DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET A.Ş.

FINANCIAL STATEMENTS
AT 31 DECEMBER 2021
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 THE FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET A.Ş.

FINANCIAL STATEMENTS FOR THE YEAR 1 JANUARY- 31 DECEMBER 2021

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Despec Bilgisayar Pazarlama ve Ticaret Anonim Şirketi;

Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Despec Bilgisayar Pazarlama ve Ticaret Anonim Şirketi ("Despec" or the "Company")** which comprise the statement of balance sheet as at 31 December 2021, statement of profit or loss and statement of other comprehensive income, statements of changes in equity and statements of cash-flow for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS/TAS").

Basis for Opinion

Our audit was conducted in accordance with the 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 these standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We hereby declare that we are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants ("IESBA Code") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate 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. Key audit matters were addressed in the context of our independent audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Trade Receivables	
Key audit matters	**How our audit addressed the key audit matter**
Financial statements as of 31 December 2021 include trade receivables of TL 281.443.590 which constitutes 70.52% of the Despec's total assets. An impairment provision for doubtful trade receivables of Despec amounting to TL 2.568.350 included in the financial statements. The Company uses 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, this area is considered as key audit matter. Please refer to notes **Note 10** and **Note 38-e** to the financial statements for the accounting policy, related balances, standing guarantees and the relevant disclosures regarding trade receivables.	Almost all of the sales are made via retailer channel and 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 3rd party reconciliations of customer outstanding balances. The Company's credit risk management based on analyzing the aging report of customer's outstanding balances. In this context, we have evaluated provisions appropriateness according to aging reports, economic conditions, historical collection trends, filed lawsuits, execution proceedings and guarantees received. We have audited the outstanding balance of customers in respect of foreign currency valuation, discounts calculation (unearned financial income from credit sales), other valuation, etc. 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 trade receivables as a result of these procedures.

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Inventories and Provision for Inventory Impairment	
Key audit matters	**How our audit addressed the key audit matter**
Financial statements as of 31 December 2021 include inventories amounting to TL 79.434.875 and which constitutes 19.90% of the Despec's total assets. An impairment provision for inventories of Despec amounting to TL 686.988 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 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 determined as key audit matter due to the importance of inventory account. Please refer to notes **Note 2.05.92** 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 inventories amount 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.

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Borrowings	
Please refer to notes 2.09 and 8 to the financial statements	
Key audit matters	**How our audit addressed the key audit matter**
Financial statements as of 31 December 2021 include borrowings of TL 172.535.361 which constitutes 43.23% 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 has been determined as 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.

Revenue Recognition	
Key audit matters	**How our audit addressed the key audit matter**
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 time. Recognition and determination of revenue in correct period determined as a key audit matter for 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 to audit sales and cost of sales recognized 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 TFRS/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.
- 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

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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.

Other Responsibilities Arising from Regulatory Requirements

1) In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 16 February 2022.

2) No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2021 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 Metin ETKİN.

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

İstanbul, 16 February 2022

Metin ETKİN
Partner, CPA

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

BALANCE SHEETS
AT 31 DECEMBER 2021 AND 2020
(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Audited Current Period 31 December 2021	Audited Prior Period 31 December 2020
ASSETS			
Current Assets		**394.902.404**	**272.119.502**
Cash and Cash Equivalents	6	3.742.609	12.690.241
Financial Investments	7	-	-
Trade Receivables	10	281.443.590	190.605.140
Related Parties	*10-37*	*933.847*	*82.282*
Third Parties	*10*	*280.509.743*	*190.522.858*
Other Receivables	11	294.057	312.076
Related Parties	*11-37*	-	-
Third Parties	*11*	*294.057*	*312.076*
Derivative Instruments	12	5.389.259	-
Inventories	13	79.434.875	57.014.717
Prepaid Expenses	15	14.110.288	9.543.889
Current Income Tax Assets	25	-	-
Other Current Assets	26	10.487.726	1.953.439
Total		**394.902.404**	**272.119.502**
Non-Current Assets		**4.191.222**	**5.081.861**
Financial Investments	7	-	-
Investment Properties	17	233.170	237.850
Property, Plant and Equipment	18	196.820	147.718
Right of Use Assets	18	906.700	1.112.366
Intangible Assets	19	322.293	358.521
Other Intangible Assets	*19*	*322.293*	*358.521*
Deferred Tax Assets	35	2.532.239	3.225.406
TOTAL ASSETS		**399.093.626**	**277.201.363**

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

BALANCE SHEETS
AT 31 DECEMBER 2021 AND 2020
(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Audited Current Period 31 December 2021	Audited Prior Period 31 December 2020
LIABILITIES			
Current Liabilities		257.855.698	177.622.807
Short Term Borrowings	8	171.990.053	133.596.786
Trade Payables	10	68.984.901	37.349.968
Related Parties	*10-37*	*7.133.231*	*6.834.824*
Third Parties	*10*	*61.851.670*	*30.515.144*
Employee Benefits	20	84.479	72.627
Other Payables	11	320.459	217.344
Related Parties	*11-37*	-	-
Third Parties	*11*	*320.459*	*217.344*
Derivative Instruments	12	-	3.104.246
Deferred Income	15	2.127.861	552.226
Current Income Tax Liabilities	35	9.048.906	197.322
Short Term Provisions	22	5.299.039	2.532.288
Short Term Provisions for Employee Benefits		-	-
Other Short Term Provisions	*22*	*5.299.039*	*2.532.288*
Total		**257.855.698**	**177.622.807**
Non-Current Liabilities		**1.597.575**	**1.530.029**
Long Term Borrowings	8	545.308	781.620
Long Term Provisions	24	1.052.267	748.409
Long Term Provisions for Employee Benefits	*24*	*1.052.267*	*748.409*
Deferred Tax Liabilities	35	-	-
EQUITY		**139.640.353**	**98.048.527**
Equity Holders of the Parent	27	**139.640.353**	**98.048.527**
Paid in Share Capital		23.000.000	23.000.000
Adjustment to Share Capital		437.133	437.133
Repurchased Shares (-)		-	-
Share Premium		2.967.707	2.967.707
Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss		(301.653)	(225.579)
Gains/Losses on remeasurement of defined benefit plans		*(301.653)*	*(225.579)*
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 Cash Flow Hedges		-	-
Restricted Reserves		9.611.418	9.611.418
Legal Reserves		*9.611.418*	*9.611.418*
Retained Earnings		61.651.738	41.393.990
Profit for the Period		41.667.900	20.257.748
Non-Controlling Interests	27	-	-
TOTAL LIABILITIES AND EQUITY		**399.093.626**	**277.201.363**

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 INCOME AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

