

**DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ**

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

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

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

DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ

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

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

DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ

Page Number: 1

STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2023 AND 2022

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

	Notes	Audited current period 31 December 2023	Audited prior period 31 December 2022
<b>ASSETS</b>			
<b>Current Assets</b>		<b>1.254.571.770</b>	<b>695.934.609</b>
Cash and Cash Equivalents	6	9.385.718	10.478.309
Financial Investments	7	-	-
Trade Receivables	10	991.993.483	451.623.238
<i>Related Parties</i>	<i>10-37</i>	-	<i>21.618</i>
<i>Third Parties</i>	<i>10</i>	<i>991.993.483</i>	<i>451.601.620</i>
Other Receivables	11	455.655	376.958
<i>Related Parties</i>	<i>11-37</i>	<i>117.600</i>	-
<i>Third Parties</i>	<i>11</i>	<i>338.055</i>	<i>376.958</i>
Derivative Instruments	12	-	-
Inventories	13	229.551.209	181.632.112
Prepaid Expenses	15	20.126.820	40.406.192
Current Income Tax Assets	25	-	-
Other Current Assets	26	3.058.885	11.417.800
<b>Total</b>		<b>1.254.571.770</b>	<b>695.934.609</b>
<b>Non-Current Assets</b>		<b>31.535.420</b>	<b>22.249.034</b>
Financial Investments	7	-	-
Investment Properties	17	2.462.795	2.311.765
Property, Plant and Equipment	18	448.613	601.766
Right of Use Assets	18	1.998.490	3.508.448
Intangible Assets	19	2.548.965	1.879.765
<i>Other Intangible Assets</i>	<i>19</i>	<i>2.548.965</i>	<i>1.879.765</i>
Deferred Tax Assets	35	24.076.557	13.947.290
<b>TOTAL ASSETS</b>		<b>1.286.107.190</b>	<b>718.183.643</b>

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 ANONİM ŞİRKETİ

Page Number: 2

STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2023 AND 2022

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

	Notes	Audited current period 31 December 2023	Audited prior period 31 December 2022
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Short-Term Borrowings	8	880.365	88.539.224
Trade Payables	10	991.185.159	124.917.341
<i>Related Parties</i>	10-37	20.048.763	11.178.008
<i>Third Parties</i>	10	971.136.396	113.739.333
Employee Benefits	20	823.245	593.165
Other Payables	11	38.700.951	170.937.790
<i>Related Parties</i>	11-37	35.477.933	169.777.360
<i>Third Parties</i>	11	3.223.018	1.160.430
Derivative Instruments	12	-	1.503.387
Deferred Income	15	4.888.144	6.690.626
Current Income Tax Liabilities	35	6.881.200	2.278.097
Short-Term Provisions	22	14.203.630	11.840.593
<i>Short-Term Provisions for Employee Benefits</i>		-	-
<i>Other Short-Term Provisions</i>	22	14.203.630	11.840.593
<b>Total</b>		<b>1.057.562.694</b>	<b>407.300.223</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	8	469.549	1.122.966
Long-Term Provisions	24	1.612.043	3.992.371
<i>Long-Term Provisions for Employee Benefits</i>	24	1.612.043	3.992.371
Deferred Tax Liabilities	35	-	-
<b>EQUITY</b>			
<b>Equity Holders of the Parent</b>	27	<b>226.462.904</b>	<b>305.768.083</b>
Paid-in Share Capital		23.000.000	23.000.000
Adjustment to Share Capital		259.836.440	259.836.440
Treasury Shares (-)		-	-
Share Premium		29.778.309	29.778.309
Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss		(1.035.132)	(1.194.687)
<i>Gains/(losses) on remeasurements of defined benefit plans</i>		(1.035.132)	(1.194.687)
Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss		-	-
<i>Currency translation differences</i>		-	-
<i>Gains/(losses) on hedges</i>		-	-
Restricted Reserves		79.865.493	79.865.493
<i>Legal reserves</i>		79.865.493	79.865.493
Retained Earnings		(85.517.472)	(1.364.518)
Profit for the Period		(79.464.734)	(84.152.954)
Non-Controlling Interests	27	-	-
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1.286.107.190</b>	<b>718.183.643</b>

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

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

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

	Notes	Audited current period 01.01.2023- 31.12.2023	Audited prior period 01.01.2022- 31.12.2022
<b>CONTINUING OPERATIONS</b>			
Revenue	28	4.049.848.482	2.572.338.443
Cost of Sales (-)	28	(3.799.481.491)	(2.364.002.635)
<b>GROSS PROFIT/(LOSS) FROM OPERATING ACTIVITIES</b>		<b>250.366.991</b>	<b>208.335.808</b>
<b>GROSS PROFIT/(LOSS)</b>		<b>250.366.991</b>	<b>208.335.808</b>
General Administrative Expenses (-)	29	(38.856.881)	(27.525.960)
Marketing, Sales and Distribution Expenses (-)	29	(40.895.466)	(30.319.844)
Other Operating Income	31	498.520.458	130.052.744
Other Operating Expenses (-)	31	(469.612.703)	(32.355.965)
<b>OPERATING PROFIT/(LOSS) FROM CONTINUING OPERATIONS</b>		<b>199.522.399</b>	<b>248.186.783</b>
Gains from Investment Activities	32	151.030	426.802
Losses from Investment Activities (-)	32	-	(1.137)
<b>OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)</b>		<b>199.673.429</b>	<b>248.612.448</b>
Financial Income	33	61.049.705	5.663.539
Financial Expenses (-)	33	(207.832.547)	(151.176.701)
Net Monetary Position Gains/(Losses)		(121.257.496)	(163.226.339)
<b>PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>(68.366.909)</b>	<b>(60.127.053)</b>
<b>Tax income/(expense)</b>		<b>(11.097.825)</b>	<b>(24.025.901)</b>
- Current period tax expense	35	(26.763.019)	(33.622.969)
- Deferred income tax	35	15.665.194	9.597.068
<b>PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>(79.464.734)</b>	<b>(84.152.954)</b>
<b>Attributable to</b>		<b>(79.464.734)</b>	<b>(84.152.954)</b>
Non-Controlling Interests	27	-	-
Equity Holders of the Parent	27	(79.464.734)	(84.152.954)
<b>Earnings Per Share</b>	36	<b>(3.45499)</b>	<b>(3.65882)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not to be reclassified to profit or loss</b>		<b>159.555</b>	<b>(1.194.687)</b>
Gains/(losses) on remeasurements of defined benefit plans		<b>212.740</b>	<b>(1.493.357)</b>
Taxes relating to other comprehensive income not to be reclassified to profit or loss		(53.185)	298.670
- <i>Deferred income tax</i>		(53.185)	298.670
<b>Items to be reclassified to profit or loss</b>		-	-
Currency translation differences		-	-
Gains/(losses) on cash flow hedges		-	-
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		<b>159.555</b>	<b>(1.194.687)</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>		<b>(79.305.179)</b>	<b>(85.347.641)</b>
<b>Attributable to</b>		<b>(79.305.179)</b>	<b>(85.347.641)</b>
Non-Controlling Interests		-	-
Equity Holders of the Parent		(79.305.179)	(85.347.641)

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 ANONİM ŞİRKETİ

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

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

	Notes	Paid-in share capital	Adjustment to Share Capital	Share Premium	Items not to be reclassified to profit or loss		Items to be reclassified to profit or loss			Retained Earnings		Profit for the Period	Total Equity
					Gains and losses on revaluation and remeasurement	Other Gains/(Losses)	Currency Translation Differences	Gains/(losses) on hedges	Other Gains/(Losses)	Restricted Reserves	Prior Years' Income		
<b>Audited Current Period</b>													
<b>Balances at 1 January 2023 (Beginning of the period)</b>	Not-27	23.000.000	259.836.440	29.778.309	(1.194.687)	-	-	-	-	79.865.493	(1.364.518)	(84.152.954)	305.768.083
Transfers		-	-	-	-	-	-	-	-	-	(84.152.954)	84.152.954	-
<b>Total Comprehensive Income</b>		-	-	-	159.555	-	-	-	-	-	-	(79.464.734)	(79.305.179)
Profit for the period		-	-	-	-	-	-	-	-	-	-	(79.464.734)	(79.464.734)
Other comprehensive income		-	-	-	159.555	-	-	-	-	-	-	-	159.555
Dividends paid		-	-	-	-	-	-	-	-	-	-	-	-
<b>Balances at 31 December 2023 (End of the period)</b>	Not-27	23.000.000	259.836.440	29.778.309	(1.035.132)	-	-	-	-	79.865.493	(85.517.472)	(79.464.734)	226.462.904
<b>Audited Prior Period</b>													
<b>Balances at 1 January 2022 (Beginning of the period)</b>	Not-27	23.000.000	259.836.440	29.778.309	-	-	-	-	-	79.865.493	258.076.173	(259.440.691)	391.115.724
Transfers		-	-	-	-	-	-	-	-	-	(259.440.691)	259.440.691	-
<b>Total Comprehensive Income</b>		-	-	-	(1.194.687)	-	-	-	-	-	-	(84.152.954)	(85.347.641)
Profit for the period		-	-	-	-	-	-	-	-	-	-	(84.152.954)	(84.152.954)
Other comprehensive income		-	-	-	(1.194.687)	-	-	-	-	-	-	-	(1.194.687)
Dividends paid		-	-	-	-	-	-	-	-	-	-	-	-
<b>Balances at 31 December 2022 (End of the period)</b>	Not-27	23.000.000	259.836.440	29.778.309	(1.194.687)	-	-	-	-	79.865.493	(1.364.518)	(84.152.954)	305.768.083

