

**Datagate Bilgisayar Malzemeleri  
Ticaret Anonim Şirketi**

**FOR THE YEAR ENDED  
31 DECEMBER 2018**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018**  
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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors Datagate Bilgisayar Malzemeleri Ticaret Anonim Şirketi

### Independent Audit of Financial Statements

#### Opinion

As of the period ended 31 December 2018 of the Datagate Bilgisayar Malzemeleri Ticaret Anonim Şirketi (**Company**); We have audited the financial statements composed of from financial statements footnotes including the statement of profit or loss and other comprehensive income, statements of changes in shareholders' equity, cash flows and summary of significant accounting policies.

In our opinion, the accompanying financial statements of 31 December 2018 as the financial situation and on the same date ended the period its financial performance and its cash flows for Turkey Accounting Standards (TAS to) offers in a fair manner with appropriate as all important aspects.

#### Basis for Opinion

We did the audit, Public Oversight, Accounting and Auditing Standards Agency (POA) released by Turkey Auditing Standards, which is part of the Independent Audit Standards (IAS) was carried out accordingly. Our responsibilities within the scope of these Standards are explained in details in our report Responsibilities of Independent Auditor for Independent Auditing of Financial Statements, section. We hereby declare that we are independent from the Company in accordance with the Code of Ethics for Independent Auditors issued by the POA (Ethical Rules) and independent auditing of financial statements. Other responsibilities regarding the Code of Ethics and the ethics covered by the legislation have also been fulfilled by us. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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## Significant Audit Matters

Significant audit matters are the most important issues in the independent auditing of the financial statements for the current period according to our professional judgment. As a whole, significant audit matters are dealt with within the framework of the independent audit of the financial statements and our opinion regarding the financial statements and we do not give a separate opinion on these issues.

Trade Receivables	
Look at: Footnote Relating to Financial Statements 2.08 and Footnote 10.	
Subject of Significant Audit	How the Subject Conducted in our Audit
<p>Trade receivables are an important part of the Company's asset size. The company is authorized by Türk Telekom Group (Türk Telekom A.Ş., Avea Communication Services A.Ş. and TTNET A.Ş., 3 of which will be referred to as Türk Telekom Group.) Mobile phones, mobile devices, accessories, Avea is engaged in the sales of Türk Telekom Group branded products. Since the company is the distributor of Türk Telekom Group, there is a concentration in its field of activity. The Company uses credit by assigning the receivable amounts resulting from device sales to financial institutions. As per the terms and conditions, the principal and interest amounts of the loans are paid by Türk Telekom Group on maturities. In addition, Türk Telekom Group is also transferred to factoring companies as intermediaries and transferred to factoring companies, which are intermediated in collection by Türk Telekom Group. As per the terms and conditions, the principal and interest rates of loans and factoring amounts are paid by Türk Telekom Group. Due to the fact that the sales made from the Türk Telekom Group or factoring institutions were collected, the receivables formed in this process, the settlement of these receivables and the calculation of their discounts were evaluated as a key audit subject.</p>	<p>Our audit procedures are designed to verify and reconcile discount of trade receivables.</p> <p>The Company has taken into consideration the interest rates on loans and factoring when discounting the assigned trade receivables and subjected to the discount of trade receivables other than the assignment according to their maturities. The Company invoices the dealers to the dealers, including the interest amounts applied by the credit or factoring companies to the Company, thus equalizing the interest income and the interest expenses on credit and factoring. Our auditing controls are concentrated in this direction and the redemption tables and factoring tables are evaluated by us.</p> <p>The Company uses either credit for assigning sales or collects and assigns receivables to factoring companies as potential assets. As per the terms and conditions, the principal and interest rates of loans and factoring amounts are paid by Türk Telekom Group.</p> <p>In our audit, the balance of the receivables of the Company and the balance between the amounts of loans and factoring payables are compared.</p>



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Provision for Stock Impairment	
Look at: Footnote Relating to Financial Statements 2.08 and Footnote 10.	
Subject of Significant Audit	How the Subject Conducted in our Audit
<p>Depending on the company's technological developments and changes, its products in stocks can be subject to technological aging and low price in a short time. The Company has an inventory item amounting to TL 11.450.529 and the provision for inventories of the Company for inventories amounted to TL 351.550. The Company uses some estimates to bring its depreciated inventory to its net realizable value as a result of outdated or technological developments. The Company's inventory impairment policy is based on the calculation of the provision for inventory impairment with increasing percentages due to the increase in stock waiting times for the products that are waiting for more than 3 months in stock during the determination of the provision for inventory impairment. The high level of stock balance and accordingly the impairment calculation is considered as a key audit issue.</p>	<p>Our audit procedures are designed to query the net realizable value of inventories.</p> <p>It is evaluated whether net realizable value provisions are needed in light of the changes in gross sales profit on general or product basis.</p> <p>After the balance sheet date, sales invoice samples were examined and unit prices in these invoices were compared with unit prices in the balance sheet period.</p> <p>The ratio of the cost of sales to sales, the inventory turnover rate and the cost of sales were compared with the previous year's rates and amounts to check for unusual deviations.</p> <p>For all stock groups, stock movement table was prepared and the changes in stocks were evaluated and stocks were aged and the stock stock which had lost its ability to sell from previous periods was examined. On the basis of the stock aging table of the Company and waiting periods in stock, inventory impairment test was evaluated.</p>



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Accounts Payable	
Look at: Footnote Relating to Financial Statements 2.08 and Footnote 10.	
Subject of Significant Audit	How the Subject Conducted in our Audit
The Company has a Trade Payable balance amounting to TL 41.954.875 and is considered as a key issue of audit due to the size of the Company's trade payables.	<p>Our audit procedures are designed to question the accuracy of Trade Payables.</p> <p>A detailed list of Trade Payables has been obtained and written agreements have been made with the vendor companies that make up the Trade Payables balance in the Company's records and / or have been checked by the payments made after the balance sheet date. If the seller debts that have not been paid for a long period of time, the reasons for interest or maturity difference for the current accounts are evaluated.</p> <p>Exchange rate differences studies of the Company's foreign exchange and foreign exchange indexed vendors and redemption for Commercial Debts were evaluated by us.</p>

Revenues	
Look at: Footnote Relating to Financial Statements 2 and Footnote 28.	
Subject of Significant Audit	How the Subject Conducted in our Audit
The recording of expenses is considered as a key audit subject for the timely and accurate determination of income.	<p>Our audit procedures are designed to question the accuracy of revenue recognition.</p> <p>The sales and delivery procedures of the Company regarding the revenue process were examined and evaluated.</p> <p>Our audit procedures focus on assessing the cases where invoices have been issued but risk and ownership have not been transferred.</p> <p>It is evaluated whether there is a high return after the balance sheet date by requesting details of the returns from sale account as of the audit date.</p> <p>The invoices, delivery date, warehouse delivery and delivery documents of the sales transaction were checked and the actual delivery was made before the balance sheet date.</p>

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## Management's and Senior Management's Responsibilities for the Financial Statements

Company management; is responsible for the preparation of the financial statements in accordance with the TAS, its presentation in a fair manner and the internal control it deems necessary for the preparation of the financial statements in a manner that does not contain material misstatement.

Management in preparing financial statements; It is responsible for evaluating the ability of the Company to continue its continuity, explaining the issues related to continuity when necessary and liquidating the Company or terminating the business activity or using the continuity principle of the enterprise unless it is obliged to do so.

Those responsible for top management are responsible for overseeing the Company's financial reporting process.

## Auditors' Responsibilities for Independent Auditing of Financial Statements

In an independent audit, we have the responsibilities of independent auditors:

Our purpose is to obtain reasonable assurance whether the financial statements as a whole contain material misstatement of error or fraud, and to issue an independent auditor's report including our opinion. Reasonable assurance given as a result of an independent audit conducted in accordance with BDSs; it is a high level of assurance, but it does not guarantee that any significant error will always be detected. Mistakes may be caused by error or fraud. These inaccuracies are considered to be significant if it is reasonably expected that the errors will affect the economic decisions of the users of the financial statements collectively.

As part of the independent audit conducted in accordance with BDSs, we use our professional judgment and continue our professional skepticism throughout the independent audit. We also include:

- Errors in the financial statements or welded cheating "major mistake" risks are identified and evaluated; audit procedures that are designed and implemented in response to these risks and adequate and appropriate audit evidence to form the basis for our opinion is obtained. (The risk of not detecting a significant error caused by fraud is higher than the risk of not detecting a significant error arising from the error, as the fraud may involve misconduct, fraud, intentional negligence, false statement or internal control violations.)
- The internal control of the audit is evaluated to design audit procedures that are appropriate for the situation, but not for an opinion on the effectiveness of the Company's internal control.
- The appropriateness of the accounting policies used by the management and the accounting estimates made and the related disclosures are evaluated.
- Based on the audit evidence obtained, it is concluded that there is a significant uncertainty about the circumstances or circumstances that may cause serious doubt about the ability of the Company to maintain its continuity and the suitability of the management to use the continuity principle of the entity. In the event that we conclude that there is a significant uncertainty, we need to draw attention to the relevant statements in the financial statements or give an opinion other than the positive opinion if these statements are insufficient. Our conclusions are based on the audit evidence obtained until the date of the independent auditor's report. However, future events or conditions may terminate the Company's continuity.
- It is evaluated whether the financial statements, including the explanations, reflect the general presentation, structure and content of these tables in a way that will enable the presentation of the underlying transactions and events in a manner that provides a fair presentation.
- In order to give an opinion on the financial statements, sufficient and appropriate audit evidence is obtained about the financial information related to the enterprises or segments within the group. We are responsible for directing, supervising and conducting company audit. We are also responsible for the audit opinion we provide.

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Among other things, we report the planned scope and timing of the independent audit as well as the significant audit findings to those responsible for the senior management, including the significant internal control deficiencies we identified during the audit.

We have reported to those responsible for senior management that we comply with ethical requirements regarding independence. In addition, we have communicated all relations and other issues that may be considered to have an impact on independence and, if any, measures to those responsible for senior management.

Among the issues notified to those responsible for senior management, we identify the most important issues in the independent audit of the financial statements for the current period, ie the key audit issues. In cases where the legislation does not permit the disclosure of the matter, or in exceptional cases where it is reasonably expected that the negative consequences of public disclosure will be exceeded by the public interest, we may decide not to report the matter in our independent auditor report.

#### Other Liabilities Arising from the Legislation

1) The Auditor's Report on the Early Detection of the Risk System and the Committee held in accordance with the fourth paragraph of Article 398 of the Turkish Commercial Code No. 6102 (inde TCC sayılı) was submitted to the Board of Directors of the Company on 15 February 2019.

2) In accordance with the fourth paragraph of Article 402 of the TCC, no significant matter has been observed regarding the Company's bookkeeping period for the period 1 January - 31 December 2018 and that the financial statements are not in compliance with the provisions of the law and the Company's articles of association regarding financial reporting.

3) In accordance with the fourth paragraph of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided the requested documents within the context of the audit.

The responsible auditor who executes and finalizes this independent audit is Metin Etkin.

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

**İstanbul, 15 February 2019**



**Metin Etkin**  
Responsible Auditor, CPA

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**DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ**  
**FINANCIAL POSITION STATEMENT**  
**AS OF 1 JANUARY-31 DECEMBER 2018**  
(All amounts are expressed in Turkish Lira)

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**FINANCIAL POSITION STATEMENT (BALANCE SHEET)**

	Notes	<i>Audited</i> Current Period 31 December 2018	<i>Audited</i> Previous Period 31 December 2017
<b>ASSETS</b>			
<b>Current Assets</b>		<b>210.552.753</b>	<b>387.221.023</b>
Cash And Cash Equivalents	6	73.944.275	37.479.728
Trade Receivables	10	121.964.759	267.019.349
<i>Trade Receivables From Non-Related Parties</i>	10-37	351.434	75.702
<i>Trade Receivables From Related Parties</i>	10	121.613.325	266.943.647
Other Receivables	11	7.770	77.148
<i>Other Receivables From Non-Related Parties</i>	11-37	-	-
<i>Other Receivables From Related Parties</i>	11	7.770	77.148
Derivative Instruments	12	-	-
Inventories	13	11.450.529	80.836.881
Prepaid Expenses	15	1.465.578	1.807.917
Assets Related To Current Period Tax	25	255.860	-
Other Current Assets	26	1.463.982	-
<b>Non-Current Assets</b>		<b>18.095.654</b>	<b>36.582.979</b>
Trade Receivables	10	3.604.399	16.902.276
<i>Trade Receivables From Non-Related Parties</i>	10	3.604.399	16.902.276
Tangible Fixed Assets	18	118.251	188.979
Intangible Fixed Assets	19	538.193	509.910
<i>Other Intangible Fixed Assets</i>	19	538.193	509.910
Deferred Tax Assets	35	13.834.811	18.981.814
<b>TOTAL ASSETS</b>		<b>228.648.407</b>	<b>423.804.002</b>

The accompanying notes are an integral part of these statements.