	Notes	Audited Current Period 1 January 2021- 31 December 2021	Audited Prior Period 1 January 2020- 31 December 2020
PROFIT OR LOSS:			
Revenue	28	774.702.184	658.571.089
Cost of Sales (-)	28	(718.081.808)	(622.000.632)
GROSS PROFIT/(LOSS) FROM FINANCIAL OPERATIONS		**56.620.376**	**36.570.457**
GROSS PROFIT/(LOSS)		**56.620.376**	**36.570.457**
General Administrative Expenses (-)	29	(7.832.617)	(7.031.339)
Marketing, Sales and Distribution Expenses (-)	29	(8.914.645)	(7.133.631)
Other Operating Income	31	40.877.123	31.954.671
Other Operating Expenses (-)	31	(23.297.729)	(21.137.749)
OPERATING PROFIT / (LOSS) FROM CONTINUING OPERATIONS		**57.452.508**	**33.222.409**
Gains from Investment Activities	32	-	23.968
Losses from Investment Activities (-)	32	-	-
OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)		**57.452.508**	**33.246.377**
Financial Income	33	23.660.817	6.690.310
Financial Expenses (-)	33	(25.658.543)	(13.566.006)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**55.454.782**	**26.370.681**
Tax income/(expense)		**(13.786.882**	**(6.112.933)**
- Current income tax expense	35	(13.074.697)	(7.918.629)
- Deferred tax income	35	(712.185)	1.805.696
PROFIT / (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**41.667.900**	**20.257.748**
PROFIT / (LOSS) FOR THE PERIOD		**41.667.900**	**20.257.748**
Attributable to:		**41.667.900**	**20.257.748**
Non-Controlling Interests	27	-	-
Equity Holders of the Parent	27	41.667.900	20.257.748
Earnings Per Share	36	1,811648	0,880772
OTHER COMPREHENSIVE INCOME:			
Items not to be reclassified to profit/loss		**(76.074)**	**(99.205)**
Gains/(losses) on remeasurements of defined benefit plans		(95.092)	(124.006)
Taxes relating to other comprehensive income not to be reclassified to profit/(loss)		19.018	24.801
- Deferred tax income/expense		19.018	24.801
Items to be reclassified to profit/loss		-	-
Currency translation differences		-	-
Gains/(losses) on cash flow hedges	27	-	-
OTHER COMPREHENSIVE INCOME/(LOSS)		**(76.074)**	**(99.205)**
TOTAL COMPREHENSIVE INCOME/(LOSS)		**41.591.826**	**20.158.543**
Attributable to:		**41.591.826**	**20.158.543**
Non-Controlling Interests		-	-
Equity Holders of the Parent		41.591.826	20.158.543

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 2021 AND 2020

(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 cash flow hedges	Other Gains/ (Losses)	Restricted Reserves	Prior Years Income	Profit for the Period	Total Equity
Balances at 1 January 2021	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**
-NetProfit/LossforthePeriod		-	-	-	-	-	-	-	-	-	-	41.667.900	41.667.900
OtherComprehensiveIncome/Expense		-	-	-	(76.074)	-	-	-	-	-	-	-	(76.074)
Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	-
Balances at 31 December 2021	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**
Audited Prior Period													
Balances at 1 January 2020	27	**23.000.000**	**437.133**	**2.967.707**	**(126.374)**	-	**606.110**	-	-	**9.611.418**	**28.930.019**	**12.463.971**	**77.889.984**
Transfers		-	-	-	-	-	-	-	-	-	12.463.971	(12.463.971)	-
Total ComprehensiveIncome		-	-	-	**(99.205)**	-	-	-	-	-	-	**20.257.748**	**20.158.543**
-NetProfit/LossforthePeriod		-	-	-	-	-	-	-	-	-	-	20.257.748	20.257.748
OtherComprehensiveIncome/Expense		-	-	-	(99.205)	-	-	-	-	-	-	-	(99.205)
Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	-
Balances at 31 December 2020	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**

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 CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

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

	Notes	Audited Current Period 1 January 2021- 31 December 2021	Audited Prior Period 1 January 2020- 31 December 2020
A) CASH FLOWS FROM OPERATING ACTIVITIES		**(29.710.251)**	**(79.662.270)**
Profit for the Period		**41.667.900**	**20.257.748**
Adjustments to reconcile profit for the period to cash generated from operating activities:		**22.477.106**	**14.723.006**
Depreciation and amortisation	17-18-19	650.915	490.868
Adjustments for impairment loss/(reversal of impairment loss)		**(1.845.877)**	**1.385.439**
Adjustments for receivables impairment (reversal)	10	25.289	86.555
Adjustments for inventory impairment (reversal)	13	(1.871.166)	1.298.884
Adjustments for impairment on property, plant and equipment (reversal)	17-18-19	-	-
Adjustments for provisions		**3.092.030**	**1.226.434**
Adjustments for provisions for employee benefits (reversal)	24	325.279	172.736
Adjustments for provisions for lawsuits and penalties	22	4.461	2.986
Adjustments for other provisions (reversal)	22	2.762.290	1.050.712
Adjustments for interest income/expense		**11.465.574**	**5.734.153**
Adjustments for interest income	31-33	(17.555.342)	(10.685.434)
Adjustments for interest expenses	31-33	27.369.424	15.142.069
Deferred Financial Expense from Term Purchases	10	(29.409)	3.880
Unrealised Financial Income from Term Sales	10	1.680.901	1.273.638
Adjustments for tax income/expense	35	**13.786.882**	**6.112.933**
Other adjustments to reconcile profit for the period	26	**(4.672.418)**	**(226.821)**
Changes in Working Capital		**(81.308.156)**	**(105.465.813)**
Adjustments for Gains/Losses in Trade Receivables	10	(92.544.640)	(96.354.795)
Adjustments for Gains/Losses In Other Receivables Related To Operations	11	18.019	60.556
Gains/Losses from Inventories	13	(20.548.992)	(16.692.772)
Adjustments for losses/(gains) in Trade Payables	10	31.664.342	7.456.761
Adjustments for Gains/Losses In Trade Payables Related To Operations	11	103.115	64.437
Cash flows from Operating Activities		**(17.163.150)**	(70.485.059)
Payments Within Provisions Related To Employee Benefits	24	(116.513)	(38.702)
Income Taxes Refund/Paid	35	(4.223.113)	(8.984.856)
Other Cash Inflows (Outflows)		(8.207.475)	(153.653)
B) CASH FLOWS FROM INVESTING ACTIVITIES		**(112.447)**	**(85.025)**
Cash inflows from sale of property, plant and equipment and intangible assets		-	-
Cash inflows from sale of property, plant and equipment	18-19	-	-
Cash inflows from sale of intangible assets		-	-
Cash outflows from purchase of property, plant and equipment and intangible assets		**(112.447)**	**(85.025)**
Cash outflows from purchase of property, plant and equipment	18	(112.447)	(77.025)
Cash outflows from purchase of intangible assets	19	-	(8.000)
Investment Properties (-)		-	-
C) CASH FLOWS FROM FINANCING ACTIVITES		**20.875.778**	**89.931.304**
Cash inflows from borrowings	8	262.558.184	**302.374.214**
Cash inflows from loans	8	262.558.184	302.374.214
Cash outflows from repayments of borrowings	8	(227.936.590)	**(213.100.827)**
Cash outflows from loan repayments	8	(227.936.590)	(213.100.827)
Cash outflows from payments of lease liabilities	8	(741.900)	(547.025)
Dividends paid		-	-
Interest paid	31-33	(13.003.916)	1.204.942
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUİVALENTS		**(8.946.920)**	**10.184.009**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(8.946.920)**	**10.184.009**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERİOD	6	12.689.529	2.505.520
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	3.742.609	12.689.529

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

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 with the on 4 January 1995, has been changed its business 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 branches and Head Office in İstanbul and Ankara using the warehouses these cities.

