Insurance Contracts from applying TFRS 9, so that entities would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2023 with the deferral of the effective date of TFRS 17.

Standards and amendments issued but not yet effective and not early yet adopted as of 31 December 2022

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

TFRS 17 - The New Standard for Insurance Contracts

The POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted for the entities applied TFRS 9 Financial Instruments and TFRS 15 Revenue from Contracts with Customers standards.

In accordance with amendments issued by POA in December 2021, entities have transition option for a "classification overlay" to avoid possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of TFRS 17. The Company is assessing the potential significant material impact of the amendments on its financial position or performance.

The POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. TFRS 17 will be applied for annual reporting periods beginning on or after January 1, 2023. Early application is permitted. The Company is assessing the potential significant material impact of the amendments on its financial position or performance.

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

On January 15, 2021, the POA issued amendments to TAS 1 Presentation of Financial Statements. The amendments issued to TAS 1 which are effective for periods beginning on or after 1 January 2023, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted. The Company is assessing the potential significant material impact of the amendments on its financial position or performance.

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, the 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 commencement of the effective date. Earlier application is permitted. The Company is assessing the potential significant material impact of the amendments on its financial position or performance.

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

In August 2021, the 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 judgment (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 judgment 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.

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

The Company is assessing the potential significant material impact of the amendments on its financial position or performance.

Amendments to TFRS 16 – Sale and Leaseback Transactions

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. The amendments to TFRS 16 add to requirements explaining 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.

NOTE 3 - BUSINESS COMBINATIONS

The Company has no business combinations at the end of the period.

NOTE 4 - DISCLOSURE OF INTERESTS IN OTHER ENTITIES

The Company has no disclosure of interests in other entities at the end of the period.

NOTE 5 - SEGMENT REPORTING

Since the Company is engaging in the IT products and consumables, the Company does not exercise segment reporting at the end of the period.

NOTE 6 - CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents of the Company as of the end of the period are as follows:

Account Name	31 December 2022	31 December 2021
Cash in hand	96.016	76.797
Banks (Demand Deposits)	5.920.965	2.580.449
Credit Card Slips	342.258	1.085.363
Total	**6.359.239**	**3.742.609**

The cash and cash equivalents of the Company are presented in the statement of cash flow less income accruals.

As of 31 December 2022 and 2021, the Company has no reverse repo transactions.

Account Name	31 December 2022	31 December 2021
Cash and Cash Equivalents	6.359.239	3.742.609
Income Accruals (-)	-	-
Total	**6.359.239**	**3.742.609**

As of 31 December 2022, the Company has no blocked deposits. Credit card slips are collected from banks a few days after the date of sale transaction. The foreign exchange gains/losses resulting from the valuation of foreign currency denominated cash in hand and banks are recognized under financial income / expenses.

NOTE 7 - FINANCIAL INVESTMENTS

As of 31 December 2022 and 2021, the Company has no short and long term financial investments.

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

NOTE 8 - BORROWINGS

31 December 2022

As of 31 December 2022 and 2021, the functional breakdown of short term borrowings is as follows:

Account Name	31 December 2022	31 December 2021
Bank Borrowings	52.938.465	171.483.177
Lease Liabilities	795.596	506.876
Total	**53.734.061**	**171.990.053**

31 December 2022

Type	Original Currency Amount	TL Equivalent	Annual Effective Interest Rate (%)
Short Term Borrowings			
Borrowings – TL		*52.938.465*	*41.48*
Lease Liabilities - TL		*795.596*	*18.00 – 21.00*
Total short term borrowings, net		**53.734.061**	

31 December 2021

Type	Original Currency Amount	TL Equivalent	Annual Effective Interest Rate (%)
Short Term Borrowings			
Borrowings – TL		*171.483.177*	*18.40 – 33.00*
Lease Liabilities - TL		*506.876*	*18.00 – 21.00*
Total short term borrowings, net		**171.990.053**	

31 December 2022

As of 31 December 2022 and 2021, the functional breakdown of long term borrowings is as follows:

Account Name	31 December 2022	31 December 2021
Lease Liabilities	681.523	545.308
Total	**681.523**	**545.308**

31 December 2022

Type	Original Currency Amount	TL Equivalent	Annual Effective Interest Rate (%)
Long Term Borrowings			
Lease Liabilities - TL		*681.523*	*18.00 – 21.00*
Total long term borrowings, net		**681.523**	

31 December 2021

Type	Original Currency Amount	TL Equivalent	Annual Effective Interest Rate (%)
Long Term Borrowings			
Lease Liabilities - TL		*545.308*	*18.00 – 21.00*
Total long term borrowings, net		**545.308**	

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

The movement and reconciliation of borrowings are as follows:

Account Name	31 December 2022	31 December 2021
Beginning of the Period – 1 January	172.535.361	134.378.406
Additions during the period	182.366.569	262.558.184
Lease liabilities	1.477.119	1.052.184
Payments during the period	(304.901.930)	(227.936.590)
Interest accrual at the end of the period	2.938.465	2.483.177
End of the Period – 31 December	**54.415.584**	**172.535.361**

NOTE 9 - OTHER FINANCIAL LIABILITIES

As of 31 December 2022 and 2021, the Company has no other financial liabilites.

NOTE 10 - TRADE RECEIVABLES AND PAYABLES

As of 31 December 2022 and 2021, the functional breakdown of short term trade receivables is as follows:

Account Name	31 December 2022	31 December 2021
Trade Receivables	264.076.803	270.674.750
Related Parties (Note 37)	*13.120*	*933.847*
Third Parties	*264.063.683*	*269.740.903*
Notes Receivables	12.971.703	14.270.122
Rediscount on Notes Receivables (-)	(2.960.374)	(3.501.282)
Doubtful Trade Receivables	2.537.938	2.568.350
Provision for Doubtful Trade Receivables (-)	(2.537.938)	(2.568.350)
Short term trade receivables, net	**274.088.132**	**281.443.590**

As of 31 December 2022, trade receivables amounted to **TL 214.520.826** in total amount of **TL 274.088.132**, is in under scope of guarantee (including guarantees in scope of Euler Hermes). As of 31 December 2021, trade receivables amounted to **TL 198.219.302** in total amount of **TL 281.443.590**, is in under scope of guarantee (including guarantees in scope of Euler Hermes). The related disclosures regarding the nature and level of risks on trade receivables are included in **Note 38**.

The Company has credit insurance policy from Euler Hermes Sigorta A.Ş. within borders of Turkey for insuring its trade receivables until 31.03.2023 (the payment guarantee insurance for trade receivables is determined as 85%-90%). As of 31 December 2022, guarantee amounted to **TL 198.957.281** is included in scope of Euler Hermes credit insurance policy (31.12.2021: **TL 191.245.304**).

Movements of the provision for doubtful receivables are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Beginning of the Period – 1 January	(2.568.350)	(2.543.061)
Reversals/Collections during the period (-)	30.412	-
Increases during the period (-)	-	(25.289)
End of the Period – 31 December	**(2.537.938)**	**(2.568.350)**

The redemption schedule of trade receivables past due but not impaired is as follows:

	31 December 2022	31 December 2021
Up to 3 months	1.873.896	992.987
3-12 months	970.118	401.309
Total	**2.844.014**	**1.394.296**

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

As of 31 December 2022 and 2021, the functional breakdown of short term trade payables is as follows:

Account Name	31 December 2022	31 December 2021
Suppliers	76.071.526	69.138.216
Third Parties	*69.287.643*	*62.004.985*
Related Parties (Note 37)	*6.783.883*	*7.133.231*
Notes Payable	-	-
Rediscount on Notes Payable (-)	(259.749)	(153.315)
Short term trade payables, net	**75.811.777**	**68.984.901**

As of 31 December 2022 and 2021, the Company has no long term trade payables.