**FINANCIAL POSITION STATEMENT (BALANCE SHEET)**

	Notes	Audited Current Period 31 December 2018	Audited Previous Period 31 December 2017
<b>LIABILITIES</b>			
<b>Short-Term Liabilities</b>			
Short-Term Borrowings	8	124.216.990	311.473.480
Short Term Portions Of Long Term Borrowings	8	31.737.716	2.065.494
Trade Payables	10	27.130.066	30.535.801
<i>Trade Payables To Non-Related Parties</i>	10-37	41.954.875	249.549.531
<i>Trade Payables To Related Parties</i>	10	235.158	1.008.271
Payables Under Employee Benefits	20	41.719.717	248.541.260
Other Payables	11	84.001	120.853
<i>Other Payables From Non-Related Parties</i>	11	1.463.588	1.610.470
Derivative Instruments	12	1.463.588	1.610.470
Perpaid Expenses And Deferred Income	15	-	404.709
Period Income Tax Liability	35	3.805.020	3.797.396
Short Term Provisions	22	-	3.449.904
<i>Other Short Term Provisions</i>	22	18.041.724	19.939.322
		18.041.724	19.939.322
<b>Long Term Liabilities</b>			
Long Term Borrowings	8	3.818.294	16.969.583
<i>Long-Term Provisions Related To Employee Benefits</i>	24	3.604.399	16.902.276
		213.895	67.307
<b>SHAREHOLDERS EQUITY</b>			
<b>Equity of the Parent Company</b>			
Paid-In Capital	27	100.613.123	95.360.939
Capital Adjustment Differences	27	100.613.123	95.360.939
Repurchased Shares (-)		30.000.000	30.000.000
Capital Adjustments due to Cross-Ownership (-)		1.241.463	1.241.463
Share Premiums (Discounts)		(810.827)	(277.304)
Other Comprehensive Income Or Expense That Will Not Be Reclassified To Profit Or Loss		3.229.361	3.229.361
Other Comprehensive Income or Expense That Will Be Reckassified To Profit Or Loss		(54.755)	38.817
		(54.755)	38.817
<i>-Foreign Exchange Differences</i>		1.940.310	1.965.400
Limited Reserves From the Profit		1.940.310	1.965.400
Previous Years' Profit or Losses		10.513.622	6.164.738
Net Profit / (Loss) For The Period		36.678.534	21.956.656
<i>Non-Controlling Shares</i>		17.875.415	31.041.808
		-	-
<b>TOTAL LIABILITIES and SHAREHOLDERS'EQUITY</b>		<b>228.648.407</b>	<b>423.804.002</b>

The accompanying notes are an integral part of these statements.



PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME STATEMENT

	Notes	Audited Current Period 1 January 2018 31 December 2018	Audited Previous Period 1 January 2017 31 December 2017
<b>GROSS PROFIT/(LOSS)</b>			
Revenue	28	745.783.120	1.582.967.618
Expense of Sales (-)	28	(715.880.494)	(1.532.280.683)
<b>GROSS PROFIT/(LOSS) FROM TRADE OPERATIONS</b>		<b>29.902.626</b>	<b>50.686.935</b>
<b>GROSS PROFIT/(LOSS)</b>		<b>29.902.626</b>	<b>50.686.935</b>
General And Administrative Expenses (-)	29	(7.114.509)	(6.771.664)
Marketing, Sales And Distribution Expenses (-)	29	(6.233.317)	(5.691.238)
Other Income From Main Operations	31	10.986.349	24.622.345
Other Expenses From Main Operations (-)	31	(11.689.477)	(28.210.751)
<b>MAIN OPERATIONS PROFIT / (LOSS)</b>		<b>15.851.672</b>	<b>34.635.627</b>
Income From Investing Activities	32	-	-
Expenses From Investing Activities (-)	32	-	-
<b>EXPENSES FROM INVESTING ACTIVITIES (-)</b>		<b>15.851.672</b>	<b>34.635.627</b>
Finance Income	33	8.939.251	4.530.162
Finance Expense (-)	33	(1.735.448)	(2.370.047)
<b>CONTINUING OPERATIONS PROFIT/ (LOSS) BEFORE TAXATION</b>		<b>23.055.475</b>	<b>36.795.742</b>
<b>CONTINUING OPERATIONS TAX INCOME/(EXPENSE)</b>		<b>(5.180.060)</b>	<b>(5.753.934)</b>
- Period Tax Income/(Expense)	35	-	(13.606.661)
- Deferred Tax Income/(Expense)	35	(5.180.060)	7.852.727
<b>CONTINUING OPERATIONS PROFIT/ (LOSS) FOR THE PERIOD</b>		<b>17.875.415</b>	<b>31.041.808</b>
<b>PERIOD PROFIT/ (LOSS)</b>		<b>17.875.415</b>	<b>31.041.808</b>
<b>DISTRIBUTION OF THE PROFIT / LOSS FOR THE PERIOD</b>		<b>17.875.415</b>	<b>31.041.808</b>
Non-Controlling Shares		-	-
Parent Company Shares		17.875.415	31.041.808
<b>Earnings/ Loss Per Share</b>	36	<b>0,595847</b>	<b>1,034727</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Not be Reclassified in Profit or Loss</b>		<b>(93.572)</b>	<b>(3.445)</b>
Defined Benefit Plans Revaluation Gains/(Losses)	27	(116.965)	(4.306)
Other Comprehensive Income Taxes not to be Reclassified to Profit or Loss		23.393	861
- Deferred Tax Income/(Expense)		23.393	861
<b>WILL RECLASSIFIED IN PROFIT OR LOSS</b>	27	<b>(25.090)</b>	<b>(5.035)</b>
Foreign Currency Exchange Difference		(25.090)	(5.035)
Cash Flow Hedge Gains/Losses	27	-	-
<b>OTHER COMPREHENSIVE INCOME/(EXPENSE)</b>		<b>(118.662)</b>	<b>(8.480)</b>
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE)</b>		<b>17.756.753</b>	<b>31.033.328</b>
<b>Distribution of Total Comprehensive Income</b>		<b>17.756.753</b>	<b>31.033.328</b>
Non-Controlling Shares		-	-
Parent Company Shares		17.756.753	31.033.328

The accompanying notes are an integral part of these statements.



**DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ**  
**CHANGES IN SHAREHOLDERS' EQUITY STATEMENT AS OF 1 JANUARY-31 DECEMBER 2018**

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**CHANGES IN SHAREHOLDERS' EQUITY STATEMENT**

Audited Current Period	Notes	Paid in Capital	Capital Adjustment Differences	Repurchased Shares	Share Stock Premiums/ Discounts	Accumulated Other Comprehensive Income And Expenses That Will Not Be Re-Classified In Profit Or Loss		Accumulated Other Comprehensive Income And Expenses That Will Be Re-Classified In Profit Or Loss	Accumulated Profits		Net Period Profit / Loss	Shareholder's Equity
						Revaluation and Measurement Benefits/(Losses)	Other Earnings/(Losses)	Foreign Currency Exchange Differences	Restricted Reserves From Profit	Previous Years' Profits / Losses		
<b>01 January 2018</b>	Not-27	30.000.000	1.241.463	(277.304)	3.229.361	38.817	-	1.965.400	6.164.738	21.956.656	31.041.808	95.360.939
<b>Adjustments Related To Changes in Accounting Policies</b>		-	-	-	-	-	-	-	-	-	-	-
Effect due to TFRS 9 Policy Change, Net		-	-	-	-	-	-	-	-	-	-	-
<b>Amount After Adjustments</b>		30.000.000	1.241.463	(277.304)	3.229.361	38.817	-	1.965.400	6.164.738	21.922.394	31.041.808	95.326.677
Transfers		-	-	-	-	-	-	-	-	(34.262)	-	(34.262)
<b>Total Comprehensive Income</b>		-	-	-	-	-	-	-	4.348.884	26.692.924	(31.041.808)	-
<i>Net Period Income</i>		-	-	-	-	(93.572)	-	(25.090)	-	-	17.875.415	17.756.753
<i>- Other Comprehensive Income</i>		-	-	-	-	(93.572)	-	(25.090)	-	-	17.875.415	17.875.415
<i>Capital Increase</i>		-	-	-	-	-	-	-	-	-	-	(118.662)
<i>Dividend Payments</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Increase/(Decrease) due to Redemption of Shares</i>		-	-	(533.523)	-	-	-	-	-	(11.936.784)	-	(11.936.784)
<b>31 December 2018</b>	Not-27	30.000.000	1.241.463	(810.827)	3.229.361	(54.755)	-	1.940.310	10.513.622	36.678.534	17.875.415	100.613.123
<b>Audited Previous Period</b>												
<b>01 January 2017</b>	Not-27	30.000.000	1.241.463	(277.304)	3.229.361	42.262	-	1.970.435	3.802.795	16.219.963	18.077.982	74.306.957
Transfers		-	-	-	-	-	-	-	2.361.943	15.716.039	(18.077.982)	-
<b>Total Comprehensive Income</b>		-	-	-	-	(3.445)	-	(5.035)	-	-	31.041.808	31.033.328
<i>Net Period Income</i>		-	-	-	-	-	-	-	-	-	31.041.808	31.041.808
<i>Other Comprehensive Income (Expense)</i>		-	-	-	-	(3.445)	-	(5.035)	-	-	-	(8.480)
<i>Capital Increase</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Dividend Payments</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Increase/(Decrease) due to Redemption of Shares</i>		-	-	-	-	-	-	-	-	(9.979.346)	-	(9.979.346)
<b>31 December 2017</b>	Not-27	30.000.000	1.241.463	(277.304)	3.229.361	38.817	-	1.965.400	6.164.738	21.956.656	31.041.808	95.360.939

The accompanying notes are integral parts of these statements.



**DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ**  
**CASH FLOW STATEMENT AS OF 1 JANUARY-31 DECEMBER 2018**  
 (All amounts are expressed in Turkish Lira)

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**CASH FLOW STATEMENT**

		Audited Current Period	Audited Previous Period
	Notes	01.01.2018- 31.12.2018	01.01.2017- 31.12.2017
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>PERIOD PROFIT / (LOSS)</b>		<b>28.618.336</b>	<b>32.018.327</b>
<b>Adjustments Related To Reconciliation Of Net Profit / Loss For The Period</b>		17.875.415	31.041.808
Adjustments Related To Depreciation And Amortization		<b>(1.809.314)</b>	<b>22.615.528</b>
<b>Adjustments Related To Impairment (Cancellation)</b>	18-19	172.482	176.962
Adjustments Related To Receivables Impairment (Cancellation)	10	<b>(198.621)</b>	<b>(44.010)</b>
Adjustments Related To Inventory Impairment (Cancellation)	13	458	320.035
<b>Adjustments Related To Provisions</b>		<b>(199.079)</b>	<b>(364.045)</b>
Adjustments Related To Provisions Of Employee Benefits Provisions	24	<b>(1.680.746)</b>	<b>12.554.370</b>
Adjustments Related To Litigation And / Or Penalty Provisions (Cancellation)	22	216.852	51.177
Adjustments Related To Other Provisions(Cancellation)	22	60.480	(620.220)
<b>Adjustments Related To Interest (Income) And Expenses</b>		<b>(1.958.078)</b>	<b>13.123.413</b>
Adjustments Related To Interest Income	31-33	<b>(3.818.507)</b>	<b>3.495.185</b>
Adjustments Related To Interest Expenses	31-33	(15.358.411)	(19.325.782)
Deferred Finance Expense from Term Purchases	10	8.389.510	20.394.632
Unearned Deferred Finance Income from Term Sales	10	2.836.008	(2.224.827)
<b>Adjustments Related To Tax Income/(Expense)</b>	35	314.386	4.651.162
<b>Adjustments Related To Profit/(Loss) Reconciliation</b>	26	<b>5.180.060</b>	<b>5.753.934</b>
<b>Changes In Business Working Capital</b>		<b>(1.463.982)</b>	<b>679.087</b>
Adjustments Related To Decrease / (Increase) In Trade Receivables	10	<b>17.114.886</b>	<b>(9.944.924)</b>
Adjustments Related To Decrease / (Increase) In Other Receivables Related To Operations	11	158.037.623	(71.973.888)
Adjustments Related To (Increases) / Decreases In Inventories	13	69.378	(6.120)
Adjustments Related To Increase/(Decrease) In Trade Payables	10	69.585.431	(48.990.665)
Adjustments Related To Decrease / (Increase) In Other Debts Related To Operations	11	(210.430.664)	112.253.568
<b>Cash Flows Provided From Operations</b>		<b>(146.882)</b>	<b>(1.227.819)</b>
Payments Within Provisions Related To Employee Benefits	24	<b>33.180.987</b>	<b>43.712.412</b>
Tax Returns / (Payments)	35	(187.229)	(35.498)
Other Cash Inflows(Outflows)		<b>(3.449.904)</b>	<b>(13.487.741)</b>
		(925.518)	1.829.154
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(130.037)</b>	<b>(210.582)</b>
<b>Cash Inflows from Sales of Tangible and Intangible Fixed Assets</b>	18-19	-	-
Cash Outflows From Purchase Of Tangible And Intangible Fixed Assets		-	-
Cash Inflows From Sale Of Tangible And Intangible Fixed Assets		-	-
Cash Outflows From Purchase Of Tangible And Intangible Fixed Assets		(130.037)	(210.582)
Cash Outflows From Purchase Of Tangible Fixed Assets	18	(23.335)	(91.408)
Cash Outflows From Purchase Of Intangible Fixed Assets	19	(106.702)	(119.174)
Investment Properties (-)	17	-	-
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>7.897.293</b>	<b>(38.412.043)</b>
<b>Cash Inflows from Borrowing</b>	8	<b>63.953.466</b>	<b>54.522.757</b>
Cash Inflows from Credits	8	63.953.466	54.522.757
<b>Cash Outflows on Debt Payments</b>	8	(51.530.450)	(81.778.670)
Cash Outflows on Loan Repayments	8	(51.530.450)	(81.778.670)
Dividend Payments		(11.936.784)	(9.979.346)
Interest Paid	32-33	7.411.061	(1.176.784)
<b>D) EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS</b>		<b>36.385.592</b>	<b>(6.604.298)</b>
<b>Net (Increase) / Decrease In Cash And Cash Equivalents</b>		<b>36.385.592</b>	<b>(6.604.298)</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	6	37.455.249	44.059.547
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	6	73.840.841	37.455.249

The accompanying notes are integral parts of these statements.



# DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

### NOTE 1 ORGANIZATION AND ACTIVITY OF THE COMPANY

Datagate Bilgisayar Malzemeleri Ticaret Anonim Şirketi (Company) was established in 1992 in Turkey operates in the information technology industry. The company is authorized by Türk Telekom Group (Türk Telekom A.Ş., Avea İletişim Hizmetleri A.Ş. and TNET A.Ş., 3 Company will be named as Türk Telekom Group). Mobile phones, mobile devices, accessories, S. (Avea) is engaged in the procurement and sales activities of the brand and products of Türk Telekom Group and computer products. The Company was opened to public in February 2006 and traded on Borsa İstanbul (BIST) in Yıldız Market.

As of December 31, 2018 and December 31, 2017, the Company's largest shareholders are İndeks Bilgisayar Sistemleri Endüstri ve Ticaret A.Ş. 59.24% (Total 51.74% of the public and 7.5% of the public, 7.5% of the public), Typhoon Fever 5,00%, Publicly Open 35,75% and Other 0,01% .

As of 31 December 2017, the Company's consolidated subsidiary information is as follows: (\*)

Name of the Company	Area of Activity	Capital	Direct Participation Rate %	Indirect Participation Rate %
Datagate International FZE	Computer components, buying and selling telecom products	150.000 BAE Dirham	100	100

(\*) It was decided to close 100% affiliate Datagate International FZE on 17.12.2018. The financial statements as of 31 December 2018 and the subsequent financial statements are prepared as solo financial statements. The financial statements for the year 2017 are consolidated financial statements.

As of 31 December 2018, the average number of employees is 33 (31 December 2017: 32). All personnel of the company are administrative staff.

The registered address of the Company in the trade register is Merkez Mahallesi Erseven Sokak No: 8/2 Kağıthane / İstanbul. The Company's main headquarters is İstanbul.

### NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

#### 2.01 Basis of Presentation

Company accounting records of current commercial legislation in Turkey, the Ministry of Finance to keep the financial regulations and the Uniform Chart of Accounts in TL according to the requirements. The accompanying financial statements have been prepared in accordance with the "Communiqué on Principles Regarding Financial Reporting in the Capital Markets" numbered II-14.1, published in the Official Gazette No. 28676 dated 13 June 2013 ("CMB"). Public Oversight pursuant to Article Accounting and Auditing Standards Board ("POA") by which was enacted Turkey Accounting Standards / Turkey Financial Reporting Standards ("TAS / TFRS") with additional and reviews about them is prepared based.

Furthermore, the financial statements and the related notes are presented in accordance with the formats announced by the CMB with the announcement dated 7 June 2013 and approved by the decision no. 30 dated 2 June 2016 of the POA by taking into consideration the TAS Taxonomy.

The financial statements for the accounting period 1 January - 31 December 2018 have been approved by the Board of Directors on 15 February 2019. The General Assembly and the related legal entities have the authority to amend the financial statements prepared in accordance with the legislation and the financial statements.



# DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

### Functional Currency Valuation of Foreign Currency Transactions

Datagate Bilgisayar Malzemeleri Ticaret Anonim Şirketi functional currency is based significantly USD of purchases and sales until 30 June 2014, No. 21 Turkey Accounting Standard ("TAS"), "The Effects of Changes in Foreign Exchange" according to the US Dollar as it has been identified. As of 1 July 2014, it was decided to determine the functional currency in TL due to the fact that purchases and sales changed significantly in TL terms. The functional currency of the subsidiary Datagate International Free Zone, which is subject to consolidation in 2017, is USD. On 17.12.2018, it was decided to close 100% affiliate Datagate International FZE. The financial statements as of 31 December 2018 and the subsequent financial statements are prepared as solo financial statements.

### 2.02 Adjustment of Financial Statements in High Inflation Periods

CMB, a decision which was taken on 17 March 2005, companies operating in Turkey and for companies that prepare the CMB Accounting Standards appropriate financial statements, as from 1 January 2005 for declaring that required the application of inflation accounting to be valid after this date Turkey Accounting According to the İştir Financial Reporting in Hyperinflationary Economies İştir standard, the preparation and presentation of financial statements ended.

### 2.03 Basis of Consolidation

The Subsidiaries are authorized to exercise more than 50% of the voting rights in respect of the shares held by the Group either directly and / or indirectly. or use the effective control over the financial and operating policies, but does not have the power to exercise more than 50% of the voting rights.

The balance sheet and profit / loss statements of the subsidiary have been accounted for using the full consolidation method. The carrying value of the subsidiaries in the Group assets and the shareholders' equity of the subsidiaries are eliminated and the intercompany transactions and balances between the Company and its subsidiaries are eliminated on consolidation.

Minority rights represent the share of minority shares in the net assets of the subsidiaries and the results of the period activities. These details are presented separately from the balance sheet and profit / loss statement. If the loss of minority rights is more than the minority interests of the subsidiaries, the losses of minorities may result against the interests of the majority unless the minorities have binding obligations.

Information on the Group's subsidiary subject to consolidation as of 31 December 2017 is as follows: (\*)

Name of the Company	Area of Activity	Capital	Direct Participation Rate %	Indirect Participati on Rate %
Datagate International FZE	Computer components, buying and selling telecom products	150.000 BAE Dirham	100	100

(\*) It was decided to close 100% affiliate Datagate International FZE on 17.12.2018. The financial statements as of 31 December 2018 and the subsequent financial statements are prepared as solo financial statements. The financial statements for the year 2017 are consolidated financial statements.

In 2012, the Company had 100% participation in the establishment of Datagate International FZE with 150.000 UAE Dirham capital in United Arab Emirates. Datagate International FZE has been included in the scope of consolidation in 2017 and no goodwill has occurred since the Company participated in the establishment phase.

The balance sheet and income statement of the subsidiary has been fully consolidated and the carrying value of the affiliate's shareholder's equity and shareholders' equity has been offset against each other. Similarly, intercompany transactions and balances between the Company and its subsidiaries are eliminated on consolidation.

### 2.04 Comparative Information and Restatement of Previous Period Financial Statements

The financial statements of the Company have been prepared comparatively with the prior period in order to enable the determination of the financial situation and performance trends. In order to maintain comparability when the presentation or classification of financial statement items changes, prior period financial statements are also reclassified accordingly.



**DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018**  
*(Amounts are expressed in Turkish Lira unless otherwise stated.)*

**2.05 Netting / Offsetting**

Financial assets and liabilities included in the financial statements are stated at their net values in the financial statements if there is a legal power that allows the related values to be clarified and there is an intention to show the values clearly or if the asset is realized and the liability is realized at the same time.

**2.06 Changes in Accounting Policies**

Accounting policies are amended if necessary or if the effects of transactions and events on the financial position, performance or cash flows of the Company result in a more appropriate and reliable presentation in the financial statements. If the changes in accounting policies affect the prior periods, such policy is applied retrospectively in the financial statements as if it were always in use.

**Amendment of Compulsory Accounting Policy Regarding TFRS 9**

The Company has applied TFRS 9 Financial Instruments Standard as of 1 January 2018. TFRS 9 is applied retrospectively as of the effective date. The Company has applied this standard by applying the retrospective but simplified application in accordance with the application exemption of this standard. In other words, according to TAS 8, the current period in which the application was made, applied the approach of presenting the previous period's effect of the transition to the new application to the retained earnings as a record of the change without applying the balance sheet presentation of the previous period. The impact of the new accounting policies and the corrections arising from the transition are summarized below:

The total impact on the retained earnings of the financial instruments is as follows:

<b>Opening of Previous Period Profits- TAS 39 31 December 2017</b>	<b>21.956.656</b>
Increase in Doubtful Receivable Provision of Trade Receivables (-)	(43.926)
Deferred Tax Effect	9.664
Amendment to Previous Years Profits with TFRS 9	<b>(34.262)</b>
<b>Opening of Previous Period Profits - TFRS 9 1 January 2018</b>	<b>21.922.394</b>

The Company has evaluated the management models that are effective for financial assets at the initial implementation date (1 January 2018) and classified their financial instruments according to the appropriate TFRS 9 categories. The classification and measurement effect arising from this reclassification has been realized only in accordance with TAS 39 of the financial assets whose fair value cannot be measured reliably and therefore allowable to be carried at cost, in accordance with TFRS 9, the measurement exception is eliminated and the fair value of the financial assets is measured by valuation techniques. In addition, the measurement and classification of financial assets, except for reciprocal calculations, has not changed.

<b>Financial Assets Represented in the Financial Statements</b>	<b>Business/Management Model</b>	<b>TFRS 9 Measurement Method</b>
Deposits	Collections Withholding	Amortised Cost
Notes/(Securities)	Collections Withholding	Amortised Cost
Trade Receivables	Collections Withholding	Amortised Cost
Derivative Instruments	Trading Purposes	Financial Assets at Fair Value through Profit or Loss





# DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

### 2.07 Changes in Accounting Estimates and Errors

The Company consistently treats transactions of similar nature, other events and circumstances, and presents and presents them in the financial statements. Significant changes in accounting policies and significant accounting errors are applied retrospectively and prior period financial statements are restated. If changes in accounting estimates are related to only one period, they are applied in the current period in which the change is made, and if they are related to future periods, they are applied both prospectively and in the future periods.

The nature and amount of a change in the accounting estimate that has an impact on the outcome of the current period or that is expected to have an impact on the subsequent periods is disclosed except for the cases in which the effect of future periods' impact cannot be estimated.

The Company management uses the actuarial assumptions used in the calculation of useful lives of tangible and intangible assets, the actuarial assumptions used in the calculation of severance pay, the provisions to be allocated for the litigation 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 below and there is no change in accounting estimates in the current period.

TMS 21 The Effects of Changes in Currency Changes defines the functional currency as the currency of the main economic environment in which the entity operates. The main economic environment in which an entity operates is generally the environment in which it creates and spends cash. Current currency; that affects the most of the sales of goods and services, labor etc. the currency in which the expenses are realized, the cash currency from the financing activities, etc. and taking into consideration the future changes in these elements. The Company Management reviews the accounting estimates and policies applied in the functional currency at each balance sheet date.

### *Important Accounting Evaluation, Estimation and Assumptions*

In preparing the financial statements, the Company management is required to make assumptions and estimates that would affect the reported amounts of assets and liabilities, determine the possible liabilities and commitments as of the balance sheet date and the income and expense amounts as of the reporting date. Actual results may be different from the estimates. Estimates are reviewed regularly, necessary adjustments are made and they are reflected to the income statement in the period they occur.