As of 31 December 2021 and 2020, the principal shareholders and their respective shareholding rates in Despec are as follows:

	31 December 2021		31 December 2020	
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 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 companies which don't have strong financial structures.

c- Foreign Exchange Risk: IT products and consumables are either imported or purchased domestically using denominated in foreign currencies or TL. During the acquisition of these products by the Company are usually foreign currency denominated payables and payments are also made in same currencies. The Company which do not adopt their sales policies using foreign currencies in which they purchase the products may encounter 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 positive and negative.

The registered address 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 the Despec is 31 (2020: 27). The personnel of the Company include administative 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 Turkey 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. Corporates 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", or "TFRS 2019" which was published on April 15, 2019.

These financial statements as of and for the year ended 31 December 2021 have been approved for issue by the Board of Directors ("BOD") on 16 February 2022. These financial statements will be finalised following their approval in the General Assembly

In the accompanying financial statements as of 31 December 2021, 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 Dealing with the Inflation Effects in Hyper-Inflationary Periods

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

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.

There has been no significant accounting changes that the Company determined in the current year.

Transition to TFRS 16, "Leases"

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

2.04 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 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 2021 and 2020. 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 and Targus. The purchases of the Company at 90%-95% are provided from the top ten IT consumable vendors.

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 value of the goods in the post-balance sheet period. **(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:

	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 forward 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 by related party of the Company İndeks Teklos Teknoloji Lojistik A.Ş. The rent payables 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 according to the agreement period.

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 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

For financial assets, reclassification is required between FVTPL, FVTOCI and amortised cost, if and only if the entity's business model objective for its financial assets changes so its previous model assessment would no longer apply. If reclassification is appropriate, it must be done prospectively from the reclassification date which is defined as the first day of the reporting period following the change in business model. A financial asset that meets the following two conditions must be measured at FVTOCI unless the asset is designated at FVTPL under the fair value option.

Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
Cash flow characteristics: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

All financial assets that are not measured by the above mentioned amortised cost or measured at FV through other comprehensive income are measured at FV through profit or loss. These include all derivative financial assets. In the event that financial assets are recognized for the first time in their 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

Subsequent events cover all events that occur between the balance sheet date and the publication date of the financial statements. The Company adjusts the amounts recognised in its financial statements to reflect the adjusting events after the balance sheet date. **(Note 40)**

If 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.

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 sheet. 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

Standards and interpretations issued but not yet effective and not early adopted as at 31 December 2021

Standards issued but not yet effective and not early adopted

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

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

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

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

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

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

Reference to the Conceptual Framework (Amendments to TFRS 3)

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

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

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

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

The amendments improve transparency and consistency by clarifying the accounting requirements—specifically, the amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. And then, TAS 16 amendment was issued on 27 July 2020 by POA to reflect these amendments.

The Company shall apply these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted. The amendments apply retrospectively, but only to items of Property, Plant and Equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other appropriate component of equity.

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

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

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

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

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

TFRS 17 – Insurance Contracts

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

The Company is assessing the potential material impact on its financial statements resulting from the application of TFRS 17.

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

In December 2021, IASB issued Initial Application of TFRS 17 and TFRS 9—Comparative Information (Amendment to TFRS 17). Related changes were published by POA as Amendments to TFRS 17 on 31 December 2021.
The amendment is a transition option relating to comparative information about financial assets presented on initial application of TFRS 17.
The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements. TFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after 1 January 2023.

The Company is assessing the potential material impact on its financial statements resulting from the application of TFRS 17.

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

The Company is assessing the potential material impact on its financial statements resulting from the application of TFRS 4.

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

On 23 January 2020, IASB issued "Classification of Liabilities as Current or Non-Current" which amends TAS 1 Presentation of Financial Statements to clarify its requirements for the presentation of liabilities in the statement of financial position which are issued by POA on 12 March 2020 as amendments to TAS 1.
The amendments clarify one of the criteria in TAS 1 for classifying a liability as non-current—that is, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

The amendments include:

(a) Specifying that an entity's right to defer settlement must exist at the end of the reporting period;
(b) Clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
(c) Clarifying how lending conditions affect classification; and
(d) Clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The Company shall apply retrospectively these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted. However, IASB decided to defer the effective date of TAS 1 until 1 January 2023 with the amendment published on 15 July 2020, and the amendment was issued by POA on 15 January 2021.

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

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

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

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

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

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

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

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

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

Definition of Accounting Estimates (Amendments to TAS 8)

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

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

Developing an accounting estimate includes both:

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

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

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

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

Disclosure of Accounting Policies (Amendments to TAS 1)

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

The key amendments to TAS 1 include:

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

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

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

Annual Improvements to TFRS Standards 2018–2020

Improvements to TFRSs

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

TFRS 1 First-time Adoption of Turkish Financial Reporting Standards

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

TFRS 9 Financial Instruments

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

TAS 41 Agriculture

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

Amendments are effective on 1 January 2021

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

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

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 2021	31 December 2020
Cash in hand	76.797	56.553
Banks (Demand Deposits)	2.580.449	10.346.716
Financial Assets at Amortized Cost (Reverse Repo)	-	1.650.712
Credit Card Slips	1.085.363	636.260
Total	**3.742.609**	**12.690.241**

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

As of 31 December 2021, the Company has no reverse repor transactions.

As of 31 December 2021, reverse repo interest income accrued total amounted to TL 712 with remaining maturity of 4 days. The reverse repo transactions are TL and the annual effective interest rate is 15.02% -17.63%.

Account Name	31 December 2021	31 December 2020
Cash and Cash Equivalents	3.742.609	12.690.241
Income Accruals (-)	-	(712)
Total	**3.742.609**	**12.689.529**

As of 31 December 2021, 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 in cash in hand and banks is recognized under financial income / expenses.

NOTE 7 FINANCIAL INVESTMENTS

As of 31 December 2021 and 2020, the Company has no short and long term financial investments.

NOTE 8 BORROWINGS

31 December 2021

As of 31 December 2021 and 2020, the functional breakdown of short term borrowings is as follows:

Account Name	31 December 2021	31 December 2020
Bank Borrowings	171.483.177	133.173.723
Lease Liabilities	506.876	423.063
Total	**171.990.053**	**133.596.786**

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 2020

Type	Original Currency Amount	TL Equivalent	Annual Effective Interest Rate (%)
Short Term Borrowings			
Borrowings – TL		*133.173.723*	*10,65-17,77*
Lease Liabilities – TL		*423.063*	*18,00 – 21,00*
Total Short Term Borrowings, net		**133.596.786**	

31 December 2021

As of 31 December 2021 and 2020, the functional breakdown of long term borrowings is as follows:

Account Name	31 December 2021	31 December 2020
Lease Liabilities	545.308	781.620
Total	**545.308**	**781.620**

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**	

31 December 2020

Type	Original Currency Amount	TL Equivalent	Annual Effective Interest Rate (%)
Long Term Borrowings			
Lease Liabilities – TL		*781.620*	*18,00 – 21,00*
Total Long Term Borrowings, net		**781.620**	