The average maturity turnover for trade receivables is 70-110 days and for payables is 20-30 days. In the case of rediscount of trade receivables and payables, compound interest rates of Government Debt Securities are used as effective interest rate in TL denominated receivables and payables. Libor and Eurobor rates are used in the rediscount of USD and EURO denominated receivables and payables.

NOTE 11 - OTHER RECEIVABLES AND PAYABLES

As of 31 December 2022 and 2021, short term other receivables is as follows:

Account Name	31 December 2022	31 December 2021
Receivables from Employees	228.774	294.057
Total	**228.774**	**294.057**

As of 31 December 2022 and 2021, the Company has no long term other receivables.

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

As of 31 December 2022 and 2021, the functional breakdown of short term other payables is as follows:

Account Name	31 December 2022	31 December 2021
Taxes Payable	704.260	320.459
Related Parties (Note 37)	*103.037.124*	-
Other	-	-
Short term other payables, net	**103.741.384**	**320.459**

NOTE 12 - DERIVATIVE INSTRUMENTS

The derivative instruments of the Company presented under current assets and liabilities are as follows:

Account Name	31 December 2022	31 December 2021
Derivatives Receivables	-	5.389.259
Total	**-**	**5.389.259**

Account Name	31 December 2022	31 December 2021
Derivatives Payables	912.399	-
Total	**912.399**	**-**

As of 31 December 2022, the Company has foreign exchange forward contract amounted to USD 2.424.400. The contracts have 0-3 months maturities. As of 31 December 2022, the fair value of the contracts amounted to TL 46.244.558 and losses from the forward contract is amounting TL 912.399 recognised as an expense in the accompanying financial statements.

As of 31 December 2021, the Company has foreign exchange forward contract amounted to USD 4.321.400. The contracts have 0-3 months maturities. As of 31 December 2021, the fair value of the contracts amounted to TL 52.210.682 and gains from the forward contract is amounting TL 5.389.259 recognised as an income in the accompanying financial statements.

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

NOTE 13 - INVENTORIES

As of 31 December 2022 and 2021, inventories are as follows:

Account Name	31 December 2022	31 December 2021
Merchandise	91.490.291	70.251.190
Goods in Transit	19.092.801	9.870.673
Less: Provision for Impairment (-)	(4.446.522)	(686.988)
Total	**106.136.570**	**79.434.875**

As of 31 December 2022, the inventories amounting to **TL 23.614.172** are carried in the financial statements at their net realisable value (31 December 2021: **TL 3.300.385**) and the remaining amount is carried at cost in the accompanying financial statements.

Products that invoiced but not included in the inventories are recognised in "Goods in Transit" account under inventories.

Movements of the provision for impairment on inventories are as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Beginning of the Period – 1 January (-)	(686.988)	(2.558.154)
Reversal of Provisions from Gains on Net Realisable Value (+)	-	1.871.166
Additions during the period (-)	(3.759.534)	-
End of the Period – 31 December (-)	**(4.446.522)**	**(686.988)**

Inventories are valued at the lower of cost or net realisable value.

The Company has no inventories performed as guarantee against its liabilities. Total insurance coverage on inventories is disclosed in **Note 22**.

As of 31 December 2022 and 2021, merchandise amounting to **TL 1.229.231.638** and **TL 718.081.808**, respectively were recognised as expense under the cost of goods sold.

Disclosures:	31 December 2022	31 December 2021
Cost	28.060.694	3.987.373
Less: Provision for impairment on inventories	(4.446.522)	(686.988)
Net Realisable Value **(a)**	23.614.172	3.300.385
Carried at Cost **(b)**	82.522.398	76.134.490
Total Inventories (a+b)	**106.136.570**	**79.434.875**

NOTE 14 - BIOLOGICAL ASSETS

None.

NOTE 15 - PREPAID EXPENSES AND DEFERRED INCOME

Short Term:

As of 31 December 2022 and 2021, the breakdown of prepaid expenses is as follows:

Account Name	31 December 2022	31 December 2021
Short Term Prepaid Expenses	703.406	569.410
Advances Given	23.785.673	13.540.878
Short term prepaid expenses, net	**24.489.079**	**14.110.288**

As of 31 December 2022 and 2021, the breakdown of deferred income is as follows:

Account Name	31 December 2022	31 December 2021
Advances Received	3.697.710	1.538.801
Short Term Deferred Income	318.668	589.060
Short term deferred income, net	**4.016.378**	**2.127.861**

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

Long Term:

As of 31 December 2022 and 2021, the Company has no prepaid expenses and deferred income.

NOTE 16 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

None.

NOTE 17 - INVESTMENT PROPERTIES

As of 31 December 2022 and 2021, the movements for investment properties, and related depreciation are as follows:

Account Name	31 December 2022	31 December 2021
Cost	252.280	252.280
Accumulated Depreciation	(23.790)	(19.110)
Total	**228.490**	**233.170**

31 December 2022

Cost

Account Name	Opening balance – 1 January 2022	Acquisitions	Disposals	Closing balance – 31 December 2022
Land	18.280	-	-	18.280
Buildings	234.000	-	-	234.000
Total	**252.280**	-	-	**252.280**

Accumulated Depreciation

Account Name	Opening balance – 1 January 2022	Current Period Depreciation	Disposals	Closing balance – 31 December 2022
Buildings	(19.110)	(4.680)	-	(23.790)
Total	**(19.110)**	**(4.680)**	-	**(23.790)**
Net Book Value	**233.170**			**228.490**

31 December 2021

Cost

Account Name	Opening balance – 1 January 2021	Acquisitions	Disposals	Closing balance – 31 December 2021
Land	18.280	-	-	18.280
Buildings	234.000	-	-	234.000
Total	**252.280**	-	-	**252.280**

Accumulated Depreciation

Account Name	Opening balance – 1 January 2021	Current Period Depreciation	Disposals	Closing balance – 31 December 2021
Buildings	(14.430)	(4.680)	-	(19.110)
Total	**(14.430)**	**(4.680)**	-	**(19.110)**
Net Book Value	**237.850**			**233.170**

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

NOTE 18 - PROPERTY, PLANT AND EQUIPMENT

As of 31 December 2022 and 2021, the movements for property, plant and equipment, and related depreciation are as follows:

Account Name	31 December 2022	31 December 2021
Cost	1.451.262	1.379.246
Accumulated Depreciation	(1.255.387)	(1.182.426)
Total	**195.875**	**196.820**

31 December 2022

Cost

Account Name	Opening balance – 1 January 2022	Acquisitions	Disposals	Closing balance – 31 December 2022
Motor Vehicles	3.505	-	-	3.505
Furniture and Fixtures	762.981	83.716	(11.700)	834.997
Leasehold Improvements	612.760	-	-	612.760
Total	**1.379.246**	**83.716**	**(11.700)**	**1.451.262**