The interpretations that may have significant impact on the amounts reflected in the financial statements and the assumptions made in view of the main sources of the estimates that may or may occur in the balance sheet date are as follows:

- The retirement pay liability is determined by using actuarial assumptions (discount rates, future salary increases and employee exit rates). **(Note: 24)**
- The Company has depreciated its tangible and intangible assets on a straight-line basis over their useful lives. The estimated useful life residual value and depreciation method are reviewed every year for the probable effects of the changes in the estimates and are accounted for prospectively if there is a change in the estimates. There are no estimates of changes in the Company's amortization calculations. **(Note: 18-19)**
- The Company makes provision for these receivables irrespective of whether or not a lawsuit has been filed in case of uncertainty about the collection of receivables. The company becomes doubtful of its receivables in order to prevent it from receiving risk from the companies it considers risky. **(Note: 10)**
- Inventories are stated at the lower of cost or net realizable value. During the determination of the impairment, the Company takes into consideration the technological obsolescence of the products in the stocks. **(Note: 13)**
- The Company receives premiums at the rates determined by sales or purchase from the companies it distributes. Premium accruals are written on the basis of progress payment. **(Note: 26)**



# DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

## 2.08 Summary of Significant Accounting Policies

### 2.08.01 Revenue

Revenues are recognized as the amount that is expected to be recognized in return for goods and services that reflect the promised goods and / or services. For this purpose, a 5-step process is applied in the recognition of revenue in accordance with TFRS 15 provisions.

- Identification of contracts with customers
- Determination of separate performance criteria and obligations in the contract
- Determination of contract price
- Distribution of sales price to liabilities
- Record revenue as contractual obligations are met

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 group 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.

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 stock protection. These payments are deducted from the inventory cost. On the other hand, turnover premiums received based on sales are recorded as revenue by adding to the sales amount.

Interest income is accrued in the related period at the effective interest rate that reduces the estimated cash inflows from the financial asset to the carrying value of the asset during the expected life of the remaining principal amount. In the event that there is an important financing element in sales, the fair value is determined by discounting the future cash flows with the hidden interest rate within the financing element. The difference is recognized in the financial statements on an accrual basis.

### Inventories

Inventories are stated at the lower of cost or net realizable value in the financial statements. The Company's Stocks consist of Mobile devices, Credit, Sim card and Information technologies. Cost is calculated by FIFO method. Net realizable value is calculated by deducting the estimated sales expenses from the Company's sales price.

In addition, the Company allocates a net realizable value for the value of the goods in the post-balance sheet period. (Note: 13)

### 2.08.03 Property, Plant and Equipment

As of December 31, 2004, tangible fixed assets have been adjusted for the effects of inflation. It is carried in the financial statements by deducting the accumulated depreciation from the cost values for the items received in 2005 and thereafter. Depreciation is calculated by using the straight-line method to calculate the cost of each asset on the basis of the economic life span to bring the cost value of the asset to the value.

#### Economic Life (year)

- Machinery and Equipment	5
- Furniture and Fixtures	4-5
- Vehicles	2-5
- Leasehold Improvements	5

Tangible fixed assets are reviewed in terms of impairment for each balance sheet period. If the carrying amount of a tangible asset exceeds its estimated recoverable amount, the carrying amount is reduced to its recoverable amount. There is no calculated impairment loss for tangible assets.



# DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

Gains and losses on the sale of property, plant and equipment are determined by comparing the net book values with the sales price and are included in the operating profit.

Maintenance and repair expenses are charged as they are incurred. If the maintenance and repair expense is related to the expansion of the relevant asset or a visible improvement, it is capitalized.

### 2.08.04 Intangible Assets

Intangible assets comprise acquired assets such as computer programs and rights. There is no intangible asset that is formed within the structure of the Company.

Intangible assets are measured at cost less accumulated amortization and amortization costs for items purchased before 1 January 2005 and for items purchased after 1 January 2005.

Amortization and amortization are calculated on a straight-line basis over their estimated useful lives for a period of three years to fifteen years.

Intangible assets are reviewed for impairment at each balance sheet date. If the carrying amount of an intangible asset exceeds its estimated recoverable amount, the carrying amount is reduced to its recoverable amount. There is no provision for impairment on intangible assets.

### 2.08.05 Impairment of Assets

Assets that have an indefinite useful life, such as goodwill, are not subject to redemption. An impairment test is performed annually for these assets.

For assets that are subject to amortization, impairment test shall be performed if there is a situation or event in which it is not possible to recover the book value. 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 other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

### 2.08.06 Research and Development Expenses

None.

### 2.08.07 Borrowing Costs

Borrowing costs are generally expensed as incurred. Borrowing costs are capitalized if they are directly attributable to the acquisition, construction or production of an asset. Capitalization of borrowing costs begins when expenditures and borrowing costs are incurred, until the asset becomes available.

Borrowing costs are capitalized until they are ready for the intended use of the assets. Borrowing costs include interest expenses and other costs related to borrowing. The Company does not have capitalized financing costs.

### 2.08.08 Financial Instruments

I. Classification and measurement of financial assets and liabilities

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

- Financial instruments measured at amortized cost
- Lending instruments whose fair value ("FV") difference is reflected in other comprehensive income;
- Equity instruments measured by reflecting FV difference on other comprehensive income
- Financial instruments measured at a FV difference

It is classified as.



# DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

The classification of financial assets is generally based on the business model used by the entity for the management of financial assets and the contractual cash flows of the financial asset.

A financial asset is measured at amortized cost if both the following conditions are met and the FV is not classified as measured by the difference in profit or loss:

- a) Obtaining a business model for the purpose of collecting contractual cash flows of the financial asset
- b) The contractual terms of the financial asset cause cash flows that include interest payments on principal and principal balance on certain dates.

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

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

All financial assets that are not measured by the above mentioned amortized cost or by reflecting the FV difference in other comprehensive income are measured by reflecting to FV difference 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; can be defined as reflected.

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. measured.

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

All financial assets that are not measured by the above mentioned amortized cost or by reflecting the FV difference in other comprehensive income are measured by reflecting to FV difference 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; can be defined as reflected.

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. measured.

### ii. Impairment of financial assets

In accordance with TFRS 9 erçev expected credit losses "model is applied. The new impairment model applies to financial assets and contractual assets measured at amortized cost but is not applied to investments in equity instruments.

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

The loss 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.



# DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

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.

### *Financial assets with credit-impairment*

The Company assesses whether the financial assets measured at amortized cost are diminished in each reporting period. When one or more events occur that adversely affect the future cash flows of a financial asset, the financial asset is impaired.

Observable data on the following events are evidence that the financial asset has been impaired:

- that the issuer or debtor has significant financial distress;
- the occurrence of a breach of contract due to reasons such as default or significant expiration of maturity;
- For the economic or contractual reasons, due to the financial hardship of the debtor, the creditor gives the debtor a privilege which he does not normally consider;
- It is likely that the borrower will enter into bankruptcy or another financial restructuring; or
- The elimination of the active market for this financial asset due to financial difficulties.

### *Indication of impairment in financial statements*

The loss provisions of financial assets measured at amortized cost are deducted from the gross values of these assets.

### *Recall*

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 profit or loss.

### **2.08.09 Effects of Exchange Rates**

The Company bases its foreign currency transactions and balances on TL based on the relevant exchange rates at the transaction date. Monetary assets and liabilities denominated in foreign currencies have been translated into TL at the exchange rates prevailing at the balance sheet date. Foreign exchange gains or losses arising from the translation of foreign currency transactions into TL or the translation of monetary items are reflected to the income statement in the related period. The company generally sells goods on the basis of foreign currency purchases. Therefore, it does not carry a significant exchange rate risk.

### **2.08.10 Earnings Per Share**

Profit per share is determined by dividing net profit by the weighted average number of shares that have been outstanding during the period.

Companies in Turkey, their capital, they distributed to owners or shareholders from retained earnings "bonus shares" can increase path. In calculating the earnings per share, these bonus shares are counted as issued shares. Therefore, the weighted average number of shares used in the calculation of earnings per share is obtained by applying the retrospective application of the bonus shares.



# DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

### 2.08.11 Events after the Reporting Period

The Company is obliged to correct the amounts in the financial statements in accordance with this new situation in the event of events requiring adjustment after the balance sheet date. Any non-adjusting events after the balance sheet date are disclosed in the notes to the financial statements in the event that they affect the economic decisions of the users of the financial statements.

### 2.08.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only if the Company has a current and ongoing obligation (legal or structural) of the Company, if it is probable that the liability will be removed from the economic benefits and the amount of the liability can be reliably determined.

When the value loss of money becomes more important, the provisions are reflected with the discounted value of a pre-tax discount rate which includes the probable expenses to the present market values and, where necessary, also risks specific to the liability. When discounting is used, the increase due to the time difference in the provisions is recorded as interest expense. In determining the amount to be included in the financial statements as a provision, the most realistic estimate of the amount of expenditure required to perform the present obligation as of the balance sheet date is taken as basis. When making this estimation, all existing risks and uncertainties should be taken into consideration.

Contingent assets and liabilities are not included in the financial statements but are disclosed in the notes to the financial statements. For contingent liabilities, in the event that it is probable that an outflow of resources with economic benefits will be probable, the contingent liability is recognized in the financial statements for the period in which the change in probability is excluded.

### 2.08.13 Leasing Transactions

#### *Company as a Lessee*

#### *Financial Leasing*

Leases where all significant risks and rewards related to the leased property are transferred to the lessee are recognized as finance leases and they are recognized by the lesser of fair value or minimum lease payments.

The liability arising from the financial leasing transaction is separated into interest and principal debt to provide a fixed interest rate on the remaining balance. Costs incurred in the initial acquisition stage of the fixed asset subject to financial leasing are included in the cost. Fixed assets acquired through financial leasing are depreciated over their estimated useful lives.

#### *Operational Leasing*

Leases where the lessor holds all the risks and benefits of the property are called operational leases. Lease payments made for an operating lease are recognized as an expense on a regular basis over the term of the lease. Lease agreements with the title of tenant are related to Istanbul, Ankara, İzmir office and warehouse leases and car rents. Annual lease payments are charged to the income statement on a straight-line basis.

#### *Company as the Lessor*

#### *Operational Leasing*

The Company displays the fixed assets subject to operational leasing according to the content of the fixed asset in the balance sheet. Rental income from operating leases is recognized as income in the normal course of the lease period.

The lease agreements to be a party to the tenant as a result of the lease are caused by the leasing of small parts of the main building in which the Company operates as an office and a warehouse to a group of companies and a group company.



# DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

### 2.08.14 Related Parties

For the purpose of these financial statements, shareholders, senior executives and members of the Board of Directors, their families and the companies controlled by or affiliated with them, affiliates and partnerships are deemed to be related parties. Transactions and balances with related parties Note: 37

### 2.08.15 Government Incentives and Grants

None.

### 2.08.16 Investment Properties

The Company does not have any investment property as of 31 December 2018 and 31 December 2017.

### 2.08.17 Taxes on Corporate Income

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

#### *Current tax*

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

#### *Deferred Tax*

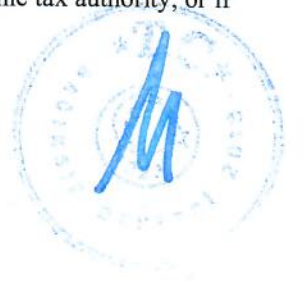
Deferred tax assets and liabilities are determined by calculating the temporary differences between the amounts shown in the financial statements and the amounts considered in the statutory tax base in accordance with the balance sheet method. Deferred tax liabilities are recognized for all taxable temporary 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 or loss.

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

The carrying amount of the deferred tax asset is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that financial profit will be available to allow the benefit of some or all of that 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. Deferred tax assets and liabilities are recognized when there is a legal right to offset current tax assets and current tax liabilities, or if such assets and liabilities are associated with the income tax collected by the same tax authority, or if the Company intends to pay off the current tax assets and liabilities. is deducted.



# DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

### Current and deferred tax for the period

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

The taxes included in the financial statements include current period tax and the change in deferred taxes. The Company calculates current and deferred tax on the results for the period.

#### Netting in Tax Assets and Liabilities

The amount of corporate tax payable is netted because it is related to prepaid corporate tax amounts. Deferred tax assets and liabilities are also offset in the same way.

### 2.08.18 Employee Benefits / Severance Payment

Pension and severance pay should the labor law applicable in Turkey, provisions are allocated as provisions in the accompanying financial statements. Such payments are considered as being part of defined retirement benefit plan in accordance with TAS 19 plan Employee Benefits usu.

In the financial statements, the provision for employee termination benefits is reflected to the financial statements by discounting the interest rate to be paid in the following years by discounting with interest rate adjusted for inflation. The interest cost included in the retirement compensation expense is shown as severance pay expense in the operational results.

### 2.08.19 Cash Flow Statement

Cash and cash equivalents are carried at cost in the balance sheet. Cash and cash equivalents included in the cash flow statement include cash in hand, bank deposits and high liquidity investments.

In the statement of cash flows, cash flows are classified as operating, investing and financing activities. Cash flows from operating activities represent cash flows arising from the Company's main operations.

Cash flows from investing activities indicate the cash flows that are used and obtained by the Company in its investment activities (asset investments and financial investments).

Cash flows related to financing activities represent the resources used by the Company in financing activities and the repayments of these resources.