The movement and reconciliation of borrowings is as follows:

Account Name	31 December 2021	31 December 2020
Beginning of the Period – 1 January	134.378.406	38.226.613
Additions during the period	262.558.184	302.374.214
Lease Liabilities	1.052.184	1.204.683
Payments during the period	(227.936.590)	(213.100.827)
Interest Accrual at the end of the period	2.483.177	5.673.723
End of the Period – 31 December	**172.535.361**	**134.378.406**

NOTE 9 - OTHER FINANCIAL LIABILITIES

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

NOTE 10 - TRADE RECEIVABLES AND PAYABLES

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

Account Name	31 December 2021	31 December 2020
Trade Receivables	270.674.750	177.160.821
Related Parties (Note 37)	*933.847*	*82.282*
Third Parties	*269.740.903*	*177.078.539*
Notes Receivables	14.270.122	15.264.700
Rediscount on Notes Receivables (-)	(3.501.282)	(1.820.381)
Doubtful Trade Receivables	2.568.350	2.543.061
Provision for Doubtful Trade Receivables (-)	(2.568.350)	(2.543.061)
Total	**281.443.590**	**190.605.140**

As of 31 December 2021, the portion amounted to **TL 198.219.302** of trade receivables in total amount of **TL 281.443.590**, is in under scope of guarantee (including guarantees in scope of Euler Hermes). As of 31 December 2020, the portion amounted to **TL 78.852.652** of trade receivables in total amount of **TL 190.605.140**, is in under scope of guarantee (including guarantees in scope of Euler Hermes). The related disclosures regarding the nature and level of risks of trade receivables 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 31.03.2022 (the payment guarantee for trade receivables is determined as 85%-90%). As of 31 December 2021, guarantee amounted to **TL 191.245.304** is included in scope of Euler Hermes credit insurance policy (31.12.2020: **TL 72.270.177**)

Movement of the provision for doubtful receivables is as follows:

	1 January- 31 December 2021	1 January- 31 December 2020
Beginning of the Period – 1 January	2.543.061	2.456.506
Increases during the period	25.289	86.555
End of the Period – 31 December	**2.568.350**	**2.543.061**

The redemption schedule of receivables overdue but not impaired is as follows:

Maturity Analysis:	31 December 2021	31 December 2020
Up to 3 months	992.987	709.119
3-12 months	401.309	265.925
Total	**1.394.296**	**975.044**

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

Account Name	31 December 2021	31 December 2020
Suppliers	69.138.216	37.473.874
Third Party	*62.004.985*	*30.639.050*
Related Party (Note 37)	*7.133.231*	*6.834.824*
Notes Payable	-	-
Rediscount on Notes Payable (-)	(153.315)	(123.906)
Total	**68.984.901**	**37.349.968**

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

Account Name	31 December 2021	31 December 2020
Receivables from Employees	294.057	312.076
Total	**294.057**	**312.076**

As of 31 December 2021 and 2020, the Company has no long term other receivables.

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

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

Account Name	31 December 2021	31 December 2020
Taxes Payable	320.459	217.344
Total	**320.459**	**217.344**

NOTE 12 - DERIVATIVE INSTRUMENTS

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

Account Name	31 December 2021	31 December 2020
Derivatives Receivables	5.389.259	-
Total	**5.389.259**	**-**

Account Name	31 December 2021	31 December 2020
Derivatives Payables	-	3.104.246
Total	-	**3.104.246**

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 appraisal value arising from the forward contract is amounting TL 5.389.259 recognised as an income in the accompanying financial statements.

As of 31 December 2020, the Company has foreign exchange forward contract amounted to USD 4.105.250. The contracts have 0-3 months maturities. As of 31 December 2020, the fair value of the contracts amounted to TL 33.238.834 and appraisal value arising from the forward contract is amounting TL 3.104.246 recognised as an expense in the accompanying financial statements.

NOTE 13 - INVENTORIES

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

Account Name	31 December 2021	31 December 2020
Merchandise	70.251.190	45.389.296
Goods in Transit	9.870.673	14.183.575
Provision for Inventory Impairment (-)	(686.988)	(2.558.154)
Total	**79.434.875**	**57.014.717**

As of 31 December 2021, the inventories portion amounting to **TL 3.300.385** are carried in the financial statements at their net realisable value (31 December 2020 **TL 4.780.549**) and the remaining portion is carried at cost in the accompanying financial statements.

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

Movement of the provision for inventory impairment is as follows:

	1 January-31 December 2021	1 January-31 December 2020
Beginning of the Period – 1 January (-)	(2.558.154)	(1.259.270)
Reversal of Provisions from Gains on Net Realisable Value (+)	1.871.166	-
Additions During the period (-)	-	(1.298.884)
End of the Period – 31 December (-)	**(686.988)**	**(2.558.154)**

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

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

As of 1 January 2021 – 31 December 2021 and 1 January 2020– 31 December 2020, merchandise amounting to **TL 718.081.808** and **TL 622.000.632**, respectively, were recorded as expense under the cost of goods sold.

Disclosures:	**31 December 2021**	**31 December 2020**
Cost	3.987.373	7.338.703
Less: Provision for impairment on inventories	(686.988)	(2.558.154)
Net Realisable Value **(a)**	3.300.385	4.780.549
Carried at Cost **(b)**	76.134.490	52.234.168
Total Inventories (a+b)	**79.434.875**	**57.014.717**

NOTE 14 - BIOLOGICAL ASSETS

None.

NOTE 15 - PREPAID EXPENSES AND DEFERRED INCOME

Short Term:

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

Account Name	31 December 2021	31 December 2020
Short Term Prepaid Expenses	569.410	292.362
Advances Given for Purchases	13.540.878	9.251.527
Total	**14.110.288**	**9.543.889**

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

Account Name	31 December 2021	31 December 2020
Advances Received from Customers	1.538.801	552.226
Short Term Deferred Income	589.060	-
Total	**2.127.861**	**552.226**

Long Term:

As of 31 December 2021 and 2020, the Company has no prepaid expenses.

As of 31 December 2021 and 2020, the Company has no deferred income.

NOTE 16 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

None.