Accumulated Depreciation

Account Name	Opening balance – 1 January 2022	Current Period Depreciation	Disposals	Closing balance – 31 December 2022
Motor Vehicles	(3.505)	-	-	(3.505)
Furniture and Fixtures	(574.040)	(71.748)	2.535	(643.253)
Leasehold Improvements	(604.881)	(3.748)	-	(608.629)
Total	**(1.182.426)**	**(75.496)**	**2.535**	**(1.255.387)**
Net Book Value	**196.820**			**195.875**

31 December 2021

Cost

Account Name	Opening balance – 1 January 2021	Acquisitions	Disposals	Closing balance – 31 December 2021
Motor Vehicles	3.505	-	-	3.505
Furniture and Fixtures	650.532	112.449	-	762.981
Leasehold Improvements	612.760	-	-	612.760
Total	**1.266.797**	**112.449**	**-**	**1.379.246**

Accumulated Depreciation

Account Name	Opening balance – 1 January 2021	Current Period Depreciation	Disposals	Closing balance – 31 December 2021
Motor Vehicles	(3.505)	-	-	(3.505)
Furniture and Fixtures	(514.441)	(59.599)	-	(574.040)
Leasehold Improvements	(601.133)	(3.748)	-	(604.881)
Total	**(1.119.079)**	**(63.347)**	**-**	**(1.182.426)**
Net Book Value	**147.718**			**196.820**

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

Other Information:

Depreciation and amortisation charges on property, plant and equipment are presented under operating expenses. Total insurance coverage on property, plant and equipment is disclosed in **Note 22**. The Company has no pledges, mortgages and restrictions on property, plant and equipment at the end of the reporting period.

NOTE 19 – RIGHT OF USE ASSETS

As of 31 December 2022 and 2021, the movements for right of use assets, and related depreciation are as follows:

31 December 2022

Account Name	31 December 2022	31 December 2021
Cost	2.637.432	1.819.786
Accumulated Depreciation	(1.327.780)	(913.086)
Total	**1.309.652**	**906.700**

31 December 2022

Cost

Account Name	Opening balance – 1 January 2022	Acquisitions	Disposals	Closing balance – 31 December 2022
Buildings	852.765	124.065	-	976.830
Motor Vehicles	967.021	988.725	(295.144)	1.660.602
Total	**1.819.786**	**1.112.790**	**(295.144)**	**2.637.432**

Accumulated Depreciation

Account Name	Opening balance – 1 January 2022	Current Period Depreciation	Disposals	Closing balance – 31 December 2022
Buildings	(451.234)	(236.291)	-	(687.525)
Motor Vehicles	(461.852)	(473.547)	295.144	(640.255)
Total	**(913.086)**	**(709.838)**	**295.144**	**(1.327.780)**
Net Book Value	**906.700**			**1.309.652**

31 December 2021

Cost

Account Name	Opening balance – 1 January 2021	Acquisitions	Disposals	Closing balance – 31 December 2021
Buildings	782.507	70.258	-	852.765
Motor Vehicles	696.285	270.736	-	967.021
Total	**1.478.792**	**340.994**	**-**	**1.819.786**

Accumulated Depreciation

Account Name	Opening balance – 1 January 2021	Current Period Depreciation	Disposals	Closing balance – 31 December 2021
Buildings	(270.528)	(180.706)	-	(451.234)
Motor Vehicles	(95.898)	(365.954)	-	(461.852)
Total	**(366.426)**	**(546.660)**	**-**	**(913.086)**
Net Book Value	**1.112.366**			**906.700**

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

NOTE 20 - INTANGIBLE ASSETS

As of 31 December 2022 and 2021, the movements for intangible assets, and related depreciation are as follows:

Account Name	31 December 2022	31 December 2021
Cost	710.819	695.487
Accumulated Depreciation	(410.095)	(373.194)
Total	**300.724**	**322.293**

31 December 2022

Cost

Account Name	Opening balance – 1 January 2022	Acquisitions	Disposals	Transfers	Closing balance – 31 December 2022
Rights	695.487	15.332	-	-	710.819
Total	**695.487**	**15.332**	-	-	**710.819**

Accumulated Depreciation

Account Name	Opening balance – 1 January 2022	Current Period Depreciation	Disposals	Transfers	Closing balance – 31 December 2022
Rights	(373.194)	(36.901)	-	-	(410.095)
Total	**(373.194)**	**(36.901)**	-	-	**(410.095)**
Net Book Value	**322.293**				**300.724**

31 December 2021

Cost

Account Name	Opening balance – 1 January 2021	Acquisitions	Disposals	Transfers	Closing balance – 31 December 2021
Rights	695.487	-	-	-	695.487
Total	**695.487**	-	-	-	**695.487**

Accumulated Depreciation

Account Name	Opening balance – 1 January 2021	Current Period Depreciation	Disposals	Transfers	Closing balance – 31 December 2021
Rights	(336.966)	(36.228)	-	-	(373.194)
Total	**(336.966)**	**(36.228)**	-	-	**(373.194)**
Net Book Value	**358.521**				**322.293**

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

NOTE 21 - EMPLOYEE BENEFITS

As of 31 December 2022 and 2021, the detailed analysis of employee benefits is as follows:

Account Name	31 December 2022	31 December 2021
Payables to Personnel	-	103
SSI Premium Payables	359.989	84.376
Total	**359.989**	**84.479**

NOTE 22 - GOVERNMENT GRANTS

None.

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

NOTE 23 - PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

i) Provisions

Account Name	31 December 2022	31 December 2021
Provision for Price Revision	6.202.236	5.248.530
Provision for Lawsuits	54.970	50.509
Total	**6.257.206**	**5.299.039**

31 December 2022	Provision for Lawsuits	Provision for Price Revision	Total
Beginning of the Period – 1 January	50.509	5.248.530	5.299.039
Additions	4.461	6.202.236	6.206.697
Payments During the Period	-	(5.248.530)	(5.248.530)
End of the Period – 31 December	**54.970**	**6.202.236**	**6.257.206**

31 December 2021	Provision for Lawsuits	Provision for Price Revision	Total
Beginning of the Period – 1 January	46.048	2.486.240	2.532.288
Additions	4.461	5.248.530	5.252.991
Payments During the Period	-	(2.486.240)	(2.486.240)
End of the Period – 31 December	**50.509**	**5.248.530**	**5.299.039**

ii) Contingent Liabilities and Contingent Assets

As of 31 December 2022, the provisions for lawsuits amounted to **TL 54.970** filed against the Company and the related provisions are reflected to the financial statements (31 December 2021: **TL 50.509**).

In accordance with TFRS 9, execution proceedings amounted to **TL 2.537.938** for provisions for doubtful receivables of the Company and the related provisions are reflected to the financial statements (31 December 2021: **TL 2.568.350**).

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

31 December 2022

	TL	USD	EURO
Letter of Guarantee Given	24.199.341	1.000.000	-
TOTAL	**24.199.341**	**1.000.000**	-

31 December 2021

	TL	USD	EURO
Letter of Guarantee Given	10.199.341	1.000.000	-
TOTAL	**10.199.341**	**1.000.000**	-

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

iv) Ratio of guarantees and mortgages to equity:

As of 31 December 2022 and 2021, the Company's collateral / pledge / mortgage position are as follows:

Collaterals, Pledges, Mortgages Given by the Company	31 December 2022	31 December 2021
A. Total amount of CPM's given in the name of its own legal personality	42.931.341	23.552.341
B. Total amount of CPM's given on behalf of the fully consolidated companies	-	-
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	**42.931.341**	**23.552.341**

The above mentioned amounts are TL equivalents at the end of the period.