### 2.08.20 Income Accruals

Almost all of the products sold by the Company are of overseas origin. If a portion of a portion of the purchase or organizations located overseas firms in Turkey of foreign companies is realized from organizations located in Turkey. Depending on the realization of the targets given by the domestic or foreign companies, some costs are taken under the name of ad rebate “;“ risturn ist, “sell out“ and b bonus names verilen or deducted from current accounts. These values are recognized as credit note income accrual on the balance sheet asset by providing the targets or conditions given by the seller companies. These prices are deducted from the current account or collected by the companies with “rebate mahs, eller risturn söz, atural sell out en, veya bonus belgeler and” credit note ”(or invoices issued by the Company).

### 2.08.21 Warranty Provisions

The company serves the Turkey distributor of information technology products. The guarantees of the products sold are given by the companies appointed by the manufacturers. The products offered to us under warranty come from the dealers and are sent to the manufacturers or manufacturers appointed by the manufacturers for repair. For products





# DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

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

that need to be replaced within the scope of warranty after repair, new products are given to the customers and the amount is billed to the manufacturers. We do not have any obligation to guarantee.

### 2.09 New and Revised International Financial Reporting Standards as of December 31, 2018, but not yet implemented

#### *Amendments that have been published but not yet put into effect*

New standards, interpretations and amendments that have been issued as of the reporting date but have not yet been effective and are permitted to be applied early, are not applied early by the Company. Unless otherwise stated, the Company will make the necessary changes to its financial statements and disclosures, after the new standards and interpretations become effective.

#### **TFRS 16 Leases**

TFRS 16 201 Leases "Standard was published on April 16, 2018. It replaces the existing IAS 17 Leases, IFRS 4 Determining whether an Agreement includes a Leasing İçer and IAS 15 "Operating Leases - Incentives İeri, and replaces the IAS 40 Investment Properties İşlem Standard. changes have been made. TFRS 16 eliminates the dual-accounting model of leasing transactions that are the current application in terms of lessees and monitoring of off-balance sheet commitments. Instead, a single balance sheet-based accounting model is presented for all leases, similar to the current financial leasing accounting. For lessors, recognition is similar to existing practices. TFRS 16 is effective for annual periods beginning on or after 1 January 2019, but early adoption of TFRS 15 TF Revenue from Customer Contracts için is permitted. The Company is in the process of assessing the potential impact of the adoption of TFRS 16 on its financial statements.

#### **TFRS Comment 23 Uncertainties Regarding Income Tax Applications**

In order to determine how the uncertainties related to the calculation of income taxes will be reflected on the financial statements by the POA on May 24, 2018, TFRS Comment 23 8 Uncertainties Regarding Income Tax Practices 8 was published. There may be uncertainties about how to apply tax regulations to a particular transaction or situation or whether the tax authority will accept a company's tax transactions. TAS 12 "Income Taxes" provides guidance on how to calculate current and deferred tax, but does not provide guidance on how to reflect the effects of uncertainties on the financial statements. TFRS Comment 23 introduces additional requirements to the requirements of TAS 12, clarifying how to reflect the effects of uncertainty on income taxes in the recognition of income taxes. The effective date of this Interpretation is the reporting periods beginning on or after January 1, 2019, but early application is permitted. The Company is in the process of assessing the potential impact of the application of IFRS 23 on the financial statements.

#### **Amendments to TFRS 9 - Early Payments Causing Negative Compensation**

It has amended the requirements of TFRS 9 to clarify the recognition of financial instruments in December 2017 by the POA. Financial assets that cause negative compensation when they are paid early can be measured at amortized cost if they meet other relevant requirements of TFRS 9 or by reflecting fair value differences on other comprehensive income. In accordance with TFRS 9, when the contract is prematurely terminated, financial assets that include an early payment option that requires the payment of a 'reasonable additional cost' that substantially reflects the amount of the outstanding principal and interest amount meets the criteria.

This amendment is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted.

The Company is in the process of assessing the potential impact of the application of TFRS 9 on its financial statements.

#### **Amendments to TAS 28 - Long-term Investments in Associates and Joint Ventures**

Amendments to TAS 28 were also made by the POA in December 2017 to clarify the need to apply TFRS 9 to the measurement of other financial instruments in which investments in associates and joint ventures are not applied. These investments are, in essence, the long-term retained shares of the entity, which form part of the net investment in subsidiaries or joint ventures. An entity applies TFRS 9 to the measurement of such long-term investments before applying the relevant paragraphs of TAS 28. When TFRS 9 is applied, no adjustment is made to the carrying amount of long-term investments resulting from the application of TAS 28. This amendment is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted.

The implementation of this amendment to TAS 28 is not expected to have a significant impact on the Company's financial statements.



# **DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ**

## **NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018**

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

### **New and updated standards and interpretations published by the International Accounting Standards Board (IASB) but not yet published by the POA**

The new standards, interpretations and amendments to the existing International Financial Reporting Standards (IAR IFRS lar) listed below are published by the International Standards Board ("IASB"), but these new standards, interpretations and amendments have not yet been adopted / published by the POA. Accordingly, the standards issued by the IASB but not yet published by the POA are referred to as IFRS or IAS, and the Company will make the necessary changes to its financial statements after the new standards and interpretations are issued and become effective under TFRS.

### **New and updated standards and comments published by the IASB but not yet published by the POA**

#### **Annual improvements 2015-2017 Period**

##### **Improvements in IFRS**

Annual Improvements to IFRS / 2015-2017 Periods issued for the standards currently in force is presented below. These amendments are effective from 1 January 2019 and early application is permitted. The implementation of these amendments to IFRSs is not expected to have a significant impact on the Company's financial statements.

##### **IFRS 3 Business Combinations and IFRS 11 Joint Arrangements**

IFRS 3 and IFRS 11 have been amended to clarify how to account for the increase in ownership interests in a joint operation that meets the entity definition. When one of the joint parties obtains the control power, it will have to re-measure the previously acquired share of the buyer at fair value, taking into account the progressive business combination. When the joint control of one of the parties continues (or has achieved joint control), it is not necessary to recalculate the previous share.

##### *IAS 12 Income Taxes*

IAS 12 has been amended to clarify the accounting for income taxes (including payments to financial instruments classified as equity) consistent with the transactions that generate the distributable profit (eg in profit or loss, other comprehensive income or equity) consistent with dividends arising from dividends.

##### *IAS 23 Borrowing Costs*

IAS 23 was amended to clarify that the general purpose borrowing pool used in calculating capitalized borrowing costs when financing activities are carried out from a single center is not to be included in the amounts currently borrowed for the financing of qualifying assets that are currently under development or under construction. The amounts directly borrowed for the financing of any qualifying assets - or any assets that are not available for sale - must be included in the general purpose borrowing pool.

##### **Amendments to IAS 19 - Amendment to the Plan, Reduction or Execution of Liabilities**

Amendment to the Plan, Amendment to the Plan or Amendment to Liabilities (Amendments to IAS 19) was issued by the IASB on 7 February 2018. The amendment clarifies the recognition of the fulfillment of the obligations as well as a change in the plan or downsizing. A company will then use the updated current actuarial assumptions to determine the cost of service and the net interest cost of the period, and will not take into account the impact of the asset ceiling in the calculation of any gain or loss arising from the fulfillment of any obligation in relation to the plan, the effects of which are dealt with separately in other comprehensive income. It will be taken. This amendment is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted.

The implementation of this amendment to IAS19 is not expected to have a significant impact on the Company's financial statements.

### **New and updated standards and comments published by the IASB but not yet published by the POA**

#### **Conceptual Framework (updated)**

The updated Conceptual Framework was published by the IASB on 28 March 2018. Conceptual Framework; It introduces the basic framework that will provide guidance to financial reporting when developing new IFRSs to the IASB. Conceptual Framework; It helps to ensure that standards are conceptually consistent and that similar transactions are handled in the same way, and thus provide useful information for investors and lenders, and other stakeholders. The Conceptual Framework provides accounting policies for companies where no IFRS is applicable for a particular transaction, and, more broadly, to help stakeholders understand and interpret these standards. The updated Conceptual Framework is more comprehensive than its predecessor and aims to provide all the necessary tools for the establishment of standards to the IASB. The updated Conceptual Framework covers all aspects of



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establishing a standard starting from the purpose of financial reporting to presentation and disclosure. The updated Conceptual Framework will be effective for companies using the Conceptual Framework to develop accounting policies when a IFRS is not applicable for a particular transaction, even though early implementation is permitted, starting from January 1, 2020 and onwards.

### NOTE 3. BUSINESS COMBINATIONS

None. (31 December 2017; None.)

### NOTE 4. SHARES IN OTHER ENTITIES

None. (31 December 2017; None.)

### NOTE 5. SEGMENT REPORTING

None. (31 December 2017; None.)

### NOTE 6. CASH AND CASH EQUIVALENTS

The Group's Cash and Cash Equivalents details as at December 31, 2018 and 31 December 2017 as follows:

Account Name	31 December 2018	31 December 2017
Cash	11.809	18.995
Bank	4.242.860	10.245.586
-Demand Deposit	4.242.860	10.245.586
Term deposits (reverse repo)	69.653.434	27.195.479
Credit Card Slips	36.172	19.668
<b>Total</b>	<b>73.944.275</b>	<b>37.479.728</b>

As of December 31, 2018, the reverse repo transaction has a maturity of 1-5 days and an interest income of 103.434 TL has been accrued. Reverse repo was made in TL and interest rates were 22,13 - 25,10%.

As of December 31, 2017, reverse repo transaction is 4-day term and 24.479 TL interest income is accrued. Reverse repo is made in TL and interest rates are 6,15-12,63%.

The maturity of the current and prior period credit card slips is 1-3 days.

In the statement of cash flows, the balance of cash and cash equivalents is stated in the non-interest amount.

Cash and Cash Equivalents	31 December 2018	31 December 2017
Balance Sheet Balance	73.944.275	37.479.728
Income Accruals (-)	(103.434)	(24.479)
<b>Cash and Cash Equivalents in Cash Flow Statement</b>	<b>73.840.841</b>	<b>37.455.249</b>

As of 31 December 2018, there are no blocked or pledged amounts in the Cash and Cash Equivalents account group. (31 December 2017: None.)

### NOTE 7. FINANCIAL INVESTMENTS

None as of 31 December 2018.

### NOTE 8. FINANCIAL LIABILITIES

The Company's Short Term Financial Liabilities as of 31 December 2018 and 31 December 2017 are as follows:

Account Name	31 December 2018	31 December 2017
Short Term Credits	31.737.716	2.065.494
Short-Term Portions of Long-Term Loans	27.130.066	30.535.801
<b>Total Short Term Loans</b>	<b>58.867.782</b>	<b>32.601.295</b>



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

The details of bank loans are explained below:

### 31 December 2018

Type	TL Amount	Effective Interest Rate (%)
<b>Short-Term Loans</b>		
Short-Term TL Loans	31.737.716	18,71-43,15
Short Term Portions of Long-Term Loans (TL)	27.130.066	18,05-31,90
<b>Total Short Term Loans</b>	<b>58.867.782</b>	

As of December 31, 2018, TL 31.737.716 of total short-term loans and TL 27.131.066 of long-term loans are denominated in Turkish Telecom Group (Türk Telekomünikasyon A.Ş., Avea İletişim Hizmetleri A.Ş. and TTNET A). Has been used for the financing of mobile devices within the scope of 6 month, 12 months, 24 months and 36 months registered campaigns sold to its subscribers via its dealers, and all of these loans are under the guarantee of Türk Telekom Group. The collection of device receivables from its subscribers by Türk Telekom Group dealers is made by Türk Telekom Group on the due dates.

The Company uses credit by assigning the receivable amounts resulting from device sales to financial institutions. As per the terms and conditions, the principal and interest amounts of the loans are paid by Türk Telekom Group on maturities. In addition, Türk Telekom Group is also transferred to factoring companies as intermediaries and transferred to factoring companies, which are intermediated in collection by Türk Telekom Group. As per the terms and conditions, the principal and interest rates of loans and factoring amounts are paid by Türk Telekom Group.

The details of bank loans are explained below:

### 31 December 2017

Type	TL Amount	Effective Interest Rate (%)
<b>Short-Term Loans</b>		
Short-Term TL Loans	2.065.494	18,71
Short Term Portions of Long-Term Loans (TL)	30.535.801	11,54 -18,75
<b>Total Short Term Loans</b>	<b>32.601.295</b>	

As of December 31, 2017, TL 2.065.494 which is the sum of short-term loans and TL 30.535.801 of the long-term borrowings of Türk Telekom Group (Türk Telekomünikasyon A.Ş., Avea İletişim Hizmetleri A.Ş. Has been used for the financing of mobile devices within the scope of 12 months, 24 months and 36 months registered campaigns sold to its subscribers through its dealers and all of these loans are under the guarantee of Türk Telekom Group. The collection of device receivables from its subscribers by Türk Telekom Group dealers is made by Türk Telekom Group on the due dates.