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

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

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

	Notes	Audited current period	Audited prior period
		01.01.2023-31.12.2023	01.01.2022-31.12.2022
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>125.444.959</b>	<b>284.935.564</b>
<b>Profit for the Period</b>		<b>(79.464.734)</b>	<b>(84.152.954)</b>
<b>Adjustments to reconcile profit for the period to cash generated from operating activities</b>		<b>110.535.906</b>	<b>121.740.493</b>
Depreciation and amortisation	17-18-19	4.004.799	2.682.498
<b>Adjustments for impairment loss/(reversal of impairment loss)</b>		<b>6.462.822</b>	<b>7.012.477</b>
Adjustments for receivables impairment (reversal)	10	753.825	(50.111)
Adjustments for inventory impairment (reversal)	13	5.708.997	7.062.588
Adjustments for impairment on property, plant and equipment (reversal)	17-18-19	-	-
<b>Adjustments for provisions</b>		<b>8.695.235</b>	<b>2.690.898</b>
Adjustments for provisions for employee benefits (reversal)	24	1.677.608	817.760
Adjustments for provisions for lawsuits and penalties	22	10.277	7.351
Adjustments for other provisions (reversal)	22	7.007.350	1.865.787
<b>Adjustments for interest income/expense</b>		<b>80.766.215</b>	<b>80.589.668</b>
Adjustments for interest income	31-33	(264.918.740)	(66.285.607)
Adjustments for interest expenses	31-33	331.007.447	147.941.919
Deferred Financial Expense from Term Purchases	10	(20.599.245)	(175.374)
Unrealised Financial Income from Term Sales	10	35.276.753	(891.270)
Adjustments for fair value gains/(losses)		(151.030)	(426.802)
Investment properties		(151.030)	(426.802)
<b>Adjustments for tax income/expense</b>	35	<b>11.097.825</b>	<b>24.025.900</b>
<b>Other adjustments to reconcile profit for the period</b>	26	<b>(339.960)</b>	<b>5.165.854</b>
<b>Changes in Working Capital</b>		<b>(8.259.103)</b>	<b>144.167.676</b>
Adjustments for Gains/(Losses) on Trade Receivables	10	(753.935.929)	13.061.190
Adjustments for Gains/(Losses) on Other Receivables Related to Operations	11	(226.881)	107.569
Changes in inventories	13	(125.028.486)	(50.835.069)
Adjustments for Gains/(Losses) on Trade Payables	10	935.972.626	11.424.225
Adjustments for Gains/(Losses) on Other Payables Related to Operations	11	(65.040.433)	170.409.761
<b>Cash flows from Operating Activities</b>		<b>22.812.069</b>	<b>181.755.215</b>
Adjustments for gains (losses) in payables due to employee benefits	24	(2.275.777)	(52.599)
Income Taxes Refund/Paid	35	(21.264.386)	(46.255.025)
Other Cash Inflows/(Outflows)		126.173.053	149.487.973
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(1.164.590)</b>	<b>(170.451)</b>
<b>Cash inflows from sale of property, plant and equipment and intangible assets</b>		-	24.156
Cash inflows from sale of property, plant and equipment	18-19	-	24.156
Cash inflows from sale of intangible assets		-	-
<b>Cash outflows from purchase of property, plant and equipment and intangible assets</b>		<b>(1.164.590)</b>	<b>(194.607)</b>
Cash outflows from purchase of property, plant and equipment	18	(124.981)	(164.061)
Cash outflows from purchase of intangible assets	19	(1.039.609)	(30.546)
Cash inflows from sale of investment properties		-	-
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(125.376.642)</b>	<b>(284.417.021)</b>
<b>Cash inflows from borrowings</b>	8	2.311.700	300.490.867
Cash inflows from loans	8	2.311.700	300.490.867
<b>Cash outflows from repayments of borrowings</b>	8	<b>(56.727.284)</b>	<b>(502.396.058)</b>
Cash outflows from loan repayments	8	(56.727.284)	(502.396.058)
Cash outflows from payments of lease liabilities	8	(1.930.204)	(1.605.708)
Dividends paid		-	-
Interest paid	31-33	(69.030.854)	(80.906.122)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES</b>		<b>(1.096.273)</b>	<b>348.092</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(1.096.273)</b>	<b>348.092</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	10.478.309	10.130.217
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	9.382.036	10.478.309

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

**DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ****NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023***(Amounts are expressed in Turkish Lira unless otherwise indicated.)***NOTE 1 – COMPANY’S ORGANISATION AND NATURE OF OPERATIONS**

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

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

<b>Shareholders</b>	<b>31 December 2023</b>		<b>31 December 2022</b>	
	<b>Share (%)</b>	<b>Amount</b>	<b>Share (%)</b>	<b>Amount</b>
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
<b>Total share capital</b>	<b>100%</b>	<b>23.000.000</b>	<b>100%</b>	<b>23.000.000</b>

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

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

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

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

a- Receivable collection 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) is handed over frequently, but also their closing and opening of these dealers are significantly high.

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

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

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

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

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

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

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



**DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ****NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023***(Amounts are expressed in Turkish Lira unless otherwise indicated.)***Branches:****Ankara Branch:** Çetin Emeç Bulvarı Öveçler 4.Cadde No:4/9 Dikmen/ANKARA**Gebze Branch:** Cumhuriyet Mahallesi Yahya Kaptan Caddesi No:10 A/2 Çayırova / KOCAELİ

Total end of period and average number of personnel employed by Despec is 34 (2022: 33). The personnel of the Company include administrative personnel.

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS****2.01 Basis of Presentation**

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

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

The Company is applied in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards (“TAS/IFRS”) 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 providing secure uniformity of implementation. Entities are required to comply with this decision.

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

These financial statements as of and for the year ended 31 December 2023 have been approved for issue by the Board of Directors (“BOD”) on 9 May 2024. These financial statements will be finalised following their approval in the General Assembly.

**2.02 Adjustments of Financial Statements in Hyperinflationary Periods**

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

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

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

**DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ****NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023***(Amounts are expressed in Turkish Lira unless otherwise indicated.)*

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

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

**2.03 Changes in Accounting Policies**

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

The Company realised changes in accounting policy regarding its investment properties carried at cost. Accordingly, the Company recognised its investment properties at fair value during the reporting period. Due to the change in accounting policy, the prior period financial statements are adjusted. As a result of the change in accounting policy, there incurs a net increase amounting to TL 76.118 in the equity of the opening financial statement for the year ended 31 December 2021, and a net increase amounting to TL 504.734 in the equity for the year ended 31 December 2023.

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

**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 a material influence on the outcome of the current period or is expected to have a material influence on subsequent periods, is disclosed in the notes to the financial statements, except when the estimation of the effect on the future periods is not possible.

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

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

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

**DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ****NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023***(Amounts are expressed in Turkish Lira unless otherwise indicated.)*

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***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 statement of financial position, 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 2023 and 2022. 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 the financial statements are summarised below:

**2.05.01 Revenue Recognition**

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

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

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

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

**DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ****NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023***(Amounts are expressed in Turkish Lira unless otherwise indicated.)*

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

The Company has been importing and marketing the products from its IT manufacturers which has the distributorship. The sales of the Company have been made through distribution channels of 3,000 dealers and these products are not sold to end users. The sales of the Company at 50%-65% are made through top ten dealers.

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

*2.05.02 Inventories*

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

The cost of inventories is calculated by FIFO method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

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

*2.05.03 Property, plant and equipment and related depreciation*

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

*2.05.05 Leases*

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

**DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ**

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*2.05.05.01 Company - as a lessee*

For operating leases, the lease payments should be recognized as an expense in the statement of profit or loss over the lease term on a straight-line basis effective from 31 December 2018. 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. In accordance with TFRS 16, 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 the statement of financial position. The amount recognized as “Right of Use Assets” is subject to depreciation over the lease term.

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company reflects a right of use assets and lease liabilities in the financial statements at the date when the lease term actually begins.

**Right-of-use asset Company - as a lessee**

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

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

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

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

The Company applies the depreciation requirements in TAS 16 “Property, Plant and Equipment” 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 1 January 2019. As of 1 January 2019, the amount of “Right of Use Assets” and “Lease Liability” were calculated for the remaining period by taking into consideration of the contracts that have been due for more than 12 months.

*2.05.06 Impairment of Assets*

For assets subject to amortization, impairment test is applied if the book value cannot be recovered. An impairment loss is recognized if the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

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*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 statement of profit or loss. 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 has no capitalized financing costs during the period.

*2.05.08 Financial Instruments*

*i. Financial Asset and Liabilities-Classification and Measurement*

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

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

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

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

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

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

- The retention of the financial asset based on a business model aimed at collecting contractual cash flows and selling financial assets;
- The contractual terms of the financial asset led to cash flows that include interest payments on principal and principal balance on certain dates.

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

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

*ii. Impairment of Financial Assets*

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

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

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

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

*Presentation*

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

*Derecognition*

If there is no reasonable expectation to recover a cash flow higher than the financial asset, the gross amount of the financial asset is deducted from the records. This is generally the case when the 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 profit or loss.

*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 statement of profit or loss are determined by dividing net income attributable to equity holders of the parent by the weighted average number of shares outstanding during the period concerned.

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

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Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue and those events are disclosed in the accompanying financial statements. The two types of events are those that provide evidence of conditions that existed at the end of the reporting period (adjusting events); and those that are indicative of conditions that arose after the reporting period (non-adjusting events). The Company adjusts the amounts recognised in its financial statements to reflect adjusting events, but it does not adjust those amounts to reflect non-adjusting events (Note 40).

*2.05.12 Provisions, Contingent Liabilities and Contingent Assets*

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

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

*2.05.13 Related Parties*

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

For the purpose of these financial statements, shareholders, parents of Despec Bilgisayar Anonim Şirketi, key management personnel and Board of Directors members, their close family members and the legal entities over which these related parties exercise control and significant influence, are considered and expressed as “related parties”. 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 recognised in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it excludes items that cannot be taxed or deducted. The Company’s liability for current tax is calculated using legal statutory tax rates that have been enacted or substantively enacted by the balance sheet date.