The ratio of other CPM's given by the Company to its equity is 0% (31 December 2021: 0%)

v)Total mortgages and guarantees on assets

None.

vi) Total insurance coverage on assets

31 December 2022

Type of Insured Asset	USD	TL
Merchandise	10.000.000	-
Total	**10.000.000**	-

31 December 2021

Type of Insured Asset	USD	TL
Merchandise	10.000.000	-
Total	**10.000.000**	-

NOTE 24 - COMMITMENTS

None.

NOTE 25 – PROVISIONS FOR EMPLOYEE BENEFITS

Account Name	31 December 2022	31 December 2021
Provision for Employment Termination Benefits	2.422.951	1.052.267
Total	**2.422.951**	**1.052.267**

Under Turkish Labour Law, Despec 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 2022, the amount payable consists of one month's salary limited to a maximum of TL 19.982,83 (31 December 2021: TL 10.848,59) for each year of service.

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

The provision has been calculated by estimating the present value of the future probable obligation of the Company 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:

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

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 2022, the provisions in the accompanying financial statements are calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees.

As of the 31 December 2022, 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 real discount rate of 3.33% (31 December 2021: 3.42% real discount rate). The real discount rates are reviewed and revised if deemed necessary, in every reporting period.

As of the 31 December 2022, turnover rate to estimate the probability of retirement is 98.29% (31 December 2021: 98.29%).

	1 January - 31 December 2022	1 January - 31 December 2021
Beginning of the period – 1 January	1.052.267	748.409
Service costs	212.934	97.904
Interest costs	252.544	157.166
Actuarial gains /(losses)	906.311	95.092
Losses on remeasurements of defined benefit plans	30.817	70.209
Payments during the period (-)	(31.922)	(116.513)
End of the period – 31 December	**2.422.951**	**1.052.267**

Movements of the provision for employee termination benefits recognised during the period for the years ended 31 December 2022 and 2021 are as follows:

Account Name	1 January - 31 December 2022	1 January - 31 December 2021
General Administrative Expenses	(496.295)	(325.279)
Other Operating Income/ (Expenses)	-	-
Gains / (Losses) Recognised in Profit or Loss	**(496.295)**	**(325.279)**
Actuarial Gains/Losses Recognized in Other Comprehensive Income	(906.311)	(95.092)
Profit / (Loss) for the Period	**(1.402.606)**	**(420.371)**

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.

Account Name	1 January - 31 December 2022	1 January - 31 December 2021
Actuarial Gains/Losses Recognized in Other Comprehensive Income	(906.311)	(95.092)
Tax Effect 20%	181.262	19.018
Actuarial gains/(losses), net	**(725.049)**	**(76.074)**

The amount recognized as actuarial gains / losses in the current period is amounting to TL 906.311. Deferred tax effect of this 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 725.049.

The amount recognized as actuarial gains / losses in the prior period is amounting to TL 95.092. Deferred tax effect of this 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 76.074.

NOTE 26 - TAX ASSETS AND LIABILITIES

As of the 31 December 2022 and 2021, the Company has no current income tax assets.

As of the 31 December 2022 and 2021, current income tax liabilities are disclosed in Note 35.

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

NOTE 27 - OTHER ASSETS AND LIABILITIES

As of 31 December 2022 and 2021, the breakdown of other current assets is as follows:

Account Name	31 December 2022	31 December 2021
Income Accruals	2.709.860	5.844.994
Deferred VAT	4.206.619	4.631.732
Business Cash Advances	12.933	11.000
Other current assets, net	**6.929.412**	**10.487.726**

As of 31 December 2022 and 2021, the Company has no other non-current assets.

NOTE 28 - EQUITY

i)Non-Controlling Interests

None.

ii) Share Capital / Capital Adjustments Due to Cross Ownership

The current share capital of the Company which is amounting to **TL 23.000.000**, consists of Class A shares issued to the name as paid-in share capital is amounting to **TL 4.000** and Class B shares issued to the beerer as paid-in share capital is amounting to **TL 22.996.000**.

Class A shares have voting privileges in the election of the Board of Directors but Class B shares have no voting privileges regarding the election of the Board of Directors. Class A shares owned by Datagate Bilgisayar Mal.Tic. A.Ş.

As of 31 December 2022 and 2021, the principal shareholders and their respective shareholding rates in Despec are as follows:

	31 December 2022		31 December 2021	
Shareholders	**Share %**	**Amount**	**Share %**	**Amount**
Datagate Bilgisayar Mal.Tic. A.Ş.	49.13%	11.300.994	49.13%	11.300.994
Other	50.87%	11.699.006	50.87%	11.699.006
Total share capital	**100%**	**23.000.000**	**100%**	**23.000.000**

In accordance with the decision of the Board of Directors on 14 March 2012 numbered 2012/03, **TL 11.500.000** of the issued share capital of the Company to be increased to **TL 23.000.000** with the rate of 100% on condition that to be in upper ceiling limits of **TL 25.000.000** registered share capital. In addition, increased share capital amounting to **TL 11.500.000** decided to be paid from internal funding sources.

At the Ordinary General Assembly Meeting of Despec held on 18 June 2020, it was decided that the valid period of the "Registered Share Capital Ceiling" will be extended to 2020-2024 and the registered share capital ceiling will be increased from TL 50.000.000 (Fifty Million) to TL 75.000.000 (Seventyfive Million). The amendment of article 6 of the articles of association was published Official Gazette on 2 July 2020.

In accordance with the 9th article of Articles of Association titled "Board of Directors and Term" Class A bearer shareholders have the voting privileges for the election of members of the Board of Directors. When the Board of Directors consist of 5 or 6 members 4, when consist of 7 or 8 members 5, when consist of 9 members 6 members are nominated from candidates presented by Class A shareholders.

Even though Class B shares, which were listed on stock exchange to public gain the majority, since Class A shareholders have the aforementioned voting privileges, the management sovereignty will not be lost. In any case, the sovereignty will continue to be owned by Class A shareholders.

(iii) Share Premium

The capital reserves of the Company comprise of share premium. The Company has no movement during the period.

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

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

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

Account Name	31 December 2022	31 December 2021
Beginning of the Period – 1 January	(301.653)	(225.579)
Actuaria Gains and (Losses) ***(Note 24)***	(906.311)	(95.092)
Tax Effect ***(Note 24, Note 35)***	181.262	19.018
Actuarial Gains and (Losses) (Net)	**(1.026.702)**	**(301.653)**
Gains/(losses) on remeasurement of defined benefit plans	**(1.026.702)**	**(301.653)**
Accumulated Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss, net	**(1.026.702)**	**(301.653)**

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

Account Name	31 December 2022	31 December 2021
Currency translation differences	606.110	606.110
Currency translation differences, net	**606.110**	**606.110**
Accumulated Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss, net	**606.110**	**606.110**

iv) 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 Company'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.

v) 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 shown 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 are 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 2022 and 2021, the breakdown of equity items is as follows:

Account Name	31 December 2022	31 December 2021
Paid-in Share Capital	23.000.000	23.000.000
Adjustment to Share Capital	437.133	437.133
Share Premium	2.967.707	2.967.707
Accumulated Other Comprehensive Income Or Expenses not to Be Reclassified to Profit Or Loss	(1.026.702)	(301.653)
-Gains/(Losses) on Remeasurements of Defined Benefit Plans	*(1.026.702)*	*(301.653)*
- Hedge Funds (Note 9)	-	-
Currency Translation Differences	606.110	606.110
Restricted Reserves	9.611.418	9.611.418
- Legal Reserves	*9.611.418*	*9.611.418*
Retained Earnings	103.319.638	61.651.738
Profit for the Period	40.758.758	41.667.900
Total	**179.674.062**	**139.640.353**

NOTE 29 - REVENUE AND COST OF SALES

As of 31 December 2022 and 2021, the breakdown and detailed analysis of revenue and cost of sales are as follows:

Account Name	1 January - 31 December 2022	1 January - 31 December 2021
Domestic Sales	1.371.230.629	812.193.653
Foreign and Other Sales	15.495.495	2.687.051
Sales Returns (-)	(43.507.343)	(39.926.333)
Sales and Other Discounts (-)	(4.413.438)	(252.187)
Net Sales	**1.338.805.343**	**774.702.184**
Cost of Goods Sold (-)	(1.229.231.638)	(718.081.808)
Gross Profit	**109.573.705**	**56.620.376**

Since depreciation and amortization charges are in the nature of general expenses, they are included under operating expenses.