NOTE 17 - INVESTMENT PROPERTIES

As of 31 December 2021 and 2020, the movements for investment properties, and related depreciation are as follows:

Account Name	31 December 2021	31 December 2020
Cost	252.280	252.280
Accumulated Depreciation	(19.110)	(14.430)
Total	**233.170**	**237.850**

31 December 2021

Cost

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

Accumulated Depreciation

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

31 December 2020

Cost

Account Name	1 January 2020	Acquisitions	Disposals	31 December 2020
Land	18.280	-	-	18.280
Buildings	234.000	-	-	234.000
Total	**252.280**	-	-	**252.280**

Accumulated Depreciation

Account Name	1 January 2020	Current Period Depreciation	Disposals	31 December 2020
Buildings	(9.750)	(4.680)	-	(14.430)
Total	**(9.750)**	**(4.680)**	-	**(14.430)**
Net Book Value	**242.530**			**237.850**

NOTE 18 - PROPERTY, PLANT AND EQUIPMENT

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

Account Name	31 December 2021	31 December 2020
Cost	1.379.246	1.266.797
Accumulated Depreciation	(1.182.426)	(1.119.079)
Total	**196.820**	**147.718**

31 December 2021

Cost

Account Name	1 January 2021	Acquisitions	Disposals	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	1 January 2021	Current Period Depreciation	Disposals	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**

31 December 2020

Cost

Account Name	1 January 2020	Acquisitions	Disposals	31 December 2020
Motor Vehicles	3.505	-	-	3.505
Furniture and Fixtures	573.507	77.025	-	650.532
Leasehold Improvements	612.760	-	-	612.760
Total	**1.189.772**	**77.025**	**-**	**1.266.797**

Accumulated Depreciation

Account Name	1 January 2020	Current Period Depreciation	Disposals	31 December 2020
Motor Vehicles	(3.505)	-	-	(3.505)
Furniture and Fixtures	(473.972)	(40.469)	-	(514.441)
Leasehold Improvements	(597.386)	(3.747)	-	(601.133)
Total	**(1.074.863)**	**(44.216)**	**-**	**(1.119.079)**
Net Book Value	**114.909**			**147.718**

Other Information:

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

NOTE 18 – RIGHT OF USE ASSETS

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

31 December 2021

Account Name	31 December 2021	31 December 2020
Cost	1.819.786	1.478.792
Accumulated Depreciation	(913.086)	(366.426)
Total	**906.700**	**1.112.366**

31 December 2021

Cost

Account Name	1 January 2021	Acquisitions	Disposals	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	1 January 2021	Current Period Depreciation	Disposals	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**

31 December 2020

Cost

Account Name	1 January 2020	Acquisitions	Disposals	31 December 2020
Buildings	718.099	64.408	-	782.507
Motor Vehicles	561.926	599.666	(465.307)	696.285
Total	**1.280.025**	**664.074**	**(465.307)**	**1.478.792**

Accumulated Depreciation

Account Name	1 January 2020	Current Period Depreciation	Disposals	31 December 2020
Buildings	(111.653)	(158.875)	-	(270.528)
Motor Vehicles	(190.400)	(247.715)	342.217	(95.898)
Total	**(302.053)**	**(406.590)**	**342.217**	**(366.426)**
Net Book Value	**977.972**			**1.112.366**

NOTE 19 - INTANGIBLE ASSETS

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

Account Name	31 December 2021	31 December 2020
Cost	695.487	695.487
Accumulated Depreciation	(373.194)	(336.966)
Total	**322.293**	**358.521**

31 December 2021

Cost

Account Name	1 January 2021	Acquisitions	Disposals	Transfers	31 December 2021
Rights	695.487	-	-	-	695.487
Total	**695.487**	**-**	**-**	**-**	**695.487**

Accumulated Depreciation

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

31 December 2020

Cost

Account Name	1 January 2020	Acquisitions	Disposals	Transfers	31 December 2020
Rights	-	8.000	-	687.487	695.487
Other Intangible Assets	687.487	-	-	(687.487)	-
Total	**687.487**	**8.000**	**-**	**-**	**695.487**

Accumulated Depreciation

Account Name	1 January 2020	Current Period Depreciation	Disposals	Transfers	31 December 2020
Rights	-	(35.382)	-	(301.584)	(336.966)
Other Intangible Assets	(301.584)	-	-	301.584	-
Total	**(301.584)**	**(35.382)**	**-**	**-**	**(336.966)**
Net Book Value	**385.903**				**358.521**

Depreciation and amortisation charges are presented under operating expenses.

NOTE 20 - EMPLOYEE BENEFITS

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

Account Name	31 December 2021	31 December 2020
Payables to Personnel	103	186
SSI Premium Payables	84.376	72.441
Total	**84.479**	**72.627**

NOTE 21 - GOVERNMENT GRANTS

None.

NOTE 22 - PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

i)Provisions

As of 31 December 2021 and 2020, provisions and related movements are as follows:

Account Name	31 December 2021	31 December 2020
Provision for Price Revision	5.248.530	2.486.240
Provision for Lawsuits	50.509	46.048
Total	**5.299.039**	**2.532.288**

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**

31 December 2020	Provision for Lawsuits	Provision for Price Revision	Total
Beginning of the Period – 1 January	43.062	1.435.528	1.478.590
Additions	2.986	2.486.240	2.489.226
Payments During the Period	-	(1.435.528)	(1.435.528)
End of the Period – 31 December	**46.048**	**2.486.240**	**2.532.288**

ii) Contingent Liabilities and Contingent Assets:

As of 31 December 2021, the provisions for lawsuits amounted to **TL 50.509** filed against the Company and the related provisions are reflected to the financial statements (31.12.2020: **TL 46.048**).

In accordance with TFRS 9, execution proceedings amounted to **TL 2.568.350** for provisions for doubtful receivables of the Company and the related provisions are reflected to the financial statements (31.12.2020: **TL 2.543.061**).

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

31 December 2021

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

31 December 2020

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

vi) Ratio of guarantees and mortgages to equity:

As of 31 December 2021 and 2020, the Company's collateral / pledge / mortgage position are as follows:

Collateral, Pledge, Mortgages Given by the Company	31 December 2021	31 December 2020
A. Total amount of CPM's given in the name of its own legal personality	23.552.341	17.539.841
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	**23.552.341**	**17.539.841**

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

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

v)Total mortgages and guarantees on assets:

None.

vi) Total insurance coverage on assets:

31 December 2021

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

31 December 2020

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

NOTE 23 - COMMITMENTS

None.

NOTE 24 – PROVISION FOR EMPLOYEE BENEFITS

Account Name	31 December 2021	31 December 2020
Provision for Employment Termination Benefits	1.052.267	748.409
Total	**1.052.267**	**748.409**

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 2021, the amount payable consists of one month's salary limited to a maximum of TL 10.848,59 (31 December 2020: TL 7.638,96) for each year of service.

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

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

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As of 31 December 2021, the provisions in the accompanying 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 2021, the provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 17.00% and an interest rate of 21.00%, resulting in a real discount rate of 3.42% (31 December 2020: 3.69% real discount rate). The real discount rates are reviewed and, revised if necessary, in every reporting period.

As of the 31 December 2021, turnover rate to estimate the probability of retirement is 98.29%. (31 December 2020: 97.88%)

	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Beginning of the period – 1 January	748.409	490.369
Service costs	97.904	77.360
Interest costs	157.166	61.296
Actuarial gains /(losses)	95.092	124.006
Losses on remeasurements of defined benefit plans	70.209	34.080
Payments during the period (-)	(116.513)	(38.702)
End of the period – 31 December	**1.052.267**	**748.409**

Movements of the provision for employee termination benefits recognised during the period for the years ended 31 December 2021 and 2020 are as follows:

Account Name	**1 January 2021 31 December 2021**	**1 January 2020 31 December 2020**
General Administrative Expenses	(325.279)	(172.736)
Other Operating Income/ (Expenses)	-	-
Income / (Expense) Recognised in Profit or Loss	**(325.279)**	**(172.736)**
Actuarial Gains/Losses Recognized in Other Comprehensive Income	(95.092)	(124.006)
Profit / (Loss) for the Period	**(420.371)**	**(296.742)**

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 2021 31 December 2021**	**1 January 2020 31 December 2020**
Actuarial Gains/Losses Recognized in Other Comprehensive Income	(95.092)	(124.006)
Tax Effect 20%	19.018	24.801
Net Amount	**(76.074)**	**(99.205)**

The amount recognized as actuarial gains / losses in the current period is amounting to TL 95.092. Deferred tax effect of this amount was also taken into consideration and stated in other comprehensive income and result of this transaction the amount of other comprehensive income/loss is TL 76.074.