*Deferred Tax*

Deferred tax assets and liabilities are determined by calculating the temporary differences between the amounts shown in the 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.



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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 statement of profit or loss. In business combinations, the tax effect is taken into consideration in the calculation of goodwill or in determining the part of the purchaser that exceeds the acquisition cost of the share of the acquiree's identifiable assets, liabilities and contingent liabilities in the fair value.

The taxes included in the 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 Labor 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 statement of financial position. Cash equivalents are short-term, highly-liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements. Cash flows from operating activities represent the cash flows generated from the 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 (property, plant and equipment, 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's 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.

## DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ

### NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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

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#### 2.07 Offsetting

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

#### 2.08 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”.

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

#### 2.09 New and Revised Turkish Financial Reporting Standards

##### New and revised standards and interpretations

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

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

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

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

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

##### Amendments to TAS 8 - Definition of Accounting Estimates

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

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

**DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ**

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023**

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

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

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

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

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

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

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

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

**Amendment to TAS 1 – Non-current liabilities with covenants**

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

**Amendments to TAS 7 and TFRS 7 on Supplier finance arrangements**

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

**Amendments to TFRS 16 - Leases on sale and leaseback**

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

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

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

**DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ****NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023***(Amounts are expressed in Turkish Lira unless otherwise indicated.)***TFRS S2, ‘Climate-related disclosures**

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

**NOTE 3 - BUSINESS COMBINATIONS**

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

**NOTE 4 - DISCLOSURE OF INTERESTS IN OTHER ENTITIES**

As of 31 December 2023 and 2022, the Company has no a interests in subsidiaries, joint arrangements, associates and unconsolidated “structured entities”.

**NOTE 5 – OPERATING SEGMENTS**

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

**NOTE 6 – CASH AND CASH EQUIVALENTS**

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

<b>Account Name</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Cash on hand	75.076	158.208
Banks (Demand deposit)	6.493.443	9.756.152
Financial assets at amortised cost (Reverse repurchase agreements)	1.273.678	-
Credit card slips	1.543.521	563.949
<b>Cash and cash equivalents, net</b>	<b>9.385.718</b>	<b>10.478.309</b>

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

As of 31 December 2023, the remaining maturity of reverse repurchase agreements is 4 days and the Company has interest income accrued amounting to TL 3.682. The reverse repurchase agreements are realised and denominated in TL and the annual effective interest rate is between 32.89% - 46.08%.

As of 31 December 2022, the Company has no reverse repurchase transactions.

<b>Account Name</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Cash and cash equivalents	9.385.718	10.478.309
Interest accruals (-)	(3.682)	-
<b>Total</b>	<b>9.382.036</b>	<b>10.478.309</b>

As of 31 December 2023, the Company has no blocked deposits. Credit card slips are collected from banks a few days after the date of sale transaction. The foreign exchange gains/losses resulting from the valuation of foreign currency denominated cash on hand and banks are recognized under financial income/(expenses).

**NOTE 7 - FINANCIAL INVESTMENTS**

None.

**DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ**

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023**

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

**NOTE 8 – BORROWINGS**

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

<b>Account Name</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Bank borrowings	-	87.228.297
Lease liabilities	880.365	1.310.927
<b>Short-term borrowings, net</b>	<b>880.365</b>	<b>88.539.224</b>

**31 December 2023**

<b>Type</b>	<b>Original currency amount</b>	<b>TL equivalent</b>	<b>Annual effective interest rate (%)</b>
<b>Short-term borrowings</b>			
<i>Loans - TL</i>	-	-	-
<i>Lease liabilities - TL</i>	880.365	880.365	21
<b>Total</b>	<b>880.365</b>	<b>880.365</b>	

**31 December 2022**

<b>Type</b>	<b>Original currency amount</b>	<b>TL equivalent</b>	<b>Annual effective interest rate (%)</b>
<b>Short-term borrowings</b>			
<i>Loans - TL</i>	87.228.297	87.228.297	41.48
<i>Lease liabilities - TL</i>	1.310.927	1.310.927	18.00 – 21.00
<b>Total</b>	<b>88.539.224</b>	<b>88.539.224</b>	

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

<b>Account Name</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Lease liabilities	469.549	1.122.966
<b>Total</b>	<b>469.549</b>	<b>1.122.966</b>

**31 December 2023**

<b>Type</b>	<b>Original currency amount</b>	<b>TL equivalent</b>	<b>Annual effective interest rate (%)</b>
<b>Long-term borrowings</b>			
<i>Lease liabilities - TL</i>	469.549	469.549	18.00 – 21.00
<b>Total</b>	<b>469.549</b>	<b>469.549</b>	

**31 December 2022**

<b>Type</b>	<b>Original currency amount</b>	<b>TL equivalent</b>	<b>Annual effective interest rate (%)</b>
<b>Long-term borrowings</b>			
<i>Lease liabilities - TL</i>	1.122.966	1.122.966	18.00 – 21.00
<b>Total</b>	<b>1.122.966</b>	<b>1.122.966</b>	

The movement and reconciliation of borrowings are as follows:

<b>Account Name</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Beginning of the period – 1 January	89.662.190	467.005.960
Additions during the period	2.311.700	300.490.867
Lease liabilities	1.349.914	2.433.893
Payments during the period	(56.727.284)	(502.396.058)
Interest accrual at the end of the period	-	4.841.798
Adjustments for inflation	(35.246.605)	(182.714.270)
<b>End of the period – 31 December</b>	<b>1.349.914</b>	<b>89.662.190</b>

**DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ**

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023**

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

**NOTE 9 - OTHER FINANCIAL LIABILITIES**

None.

**NOTE 10 - TRADE RECEIVABLES AND PAYABLES**

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

<b>Account Name</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Trade Receivables	1.015.313.308	435.127.271
<i>Related parties (Note 37)</i>	-	21.618
<i>Third parties</i>	1.015.313.308	435.105.653
Notes receivables	14.917.302	21.373.864
Discount on notes receivables (-)	(38.237.127)	(4.877.897)
Doubtful trade receivables	3.291.764	4.181.837
Provision for doubtful trade receivables (-)	(3.291.764)	(4.181.837)
<b>Short-term trade receivables, net</b>	<b>991.993.483</b>	<b>451.623.238</b>

As of 31 December 2023, trade receivables amounted to TL 816.334.552 in total amount of TL 991.993.483, is in under scope of guarantee (including guarantees in scope of Euler Hermes). As of 31 December 2022, trade receivables amounted to TL 353.472.401 in total amount of TL 451.623.238, is in under scope of guarantee (including guarantees in scope of Euler Hermes). The related explanations regarding the nature and level of risks on trade receivables are disclosed in Note 38.

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

As of 31 December 2023, guarantee amounted to TL 784.853.825 is included in scope of Euler Hermes credit insurance policy (31 December 2022: TL 327.827.881).

Movements of the provision for doubtful receivables are as follows:

	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
Beginning of the period – 1 January	(4.181.837)	(6.951.821)
Reversals/Collections during the period	-	50.111
Increases during the period (-)	(753.825)	-
Adjustments for inflation	1.643.898	2.719.873
<b>End of the period – 31 December</b>	<b>(3.291.764)</b>	<b>(4.181.837)</b>

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

	<b>31 December 2023</b>	<b>31 December 2022</b>
Up to 3 months	3.263.391	3.087.675
3-12 months	1.069.208	1.598.493
<b>Total</b>	<b>4.332.599</b>	<b>4.686.167</b>

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

<b>Account Name</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Suppliers	1.012.044.153	125.345.337
<i>Third parties</i>	991.995.390	114.167.329
<i>Related parties (Note 37)</i>	20.048.763	11.178.008
Notes payable	-	-
Discount on notes payable (-)	(20.858.994)	(427.996)
<b>Short-term trade payables, net</b>	<b>991.185.159</b>	<b>124.917.341</b>

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

**DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ**

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023**

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

The average maturity turnover for trade receivables is 70-75 days and for payables is 50-65 days. In the case of discount of trade receivables and payables, compound interest rates of Government Debt Securities are used as effective interest rate in receivables and payables denominated in TL. Libor and Euribor rates are used in the discount receivables and payables denominated in USD and EUR.

**NOTE 11 - OTHER RECEIVABLES AND PAYABLES**

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

<b>Account Name</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Due from employee	338.055	376.958
Due from related parties (Note 37)	117.600	-
<b>Short-term other receivables, net</b>	<b>455.655</b>	<b>376.958</b>

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

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

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

<b>Account Name</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Taxes payable	3.223.018	1.160.430
Due to related parties (Note 37)	35.477.933	169.777.360
Other	-	-
<b>Short-term other payables, net</b>	<b>38.700.951</b>	<b>170.937.790</b>

**NOTE 12 - DERIVATIVE INSTRUMENTS**

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

<b>Account Name</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Derivative assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

<b>Account Name</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Derivative liabilities	-	1.503.387
<b>Total</b>	<b>-</b>	<b>1.503.387</b>

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

As of 31 December 2022, the Company has foreign exchange forward contract amounted to USD 2.424.400. The contracts have 0-3 months maturities amounting to USD 2.424.400 As of 31 December 2022, the fair value of the contracts amounted to TL 76.198.546 and losses from the forward contract is amounting TL 1.503.387 recognised as an expense in the accompanying financial statements.

**NOTE 13 - INVENTORIES**

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

<b>Account Name</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Merchandise	208.016.996	158.744.262
Goods in transit	32.445.478	31.459.783
Provision for impairment (-)	(10.911.265)	(8.571.933)
<b>Total</b>	<b>229.551.209</b>	<b>181.632.112</b>

<b>Disclosures</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Cost	79.713.380	60.623.856
Less: Provision for impairment on inventories	(10.911.265)	(8.571.933)
Net realisable value (a)	68.802.115	52.051.923
Carried at cost (b)	160.749.094	129.580.189
<b>Total inventories (a+b)</b>	<b>229.551.209</b>	<b>181.632.112</b>

**DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ****NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023***(Amounts are expressed in Turkish Lira unless otherwise indicated.)*

As of 31 December 2023, the inventories amounting to TL 68.802.115 (31 December 2022: TL 52.051.923) carried at net realizable value and the remaining amount is carried at cost in the accompanying financial statements.