Provision for impairment on inventories are accounted for under cost of sales.

NOTE 30 RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SALES AND DISTRIBUTION EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES

As of 31 December 2022 and 2021, the breakdown of operating expenses is as follows:

Account Name	1 January - 31 December 2022	1 January - 31 December 2021
General Administrative Expenses (-)	(13.659.453)	(7.832.617)
Marketing, Sales and Distribution Expenses (-)	(15.819.182)	(8.914.645)
Total operating expenses	**(29.478.635)**	**(16.747.262)**

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

NOTE 31 - EXPENSES BY NATURE

As of 31 December 2022 and 2021, the functional breakdown of expenses by nature is as follows:

Account Name	1 January - 31 December 2022	1 January - 31 December 2021
- Personnel Expenses	(13.909.844)	(8.173.272)
- Transportation, Distribution and Storage Expenses	(7.996.697)	(4.470.862)
- Insurance Expenses	(2.176.532)	(1.159.007)
- Advertisement and Promotion Expenses	(975.629)	(370.653)
- Depreciation and Amortisation Charges	(826.915)	(650.915)
- Consultancy and Audit Expenses	(745.712)	(345.750)
- Sales and International Trade Costs	(660.296)	(320.640)
- Provision for Employment Termination Benefits	(496.296)	(325.279)
-Motor Vehicle Expenditures	(280.421)	(72.967)
-Travel Expenses	(149.384)	(22.679)
- Information Systems and Communication Expenses	(89.692)	(47.643)
- Taxes, Duties and Charges	(70.342)	(85.230)
- Rent Expenses	(67.877)	(51.177)
- Other	(1.032.998)	(651.188)
Total operating expenses, net	**(29.478.635)**	**(16.747.262)**

The Company's accounting, finance, audit, current accounts, warehouse, logistics, import, export and lease services are provided by Group companies İndeks Bilgisayar A.Ş and Teklos Lojistik A.Ş. Invoice is issued on montly basis to Despec for the aforementioned services. The inoviced amounts are included in operating expenses. The detailed explanation of services invoiced by related parties is disclosed in **Note 37**.

Fees for Services Received from Independent Auditor/Independent Audit Firms

The Company'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 2022	1 January - 31 December 2021
Audit fee for the reporting period	78.360	48.000
Tax consulting fee	111.588	68.335
Other service fee apart from audit	27.500	15.500
Total	**217.448**	**131.835**

NOTE 32 - OTHER OPERATING INCOME/(EXPENSES)

As of 31 December 2022 and 2021, the breakdown and detailed analysis of other operating income/expenses are as follows:

Account Name	1 January - 31 December 2022	1 January - 31 December 2021
Other Operating Income	**67.861.749**	**40.877.123**
Provisions no longer required (Doubtful receivables)	30.412	-
Interest Income from Sales	33.876.426	17.246.402
Interest and Rediscount Income	3.760.851	1.973.696
Foreign Exchange Gains	30.190.942	21.652.512
Other	3.118	4.513
Other Operating Expenses (-)	**(16.882.338)**	**(23.297.729)**
Interest Expenses from Purchases	(4.631.347)	(1.710.881)
Interest and Rediscount Expenses	(3.113.689)	(3.625.008)
Foreign Exchange Losses	(9.086.206)	(17.917.467)
Other (-) (*)	(51.096)	(44.373)
Other operating income/expenses, net	**50.979.411**	**17.579.394**

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

(*)Includes non-deductible expenses such as taxes, penalties, motor vehicle taxes and special communication taxes.

NOTE 33 - GAINS/ (LOSSES) FROM INVESTMENT ACTIVITES

As of 31 December 2022 and 2021, the breakdown of gains/losses from investment activities is as follows:

Account Name	1 January - 31 December 2022	1 January - 31 December 2021
Gains from investment activities	-	-
Gain on sale of property, plant and equipment and intangible assets	-	
Losses from investment activities (-)	-	-
Loss on sale of property, plant and equipment and intangible assets (-)	(690)	-
Gains/(losses) from investment activities, net	**(690)**	**-**

As of 31 December 2022 and 2021, the Company has no gains from investment activities.

NOTE 34 - FINANCIAL INCOME / EXPENSE

As of 31 December 2022 and 2021, the breakdown of financial income is as follows:

Account Name	1 January - 31 December 2022	1 January - 31 December 2021
Interest Income	709.344	308.940
Foreign Exchange Gains	2.245.714	23.351.877
Financial income, net	**2.955.058**	**23.660.817**

As of 31 December 2022 and 2021, the breakdown of financial expenses is as follows:

Account Name	1 January - 31 December 2022	1 January - 31 December 2021
Bank Fees and Charges and Interest Expenses	(72.560.153)	(25.658.543)
Foreign Exchange Losses	(6.319.157)	-
Financial expenses, net	**(78.879.310)**	**(25.658.543)**

The Company has no capitalised financing costs during the period.

NOTE 35 – NON-CURRENT ASSETS HELD FOR SALE AND DISCOUNTINUED OPERATIONS

None.

NOTE 36 - INCOME TAXES

The Company'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	1 January - 31 December 2022	1 January - 31 December 2021
Current period tax expense	(20.405.630)	(13.074.697)
Deferred tax income/expense	6.014.849	(712.185)
Total tax income/(expense)	**(14.390.781)**	**(13.786.882)**

Account Name	31 December 2022	31 December 2021
Current period tax expense	20.405.630	13.074.697
Prepaid taxes (-)	(19.023.063)	(4.025.791)
Current income tax liabilities, net	**1.382.567**	**9.048.906**

i) Corporate tax

The Company is subject to the tax legislation and practices in force in Turkey. Therefore, provisions for taxes, as reflected to the accompanying financial statements.

Advance tax in Turkey is calculated and accrued on a quarterly basis. Although, the corporate tax rate is applied as 20%, it was applied as 22% between 2018-2020 due to the temporary rules and regulations. Corporate tax rate applied in Turkey is 25% in 2022. In the Official Gazette dated April 22, 2021 and numbered 31462, the Law No. 7316 on the procedure for the collection of public receivables and Law Amending Certain Laws has been published and the Provisional Article 13 has been added to the Corporate Tax Law with the 11th article of the stated Law. Corporate tax rate of 20% with the added item will ve applied as; - 25% for corporate earnings for the 2021 taxation period. - 23% for corporate earnings for the 2022 taxation period. The respective rate increase came into effect on April 22, 2021, starting from the declarations that must be submitted as of July 1, 2021 and to be valid for the corporate earnings for the taxation period starting from January 1, 2021.