The amount recognized as actuarial gains / losses in the current period is amounting to TL 124.006. Deferred tax effect of this amount was also taken into consideration and stated in other comprehensive income and result of this transaction the amount of other comprehensive income/loss is TL 99.205.

NOTE 25 - TAX ASSETS AND LIABILITIES

None.

NOTE 26 - OTHER ASSETS AND LIABILITIES

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

Account Name	31 December 2021	31 December 2020
Income Accruals	5.844.994	1.172.576
Deferred VAT	4.631.732	762.171
Business Cash Advances	11.000	18.692
Total	**10.487.726**	**1.953.439**

As of 31 December 2021 and 2020, the Company has no other non-current assets.

NOTE 27 - EQUITY

i)Non-Controlling Interests

None.

(ii) 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**, Class B shares issued to the beerer as paid in share capital is amounting to **TL 22.996.000**.

Class A shares have concessions in the election of the Board of Directors but Class B shares have no concessions regarding the election of the Board of Directors. Class A shares belong to Datagate Bilgisayar Mal.Tic. A.Ş.

As of 31 December 2021 and 2020, the principal shareholders and their respective shareholding rates in Despec are as follows:

	31 December 2021		31 December 2020	
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 Board of Directors decision dated 14 March 2012, numbered 2012/03, **TL 11.500.000** issued 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 capital, to be comprised of increased capital amounting to **TL 11.500.000** covered from internal funding sources.

At the Ordinary General Assembly Meeting of Despec held on 18 June 2020, the valid period of the Registered Capital Ceiling will be extended to 2020-2024 and the registered 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 registered by the Istanbul Trade Registry Office 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 concessions 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 concessions, the management sovereignity will not be lost. In any case, the sovereignity will continue to belong Class A shareholders.

(iii) Share Premium

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

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

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

Account Name	31 December 2021	31 December 2020
Beginning of the Period – 1 January	(225.579)	(126.374)
Actuaria Gains and (Losses) ***(Note 24)***	(95.092)	(124.006)
Tax Effect ***(Note 24, Note 35)***	19.018	24.801
Actuarial Gains and (Losses) (Net)	**(301.653)**	**(225.579)**
Gains/(losses) on Remeasurements of Defined Benefit Plans	**(301.653)**	**(225.579)**
Accumulated Other Comprehensive Income or Expenses not to be Reclassified in Profit or Loss, net	**(301.653)**	**(225.579)**

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

The analysis of accumulated other comprehensive income or expenses to be reclassified in profit or loss recognnised under equity is as follows:

Account Name	31 December 2021	31 December 2020
Currency translation differences	606.110	606.110
Currency translation differences, (net)	**606.110**	**606.110**
Accumulated Other Comprehensive Income or Expenses to be Reclassified in Profit or Loss, net	**606.110**	**606.110**

vi) Restricted Reserves

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the 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.

vii) Retained Earnings

Retained Earnings / Losses, 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.

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

Account Name	**31 December 2021**	**31 December 2020**
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 In Profit Or Loss	(301.653)	(225.579)
-Gains/(Losses) on Remeasurements of Defined Benefit Plans	*(301.653)*	*(225.579)*
- 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	61.651.738	41.393.990
Net Profit/(Loss) for the Period	41.667.900	20.257.748
Total	**139.640.353**	**98.048.527**

NOTE 28 REVENUE AND COST OF SALES

As of 31 December 2021 and 2020, revenue and cost of sales is as follows:

Account Name	**1 January 2021 31 December 2021**	**1 January 2020 31 December 2020**
Domestic Sales	812.193.653	678.230.171
Foreign and Other Sales	2.687.051	2.817.952
Sales Returns (-)	(39.926.333)	(21.534.483)
Sales Discounts (-)	(252.187)	(942.551)
Net Sales	**774.702.184**	**658.571.089**
Cost of Goods Sold (-)	(718.081.808)	(622.000.632)
Gross Profit	**56.620.376**	**36.570.457**

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 cost of sales.

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

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

Account Name	**1 January 2021 31 December 2021**	**1 January 2020 31 December 2020**
General Administrative Expenses (-)	(7.832.617)	(7.031.339)
Marketing, Sales and Distribution Expenses (-)	(8.914.645)	(7.133.631)
Total Operating Expenses, net	**(16.747.262)**	**(14.164.970)**

NOTE 30 - EXPENSES BY NATURE

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

Account Name	1 January 2021 31 December 2021	1 January 2020 31 December 2020
- Personnel Expenses	(8.173.272)	(6.924.047)
- Transportation, Distribution and Storage Expenses	(4.470.862)	(4.377.956)
- Insurance Expenses	(1.159.007)	(590.811)
- Depreciation and Amortisation Charges	(650.915)	(490.868)
- Advertisement and Promotion Expenses	(370.653)	(194.287)
- Consultancy and Audit Expenses	(345.750)	(375.288)
- Sales and International Trade Costs	(320.640)	(121.489)
- Provision for Employment Termination Benefits	(325.279)	(172.736)
- Taxes, Duties and Charges	(85.230)	(71.066)
-Motor Vehicle Expenditures	(72.967)	(37.408)
- Rent Expenses	(51.177)	(82.193)
- Information Systems and Communication Expenses	(47.643)	(54.690)
- Provision for Doubtful Receivables	(25.289)	(86.554)
-Travel Expenses	(22.679)	(11.904)
- Other	(625.899)	(573.672)
Total Operating Expenses	**(16.747.262)**	**(14.164.970)**

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 the 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 2021 31 December 2021	1 January 2020 31 December 2020
Audit fee for the reporting period	48.000	30.800
Tax consulting fee	68.335	66.000
Other service fee apart from audit	15.500	13.250
Total	**131.835**	**110.050**

NOTE 31 - OTHER OPERATING INCOME/(EXPENSES)

As of 31 December 2021 and 2020, other operating income/expenses is as follows:

Account Name	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Other Operating Income	**40.877.123**	**31.954.671**
Interest Eliminated from Sales	17.246.402	10.534.757
Interest and Rediscount Income	1.973.696	670.649
Foreign Exchange Gains	21.652.512	20.749.115
Other	4.513	150
Other Operating Expenses (-)	**(23.297.729)**	**(21.137.749)**
Interest Eliminated from Purchases	(1.710.881)	(1.576.063)
Interest and Rediscount Expenses	(3.625.008)	(1.948.167)
Foreign Exchange Losses	(17.917.467)	(17.540.975)
Other (-) (*)	(44.373)	(72.544)
Other Operating Income / Expenses (Net)	**17.579.394**	**10.816.922**

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

NOTE 32 - GAINS/ (LOSSES) FROM INVESTMENT ACTIVITES

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

Account Name	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Dividend Income	-	-
Other	-	23.968
Total Gains from Investment Activities, net	-	**23.968**

NOTE 33 - FINANCIAL INCOME / EXPENSE

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

Account Name	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Interest Income	308.940	150.677
Foreign Exchange Gains	23.351.877	6.539.633
Total Financial Income, net	**23.660.817**	**6.690.310**

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

Account Name	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Bank Fees and Charges and Interest Expenses	(25.658.543)	(13.381.374)
Foreign Exchange Losses	-	(184.632)
Total Financial Expenses, net	**(25.658.543)**	**(13.566.006)**

The Company has no capitalised financing costs during the period.