The Company uses credit by assigning the receivable amounts resulting from device sales to financial institutions. As per the terms and conditions, the principal and interest amounts of the loans are paid by Türk Telekom Group on maturities. In addition, Türk Telekom Group is also transferred to factoring companies as intermediaries and transferred to factoring companies, which are intermediated in collection by Türk Telekom Group. As per the terms and conditions, the principal and interest rates of loans and factoring amounts are paid by Türk Telekom Group.

The details of bank loans are explained below:

As of 31 December 2018 and 31 December 2017, the long-term financial liabilities of the Company are as follows:

Account Name	31 December 2018	31 December 2017
Bank Loans	3.604.399	16.902.276
<b>Total Long Term Loans</b>	<b>3.604.399</b>	<b>16.902.276</b>



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NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

31 December 2018

Type	TL Amount	Effective Interest Rate (%)
<b>Long Term Loans</b>		
Bank Loans	3.604.399	18,11-31,90
<b>Total Long Term Loans</b>	<b>3.604.399</b>	

All of the long-term loans have been used to finance mobile devices within the scope of 24 months and 36 months maturity campaigns sold to the subscribers of Türk Telekom Group through its dealers and all of these loans are under the guarantee of Türk Telekom Group.

The collection of device receivables from its subscribers by Türk Telekom Group dealers is made by Türk Telekom Group on their maturities. Our company uses credit by assigning the amounts of receivable resulting from device sales to financial institutions. As per the terms of the Company, the principal and interest rates of loans and factoring amounts are paid by Türk Telekom Group on maturities.

31 December 2017

Type	TL Amount	Effective Interest Rate (%)
<b>Long Term Loans</b>		
Bank Loans (TL)	16.902.276	15,75-18,75
<b>Total Long Term Loans</b>	<b>16.902.276</b>	

Reconciliation of financial borrowings is as follows:

Account Name	31.12.2018	31.12.2017
Opening Balance	49.503.571	76.759.484
Current Principal and Interest Inputs	63.953.466	54.522.757
Term Interest and Interest Payments	(51.530.450)	(82.212.761)
Interest Accruals at the End of the Period	545.594	434.091
<b>End of Period</b>	<b>62.472.181</b>	<b>49.503.571</b>

All of the long-term loans have been used for financing mobile devices within the scope of 6 month, 12 months, 24 months and 36 months scheduled campaigns sold to the subscribers of Türk Telekom Group through its dealers and all of these loans are under the guarantee of Türk Telekom Group.

The collection of device receivables from its subscribers by Türk Telekom Group dealers is made by Türk Telekom Group on their maturities. Our company uses credit by assigning the receivable amounts resulting from device sales to financial institutions. As per the terms and conditions, the principal and interest amounts of the loans are paid by Türk Telekom Group on maturities.

The maturities of the financial liabilities are as follows:

Loans	31 December 2018	31 December 2017
0-12 month	58.867.782	32.601.295
13-36 month	3.604.399	16.902.276
<b>Total</b>	<b>62.472.181</b>	<b>49.503.571</b>

## NOTE 9. OTHER FINANCIAL LIABILITIES

The Company has no Short and Long Term Other Financial Liabilities as of 31 December 2018 and 31 December 2017.



# DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

### NOTE 10. TRADE RECEIVABLES AND LIABILITIES

The Group's Short-Term Trade Receivables details as at December 31, 2018 and 31 December 2017 as follows:

Account Name	31 December 2018	31 December 2017
Trade Receivables	131.270.374	240.519.580
Trade Receivables from Related Parties	351.434	75.702
Trade Receivables from Non- Related Parties	130.918.940	240.443.878
- Other Receivables	45.521.711	173.205.001
-Disposition Receivables	85.397.229	67.238.877
Notes Receivables	407.002	34.490.529
Receivable Rediscount (-)	(9.712.617)	(7.990.760)
Doubtful Trade Receivables	2.049.416	2.048.958
Provisions for Doubtful Trade Receivables(-)	(2.049.416)	(2.048.958)
<b>Total</b>	<b>121.964.759</b>	<b>267.019.349</b>

As of December 31, 2018, TL 85.397.229 (31 December 2017 TL 67.238.877), which is the short term portion of the Disposition Receivables, has been sold to the subscribers of Türk Telekom Group for 6 months, 12 months, 24 months and 36 months. Türk Telekom Group is the guarantor for the financing of mobile devices. The portion of this amount amounting to TL 58.867.782 (December 31, 2017 - TL 32.601.295) has been assigned to banks in response to the loans used by the Group within the same campaigns.

The collection of device receivables from its subscribers by Türk Telekom Group dealers is made by Türk Telekom Group on their maturities. Our company uses credit by dispositioning the receivable amounts resulting from device sales to financial institutions.

Our company uses credit by dispositioning the receivable amounts resulting from device sales to financial institutions. As per the terms and conditions, the principal and interest amounts of the loans are paid by Türk Telekom Group on maturities. In addition, Türk Telekom Group is also transferred to factoring companies as intermediaries and transferred to factoring companies, which are intermediated in collection by Türk Telekom Group. As per the terms and conditions, the principal and interest rates of loans and factoring amounts are paid by Türk Telekom Group.

As of 31 December 2018 and 31 December 2017, the Long Term Trade Receivables of the Company are as follows:

Account Name	31 December 2018	31 December 2017
Trade Receivables	6.551.338	21.256.686
Trade Receivables from Related Parties	-	-
Trade Receivables from Non- Related Parties	6.551.338	21.256.686
Disposition Receivable Rediscount (-)	(2.946.939)	(4.354.410)
<b>Total</b>	<b>3.604.399</b>	<b>16.902.276</b>

As of 31 December 2018, TL 6.551.338 (31 December 2017 TL 21.256.686) long-term portion of the Disposition Receivables has been sold to the subscribers of Türk Telekom Group through its distributors for 6 months, 12 months, 24 months and 36 months. Türk Telekom Group is the guarantor of all of these receivables. TL 3.604.399 (December 31, 2017 - TL 16.902.276) of this amount has been assigned to banks as the assignment of the loans used by the company under the same campaign.

The collection of device receivables from its subscribers by Türk Telekom Group dealers is made by Türk Telekom Group on their maturities. Our Group uses credit by assigning the receivables generated as a result of device sales to financial institutions. As per the terms and conditions, the principal and interest amounts of the loans are paid by Türk Telekom Group on maturities. In addition, Türk Telekom Group is also transferred to factoring companies as intermediaries and transferred to factoring companies, which are intermediated in collection by Türk Telekom Group. As per the terms and conditions, the principal and interest rates of loans and factoring amounts are paid by Türk Telekom Group.

As of 31 December 2018, TL 32.921.467 of the trade receivables of the Company, which has a short and long term total of TL 125.569.158, is covered by the guarantee. As of 31 December 2017, TL 60.267.217 of the trade receivables amounting to TL 283.921.625 is covered by the guarantee. In addition, short-term and long-term receivables from Türk Telekom Group amounting to TL 91.948.567 (31 December 2017: 88.495.563 TL) are receivable. Additional explanations on the nature and level of risks in trade receivables are disclosed in Note: 38.



# DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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### Doubtful Receivables Movements Provision:

	1 January - 31 December 2018	1 January - 31 December 2017
Balance at the Beginning of the Period (-)	(2.048.958)	(1.728.923)
Beginning Balance TFRS 9 adjustment (Note:2.03)	(43.926)	
TFRS 9 adjustment (Note:2.03)	39.342	-
Provisions/Collections Not Recognized During the Period (-)	4.126	166
Period Expense (-) (Note: 30)	-	(320.201)
<b>Balance at the End of the Period</b>	<b>(2.049.416)</b>	<b>(2.048.958)</b>

The Group's Short-Term Trade Payables as at the ends of the periods are as follows:

Account Name	31 December 2018	31 December 2017
Suppliers	42.582.303	253.012.967
<i>Other Suppliers</i>	42.347.145	252.004.696
<i>Related Party Suppliers</i>	235.158	1.008.271
Notes Payable	-	-
Notes Rediscount (-)	(627.428)	(3.463.436)
<b>Total</b>	<b>41.954.875</b>	<b>249.549.531</b>

As of 31 December 2018 and 31 December 2017, the Company does not have any Long Term Trade Payables.

The average maturity of trade receivables and payables is less than three months. In the case of rediscount of trade receivables and payables, compound interest rates of government securities are used as effective interest rate in TL receivables and payables. Libor and its rates are used in the accruals of USD and EURO denominated receivables and payables.

### NOTE 11 OTHER RECEIVABLES AND PAYABLES

As of 31 December 2018 and 31 December 2017, the Short Term Other Receivables of the Company is explained below:

Account Name	31 December 2018	31 December 2017
Due from Employees	7.770	77.148
Other Receivables	-	-
<i>Other Receivables from Related Parties</i>	-	-
<b>Total</b>	<b>7.770</b>	<b>77.148</b>

As of 31 December 2018 and 31 December 2017, the Company does not have any Long Term Other Receivables.

Additional explanations on the nature and level of risks in other receivables disclosed in Note: 38, the balances of related parties are included in Note: 37.

As of 31 December 2018 and 31 December 2017, the Short Term Other Payables of the Company are as follows:

Account Name	31 December 2018	31 December 2017
Taxes, Deductions and Fees Payable	1.463.588	1.610.470
<b>Total</b>	<b>1.463.588</b>	<b>1.610.470</b>



**DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018**  
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**NOTE 12 DERIVATIVE INSTRUMENTS**

All of the Company's financial investments are recognized for under the fair value of the derivative instruments explained below:

<b>Account Name</b>	<b>31 December 2018</b>	<b>31 December 2017</b>
Derivative Financial Instruments Payable	-	404.709
<b>Total</b>	<b>-</b>	<b>404.709</b>

As of 31 December 2018, the Company has not entered into a foreign currency purchase agreement.

As of 31 December 2017, the Company has entered into a foreign exchange purchase agreement amounting to USD 3.097.313. All contracts are termed 0-3 months. As of December 31, 2017, the fair value of these agreements is TL 12.087.464 and TL 404.709 is charged to the valuation difference and recorded as expense.

**NOTE 13 INVENTORIES**

The Company's Inventories as of 31 December 2018 and 31 December 2017 are as follows:

<b>Account Name</b>	<b>31 December 2018</b>	<b>31 December 2017</b>
Trade Goods/(Merchandise)	11.488.451	78.165.067
Goods in Transit	313.628	3.222.443
Inventory Impairment Provision (-)	(351.550)	(550.629)
<b>Total</b>	<b>11.450.529</b>	<b>80.836.881</b>

The products whose invoices are prepared but their entry into the inventory occurred lately are taken to the Goods in Transit account.

Inventory Impairment Provision movements:

	<b>1 January - 31 December 2018</b>	<b>1 January - 31 December 2017</b>
Balance at the Beginning of the Period (-)	(550.629)	(914.674)
Provision Canceled due to Net Realizable Value Increase (+)	199.079	364.045
Current Period Provisions (-)(Note: 28)	-	-
<b>Balance at the End of the Period (-)</b>	<b>(351.550)</b>	<b>(550.629)</b>

The inventory value decrease is calculated with increasing percentages due to the increase in inventory waiting times for the goods that are waiting for more than 3 months in inventory. As of December 31, 2018, TL 1.455.296 of the inventory is recognized as net realizable value and the rest are included in the financial statements at cost (31 December 2017, TL 1.837.675 of the inventories are net realizable value and the rest are included in the financial statements at cost value).

<b>Explanation</b>	<b>31 December 2018</b>	<b>31 December 2017</b>
Cost Value	1.806.846	2.388.304
Inventory Impairment Provision	(351.550)	(550.629)
Net Realizable Value (a)	1.455.296	1.837.675
Carried at Cost Amounts (b)	9.995.233	78.999.206
<b>Total Inventories (a+b)</b>	<b>11.450.529</b>	<b>80.836.881</b>

There is no inventory given as collateral for liabilities.

The insurance value of the assets is given in Note: 22.

The stock amount written in expense within the period is included in Note: 28.





# DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

### NOTE 14 BIOLOGICAL ASSETS

None.

### NOTE 15 PREPAID EXPENSES AND DEFERRED INCOME

#### Short Term :

Short Term Prepaid Expenses as of 31 December 2018 and 31 December 2017 are explained below.

Account Name	31 December 2018	31 December 2017
Short Term Prepaid Expenses	405.938	282.759
Advances Given to Suppliers	1.059.640	1.525.158
<b>Total</b>	<b>1.465.578</b>	<b>1.807.917</b>

Deferred Income as of 31 December 2018 and 31 December 2017 are explained below.

Account Name	31 December 2018	31 December 2017
Short Term Deferred Income	42.213	-
Advances Received from Customers	3.762.807	3.797.396
<b>Total</b>	<b>3.805.020</b>	<b>3.797.396</b>

As of December 31, 2018, TL 2.500.373 of the Advances Received is due to advances received for virtual and physical call volume sales when the call volume sales made to the end user are made, they are billed to the dealers. (31 December 2017 TL 2.483.725)

#### Long Term :

The Company does not have Prepaid Expenses as of 31 December 2018 and 31 December 2017.