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

According to corporate tax law article numbered 20, the corporate tax is imposed by the taxpayer's tax returns. Companies file their corporate tax returns between 1-30 April following the close of the accounting year. In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns by the 25th of the fourth month following the close of the financial year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Income Withholding Tax:

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

ii) Deferred Tax:

The deferred tax asset and tax liability is based on the temporary differences, which arise between the financial statements prepared according to TFRS/TAS and statutory tax financial statements. These differences usually due to the recognition of revenue and expenses in different reporting periods for the TFRS/TAS and tax purposes, the differences explained as below.

Although, the corporate tax rate is applied as 20%, it was applied as 22% between 2018-2020 due to the temporary rules and regulations. Corporate tax rate applied in Turkey is 25% in 2022. In the Official Gazette dated April 22, 2021 and numbered 31462, the Law No. 7316 on the procedure for the collection of public receivables and Law Amending Certain Laws has been published and the Provisional Article 13 has been added to the Corporate Tax Law with the 11th article of the stated Law. Corporate tax rate of 20% with the added item will ve applied as; 25% for corporate earnings for the 2021 taxation period and 23% for corporate earnings for the 2022 taxation period. Corporate tax rate will be applied as 20% in 2023. Temporary differences arising from the differences between the years in the income and expenses are recorded for accounting and tax purposes. As of the each reporting date, the Company reviews the deferred tax receivables and withdraws the deferred tax receivables that are determined not to be deductible from taxable income in the following years.

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

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

Account Name	31 December 2022 Cumulative temporary differences	31 December 2022 Deferred tax assets / liabilities	31 December 2021 Cumulative temporary differences	31 December 2021 Deferred tax assets / liabilities
Property, Plant and Equipment and Intangible Assets	(192.876)	(38.575)	(202.578)	(40.516)
Rediscount Expenses and Provisions	35.371.645	7.074.329	15.830.666	3.641.053
Provision for Employment Termination Benefits	2.422.951	484.590	1.052.267	210.453
Provision for Inventory Impairment	4.446.522	889.304	686.988	158.007
Provision for Lawsuits	54.970	10.994	50.509	11.617
Difference between Net Book Value and Tax Base of Inventories	580.795	116.159	408.485	93.952
Rediscount on Notes Payable	(259.749)	(51.950)	(153.315)	(35.262)
Derivative Instruments	912.399	182.480	(5.389.259)	(1.239.530)
Other	305.094	61.019	(1.163.198)	(267.535)
Deferred tax assets, net		**8.728.350**		**2.532.239**

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

	31 December 2022	31 December 2021
Beginning of the Period – 1 Janauary	2.532.239	3.225.406
Actuarial Gains/Losses on Employment Termination Benefits	181.262	19.018
Deferred tax income/expense	6.014.849	(712.185)
End of the Period – 31 December	**8.728.350**	**2.532.239**

Unused tax credits disclosure:

The Company has no unused tax credits are carried forward to subsequent periods.

NOTE 37 - EARNINGS PER SHARE

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 2022 and 2021, which is as follows:

Account Name	1 January - 31 December 2022	1 January - 31 December 2021
Profit for the Period	40.758.758	41.667.900
Weighted Average Number of Shares	23.000.000	23.000.000
Earnings Per Share	**1.772120**	**1.811648**

NOTE 38 - RELATED PARTY DISCLOSURES

a) Related party balances are as follows:

	Receivables		Payables	
31 December 2022	**Trade Receivables**	**Other Receivables**	**Trade Payables**	**Other Payables**
İndeks A.Ş.	-	-	3.711.140	103.037.124
Desbil A.Ş.	198	-	-	-
Teklos A.Ş.	-	-	967.757	-
Neteks Teknoloji A.Ş.	12.816	-	-	-
Ifz A.Ş.	-	-	1.810.404	-
Datagate A.Ş.	106	-	-	-
İnfin A.Ş.	-	-	294.582	-
Total	**13.120**	**-**	**6.783.883**	**103.037.124**

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

	Receivables		Payables	
31 December 2021	**Trade Receivables**	**Other Receivables**	**Trade Payables**	**Other Payables**
İndeks A.Ş.	-	-	6.105.226	-
Desbil A.Ş.	-	-	-	-
Teklos A.Ş.	-	-	791.071	-
Neteks Teknoloji A.Ş.	19.909	-	-	-
Ifz A.Ş.	913.938	-	-	-
Datagate A.Ş.	-	-	212.533	-
İnfin A.Ş.	-	-	24.401	-
Total	**933.847**	**-**	**7.133.231**	**-**

The Company has interest gains on USD, EUR and TL for the current accounts during the period, and the effective annual interest in 2022 is for USD 7.00% - 13.00%, EUR 3.00% -11.50% and TL 21.00% – 37.00%, respectively (31 December 2021 3.15% - 6.50%, 3.00% – 5.00% and 18.00% -23.00%, respectively).

b) Related party transactions are as follows:

31 December 2022

Sales	Goods and Services	Common Costs	Interest Income and Foreign Exchange Gains	Total
Datagate A.Ş.	6.513.142	790	43.143	6.557.075
Desbil A.Ş.	-	-	76.262	76.262
İndeks A.Ş.	3.350.038	-	-	3.350.038
İndeks Dubai	-	1.421.539	-	1.421.539
İnfin A.Ş.	2.648.111	-	1.250	2.649.361
Neteks Teknoloji A.Ş.	198.798	3	3.877	202.678
Teklos A.Ş.	149.594	279.382	9.141	438.117
Total	**12.859.683**	**1.701.714**	**133.673**	**14.695.070**

Purchases	Goods and Services	Common Costs	Interest Expenses and Foreign Exchange Losses	Total
Datagate A.Ş.	2.272.214	84.400	25.867	2.382.481
İndeks Dubai	103.986.728	-	13.023	103.999.751
İndeks A.Ş.	7.296.418	4.059.966	41.950.740	53.307.124
İnfin A.Ş	-	254.912	-	254.912
Neteks Teknoloji A.Ş.	-	-	6.162	6.162
Teklos A.Ş.	8.560.198	639.754	297.109	9.497.061
Total	**122.115.558**	**5.039.032**	**42.292.901**	**169.447.491**

The Company has no letter of guarantee recieved or given from related parties during the period.

31 December 2021

Sales	Goods and Services	Common Costs	Interest Income and Foreign Exchange Gains	Total
Datagate A.Ş.	2.349.594	-	22.460	2.372.054
İndeks A.Ş.	3.205.491	638.408	2.336.256	6.180.155
İndeks Dubai	-	151.399	-	151.399
İnfin A.Ş.	658.136	-	5.449	663.585
Neteks Teknoloji A.Ş.	165.271	-	22.317	187.588
Teklos A.Ş.	80.297	19.495	20.522	120.314
Total	**6.458.789**	**809.302**	**2.407.004**	**9.675.095**

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

Purchases	Goods and Services	Common Costs	Interest Expenses and Foreign Exchange Losses	Total
Datagate A.Ş.	524.667	99	83	524.849
İndeks Dubai	53.041.442	-	-	53.041.442
İndeks A.Ş.	5.354.997	2.299.964	18.966.983	26.621.944
İnfin A.Ş	-	22.295	52	22.347
Neteks Teknoloji A.Ş.	1.916	-	8.853	10.769
Teklos A.Ş.	4.792.902	401.998	41.417	5.236.317
Total	**63.715.924**	**2.724.356**	**19.017.388**	**85.457.668**

The Company has no letter of guarantee recieved or given from related parties during the period.

c) Key management compensation

Account Name	31 December 2022	31 December 2021
Short-term employee benefits	4.478.789	3.016.074
Total	**4.478.789**	**3.016.074**

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

NOTE 39 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

(a) Capital risk management

The Company's main objectives for capital management are to keep the Company'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 Company consists of borrowings includes debts explained in note 8, cash and cash equivalents explained in note 6 and equity items containing respectively issued capital, capital reserves, profit reserves and profits of previous years explained in note 28.