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

As of 31 December 2023 and 2022, merchandise amounting to TL 3.799.481.491 and TL 2.364.002.635, respectively were recognised as an expense under the cost of goods sold.

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

	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
Beginning of the period – 1 January (-)	(8.571.933)	(2.479.402)
Reversal of provisions from gains on net realisable value (+)	-	-
Additions during the period (-)	(2.339.332)	(6.092.531)
<b>End of the period – 31 December (-)</b>	<b>(10.911.265)</b>	<b>(8.571.933)</b>

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

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

**NOTE 14 - BIOLOGICAL ASSETS**

None.

**NOTE 15 - PREPAID EXPENSES AND DEFERRED INCOME****Short-term**

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

<b>Account Name</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Short-term prepaid expenses	1.637.603	1.213.825
Advances given	18.489.217	39.192.367
<b>Total</b>	<b>20.126.820</b>	<b>40.406.192</b>

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

<b>Account Name</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Advances received	4.281.596	6.092.828
Short-term deferred income	606.548	597.798
<b>Total</b>	<b>4.888.144</b>	<b>6.690.626</b>

**Long-term**

As of 31 December 2023 and 2022, the Company has no prepaid expenses and deferred income.

**NOTE 16 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**

None.

**NOTE 17 - INVESTMENT PROPERTIES**

Land and buildings that are held for rental yields or for capital appreciation or both rather than held in the production or supply of goods or services or for administrative purposes or for the sale in the ordinary course of business are classified as “investment property”.

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

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



**DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ****NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023***(Amounts are expressed in Turkish Lira unless otherwise indicated.)***31 December 2023**

Carrying value	Opening balance – 1 January 2023	Changes in fair value, net	Transfers (PP&E)	Additions	Disposals	Closing balance – 31 December 2023
<b>Land</b>	<b>21.420</b>	<b>1.375</b>	-	-	-	<b>22.795</b>
Land (Hatay)	21.420	1.375	-	-	-	22.795
<b>Buildings</b>	<b>2.290.345</b>	<b>149.655</b>	-	-	-	<b>2.440.000</b>
İstanbul Ataşehir	2.290.345	149.655	-	-	-	2.440.000
<b>TOTAL</b>	<b>2.311.765</b>	<b>151.030</b>	-	-	-	<b>2.462.795</b>

**31 December 2022**

Carrying value	Opening balance – 1 January 2022	Changes in fair value, net	Transfers (PP&E)	Additions	Disposals	Closing balance – 31 December 2022
<b>Land</b>	<b>17.323</b>	<b>4.097</b>	-	-	-	<b>21.420</b>
Land	17.323	4.097	-	-	-	21.420
<b>Buildings</b>	<b>1.867.640</b>	<b>422.705</b>	-	-	-	<b>2.290.345</b>
İstanbul Ataşehir	1.867.640	422.705	-	-	-	2.290.345
<b>TOTAL</b>	<b>1.884.963</b>	<b>426.802</b>	-	-	-	<b>2.311.765</b>

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

As of 31 December 2023 and 2022, the detailed list of the investment properties is as follows:

**31 December 2023**

City	Town	Neighborhood	Title deed (m <sup>2</sup> )	Date of acquisition
Hatay(a)	Arsuz	Aşağı Kepirce	6792,09 m <sup>2</sup>	26.11.2020
İstanbul(b)	Ataşehir	Esatpaşa	13.985,94 m <sup>2</sup>	17.11.2017

**31 December 2022**

City	Town	Neighborhood	Title deed (m <sup>2</sup> )	Date of acquisition
Hatay(a)	Arsuz	Aşağı Kepirce	6792,09 m <sup>2</sup>	26.11.2020
İstanbul(b)	Ataşehir	Esatpaşa	13.985,94 m <sup>2</sup>	17.11.2017

**Land- Buildings**

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

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

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

- b) In accordance with the land registry registered in Istanbul, Ataşehir and parcel numbered 13, and the Company has classified under investment properties, the residences are 3 independent sections located on the building qualified as “4-storey reinforced concrete building with attic and its land”. As of the reporting date, there has been no restriction and mortgage incur on the building. As of the reporting date, there has been no restrict on or mortgage incurred on the relevant building.

**DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ****NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023***(Amounts are expressed in Turkish Lira unless otherwise indicated.)***NOTE 18 - PROPERTY, PLANT AND EQUIPMENT**

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

<b>Account Name</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Cost	11.369.868	11.244.887
Accumulated depreciation	(10.921.255)	(10.643.121)
<b>Total</b>	<b>448.613</b>	<b>601.766</b>

**31 December 2023****Cost**

<b>Account Name</b>	<b>Opening balance – 1 January 2023</b>	<b>Additions</b>	<b>Disposals</b>	<b>Closing balance – 31 December 2023</b>
Motor vehicles	30.867	-	-	30.867
Furniture and fixtures	6.237.312	124.981	-	6.362.293
Leasehold improvements	4.976.708	-	-	4.976.708
<b>Total</b>	<b>11.244.887</b>	<b>124.981</b>	<b>-</b>	<b>11.369.868</b>

**Accumulated depreciation**

<b>Account Name</b>	<b>Opening balance – 1 January 2023</b>	<b>Current period depreciation</b>	<b>Disposals</b>	<b>Closing balance – 31 December 2023</b>
Motor vehicles	(30.867)	-	-	(30.867)
Furniture and fixtures	(5.654.772)	(260.705)	-	(5.915.477)
Leasehold improvements	(4.957.482)	(17.429)	-	(4.974.911)
<b>Total</b>	<b>(10.643.121)</b>	<b>(278.134)</b>	<b>-</b>	<b>(10.921.255)</b>
<b>Net book value</b>	<b>601.766</b>			<b>448.613</b>

**31 December 2022****Cost**

<b>Account Name</b>	<b>Opening balance – 1 January 2022</b>	<b>Additions</b>	<b>Disposals</b>	<b>Closing balance – 31 December 2022</b>
Motor vehicles	30.867	-	-	30.867
Furniture and fixtures	6.117.886	164.061	(44.635)	6.237.312
Leasehold improvements	4.976.708	-	-	4.976.708
<b>Total</b>	<b>11.125.461</b>	<b>164.061</b>	<b>(44.635)</b>	<b>11.244.887</b>

**Accumulated depreciation**

<b>Account Name</b>	<b>Opening balance – 1 January 2022</b>	<b>Current period depreciation</b>	<b>Disposals</b>	<b>Closing balance – 31 December 2022</b>
Motor vehicles	(30.867)	-	-	(30.867)
Furniture and fixtures	(5.410.356)	(263.759)	19.343	(5.654.772)
Leasehold improvements	(4.940.058)	(17.424)	-	(4.957.482)
<b>Total</b>	<b>(10.381.281)</b>	<b>(281.183)</b>	<b>19.343</b>	<b>(10.643.121)</b>
<b>Net book value</b>	<b>744.180</b>			<b>601.766</b>

**Other information**

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

Total insurance coverage on property, plant and equipment is disclosed in **Note 22**. The Company has no pledges, mortgages and restrictions on property, plant and equipment at the end of the reporting period.

**DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ**

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023**

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

**RIGHT OF USE ASSETS**

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

<b>Account Name</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Cost	8.913.235	8.496.061
Accumulated depreciation	(6.914.745)	(4.987.613)
<b>Total</b>	<b>1.998.490</b>	<b>3.508.448</b>

**31 December 2023**

**Cost**

<b>Account Name</b>	<b>Opening balance – 1 January 2023</b>	<b>Additions</b>	<b>Disposals</b>	<b>Closing balance – 31 December 2023</b>
Buildings	4.094.958	1.233.594	-	5.328.552
Motor vehicles	4.401.103	612.704	(1.429.124)	3.584.683
<b>Total</b>	<b>8.496.061</b>	<b>1.846.298</b>	<b>(1.429.124)</b>	<b>8.913.235</b>

**Accumulated depreciation**

<b>Account Name</b>	<b>Opening balance – 1 January 2023</b>	<b>Current period depreciation</b>	<b>Disposals</b>	<b>Closing balance – 31 December 2023</b>
Buildings	(2.955.047)	(1.925.974)	-	(4.881.021)
Motor vehicles	(2.032.566)	(1.430.282)	1.429.124	(2.033.724)
<b>Total</b>	<b>(4.987.613)</b>	<b>(3.356.256)</b>	<b>1.429.124</b>	<b>(6.914.745)</b>
<b>Net book value</b>	<b>3.508.448</b>			<b>1.998.490</b>

**31 December 2022**

**Cost**

<b>Account Name</b>	<b>Opening balance – 1 January 2022</b>	<b>Additions</b>	<b>Disposals</b>	<b>Closing balance – 31 December 2022</b>
Buildings	3.792.719	302.240	-	4.094.958
Motor vehicles	3.648.751	1.733.021	(980.670)	4.401.103
<b>Total</b>	<b>7.441.470</b>	<b>2.035.261</b>	<b>(980.670)</b>	<b>8.496.061</b>

**Accumulated depreciation**

<b>Account Name</b>	<b>Opening balance – 1 January 2022</b>	<b>Current period depreciation</b>	<b>Disposals</b>	<b>Closing balance – 31 December 2022</b>
Buildings	(2.023.025)	(932.022)	-	(2.955.047)
Motor vehicles	(1.774.463)	(1.238.773)	980.670	(2.032.566)
<b>Total</b>	<b>(3.797.488)</b>	<b>(2.170.795)</b>	<b>980.670</b>	<b>(4.987.613)</b>
<b>Net book value</b>	<b>3.643.983</b>			<b>3.508.448</b>