The Company does not have Deferred Income as of 31 December 2018 and 31 December 2017.

### NOTE 16 INVESTMENT VALUED BY THE EQUITY METHOD

None.

### NOTE 17 INVESTMENT PROPERTIES

None.

### NOTE 18 TANGIBLE ASSETS

The net value of Tangible Assets of as of 31 December 2018 and 31 December 2017 for the Company for the periods are as follows:

#### 31 December 2018

##### Cost

Account Name	1 January 2018	Purchas	Sales (-)	31 December 2018
Plant, Machinery and Equipments	4.170	-	-	4.170
Furniture and Fixtures	1.325.136	21.335	-	1.346.471
Leasehold Improvements	13.316	2.000	-	15.316
<b>Total</b>	<b>1.342.622</b>	<b>23.335</b>	<b>-</b>	<b>1.365.957</b>



**DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ**

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

*(Amounts are expressed in Turkish Lira unless otherwise stated.)***Accumulated Depreciation**

<b>Account Name</b>	<b>1 January 2018</b>	<b>Period Amortization</b>	<b>Sales</b>	<b>31 December 2018</b>
Plant, Machinery and Equipments	(4.170)	-	-	(4.170)
Furniture and Fixtures	(1.136.157)	(93.829)	-	(1.229.986)
Leasehold Improvements	(13.316)	(234)	-	(13.550)
<b>Total</b>	<b>(1.153.643)</b>	<b>(94.063)</b>	<b>-</b>	<b>(1.247.706)</b>
<b>Net Value</b>	<b>188.979</b>			<b>118.251</b>

**31 December 2017****Cost**

<b>Account Name</b>	<b>1 January 2017</b>	<b>Purchases</b>	<b>Sales (-)</b>	<b>31 December 2017</b>
Plant, Machinery and Equipments	4.170	-	-	4.170
Furniture and Fixtures	1.233.728	91.408	-	1.325.136
Leasehold Improvements	13.316	-	-	13.316
<b>Total</b>	<b>1.251.214</b>	<b>91.408</b>	<b>-</b>	<b>1.342.622</b>

**Accumulated Depreciation**

<b>Account Name</b>	<b>1 January 2017</b>	<b>Period Amortization</b>	<b>Sales (-)</b>	<b>31 December 2017</b>
Plant, Machinery and Equipments	(4.170)	-	-	(4.170)
Furniture and Fixtures	(1.055.307)	(80.850)	-	(1.136.157)
Leasehold Improvements	(13.316)	-	-	(13.316)
<b>Total</b>	<b>(1.072.793)</b>	<b>(80.850)</b>	<b>-</b>	<b>(1.153.643)</b>
<b>Net Value</b>	<b>178.421</b>			<b>188.979</b>

**Other Informations:**

Amortization and depreciation are included in operating expenses. (Note: 30)

The insurance value of the assets is given in Note: 22.

There are no mortgages, restrictions and annotations on the assets.

**NOTE 19 INTANGIBLE ASSETS****31 December 2018****Cost**

<b>Account Name</b>	<b>1 January 2018</b>	<b>Purchases</b>	<b>Sales (-)</b>	<b>31 December 2018</b>
Rights	966.836	106.702	-	1.073.538
<b>Total</b>	<b>966.836</b>	<b>106.702</b>	<b>-</b>	<b>1.073.538</b>

**Accumulated Depreciation**

<b>Account Name</b>	<b>1 January 2018</b>	<b>Period Amortization</b>	<b>Sales</b>	<b>31 December 2018</b>
Rights	(456.926)	(78.419)	-	(535.345)
<b>Total</b>	<b>(456.926)</b>	<b>(78.419)</b>	<b>-</b>	<b>(535.345)</b>
<b>Net Value</b>	<b>509.910</b>			<b>538.193</b>



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

**31 December 2017**

**Cost**

Account Name	1 January 2017	Purchases	Sales (-)	31 December 2017
Rights	847.662	119.174	-	966.836
<b>Total</b>	<b>847.662</b>	<b>119.174</b>	<b>-</b>	<b>966.836</b>

**Accumulated Depreciation**

Account Name	1 January 2017	Period Amortization	Sales	31 December 2017
Rights	(360.814)	(96.112)	-	(456.926)
<b>Total</b>	<b>(360.814)</b>	<b>(96.112)</b>	<b>-</b>	<b>(456.926)</b>
<b>Net Value</b>	<b>486.848</b>			<b>509.910</b>

Amortization and depreciation are included in operating expenses. (Note: 30)

**NOTE 20 EMPLOYEE BENEFITS PAYABLES**

As of December 31, 2018 and December 31, 2017, Payables within Employee Benefits are explained below:

Account Name	31 December 2018	31 December 2017
Social Security Premiums Payable	75.274	114.293
Due to Personnel	8.727	6.560
<b>Total</b>	<b>84.001</b>	<b>120.853</b>

**NOTE 21 GOVERNMENT INCENTIVES AND GRANTS**

None.

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

*i) Provisions*

Account Name	31 December 2018	31 December 2017
Price Difference Provisions	17.981.244	19.939.322
Litigation Provisions	60.480	-
<b>Total</b>	<b>18.041.724</b>	<b>19.939.322</b>

31 December 2018	Litigation Provision	Price Difference Provisions	Total
As of 1 January Balance	-	19.939.322	19.939.322
Additional Provision	60.480	17.981.244	18.041.724
Payment/Offsetting	-	(19.939.322)	(19.939.322)
<b>Total</b>	<b>60.480</b>	<b>17.981.244</b>	<b>18.041.724</b>



# DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

<b>31 December 2017</b>	<b>Litigation Provision</b>	<b>Price Difference Provisions</b>	<b>Total</b>
As of 1 January Balance	620.220	6.815.909	7.436.129
Additional Provision	-	19.939.322	19.939.322
Payment/Offsetting	(620.220)	(6.815.909)	(7.436.129)
<b>Total</b>	<b>-</b>	<b>19.939.322</b>	<b>19.939.322</b>

For the products sold at different prices for the previous period, the price difference invoices are taken from the customers and their provisions are set aside. In addition, in order to increase sales, customers are given targets, invoices, credit note, price difference etc. invoices are collected and their provisions are separated from dealers in order to meet the targets.

### ii) Contingent Assets and Liabilities:

#### **31 December 2018**

As of December 31, 2018, the legal provisions for all litigations filed against the Company amounting to TL 60.480 are recognized and reflected in the financial statements.

#### **31 December 2017**

As of 31 December 2017, there are no litigations filed against the Company.

Provision for doubtful receivables for execution proceedings of the Company is TL 2.049.416 and provisioned in accordance with TFRS 9 has been provided for in the financial statements (31.12.2017: TL 2.048.958).

### iii) Commitments not included in the liability:

#### **31 December 2018**

	<b>TL</b>	<b>USD</b>	<b>EURO</b>
Guarante Letters Given	166.733.616	6.000.000	-
<b>TOTAL</b>	<b>166.733.616</b>	<b>6.000.000</b>	<b>-</b>

#### **31 December 2017**

	<b>TL</b>	<b>USD</b>	<b>EURO</b>
Guarante Letters Given	196.749.616	7.350.000	-
<b>TOTAL</b>	<b>196.749.616</b>	<b>7.350.000</b>	<b>-</b>

### iv) Total mortgages and guarantees on assets:

There is no mortgage and collateral on the assets.

### v) Total insurance amount of the assets:

#### **31 December 2018**

<b>Type of Insured Asset</b>	<b>USD</b>	<b>TL</b>
Trade Goods/(Merchandise)	20.000.000	-
Other	85.000	-
<b>Total</b>	<b>20.085.000</b>	<b>-</b>



# DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

### 31 December 2017

Type of Insured Asset	USD	TL
Trade Goods/(Merchandise)	20.000.000	-
Other	85.000	-
<b>Total</b>	<b>20.085.000</b>	<b>-</b>

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

vi) *Ratio of Mortgages Given by the Company to Mortgage and Shareholders' Equity:*

CPM's given by the Company	31 December	31 December	31 December	31 December
	2018	2018	2017	2017
	Currency Amount	TL Equivalent	Currency Amount	TL Equivalent
A. CPM's given on behalf of the Company's legal personality	-	198.299.016	-	224.473.081
<i>Guarantee Letter (USD)</i>	6.000.000	31.565.400	7.350.000	27.723.465
<i>Guarantee Letter (TL)</i>	-	166.733.616	-	196.749.616
<i>Pledge</i>	-	-	-	-
<i>Mortgage</i>	-	-	-	-
B. Total amount of CPM's given in favor of subsidiaries included in full consolidation	-	-	-	-
C. Total amount of CPM's given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-
D. Total amount of other CPM's given	-	-	-	-
i. Total amount of CPM's given in favor of the parent company	-	-	-	-
ii. Total amount of CPM's given in favor of other Group companies which are not in scope of B and C above	-	-	-	-
iii. Total amount of CPMs given in favor of third parties not covered by Article C.	-	-	-	-
<b>Total</b>	<b>-</b>	<b>198.299.016</b>	<b>-</b>	<b>224.473.081</b>

The ratio of other CPM given by the Company to the equity is 0%: (31 December 2017: 0%)

### NOTE 23 COMMITMENTS

None.

### NOTE 24 EMPLOYEE BENEFITS

Account Name	31 December 2018	31 December 2017
Severance Payment Provision	213.895	67.307
<b>Total</b>	<b>213.895</b>	<b>67.307</b>

In accordance with the provisions of the current Labor Law, employees who have terminated the employment contract to qualify for severance payment are obliged to pay their legal severance payment.

In addition, in accordance with the legislation in force, those who are entitled to severance payment are entitled to pay their legal severance payment. The severance payment liability as at 1 January 2019 is subject to the ceiling of TL 6.017,60 (31 December 2017: TL 5.001.76).



# DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

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 company'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 increases in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for future inflation effects.

Provisions in the accompanying financial statements as of 31 December 2018 and 31 December 2017 are calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees.

As of December 31, 2018, the provisions have been calculated assuming an annual inflation rate of 14% and a discount rate of 18%, resulting in a real discount rate of 3,51% (31 December 2017: 3,70% real discount rate). The Company's real discount rates, if any, are reviewed at each balance sheet date.

The probability of non-termination of provision for severance payment liabilities is 91.61% as of 31 December 2018. (31 December 2017: 89,38%)

	1 January 2018 31 December 2018	1 January 2017 31 December 2017
As of January 1	67.307	47.322
Current Period Service Cost	28.898	11.370
Actuarial Gains / (Losses)	116.965	4.306
Interest Cost	9.086	4.733
Payment (-)	(187.229)	(35.498)
Loss due to Dismissal and Reduction of Payments	178.868	35.074
<b>Closing Balance</b>	<b>213.895</b>	<b>67.307</b>

In the current period, the accounts for which severance payment provision (income) are accounted are as follows.

	1 January 2018 31 December 2018	1 January 2017 31 December 2017
General Administrative Expenses	(216.852)	(51.177)
Other Income from Main Operations	-	-
<b>Profit / Loss Expense / (Income)</b>	<b>(216.852)</b>	<b>(51.177)</b>
Actuarial Earnings Recognized in Other Comprehensive Income / (Losses)	(116.965)	(4.306)
<b>Total Period Income / (Expense)</b>	<b>(333.817)</b>	<b>(55.483)</b>

Account Name	1 January 2018 31 December 2018	1 January 2017 31 December 2017
Actuarial Earnings Recognized in Other Comprehensive Income / (Losses)	(116.965)	(4.306)
Tax Effect % 20	23.393	861
<b>Net Value</b>	<b>(93.572)</b>	<b>(3.445)</b>



# DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

### NOTE 25 CURRENT PERIOD TAX ASSETS AND LIABILITIES

As of 31 December 2018 and 31 December 2017, the current assets related to the current period tax are explained below.

Account Name	31 December 2018	31 December 2017
Prepaid Taxes	255.860	-
<b>Total</b>	<b>255.860</b>	<b>-</b>

### NOTE 26 OTHER ASSETS AND LIABILITIES

As of 31 December 2018 and 31 December 2017, the Company's Other Current Assets are as follows:

Account Name	31 December 2018	31 December 2017
Credit Note Revenue Accruals (*)	1.463.982	-
<b>Total</b>	<b>1.463.982</b>	<b>-</b>

(\*) Explanations on credit note revenue accruals are disclosed in Note 2.08.20.

As of 31 December 2018 and 31 December 2017, the Company does not have Other Non-Current Assets.

### NOTE 27 SHAREHOLDER'S EQUITY

#### i) Non-Controlling Interests

None.

#### ii) Capital / Capital Adjustments Due to Cross-Ownership / Shares Withdrawn

The application for increasing the TL 20.000.000 portion of the issued capital of the Company from TL 10.000.000 to TL 30.000.000 from extraordinary reserves (Previous years' profits) has been approved by the Capital Market Board on 04.10.2016.