NOTE 34 ASSETS HELD FOR SALE AND DISCOUNTINUED OPERATIONS

None.

NOTE 35 - INCOME TAX

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 2021 31 December 2021	1 January 2020 31 December 2020
Current Period Tax Expense (-)	(13.074.697)	(7.918.629)
Deferred Income Tax / (Expense)	(712.185)	1.805.696
Total Tax Income/(Expense)	**(13.786.882)**	**(6.112.933)**

Account Name	31 December 2021	31 December 2020
Current Period Tax Expense (-)	13.074.697	7.918.629
Prepaid Taxes (-)	(4.025.791)	(7.721.307)
Total Net Tax Payable, net	**9.048.906**	**197.322**

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 Corporation tax rate is applied as 20%, it was applied as 22% between 2018-2020 due to the temporary rules and regulations. Corporation Tax rate applied in Turkey is 25% in 2021.

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.

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

Income Withholding Tax:

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

ii) Deferred Tax:

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

Advance tax in Turkey is calculated and accrued on a quarterly basis. Although, the Corporation tax rate is applied as 20%, it was applied as 22% between 2018-2020 due to the temporary rules and regulations. Corporation Tax rate applied in Turkey is 25% in 2021. 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. The breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates are as follows:

Account Name	31 December 2021 Cumulative Temporary Differences	31 December 2021 Deferred tax assets / liabilities	31 December 2020 Cumulative Temporary Differences	31 December 2020 Deferred tax assets / liabilities
Property, Plant and Equipment and Intangible Assets	(202.578)	(40.516)	(210.672)	(42.134)
Rediscount Expenses and Provisions	15.830.666	3.641.053	9.491.670	1.898.334
Provision for Employment Termination Benefits	1.052.267	210.453	748.409	149.682
Provision for Inventory Impairment	686.988	158.007	2.558.154	511.631
Provision for Lawsuits	50.509	11.617	46.048	9.210
Difference between Net Book Value and Tax Base of Inventories	408.485	93.952	296.481	59.296
Rediscount on Notes Payable	(153.315)	(35.262)	(123.906)	(24.781)
Derivative Instruments	(5.389.259)	(1.239.530)	3.104.246	620.849
Other	(1.163.198)	(267.535)	216.596	43.319
Deferred Tax Assets / (Liabilities), Net		**2.532.239**		**3.225.406**

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

	31 December 2021	31 December 2020
Beginning of the Period – 1 Janauary	3.225.406	1.394.909
Actuarial Gains/Losses on Employment Termination Benefits	19.018	24.801
Deferred Tax Income / (Expense)	(712.185)	1.805.696
End of the Period – 31 December	**2.532.239**	**3.225.406**

Unused tax credits disclosure:

The Compay has no unused tax credits are carried forward to future periods.

NOTE 36 - EARNINGS PER SHARE

Earnings per share disclosed in the profit or loss and other comprehensive income is determined by dividing the net income by the weighted average number of shares that have been outstanding during the relevant period. Number of total shares and calculation of earnings per share at 1 January – 31 December 2021 and 2020 is as follows:

Account Name	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Profit for the Period	41.667.900	20.257.748
Weighted Average Number of Shares	23.000.000	23.000.000
Earnings Per Share	**1,811648**	**0,880772**

NOTE 37 - RELATED PARTY DISCLOSURES

a) Related parties balances are as follows:

	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**	**-**

	Receivables		Payables	
31 December 2020	**Trade Receivables**	**Other Receivables**	**Trade Payables**	**Other Payables**
İndeks A.Ş.	-	-	6.407.047	-
Desbil A.Ş.	82.282	-	-	-
Teklos A.Ş.	-	-	427.777	-
Total	**82.282**	**-**	**6.834.824**	**-**

The Company has interest gains on USD, EUR and TL for the account balances during the period, and the effective annual interest in 2021 is USD 3.15% - 6.50% and EUR 3.00% -5.00% and TL 18.00% –23.00%. (31 December 2020: (2.65% - 7.00%) (2.50% – 5.50%) and (8.75% -21.00%) respectively.

b) Related parties transactions are as follows:

31 December 2021

Sales	Goods and Services	Joint Venture Participation 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**

Purchases	Goods and Services	Joint Venture Participation 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 letters of guarantee recieved or given from related parties during the period.

31 December 2020

Sales	Goods and Services	Joint Venture Participation Costs	Interest Income and Foreign Exchange Gains	Total
Datagate A.Ş.	709.884	4.223	56.146	770.253
İndeks A.Ş.	2.357.532	1.284.922	1.329.903	4.972.357
Homend A.Ş.	187.732	68	32.506	220.306
İnfin A.Ş.	-	16	1.884	1.900
Neteks Teknoloji A.Ş.	86.004	1.202	8.999	96.205
Teklos A.Ş.	69.301	1.436	6.145	76.882
Total	**3.410.453**	**1.291.867**	**1.435.583**	**6.137.903**

Purchases	Goods and Services	Joint Venture Participation Costs	Interest Expenses and Foreign Exchange Losses	Total
Datagate A.Ş.	161.459	-	1.340.162	1.501.621
İndeks A.Ş.	14.476.700	2.211.312	1.953.270	18.641.282
İnfin A.Ş	-	-	-	-
Neteks Teknoloji A.Ş.	18.431	-	2.043	20.474
Teklos A.Ş.	4.662.932	304.572	55.461	5.022.965
Total	**19.319.522**	**2.515.884**	**3.350.936**	**25.186.342**

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

c) Key management compensation

Account Name	31 December 2021	31 December 2020
Key management compensation	3.016.074	2.310.918
Employment Termination Benefits	-	-
Other	-	-
Total	**3.016.074**	**2.310.918**

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

NOTE 38 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

(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 resource items containing respectively issued capital, capital reserves, profit reserves and profits of previous years explained in note 27.

Risks, associated with each capital class, and the senior management evaluates the capital cost. It is aimed that the capital structure will be stabilized by means of new borrowings or repaying the existing debts as well as dividend payments and new share issuances based on the senior management evaluations.

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

Net financial debt/invested capital ratios as of 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Total borrowings	259.453.273	179.152.836
Less: Cash and cash equivalents	(3.742.609)	(12.690.241)
Net financial debt	255.710.664	166.462.595
Equity	139.640.353	98.048.527
Total Capital	395.351.017	264.511.122
Net financial debt/total equity multiplier	**0,6468**	**0,6293**

(b) Significant accounting policies

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

(c) Risks

Because of 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 by the Company are usually foreign currency denominated payables and payments are also made in same currencies. The Company which do not adopt their sales policies using foreign currencies in which they purchase the products may encounter 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 2021 and 2020, assets and liabilities denominated in foreign currency are as follows:

As of 31 December 2021, if EUR and USD had appreciated by 10% against TL with all other variables held constant, profit before tax would have been TL 11.363.129 higher (31 December 2020: TL 8.288.920 higher).