**NOTE 19 - INTANGIBLE ASSETS**

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

<b>Account Name</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Cost	6.929.898	5.890.289
Accumulated depreciation	(4.380.933)	(4.010.524)
<b>Total</b>	<b>2.548.965</b>	<b>1.879.765</b>

**DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ**

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

**31 December 2023**

**Cost**

<b>Account Name</b>	<b>Opening balance – 1 January 2023</b>	<b>Additions</b>	<b>Disposals</b>	<b>Closing balance – 31 December 2023</b>
Rights	5.890.289	1.039.609	-	6.929.898
<b>Total</b>	<b>5.890.289</b>	<b>1.039.609</b>	<b>-</b>	<b>6.929.898</b>

**Accumulated depreciation**

<b>Account Name</b>	<b>Opening balance – 1 January 2023</b>	<b>Current period depreciation</b>	<b>Disposals</b>	<b>Closing balance – 31 December 2023</b>
Rights	(4.010.524)	(370.409)	-	(4.380.933)
<b>Total</b>	<b>(4.010.524)</b>	<b>(370.409)</b>	<b>-</b>	<b>(4.380.933)</b>
<b>Net book value</b>	<b>1.879.765</b>			<b>2.548.965</b>

**31 December 2022**

**Cost**

<b>Account Name</b>	<b>Opening balance – 1 January 2022</b>	<b>Additions</b>	<b>Disposals</b>	<b>Revaluation surplus</b>	<b>Closing balance – 31 December 2022</b>
Rights	5.859.743	30.546	-	-	5.890.289
<b>Total</b>	<b>5.859.743</b>	<b>30.546</b>	<b>-</b>	<b>-</b>	<b>5.890.289</b>

**Accumulated depreciation**

<b>Account Name</b>	<b>Opening balance – 1 January 2022</b>	<b>Current period depreciation</b>	<b>Disposals</b>	<b>Revaluation surplus</b>	<b>Closing balance – 31 December 2022</b>
Rights	(3.780.005)	(230.519)	-	-	(4.010.524)
<b>Total</b>	<b>(3.780.005)</b>	<b>(230.519)</b>	<b>-</b>	<b>-</b>	<b>(4.010.524)</b>
<b>Net book value</b>	<b>2.079.738</b>				<b>1.879.765</b>

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

**NOTE 20 - EMPLOYEE BENEFITS**

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

<b>Account Name</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Due to employee	15.186	-
Social security premiums payable	808.059	593.165
<b>Total</b>	<b>823.245</b>	<b>593.165</b>

**NOTE 21 - GOVERNMENT GRANTS**

None.

**NOTE 22 - PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

*i) Provisions*

<b>Account Name</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Provision for price revision	13.226.327	10.219.610
Provision for unused vacation	912.056	1.530.407
Provision for lawsuits	65.247	90.576
<b>Total</b>	<b>14.203.630</b>	<b>11.840.593</b>

**DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ**

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023**

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

<b>31 December 2023</b>	<b>Provision for lawsuits</b>	<b>Provision for price revision</b>	<b>Provision for unused vacation</b>	<b>Total</b>
Beginning of the period – 1 January	90.576	10.219.610	1.530.407	11.840.593
Additions	10.277	16.088.636	-	16.098.913
Payments during the period	-	(12.431.236)	(20.364)	(12.451.600)
Adjustments for inflation	(35.606)	(650.684)	(597.987)	(1.284.276)
<b>End of the period – 31 December</b>	<b>65.247</b>	<b>13.226.327</b>	<b>912.056</b>	<b>14.203.630</b>

  

<b>31 December 2022</b>	<b>Provision for lawsuits</b>	<b>Provision for price revision</b>	<b>Provision for unused vacation</b>	<b>Total</b>
Beginning of the period – 1 January	136.714	14.206.333	2.030.491	16.373.538
Additions	7.351	7.214.131	342.359	7.563.841
Payments during the period	-	(10.028.400)	-	(10.028.400)
Adjustments for inflation	(53.489)	(1.172.453)	(842.443)	(2.068.386)
<b>End of the period – 31 December</b>	<b>90.576</b>	<b>10.219.610</b>	<b>1.530.407</b>	<b>11.840.593</b>

*ii) Contingent liabilities and contingent assets*

As of 31 December 2023, the provision for lawsuits is amounted to TL 65.247 filed against the Company and the related provision is recognised in the financial statements (31 December 2022: TL 90.576).

In accordance with TFRS 9, provision for doubtful receivables is amounted to TL 3.291.764 for execution proceedings of the Company and the related provision is recognised in the financial statements (31 December 2022: TL 4.181.837).

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

**31 December 2023**

	<b>TL</b>	<b>USD</b>	<b>EUR</b>
Letter of guarantee given	62.849.341	1.000.000	-
<b>Total</b>	<b>62.849.341</b>	<b>1.000.000</b>	<b>-</b>

**31 December 2022**

	<b>TL</b>	<b>USD</b>	<b>EUR</b>
Letter of guarantee given	39.873.980	1.000.000	-
<b>Total</b>	<b>39.873.980</b>	<b>1.000.000</b>	<b>-</b>

*iv) Ratio of guarantees and mortgages to equity*

<b>Collaterals, Pledges, Mortgages Given by the Company</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
A. Total amount of CPM's given in the name of its own legal personality	92.340.641	70.739.259
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	-	-
<b>Total</b>	<b>92.340.641</b>	<b>70.739.259</b>

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

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

**DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ**

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023**

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

*v) Total mortgages and guarantees on assets*

None.

*vi) Total insurance coverage on assets*

**31 December 2023**

Type of Insured Asset	USD	TL
Merchandise	10.000.000	-
<b>Total</b>	<b>10.000.000</b>	<b>-</b>

**31 December 2022**

Type of Insured Asset	USD	TL
Merchandise	10.000.000	-
<b>Total</b>	<b>10.000.000</b>	<b>-</b>

**NOTE 23 - COMMITMENTS**

None.

**NOTE 24 – PROVISIONS FOR EMPLOYEE BENEFITS**

Account Name	31 December 2023	31 December 2022
Provision for employment termination benefits	1.612.043	3.992.371
<b>Total</b>	<b>1.612.043</b>	<b>3.992.371</b>

Under Turkish Labour Law, Despec incorporated in Turkey is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). As of 31 December 2023, the amount payable consists of one month's salary limited to a maximum of TL 35.058,58 (31 December 2022: TL 19.982,83) for each year of service.

The provision has been calculated by estimating the present value of the future probable obligation of the 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 2023, 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 2023, the provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 20.00% and an interest rate of 24.00%, resulting in a discount rate of 3.33% (31 December 2022: 3.33%). The discount rates are reviewed and revised if deemed necessary, in every reporting period.

As of the 31 December 2023, turnover rate to estimate the probability of retirement is 97.10% (31 December 2022: 98.29%).

	1 January - 31 December 2023	1 January - 31 December 2022
Beginning of the period – 1 January	3.992.371	2.848.199
Service costs	282.313	350.858
Interest costs	581.508	416.124
Actuarial (gains)/losses	(212.740)	1.493.357
Losses on remeasurements of defined benefit plans	813.787	50.778
Payments during the period (-)	(2.275.777)	(5.599)
Adjustments for inflation	(1.569.419)	(1.114.346)
<b>End of the period – 31 December</b>	<b>1.612.043</b>	<b>3.992.371</b>

**DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ**

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023**

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

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

<b>Account Name</b>	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
General administrative and marketing expenses	(1.677.608)	(817.760)
Other operating income	-	-
Gains/(losses) charge to the profit or loss	(1.677.608)	(817.760)
Actuarial gains/(losses) charge to the other comprehensive income	212.740	(1.493.357)
<b>Profit/(loss) for the period</b>	<b>(1.464.868)</b>	<b>(2.311.117)</b>

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.

<b>Account Name</b>	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Actuarial gains/(losses) charge to the other comprehensive income	212.740	(1.493.357)
Tax calculated at domestic tax rate 25%- 20%	(53.185)	298.670
<b>Net amount</b>	<b>159.555</b>	<b>(1.194.687)</b>

The amount recognized as actuarial gains/losses in the current period is amounting to TL 212.740. Deferred tax effect of the relevant amount was also taken into consideration and recognised in other comprehensive income and result of the aforementioned transaction, the amount of other comprehensive income is amounting to TL 159.555.

The amount recognized as actuarial gains/losses in the prior period is amounting to TL 1.493.357. Deferred tax effect of the relevant amount was also taken into consideration and recognised in other comprehensive income and result of the aforementioned transaction, the amount of other comprehensive expense is amounting to TL 1.194.687.

**NOTE 25 - TAX ASSETS AND LIABILITIES**

None.

As of the 31 December 2023 and 2022, current income tax liabilities are disclosed in Note 35.

**NOTE 26 - OTHER ASSETS AND LIABILITIES**

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

<b>Account Name</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Income accruals	3.049.820	4.465.118
Deferred VAT	-	6.931.372
Cash advances	9.065	21.310
<b>Other current assets, net</b>	<b>3.058.885</b>	<b>11.417.800</b>

As of 31 December 2023 and 2022, the Company has no other non-current assets.

**NOTE 27 - EQUITY**

*i) Non-controlling interests*

None.

**DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ**

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023**

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

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

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

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

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

Shareholders	31 December 2023		31 December 2022	
	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
<b>Total share capital</b>	<b>100%</b>	<b>23.000.000</b>	<b>100%</b>	<b>23.000.000</b>

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

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

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

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

**(iii) Share Premium**

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

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

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

Account Name	31 December 2023	31 December 2022
<i>Beginning of the period – 1 January</i>	(1.194.687)	-
<i>Actuarial Gains and (Losses) (Note 24)</i>	212.740	(1.493.357)
<i>Tax Effect (Note 24, Note 35)</i>	(53.185)	298.670
<b>Actuarial Gains and (Losses) (Net)</b>	<b>(1.035.132)</b>	<b>(1.194.687)</b>
<b>Gains and losses on revaluation and remeasurement</b>	<b>(1.035.132)</b>	<b>(1.194.687)</b>
<b>Other comprehensive income or expenses not to be reclassified to profit or loss, net</b>	<b>(1.035.132)</b>	<b>(1.194.687)</b>

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

None.



**DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ**

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023**

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

*iv) Restricted reserves*

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

*v) Retained Earnings*

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

Publicly traded companies have special provision regarding to dividend distribution policy in accordance with the Article 19 of the Capital Market Law No. 6362 and the "Communiqué on Dividends" No. II-19.1 of the Capital Markets Board, which entered into force as of 1 February 2014. In accordance with the Communiqué, corporations have no dividend distribution obligation for shareholders whose shares are traded on the stock exchange and corporations distribute their profits by decisions of the general assembly of shareholders within the framework of their dividend distribution policies to be determined by the general assembly of shareholders and in accordance with provisions of the applicable laws and regulations. In addition, publicly traded companies may distribute dividend advances in cash over their profits shown in their interim period financial statements. The amount of distributable profit based on the companies' decision, does not exceed the net distributable profit in the statutory accounts, the whole amount should be distributed, and otherwise all distributable amount in the statutory accounts is distributed. However, no profit distribution would be made if any financial statements prepared in accordance with the CMB or any statutory accounts carrying net loss for the period.

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

<b>Account Name</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Paid-in share capital	23.000.000	23.000.000
Adjustment to share capital	259.836.440	259.836.440
Share premium	29.778.309	29.778.309
Other comprehensive income or expenses not to be reclassified to profit or loss	(1.035.132)	(1.194.687)
- Gains/(losses) on remeasurements of defined benefit plans	(1.035.132)	(1.194.687)
- Hedge funds (Note 9)	-	-
Currency translation differences	-	-
Restricted reserves	79.865.493	79.865.493
- Legal reserves	79.865.493	79.865.493
Retained earnings	(85.517.472)	(1.364.518)
Profit for the period	(79.464.734)	(84.152.954)
<b>Total</b>	<b>226.462.904</b>	<b>305.768.083</b>

**NOTE 28 - REVENUE AND COST OF SALES**

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

<b>Account Name</b>	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Domestic sales	4.138.900.396	2.634.639.366
Foreign and other sales	21.331.447	29.772.556
Sales returns (-)	(104.238.859)	(83.593.639)
Sales and other discounts (-)	(6.144.502)	(8.479.840)
<b>Net sales</b>	<b>4.049.848.482</b>	<b>2.572.338.443</b>
Cost of merchandise sold (-)	(3.799.481.491)	(2.364.002.635)
<b>Gross profit</b>	<b>250.366.991</b>	<b>208.335.808</b>

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

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

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

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

<b>Account Name</b>	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
General administrative expenses (-)	(38.856.881)	(27.525.960)
Marketing, sales and distribution expenses (-)	(40.895.466)	(30.319.844)
<b>Total operating expenses</b>	<b>(79.752.347)</b>	<b>(57.845.804)</b>

**NOTE 30 - EXPENSES BY NATURE**

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

<b>Account Name</b>	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
- Personnel Expenses	(40.082.681)	(27.001.370)
- Transportation, Distribution and Storage Expenses	(17.937.475)	(15.326.127)
- Depreciation and Amortisation Charges	(4.004.799)	(2.682.498)
- Insurance Expenses	(3.675.667)	(4.214.351)
- Consultancy and Audit Expenses	(3.205.298)	(1.429.200)
- Advertisement and Promotion Expenses	(2.280.909)	(1.869.849)
- Provision for Employment Termination Benefits	(1.677.607)	(817.760)
- Sales and International Trade Costs	(824.889)	(1.265.497)
-Motor Vehicle Expenditures	(524.098)	(537.444)
-Travel Expenses	(506.044)	(286.303)
- Rent Expenses	(232.017)	(130.089)
- Information Systems and Communication Expenses	(205.014)	(171.899)
- Taxes, Duties and Charges	(201.539)	(134.814)
- Other	(4.394.310)	(1.978.603)
<b>Total operating expenses, net</b>	<b>(79.752.347)</b>	<b>(57.845.804)</b>

The Company's accounting, finance, audit, current accounts, warehouse, logistics, import, export and lease services are provided by Group companies İndeks Bilgisayar and Teklos Lojistik. Invoice is issued on monthly basis to Despec for the aforementioned services. The invoiced 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:

<b>Account Name</b>	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Audit fee for the reporting period	292.000	91.144
Tax consulting fee	264.600	129.794
Other service fee apart from audit	6.000	31.987
<b>Total</b>	<b>562.600</b>	<b>252.925</b>

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**NOTE 31 - OTHER OPERATING INCOME/(EXPENSES)**

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

<b>Account Name</b>	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
<b>Other operating income</b>	<b>498.520.458</b>	<b>130.052.744</b>
Interest income	209.506.049	64.926.107
Discount income	28.974.118	7.207.886
Foreign exchange gains	260.039.910	57.862.664
Other	381	56.087
<b>Other operating expenses (-)</b>	<b>(469.612.703)</b>	<b>(32.355.965)</b>
Interest expenses	(124.240.854)	(8.876.241)
Discount expenses	(46.827.985)	(5.967.562)
Foreign exchange losses	(298.324.169)	(17.414.234)
Other (*)	(219.695)	(97.928)
<b>Other operating income/(expenses), net</b>	<b>28.907.755</b>	<b>97.696.779</b>

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

**NOTE 32 - GAINS/ (LOSSES) FROM INVESTMENT ACTIVITES**

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

<b>Account Name</b>	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
<b>Gains from investment activities</b>	<b>151.030</b>	<b>426.802</b>
Investment properties revaluation surplus	151.030	426.802
<b>Losses from investment activities (-)</b>	<b>-</b>	<b>(1.137)</b>
Loss on sale of property, plant and equipment and intangible assets (-)	-	(1.137)
<b>Gains/(losses) from investment activities, net</b>	<b>151.030</b>	<b>425.665</b>

**NOTE 33 - FINANCIAL INCOME/(EXPENSE)**

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

<b>Account Name</b>	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Interest income	55.412.691	1.359.500
Foreign exchange gains	5.637.014	4.304.039
<b>Financial income, net</b>	<b>61.049.705</b>	<b>5.663.539</b>

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

<b>Account Name</b>	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Bank fees and charges and interest expenses	(206.766.593)	(139.065.678)
Foreign exchange losses	(1.065.954)	(12.111.023)
<b>Financial expenses, net</b>	<b>(207.832.547)</b>	<b>(151.176.701)</b>

The Company has no capitalised financing costs during the period.

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

None.

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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:

<b>Account Name</b>	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Current period tax expense	(26.763.019)	(33.622.969)
Deferred income tax	15.665.194	9.597.068
<b>Total tax income/(expense)</b>	<b>(11.097.825)</b>	<b>(24.025.901)</b>
<b>Account Name</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Current period tax expense (-)	26.763.019	33.622.969
Deferred income tax	(19.881.819)	(31.344.872)
<b>Total tax income/(expense)</b>	<b>6.881.200</b>	<b>2.278.097</b>

## i) Corporate tax

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

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

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

*Income withholding tax*

In addition to the corporate tax, it is required to calculate income tax withholding on any dividends, except for those distributed to all taxpayer entities and Turkish branches of foreign companies gaining dividend for such distribution and declaring these dividends within the corporate profit. The rate of withholding tax has been increased from 10% to 15% upon the Cabinet decision No: 2006/10731, which was published in Official Gazette on July 23, 2006. With the Presidential Decree No 4936 published in the Official Gazette numbered 31697, the tax withholding rate on dividend distribution within the scope of Article 94 of the Income Tax Law and Articles 15 and 30 of the Corporate Tax Law has been reduced from 15% to 10%.

ii) *Deferred tax*

Despec, recognises deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with TFRS/TAS and the Turkish tax legislations. These differences usually result in the recognition of revenue and expenses in different reporting periods for tax purposes and for the purposes of the Turkish Financial Reporting Standards and disclosed below.

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

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

<b>Account Name</b>	<b>31 December 2023 Cumulative temporary differences</b>	<b>31 December 2023 Deferred tax assets/ (liabilities)</b>	<b>31 December 2022 Cumulative temporary differences</b>	<b>31 December 2022 Deferred tax assets/ (liabilities)</b>
Property, plant and equipment and intangible assets	873.545	(218.386)	3.916.353	(783.270)
Discount expenses	101.073.307	25.268.327	58.282.921	11.656.584
Provision for employment termination benefits	1.612.043	403.011	3.992.371	798.473
Provision for impairment on inventories	10.911.265	2.727.816	8.571.933	1.714.387
Provision for lawsuits	65.247	16.312	90.576	18.115
Difference between net book value and tax base of inventories	3.463.558	865.890	956.993	191.399
Discount on notes receivables	20.858.994	(5.214.749)	427.996	(85.600)
Derivative instruments	-	-	1.503.387	300.678
Other	913.352	228.336	682.625	136.524
<b>Deferred tax assets, net</b>		<b>24.076.557</b>		<b>13.947.290</b>

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

	<b>31 December 2023</b>	<b>31 December 2022</b>
Beginning of the period – 1 January	13.947.290	6.655.481
Actuarial gains/(losses) on employment termination benefits	(53.185)	298.671
Deferred income tax during the period	15.665.194	9.597.068
Adjustments for inflation	(5.482.742)	(2.603.930)
<b>End of the period – 31 December</b>	<b>24.076.557</b>	<b>13.947.290</b>

*Unused tax credits disclosure*

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

**NOTE 36 - EARNINGS PER SHARE**

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

<b>Account Name</b>	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Profit for the period	(79.464.734)	(84.152.954)
Weighted average number of shares	23.000.000	23.000.000
<b>Earnings per share</b>	<b>(3.45499)</b>	<b>(3.65882)</b>