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 Company 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 balance sheet). Total capital is calculated as equity, as shown in the balance sheet, plus net debt.

Net financial debt/invested capital ratio as of 31 December 2022 and 2021 is as follows:

	31 December 2022	31 December 2021
Total borrowings	249.320.235	259.453.273
Less: Cash and cash equivalents	(6.359.239)	(3.742.609)
Net financial debt	242.960.996	255.710.664
Equity	179.674.062	139.640.353
Total Capital	422.635.058	395.351.017
Net financial debt/total equity multiplier	**0.5749**	**0.6468**

(b) Significant accounting policies

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

(c) Risks

Due to its operations, the Company is exposed to financial risks related to exchange rates (article d) and interest rates (article f). The Company also holds the financial instruments risk that other party not be able to meet the requirements of the agreement (article e).

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

(d) Foreign exchange risk

IT products and consumables are either imported or purchased domestically using denominated in foreign currencies. During the acquisition of these products, the Company has foreign currency denominated payables and makes its payments in same currency. The Company which do not adopt their sales policies using foreign currencies in which they purchase the products may have foreign exchange losses if changes of the exchange rates of different foreign currencies in net foreign currency position.

Despec determines the currencies for sales of the products against the foreign exchange risk in the currency in which the products are supplied. However, sales can be made in different currencies for certain period of times within the framework of market conditions. In order to avoid foreign exchange risk related to high-volume sales, especially during periods of volatility, forward transactions are made accordingly.

The Company management evaluates and monitors the balance of the assets and liabilities denominated in Turkish Lira as open positions. As of 31 December 2022 and 2021, assets and liabilities denominated in foreign currency are as follows:

As of 31 December 2022, if EUR and USD had appreciated by 10% against TL with all other variables held constant, profit before tax would have been TL 10.946.772 higher (31 December 2021: TL 11.363.129).

The following table details the Company's foreign currency sensitivity as at 31 December 2022 and 2021 for the changes at the rate of 10%:

Exchange Rate Sensitivity Analysis Table
Current Period - 31 December 2022

	Profit / Loss	
	Appreciation of Foreign Currency	**Depreciation of Foreign Currency**
The impact of 10% USD increase in income statement		
1- USD Net Asset / Liability	10.236.356	(10.236.356)
2- Hedged portion of USD Risk (-)		
3- USD Net Effect (1+2)	**10.236.356**	**(10.236.356)**
The impact of 10% EURO increase in income statement		
4- EURO Net Asset / Liability	710.416	(710.416)
5- Hedged portion of Euro Risk (-)		
6- EURO Net Effect (4+5)	**710.416**	(710.416)
The impact of 10% Other currencies increase in income statement		
7- Other currencies Net Asset / Liability	-	-
8- Hedged portion of Other Currencies Risk (-)	-	-
9- Other Currencies Net Effect (7+8)	-	-
Total	**10.946.772**	**(10.946.772)**

Exchange Rate Sensitivity Analysis Table
Prior Period - 31 December 2021

	Profit / Loss	
	Appreciation of Foreign Currency	**Depreciation of Foreign Currency**
The impact of 10% USD increase in income statement		
1- USD Net Asset / Liability	11.183.383	(11.183.383)
2- Hedged portion of USD Risk (-)		
3- USD Net Effect (1+2)	**11.183.383**	**(11.183.383)**
The impact of 10% EURO increase in income statement		
4- EURO Net Asset / Liability	179.746	(179.746)
5- Hedged portion of Euro Risk (-)		
6- EURO Net Effect (4+5)	**179.746**	**(179.746)**
The impact of 10% Other currencies increase in income statement		
7- Other currencies Net Asset / Liability	-	-
8- Hedged portion of Other Currencies Risk (-)		-
9- Other Currencies Net Effect (7+8)		-
Total	**11.363.129**	**(11.363.129)**

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

As of 31 December 2022 and 2021, foreign exchange position table of the Company is as follows:

Foreign Exchange Position Table

	31 December 2022			31 December 2021		
	TL Equivalent	**USD**	**EUR**	**TL Equivalent**	**USD**	**EUR**
1. Trade Receivables	67.023.311	3.540.561	41.176	75.360.584	5.627.305	23.480
2a. Monetary Financial Assets	3.686.306	18.084	167.955	1.901.000	139.022	3.180
2b. Non-Monetary Financial Assets	495.935	26.523	-	362.349	27.185	-
3. Other	28.613.792	874.513	615.096	27.228.417	1.823.793	193.487
4. Total Current Assets (1+2+3)	**99.819.344**	**4.459.681**	**824.227**	**104.852.350**	**7.617.305**	**220.147**
5. Trade Receivables	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Total Non-Current Assets(5+6+7)	-	-	-	-	-	-
9. Total Assets (4+8)	**99.819.344**	**4.459.681**	**824.227**	**104.852.350**	**7.617.305**	**220.147**
10. Trade Payables	34.393.018	1.385.868	422.263	47.200.649	3.471.262	56.166
11. Financial Liabilities	-	-	-	-	-	-
12a. Other Monetary Liabilities	762.634	21.192	18.310	756.950	36.074	18.212
12b. Other Non- Monetary Liabilities	528.128	-	26.445	863.410	34.728	26.445
13. Total Current Liabilities (10+11+12)	**35.683.780**	**1.407.060**	**467.018**	**48.821.009**	**3.542.064**	**100.823**
14. Trade Payables	-	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-	-	-
16b. Other Non- Monetary Liabilities	-	-	-	-	-	-
17. Total Non-Current Liabilities (14+15+16)	-	-	-	-	-	-
18. Total Liabilities (13+17)	**35.683.780**	**1.407.060**	**467.018**	**48.821.009**	**3.542.064**	**100.823**
19. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b	**45.332.159**	**2.424.400**	-	**57.599.941**	**4.321.400**	-
19a. Total Asset Amount of Hedged	45.332.159	2.424.400	-	57.599.941	4.321.400	-
19b. Total Liabilities Amount of Hedged	-	-	-	-	-	-
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	**109.467.723**	**5.477.021**	**357.209**	**113.631.282**	**8.396.641**	**119.324**
21. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (1+2a+3+5+6a-10-11-12a-14-15-16a)	**35.553.965**	**2.151.585**	**(231.442)**	**29.303.985**	**2.258.991**	**(47.718)**
22. Total Fair Value of Financial Instruments Used for Foreign Exchange Hedge						
23. Foreign Exchange Hedged Portion Amount of Assets	46.244.558	2.424.400	-	52.210.682	4.321.400	-
24. Foreign Exchange Hedged Portion Amount of Liabilities	-	-	-	-	-	-
25. Export	1.180.094	-	-	737.641	-	-
26. Import	566.463.172	-	-	361.544.053	-	-