The following table details the Company's foreign currency sensitivity as at 31 December 2021 and 2020 for the changes at the rate of 10%:

Exchange Rate Sensitivity Analysis Table

Current 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)**

Exchange Rate Sensitivity Analysis Table

Prior Period - 31 December 2020

	Profit / Loss	
	Appreciation of Foreign Currency	**Depreciation of Foreign Currency**
The impact of 10% USD increase in income statement		
1- USD Net Asset / Liability	7.651.532	(7.651.532)
2- Hedged portion of USD Risk (-)	-	-
3- USD Net Effect (1+2)	**7.651.532**	**(7.651.532)**
The impact of 10% EURO increase in income statement		
4- EURO Net Asset / Liability	637.388	(637.388)
5- Hedged portion of Euro Risk (-)	-	-
6- EURO Net Effect (4+5)	**637.388**	**(637.388)**
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	**8.288.920**	**(8.288.920)**

As of 31 December 2021 and 2020, foreign exchange position table of the Company is as follows:

Foreign Exchange Position Table

	31 December 2021					
	TL Equivalent	USD	EUR	TL Equivalent	USD	EUR
1. Trade Receivables	75.360.584	5.627.305	23.480	30.045.977	4.088.443	3.859
2a. Monetary Financial Assets	1.901.000	139.022	3.180	10.066.249	735.217	518.366
2b. Non-monetary financial assets	362.349	27.185	-	-	-	-
3. Other	27.228.417	1.823.793	193.487	21.292.326	2.288.062	499.207
4. Total Current Assets (1+2+3)	**104.852.350**	**7.617.305**	**220.147**	**61.404.552**	**7.111.722**	**1.021.432**
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)	**104.852.350**	**7.617.305**	**220.147**	**61.404.552**	**7.111.722**	**1.021.432**
10. Trade Payables	47.200.649	3.471.262	56.166	8.577.547	788.967	309.299
11. Financial Liabilities	-	-	-	-	-	-
12a. Other Monetary Liabilities	756.950	36.074	18.212	72.388	4.284	4.545
12b. Other Non- Monetary Liabilities	863.410	34.728	26.445	-	-	-
13. Total Current Liabilities (10+11+12)	**48.821.009**	**3.542.064**	**100.823**	**8.649.935**	**793.251**	**313.844**
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)	**48.821.009**	**3.542.064**	**100.823**	**8.649.935**	**793.251**	**313.844**
19. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b	**57.599.941**	**4.321.400**	-	**30.134.587**	**4.105.250**	-
19a. Total Asset Amount of Hedged	57.599.941	4.321.400	-	30.134.587	4.105.250	-
19b. Total Liabilities Amount of Hedged	-	-	-	-	-	-
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	**113.631.282**	**8.396.641**	**119.324**	**82.889.204**	**10.423.721**	**707.588**
21. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (1+2a+3+5+6a-10-11-12a-14-15-16a)	**29.303.985**	**2.258.991**	**-47.718**	**31.462.291**	**4.030.409**	**208.381**
22. Total Fair Value of Financial Instruments Used for Foreign Exchange Hedge						
23. Foreign Exchange Hedged Portion Amount of Assets	52.210.682	4.321.400	-	33.238.834	4.105.250	-
24. Foreign Exchange Hedged Portion Amount of Liabilities	-	-	-	-	-	-
25. Export	737.641	-	-	420.900	-	-
26. Import	361.544.053	-	-	205.608.682	-	-

c2) Credit Risk Details

As of 31 December 2021 and 2020, the exposure of financial assets to credit risk is as follows:

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**	**281.106.429**	-	**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**	**280.570.840**	-	**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. Expected Credit Losses (-)	-	-	-	-	**10-11**	-	

31 December 2020	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)	**82.282**	**190.522.858**	-	**312.076**		**11.997.428**	
- Maximum risk, secured with guarantees	-	78.852.652	-	-			
A. Net book value of neither past due nor impaired financial assets	**82.282**	**190.101.068**	-	**312.076**	**10-11**	**11.997.428**	6
B. Net book value of past due but not impaired financial assets	-	421.790	-	-		-	
- Secured with guarantees	-	-	-	-		-	
C. Net book value of impaired assets	-	-	-	-	**10-11**	-	6
- Past due (gross amount)	-	2.543.061	-	-		-	
- Impairment (-)	-	(2.543.061)	-	-	**10-11**	-	6
- Secured with guarantees	-	-	-	-	**10-11**	-	6
- Not past due (gross amount)	-	-	-	-	**10-11**	-	6
- Impairment (-)	-	-	-	-	**10-11**	-	6
- Secured with guarantees	-	-	-	-	**10-11**	-	6
D. Expected Credit Losses (-)	-	-	-	-	**10-11**	-	

	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	-

	Receivables	
31 December 2020	**Trade Receivables**	**Other Receivables**
Past due up to 1 month	709.119	-
Past due 1-3 months	137.261	-
Past due more than 3 months	128.664	-
Secured with guarantees	553.254	-

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 tracking policies significant for the Company and maximum sensitivity is presented accordingly. Our detailed explanations on our collection and risk management policy are as follows.

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

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

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

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

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

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

-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 2021	31 December 2020
Fixed Interest Rate Financial Instruments		
Financial Assets	-	1.650.712
Financial Liabilities	172.535.361	134.378.406
Floating Interest Rate Financial Instruments		
Financial Assets	-	-
Financial Liabilities	-	-

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.

As of 31 December 2020, in the case of 100 bps rise in the annual interests, with all other variables held constant, profit before tax would have been TL 1.327.277 lower.

-g) Other Risks

Common Stocks, etc. Risks Related to 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 2021 and 2020 are as follows:

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)	-	-	-

31 December 2020

	Carrying Value	Total Contractual Cash Outflow	Demand or up to 3 months	3-12 months	1-5 years	5 years and over
Non-Derivative Financial Liabilities	**171.945.718**	**175.602.123**	**120.044.972**	**54.622.427**	**934.724**	**-**
Bank Borrowings	133.173.723	136.355.000	82.198.458	54.156.542		-
Lease Liabilities	1.204.683	1.555.904	155.295	465.885	934.724	-
Trade Payables	37.349.968	37.473.875	37.473.875			-
Other Payables	217.344	217.344	217.344			-

	Carrying Value	Total Contractual Cash Outflow	Demand or up to 3 months	3-12 months	1-5 years	5 years and over
Derivative Instruments	**(3.104.246)**	**(3.640.280)**	**(3.640.280)**	-	-	-
Cash Inflows	30.134.588	30.134.588	30.134.588	-	-	-
Cash Outflows	(33.238.834)	(33.774.868)	(33.774.868)	-	-	-

NOTE 39 - 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, commodity price risk and product profit margin 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 40 - EVENTS AFTER THE BALANCE SHEET DATE

None.

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

None.