**NOTE 37 - RELATED PARTY DISCLOSURES**

a) Related party balances are as follows:

	<b>Receivables</b>		<b>Payables</b>	
	<b>Trade receivables</b>	<b>Other receivables</b>	<b>Trade payables</b>	<b>Other payables</b>
<b>31 December 2023</b>				
İndeks A.Ş.	-	-	9.540.000	35.477.933
Teklos A.Ş.	-	-	1.724.374	-
Neteks Teknoloji A.Ş.	-	117.600	-	-
Ifz A.Ş.	-	-	7.068.394	-
Datagate A.Ş.	-	-	138	-
İfin A.Ş.	-	-	1.715.857	-
<b>Total</b>	<b>-</b>	<b>117.600</b>	<b>20.048.763</b>	<b>35.477.933</b>

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	Receivables		Payables	
	Trade receivables	Other receivables	Trade payables	Other payables
<b>31 December 2022</b>				
İndeks A.Ş.	-	-	6.114.957	169.777.360
Desbil A.Ş.	326	-	-	-
Teklos A.Ş.	-	-	1.594.602	-
Neteks Teknoloji A.Ş.	21.117	-	-	-
Ifz A.Ş.	-	-	2.983.057	-
Datagate A.Ş.	175	-	-	-
İnfin A.Ş.	-	-	485.392	-
<b>Total</b>	<b>21.618</b>	<b>-</b>	<b>11.178.008</b>	<b>169.777.360</b>

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

b) Related party transactions are as follows:

**31 December 2023**

Sales	Goods and services	Common costs	Interest income and foreign exchange gains	Total
Datagate A.Ş.	7.292.648	-	408.051	7.700.699
İndeks A.Ş.	8.014.602	-	185.229.543	193.244.145
İndeks Dubai	-	3.917.606	-	3.917.606
İnfin A.Ş.	19.780.415	-	2.362.170	22.142.585
Neteks Teknoloji A.Ş.	776.395	-	1.469.049	2.245.444
Teklos A.Ş.	615.835	-	281.292	897.127
<b>Total</b>	<b>36.479.895</b>	<b>3.917.606</b>	<b>189.750.105</b>	<b>230.147.606</b>

Purchases	Goods and services	Common costs	Interest expenses and foreign exchange losses	Total
Datagate A.Ş.	-	166.250	350.852	517.102
İndeks A.Ş.	88.788.896	8.239.813	198.110.823	295.139.531
İndeks Dubai	272.219.793	-	371.332	272.591.125
İnfin A.Ş.	-	1.438.603	494.454	1.933.057
Neteks Teknoloji A.Ş.	2.857	-	4.206.673	4.209.530
Teklos A.Ş.	15.729.371	1.605.290	908.462	18.243.123
<b>Total</b>	<b>376.740.917</b>	<b>11.449.956</b>	<b>204.442.596</b>	<b>592.633.468</b>

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

**31 December 2022**

Sales	Goods and services	Common costs	Interest income and foreign exchange gains	Total
Datagate A.Ş.	12.514.146	1.517	82.894	12.598.557
Desbil A.Ş.	-	-	146.527	146.527
İndeks A.Ş.	6.436.658	-	-	6.436.658
İndeks Dubai	-	2.731.300	-	2.731.300
İnfin A.Ş.	5.087.997	-	2.402	5.090.399
Neteks Teknoloji A.Ş.	381.964	7	7.449	389.420
Teklos A.Ş.	287.425	536.796	17.563	841.784
<b>Total</b>	<b>24.708.190</b>	<b>3.269.620</b>	<b>256.835</b>	<b>28.234.645</b>

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<b>Purchases</b>	<b>Goods and services</b>	<b>Common costs</b>	<b>Interest expenses and foreign exchange losses</b>	<b>Total</b>
Datagate A.Ş.	4.354.828	161.757	49.576	4.566.161
İndeks Dubai	199.296.507	-	24.959	199.321.466
İndeks A.Ş.	13.984.002	7.781.157	80.400.991	102.166.150
İfin A.Ş.	-	488.553	-	488.553
Neteks Teknoloji A.Ş.	-	-	11.810	11.810
Teklos A.Ş.	16.406.109	1.226.125	569.426	18.201.660
<b>Total</b>	<b>234.041.446</b>	<b>9.657.592</b>	<b>81.056.762</b>	<b>324.755.800</b>

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

Key management compensation

<b>Account Name</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Short-term employee benefits	11.921.827	8.583.856
<b>Total</b>	<b>11.921.827</b>	<b>8.583.856</b>

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

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

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

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

The Company monitors capital on the basis of the net financial debt/total equity ratio. This ratio calculated as dividing net debt by total capital. Net debt is calculated by deducting cash and cash equivalents from the total debt amount (includes borrowings, finance leases and trade payables as disclosed in the statement of financial position). Total capital is calculated as equity, as presented in the statement of financial position, plus net debt.

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

	<b>31 December 2023</b>	<b>31 December 2022</b>
Total borrowings	1.059.644.286	412.415.560
Less: Cash and cash equivalents	(9.385.718)	(10.478.309)
Net financial debt	1.050.258.568	401.937.251
Equity	226.462.904	305.768.083
Total capital	1.276.721.472	707.705.334
<b>Net financial debt/total equity multiplier</b>	<b>0.8226</b>	<b>0.5679</b>

(b) Significant accounting policies

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

(c) Risks

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

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

(d) Foreign exchange risk

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

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

The Company management evaluates and monitors the balance of the assets and liabilities denominated in Turkish Lira as open positions. As of 31 December 2023, and 2022, assets and liabilities denominated in foreign currency are as follows:

As of 31 December 2023, if EUR and USD had appreciated by 10% against TL with all other variables held constant, profit before tax would have been TL (8.015.337) higher (31 December 2022: TL 18.037.325 lower).

The following table details the Company's foreign currency sensitivity as at 31 December 2023 and 2022 for the changes at the rate of 10%:

<b>Foreign Exchange Sensitivity Analysis</b>		
<b>Current period - (31.12.2023)</b>		
	<b>Profit/(Loss)</b>	
	<b>Appreciation of Foreign Currency</b>	<b>Depreciation of Foreign Currency</b>
<b>Change in USD against TL by 10%</b>		
1- USD Net Asset / Liability	(562.581)	562.581
2- Hedged portion of USD Risk (-)	-	-
<b>3- USD Net Effect (1+2)</b>	<b>(562.581)</b>	<b>562.581</b>
<b>Change in EUR against TL by 10%</b>		
4- EUR Net Asset / Liability	(7.452.756)	7.452.756
5- Hedged portion of EUR Risk (-)	-	-
<b>6- EUR Net Effect (4+5)</b>	<b>(7.452.756)</b>	<b>7.452.756</b>
<b>Change in Other currencies against TL by 10%</b>		
7- Other currencies Net Asset / Liability	-	-
8- Hedged portion of Other currencies Risk (-)	-	-
<b>9- Other currencies Net Effect (7+8)</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>(8.015.337)</b>	<b>8.015.337</b>

<b>Foreign Exchange Sensitivity Analysis</b>		
<b>Prior period - (31.12.2022)</b>		
	<b>Profit/(Loss)</b>	
	<b>Appreciation of Foreign Currency</b>	<b>Depreciation of Foreign Currency</b>
<b>Change in USD against TL by 10%</b>		
1- USD Net Asset / Liability	16.866.751	(16.866.751)
2- Hedged portion of USD Risk (-)	-	-
<b>3- USD Net Effect (1+2)</b>	<b>16.866.751</b>	<b>(16.866.751)</b>
<b>Change in EUR against TL by 10%</b>		
4- EUR Net Asset / Liability	1.170.574	(1.170.574)
5- Hedged portion of EUR Risk (-)	-	-
<b>6- EUR Net Effect (4+5)</b>	<b>1.170.574</b>	<b>(1.170.574)</b>
<b>Change in Other currencies against TL by 10%</b>		
7- Other currencies Net Asset / Liability	-	-
8- Hedged portion of Other currencies Risk (-)	-	-
<b>9- Other currencies Net Effect (7+8)</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>18.037.325</b>	<b>(18.037.325)</b>



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

	<b>Foreign Exchange Position</b>					
	<b>31 December 2023</b>			<b>31 December 2022</b>		
	<b>TL equivalent</b>	<b>USD</b>	<b>EUR</b>	<b>TL equivalent</b>	<b>USD</b>	<b>EUR</b>
1. Trade Receivables	55.120.025	1.113.219	686.097	110.436.320	3.540.561	41.176
2a. Monetary Financial Assets	137.707	2.743	1.748	6.074.037	18.084	167.955
2b. Non-Monetary Financial Assets	992.210	33.705	0	817.167	26.523	0
3. Other	39.343.215	904.408	390.469	47.147.803	874.513	615.096
<b>4. Total Current Assets (1+2+3)</b>	<b>95.593.157</b>	<b>2.054.075</b>	<b>1.078.314</b>	<b>164.475.327</b>	<b>4.459.681</b>	<b>824.227</b>
5. Trade Receivables	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
<b>8. Total Non-Current Assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>95.593.157</b>	<b>2.054.075</b>	<b>1.078.314</b>	<b>164.475.327</b>	<b>4.459.681</b>	<b>824.227</b>
10. Trade Payables	169.858.895	2.188.365	3.227.483	56.670.408	1.385.868	422.263
11. Financial Liabilities	-	-	-	-	-	-
12a. Other Monetary Liabilities	1.436.254	42.205	5.870	1.256.615	21.192	18.310
12b. Other Non-Monetary Liabilities	4.451.374	10.567	126.859	870.212	-	26.445
<b>13. Total Current Liabilities (10+11+12)</b>	<b>175.746.523</b>	<b>2.241.137</b>	<b>3.360.212</b>	<b>58.797.235</b>	<b>1.407.060</b>	<b>467.018</b>
14. Trade Payables	-	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-	-	-
<b>17. Total Non-Current Liabilities (14+15+16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>175.746.523</b>	<b>2.241.137</b>	<b>3.360.212</b>	<b>58.797.235</b>	<b>1.407.060</b>	<b>467.018</b>
<b>19. Off-Balance Sheet Derivative Instruments Net Asset/(Liability) Position (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74.695.158</b>	<b>2.424.400</b>	<b>-</b>
19a. Total Asset Amount of Hedged	-	-	-	74.695.158	2.424.400	-
19b. Total Liabilities Amount of Hedged	-	-	-	-	-	-
<b>20. Net Foreign Exchange Asset/(Liability) Position (9-18+19)</b>	<b>(80.153.366)</b>	<b>(187.064)</b>	<b>(2.281.898)</b>	<b>180.373.251</b>	<b>5.477.021</b>	<b>357.209</b>
<b>21. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (1+2a+3+5+6a-10-11-12a-14-15-16a)</b>	<b>(116.037.417)</b>	<b>(1.114.609)</b>	<b>(2.545.507)</b>	<b>58.583.335</b>	<b>2.151.585</b>	<b>(231.442)</b>
<b>22. Total Fair Value of Financial Instruments Used for Foreign Exchange Hedge</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76.198.546</b>	<b>2.424.400</b>	<b>-</b>
23. Foreign Exchange Hedged Portion Amount of Assets	-	-	-	-	-	-
24. Foreign Exchange Hedged Portion Amount of Liabilities	-	-	-	-	-	-
25. Export	2.429.429	-	-	2.267.395	-	-
26. Import	808.836.522	-	-	1.087.926.703	-	-

**DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ**

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023**

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

e) *Credit risk details*

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

31 December 2023	Receivables				Notes	Bank deposits	
	Trade Receivables		Other Receivables			Notes	Notes
	Related Party	Other	Related Party	Other			
<b>Maximum exposure to credit risk as of the reporting date (A+B+C+D)</b>	-	<b>991.993.483</b>	-	<b>338.055</b>		<b>7.767.121</b>	
- <i>Maximum risk, secured with guarantees and collaterals</i>	-	816.334.552	-	-			
<b>A. Net book value of neither past due nor impaired financial assets</b>	-	<b>987.973.298</b>	-	<b>338.055</b>	<b>10-11</b>	<b>7.767.121</b>	<b>6</b>
<b>B. Net book value of past due but not impaired financial assets</b>	-	4.332.599	-	-		-	
- <i>Maximum risk, secured with guarantees and collaterals</i>	-	(312.414)	-	-	<b>10-11</b>	-	
<b>C. Net book value of impaired assets</b>	-	-	-	-		-	<b>6</b>
- Past due (gross book value)	-	3.291.764	-	-	<b>10-11</b>	-	
- <i>Impairment (-)</i>	-	(3.291.764)	-	-	<b>10-11</b>	-	<b>6</b>
- <i>Secured with guarantees and collaterals</i>	-	-	-	-	<b>10-11</b>	-	<b>6</b>
- Not past due (gross book value)	-	-	-	-	<b>10-11</b>	-	<b>6</b>
- <i>Impairment (-)</i>	-	-	-	-	<b>10-11</b>	-	<b>6</b>
- <i>Secured with guarantees and collaterals</i>	-	-	-	-	<b>10-11</b>	-	<b>6</b>
<b>D – Off-balance sheet expected credit losses (-)</b>	-	-	-	-	<b>10-11</b>	-	

31 December 2022	Receivables				Notes	Bank deposits	
	Trade Receivables		Other Receivables			Notes	Notes
	Related Party	Other	Related Party	Other			
<b>Maximum exposure to credit risk as of the reporting date (A+B+C+D)</b>	<b>21.618</b>	<b>451.601.616</b>	-	<b>376.958</b>		<b>9.756.152</b>	
- <i>Maximum risk, secured with guarantees and collaterals</i>	-	353.472.401	-	-			
<b>A. Net book value of neither past due nor impaired financial assets</b>	<b>21.618</b>	<b>450.206.903</b>	-	<b>376.958</b>	<b>10-11</b>	<b>9.756.152</b>	<b>6</b>
<b>B. Net book value of past due but not impaired financial assets</b>	-	4.686.167	-	-		-	
- <i>Maximum risk, secured with guarantees and collaterals</i>	-	(3.291.454)	-	-		-	
<b>C. Net book value of impaired assets</b>	-	-	-	-	<b>10-11</b>	-	<b>6</b>
- Past due (gross book value)	-	4.181.837	-	-		-	
- <i>Impairment (-)</i>	-	(4.181.837)	-	-	<b>10-11</b>	-	<b>6</b>
- <i>Secured with guarantees and collaterals</i>	-	-	-	-	<b>10-11</b>	-	<b>6</b>
- Not past due (gross book value)	-	-	-	-	<b>10-11</b>	-	<b>6</b>
- <i>Impairment (-)</i>	-	-	-	-	<b>10-11</b>	-	<b>6</b>
- <i>Secured with guarantees and collaterals</i>	-	-	-	-	<b>10-11</b>	-	<b>6</b>
<b>D – Off-balance sheet expected credit losses (-)</b>	-	-	-	-	<b>10-11</b>	-	

## DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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

<b>Current period - (31 December 2023)</b>	<b>Receivables</b>	
	<b>Trade receivables</b>	<b>Other receivables</b>
Past due up to 1 month	1.649.420	-
Past due 1-3 months	1.613.971	-
Past due more than 3 months	1.069.208	-
Secured with guarantees and collaterals	312.414	-

<b>Prior period - (31 December 2022)</b>	<b>Receivables</b>	
	<b>Trade receivables</b>	<b>Other receivables</b>
Past due up to 1 month	1.906.036	-
Past due 1-3 months	1.181.638	-
Past due more than 3 months	1.598.493	-
Secured with guarantees and collaterals	3.291.454	-

## 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 in the statement of financial position net of provision for doubtful receivables. The low profit margin of the sector due to the structure of the sector makes collection and risk monitoring policies significant for the Company and maximum sensitivity is presented accordingly. Detailed explanations on our collection and risk management policy are as follows.

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

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

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

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

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

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

The Company has credit insurance policy from Euler Hermes Sigorta Anonim Şirketi within borders of Turkey for the insurance of its trade receivables until 31 March 2024 (the payment guarantee insurance for trade receivables is determined as 85%-90%).

**DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ**

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023**

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

-f) Interest rate risk

The Company has borrowings from fixed-interest rate financial instruments.

	<b>Interest rate position</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
<b>Fixed-interest rate financial instruments</b>		
Financial assets	1.273.678	-
Financial liabilities	1.349.914	89.662.190
<b>Floating-interest rate financial instruments</b>		
Financial assets	-	-
Financial liabilities	-	-

As of 31 December 2023, in the case of 100 bps rise in the annual interests, with all other variables held constant, profit before tax would have been TL 762 lower.

As of 31 December 2022, in the case of 100 bps rise in the annual interests, with all other variables held constant, profit before tax would have been TL 896.622 lower.

-g) Other risks

***Equity securities and other related risks related financial instruments***

The Company has no 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 2023 and 2022 are as follows:

**31 December 2023**

	<b>Carrying Value</b>	<b>Total Contractual</b>				
		<b>Cash Outflows</b>	<b>Demand or up to 3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>5 years and over</b>
<b>Non-Derivative Financial Liabilities</b>	<b>1.031.236.024</b>	<b>1.052.313.736</b>	<b>1.051.233.935</b>	<b>567.573</b>	<b>512.228</b>	<b>-</b>
<i>Bank Borrowings</i>	-	-	-	-	-	-
<i>Lease Liabilities</i>	1.349.914	1.568.632	488.831	567.573	512.228	-
<i>Trade Payables</i>	991.185.159	1.012.044.153	1.012.044.153	-	-	-
<i>Other Payables</i>	38.700.951	38.700.951	38.700.951	-	-	-

**DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET ANONİM ŞİRKETİ**

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023**

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

	Carrying Value	Total Contractual Cash Outflows	Demand or up to 3 months	3-12 months	1-5 years	5 years and over
<b>Derivative Instruments</b>	-	-	-	-	-	-
<i>Cash Inflows</i>	-	-	-	-	-	-
<i>Cash Outflows</i>	-	-	-	-	-	-

**31 December 2022**

	Carrying Value	Total Contractual Cash Outflows	Demand or up to 3 months	3-12 months	1-5 years	5 years and over
<b>Non-Derivative Financial Liabilities</b>	<b>385.517.322</b>	<b>390.112.952</b>	<b>387.464.775</b>	<b>1.239.886</b>	<b>1.408.291</b>	-
<i>Bank Borrowings</i>	87.228.297	90.739.119	90.739.119	-	-	-
<i>Lease Liabilities</i>	2.433.894	2.990.706	442.529	1.239.886	1.408.291	-
<i>Trade Payables</i>	124.917.341	125.345.336	125.345.336	-	-	-
<i>Other Payables</i>	170.937.790	170.937.791	170.937.791	-	-	-

	Carrying Value	Total Contractual Cash Outflows	Demand or up to 3 months	3-12 months	1-5 years	5 years and over
<b>Derivative Instruments</b>	<b>(1.503.387)</b>	<b>(2.742.203)</b>	<b>(2.742.203)</b>	-	-	-
<i>Cash Inflows</i>	74.695.158	74.695.158	74.695.158	-	-	-
<i>Cash Outflows</i>	(76.198.546)	(77.437.362)	(77.437.362)	-	-	-

**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 and price risk) and liquidity risk, credit risk and cash flow interest rate risk. The Company's overall risk management strategy focuses on the unpredictability of financial markets and targets to minimise potential adverse effects on the Company's financial performance.

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

**NOTE 40 - EVENTS AFTER THE REPORTING PERIOD**

None.

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

None.