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

e) Credit Risk Details

As of 31 December 2022 and 2021, the exposure of financial assets to credit risk is as follows:

31 December 2022	Receivables					Bank Deposits	
	Trade Receivables		Other Receivables				
	Related Party	Other	Related Party	Other	Notes		Notes
Maximum exposure to credit risk as of reporting date (A+B+C+D)	**13.120**	**274.075.010**	-	**228.774**		**5.920.965**	
- Maximum risk, secured with guarantees	-	214.520.826	-	-			
A. Net book value of neither past due nor impaired financial assets	**13.120**	**273.228.565**	-	**228.774**	**10-11**	**5.920.965**	**6**
B. Net book value of past due but not impaired financial assets	-	2.844.014	-	-		-	
- Secured with guarantees	-	(1.997.569)	-	-		-	
C. Net book value of impaired assets	-	-	-	-	**10-11**	-	**6**
- Past due (gross amount)	-	2.537.938	-	-		-	
- Impairment (-)	-	(2.537.938)	-	-	**10-11**	-	**6**
- Secured with guarantees	-	-	-	-	**10-11**	-	**6**
- Not past due (gross amount)	-	-	-	-	**10-11**	-	**6**
- Impairment (-)	-	-	-	-	**10-11**	-	**6**
- Secured with guarantees	-	-	-	-	**10-11**	-	**6**
D – Off-balance sheet expected credit losses (-)	-	-	-	-	**10-11**	-	

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

31 December 2021	Receivables					Bank Deposits	
	Trade Receivables		Other Receivables				
	Related Party	Other	Related Party	Other	Notes		Notes
Maximum exposure to credit risk as of reporting date (A+B+C+D)	**933.847**	**280.509.743**	-	**294.057**		**2.580.449**	
- Maximum risk, secured with guarantees	-	198.219.302	-	-			
A. Net book value of neither past due nor impaired financial assets	**933.847**	**279.974.154**	-	**294.057**	10-11	**2.580.449**	6
B. Net book value of past due but not impaired financial assets	-	1.394.296	-	-		-	
- Secured with guarantees	-	(858.707)	-	-		-	
C. Net book value of impaired assets	-	-	-	-	10-11	-	6
- Past due (gross amount)	-	2.568.350	-	-		-	
- Impairment (-)	-	(2.568.350)	-	-	10-11	-	6
- Secured with guarantees	-	-	-	-	10-11	-	6
- Not past due (gross amount)	-	-	-	-	10-11	-	6
- Impairment (-)	-	-	-	-	10-11	-	6
- Secured with guarantees	-	-	-	-	10-11	-	6
D – Off-balance sheet expected credit losses (-)	-	-	-	-	10-11	-	

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

	Receivables	
31 December 2022	**Trade Receivables**	**Other Receivables**
Past due up to 1 month	1.156.765	-
Past due 1-3 months	717.131	-
Past due more than 3 months	970.118	-
Secured with guarantees	1.997.569	-

	Receivables	
31 December 2021	**Trade Receivables**	**Other Receivables**
Past due up to 1 month	992.987	-
Past due 1-3 months	201.901	-
Past due more than 3 months	199.408	-
Secured with guarantees	858.707	-

Credit Risk Management

Despec's collection risk arises mainly from its trade receivables. Almost all of the trade receivables are due to receivables from dealers. The Company 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 Company 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 Company 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 Company management and are presented on the balance sheet net of provision for doubtful receivables. The low profit margin of the sector due to the structure of the sector makes collection and risk monitoring policies significant for the Company 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.

Despec sells goods to Turkey in nearly every entities 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 Company 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.

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

The Company has credit insurance policy from Euler Hermes Sigorta A.Ş. within borders of Turkey for insuring its trade receivables until 31.03.2023 (the payment guarantee insurance for trade receivables is determined as 85%-90%).

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

f) Interest Rate Risk

The Company is exposed to interest rate risk arising from the rate changes on interest-bearing liabilities and assets. The Company manages this risk by balancing the repricing terms of interest-bearing assets and liabilities with fixed interest and short-long term nature of borrowings as well as using derivative instruments for hedging purposes.

Interest Rate Position Table

	31 December 2022	31 December 2021
Fixed Interest Rate Financial Instruments		
Financial Assets	-	-
Financial Liabilities	54.415.584	172.535.361
Floating Interest Rate Financial Instruments		
Financial Assets	-	-
Financial Liabilities	-	-

As of 31 December 2022, in the case of 100 bps rise in the annual interests, with all other variables held constant, profit before tax would have been TL 544.156 lower.

As of 31 December 2021, in the case of 100 bps rise in the annual interests, with all other variables held constant, profit before tax would have been TL 1.725.354 lower.

g) Other Risks

Equity securities and other related risks related financial instruments

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

h) Liquidity Risk

Liquidity risk is the risk that a Company 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 Company 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 financial liabilities as of 31 December 2022 and 2021 are as follows:

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	**233.968.745**	**236.697.123**	**235.150.646**	**752.481**	**793.996**	**-**
Bank Borrowings	52.938.465	55.069.167	55.069.167	-	-	-
Lease Liabilities	1.477.119	1.815.046	268.569	752.481	793.996	-
Trade Payables	75.811.777	76.071.526	76.071.526	-	-	-
Other Payables	103.741.384	103.741.384	103.741.384	-	-	-

(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	**(912.399)**	**(1.664.231)**	**(1.664.231)**	-	-	-
Cash Inflows	45.332.159	45.332.159	45.332.159	-	-	-
Cash Outflows	(46.244.558)	(46.996.390)	(46.996.390)	-	-	-

31 December 2021

	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	**241.840.721**	**259.261.132**	**258.179.963**	**470.504**	**610.665**	-
Bank Borrowings	171.483.177	188.528.163	188.528.163	-	-	-
Lease Liabilities	1.052.184	1.274.294	193.125	470.504	610.665	-
Trade Payables	68.984.901	69.138.216	69.138.216	-	-	-
Other Payables	320.459	320.459	320.459	-	-	-

	Carrying Value	Total Contractual Cash Outflow	Demand or up to 3 months	3-12 months	1-5 years	5 years and over
Derivative Instruments	**5.389.259**	**4.069.676**	**4.069.676**	-	-	-
Cash Inflows	57.599.941	57.599.941	57.599.941	-	-	-
Cash Outflows	(52.210.682)	(53.530.265)	(53.530.265)	-	-	-

NOTE 40 - FINANCIAL INSTRUMENTS

The fair value of financial instruments is considered to approximate their carrying values.

Financial Risk Management

The Company is exposed to variety of financial risks due to its operations. These risks include credit risk, market risk (foreign exchange risk, interest rate risk and price risk) and liquidity risk, credit risk and cash flow interest rate risk. The Company's overall risk management strategy focuses on the unpredictability of financial markets and targets to minimise potential adverse effects on the Company's financial performance.

In order to minimise potential adverse effects on the Company's financial performance, the Company uses forward foreign exchange contracts as financial instruments that are derivatives, although not in significant amounts. The Company does not have any speculative financial instrument (including derivative instruments) and does not have any activity regarding the purchase and sale of such instruments.

NOTE 41 - EVENTS AFTER THE BALANCE SHEET DATE

None.

NOTE 42 - THE OTHER MATTERS WHICH SUBSTANTIALLY AFFECT THE FINANCIAL STATEMENTS

None.