The capital of the Company consists of 30.000.000 shares each with a nominal value of TL 1 and the issued capital is TL 30.000.000. The Company's share capital of TL 30.000.000 consists of Group A registered shares amounting to TL 454.545 and Group B bearer shares amounting to TL 29.999.545.455.

Group A shares have privileges in the selection of board of directors and Group B shares have no privileges. More than half of the number of members of the Board of Directors is elected from among the candidates nominated by Group A shareholders. The registered capital ceiling has been increased from TL 20.000.000 to TL 40.000.000 with the approval of the Capital Markets Board on 05.02.2014. The said resolution was adopted at the Board of Directors Meeting held on 9 May 2014. The registered capital ceiling permission granted by the Capital Market Board is valid for 2014-2018.

As at 31 December 2018 and 31 December 2017, the Company's capital and shareholding structure is as follows:

Shareholders	31 December 2018		31 December 2017	
	Share Rate %	Share Amount	Share Rate %	Share Amount
İndeks A.Ş.(*)	59,24%	17.772.688	59,24%	17.772.688
Tayfun Ateş	6,50%	1.950.000	5,00%	1.500.000
Open to the Public	34,26%	10.277.270	35,76%	10.727.270
Other	0,00%	42	0,00%	42
<b>Total</b>	<b>100%</b>	<b>30.000.000</b>	<b>100%</b>	<b>30.000.000</b>



# DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

(\*) 51,74% of the shares is closed to the public, the publicly open shares are 7,5% of the total is 59,24%. The Company's ultimate control is Indeks A.Ş. and Nevres Erol Bilecik and his family members.

### iii) Premiums Related To Shares / Discounts

The Company's capital reserves consist of share premium. There is no movement in the current period.

### iv) Accumulated Other Comprehensive Income or Expenses which won't be classified in Profit or Loss

The Company's other accumulated comprehensive income and expenses that will not be reclassified to profit or loss as of 31 December 2018 and 31 December 2017 are explained below.

Account Name	31 December 2018	31 December 2017
Actuarial (Loss) / Gain	(68.444)	48.522
Tax Effect	13.689	(9.705)
<b>Actuarial Gains and (Losses) (Net)</b>	<b>(54.755)</b>	<b>38.817</b>
<b>Revaluation and Remeasurement Gains and (Losses)</b>	<b>(54.755)</b>	<b>38.817</b>
<b>Accumulated Other Comprehensive Income or Expenses which won't be classified in Profit or Loss</b>	<b>(54.755)</b>	<b>38.817</b>

	31 December 2018	31 December 2017
Opening Balance as of January 1	38.817	42.262
Increase / Decrease	(116.965)	(4.306)
Deferred Tax Offsetting	23.393	861
<b>Balance at the End of the Period</b>	<b>(54.755)</b>	<b>38.817</b>

### v) Accumulated Other Comprehensive Income or Expenses which will be classified in Profit or Loss

Account Name	31 December 2018	31 December 2017
Foreign Currency Translation Differences	1.940.310	1.965.400
<b>Foreign Currency Translation Differences (Net)</b>	<b>1.940.310</b>	<b>1.965.400</b>
<b>Accumulated Other Comprehensive Income or Expenses which will be classified in Profit or Loss</b>	<b>1.940.310</b>	<b>1.965.400</b>

The Movement Table of Foreign Currency Translation Differences is as follows.

	31 December 2018	31 December 2017
Opening Balance as of January 1	1.965.400	1.970.435
Increase / Decrease	(25.090)	(5.035)
Transfer to Profit or Loss Statement	-	-
<b>Balance at the End of the Period</b>	<b>1.940.310</b>	<b>1.965.400</b>

### vi) Restricted Reserves from Profit

Restricted reserves from profit consist of legal reserves.

According to article 519 of the Turkish Commercial Code ("TCC") No. 6102, the general legal reserve fund is divided into 5% of the annual profit until it reaches 20% of the company's paid-in capital. After reaching this limit, 10% of the total amount will be added to the general legal reserves after the dividend payment is paid to the shareholders. According to the Turkish Commercial Code, if the general legal reserve does not exceed half of the share capital or the issued capital, it can be used only to close the losses, to continue the business when business is not going well or to take measures to mitigate the results.





# DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

### vii) Retained Earnings

Retained Earnings consist of extraordinary reserves and other previous year losses.

Shares of publicly-held companies to the Article 19 of the Capital Market Law No. 6362 and the Capital Markets Board of Turkey (CMB) in accordance with the Communiqué on the Dividend of II-19.1, which came into force on 1 February 2014. According to the said Communiqué, there is no profit distribution obligation of the companies whose shares are traded on the stock exchange, the companies can distribute their profits in accordance with the profit distribution policies to be determined by the Board of Directors decision and in accordance with the provisions of the relevant legislation. In addition, according to the same Communiqué, profit share advance can be paid on the profits included in the interim financial statements.

As of 31 December 2018 and 31 December 2017, the equity items of the Company are as follows:

Account Name	31 December 2018	31 December 2017
Capital	30.000.000	30.000.000
Capital Adjustment Differences	1.241.463	1.241.463
Repurchased Shares (-) (*)	(810.827)	(277.304)
Share Premiums/Discounts	3.229.361	3.229.361
Accumulated Other Comprehensive Income Or Expenses Which Won't Be Classified In Profit Or Loss	(54.755)	38.817
-Revaluation and Measurement Earnings/Losses	(54.755)	38.817
Accumulated Other Comprehensive Income Or Expenses Which Will Be Classified In Profit Or Loss	1.940.310	1.965.400
-Foreign Currency Translation Differences	1.940.310	1.965.400
Reserves on Retained Earnings	10.513.622	6.164.738
- Legal Reserves	9.420.701	5.071.817
- Subsidiary Sales Profit Added to Capital	1.092.921	1.092.921
Previous Years' Profits	36.678.534	21.956.656
Net Profit (For The Period)	17.875.415	31.041.808
<b>Total</b>	<b>100.613.123</b>	<b>95.360.939</b>

(\*) In accordance with the press announcement of the Capital Markets Board of Turkey (CMB) dated 21.07.2016, it is necessary to realize the redemption of the shares in the stock exchange without any limit, in this context the amount of the funds allocated for the repurchase is up to TL 5 million, the maximum number of shares shall not exceed this amount. determination was made. Within this scope, the Company has withdrawn 158.040 shares corresponding to 0,53% of the Company's capital and traded in BİAŞ for TL 810.827. The financing of share buy-back is provided by the Company's internal resources. No gain or loss is recognized in the statement of profit or loss. The amounts received or paid are recognized directly in equity.

### NOTE 28 SALES / COST OF SALES

The Company's sales and cost of sales from December 31, 2018 and December 31, 2017 is explained below.

Account Name	1 January 2018 31 December 2018	1 January 2017 31 December 2017
Domestic Sales	751.589.208	1.570.345.274
Other Sales	4.928.899	26.145.089
Sale Returns (-)	(4.190.309)	(7.407.490)
Sales Discounts and Rebates. (-)	(6.544.678)	(6.115.255)
<b>Revenue</b>	<b>745.783.120</b>	<b>1.582.967.618</b>
Cost of Goods Sold (-)	(715.880.494)	(1.532.280.683)
<b>Gross Profit / (Loss)</b>	<b>29.902.626</b>	<b>50.686.935</b>

Depreciation and amortization expenses are presented in the operating expenses account



# DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

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

Operating Expenses of the Company as of 31 December 2018 and 31 December 2017 are explained below.

Account Name	1 January 2018 31 December 2018	1 January 2017 31 December 2017
General and Administrative Expenses (-)	(7.114.509)	(6.771.664)
Marketing, Sales and Distribution Expenses (-)	(6.233.317)	(5.691.238)
<b>Total Operating Expenses</b>	<b>(13.347.826)</b>	<b>(12.462.902)</b>

### NOTE 30 EXPENSES BY NATURE

The Group's Expenses by Nature for the periods are shown below:

Account Name	1 January 2018 31 December 2018	1 January 2017 31 December 2017
<b>Marketing, Sales and Distribution Expenses (-)</b>		
- Personnel Expenses	(8.408.726)	(7.375.799)
- Transportation, Logistics and Warehouse Expenses	(2.356.695)	(2.575.634)
- Insurance Expenses	(153.606)	(437.062)
- Rental Expenses	(635.613)	(525.921)
- Advertising and Promotion Expenses	(43.047)	(65.076)
- Consultancy and Audit Expenses	(316.661)	(191.172)
- Outsourced Benefits and Services	(192.873)	(146.325)
- Communication Expenses	(53.178)	(63.409)
- Depreciation and Amortization Expense	(172.482)	(176.962)
- Doubtful Receivable Provision Expenses	-	(320.201)
- Other Expenses	(1.014.945)	(585.341)
<b>Total Operating Expenses (-)</b>	<b>(13.347.826)</b>	<b>(12.462.902)</b>

### NOTE 31 OTHER MAIN OPERATING INCOME / (EXPENSES)

The Group's Other Main Operating Income/ (Expenses) for the periods are as follows:

Account Name	1 January 2018 31 December 2018	1 January 2017 31 December 2017
<b>Other Main Operating Income</b>	<b>10.986.349</b>	<b>24.622.345</b>
Provisions No Longer Required (Litigation)	-	620.220
Provisions No Longer Required (Doubtful Receivable Provision)	43.468	166
Interest Eliminated from Sales	8.122.049	15.664.670
Interest and Rediscount Income	2.657.400	4.027.100
Exchange Rate Difference Income (Trade Receivables and Payables)	52.757	4.306.919
Other Income and Profit	110.675	3.270
<b>Other Main Operating Expenses(-)</b>	<b>(11.689.477)</b>	<b>(28.210.751)</b>
Interest Eliminated from Purchases	(6.837.642)	(19.344.441)
Interest and Rediscount Expense	(4.026.435)	(3.268.581)
Exchange Rate Difference Expenses (Trade Receivables and Payables)	(401.312)	(5.392.305)
Other Expenses and Losses	(424.088)	(205.424)
<b>Main Operating Other Income/(Expenses)</b>	<b>(703.128)</b>	<b>(3.588.406)</b>

### NOTE 32 INCOME/ (EXPENSES) FROM INVESTMENT OPERATIONS



# DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

As of 31 December 2018, there are no investment operating income and expenses.

As of 31 December 2017, there are no investment operating income and expenses.

### NOTE 33 FINANCIAL INCOME / (EXPENSES)

The financial income of the Company as of 31 December 2018 and 31 December 2017 are explained below.

Financial Income as of periods is explained below:

<b>Account Name</b>	<b>1 January 2018 31 December 2018</b>	<b>1 January 2017 31 December 2017</b>
Interest Income	7.236.362	3.661.112
Foreign Currency and Translation Differences Income	1.702.889	869.050
<b>Total Financial Income</b>	<b>8.939.251</b>	<b>4.530.162</b>

Financial Expenses as of periods is explained below:

<b>Account Name</b>	<b>1 January 2018 31 December 2018</b>	<b>1 January 2017 31 December 2017</b>
Bank and Interest Expenses	(1.551.868)	(1.050.191)
Foreign Currency and Translation Differences Expense	(183.580)	(1.319.856)
<b>Total Financial Expenses</b>	<b>(1.735.448)</b>	<b>(2.370.047)</b>

The Company does not have any capitalized financial expense.

### NOTE 34 FIXED ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None.

### NOTE 35 TAX ASSETS AND LIABILITIES

The Company's tax expense (or income) consists of current period's corporate tax expense and deferred tax expense (or income).

Tax assets and liabilities for the periods ended at 31 December 2018 and 31 December 2017 are as follows:

<b>Account Name</b>	<b>1 January 2018 31 December 2018</b>	<b>1 January 2017 31 December 2017</b>
Current Period Statutory Tax Provision(-)	-	(13.606.661)
Deferred Tax Income / (Expense)	(5.180.060)	7.852.727
<b>Total Tax Income / (Expense)</b>	<b>(5.180.060)</b>	<b>(5.753.934)</b>

<b>Account Name</b>	<b>31 December 2018</b>	<b>31 December 2017</b>
Current Period Statutory Tax Provision	-	13.606.661
Prepaid Taxes (-)	-	(10.156.757)
<b>Total Net Tax to be Paid</b>	<b>-</b>	<b>3.449.904</b>

#### i) Current Period Statutory Tax Provision

Advance tax in Turkey is calculated and accrued on a quarterly basis. In accordance with this, for the taxation of the Company's 2018 and 2017 earnings in the interim tax period, temporary tax is calculated as 22% for 2018 and 20% for 2017 over corporate earnings.



# DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

According to the Turkish tax law, losses can be carried forward for a maximum of 5 years to be deducted from the taxable profit of the following years. However, the losses cannot be deducted retrospectively from the profits of previous years.

In accordance with Article 20 of the Corporate Tax Law, the Corporate Tax; taxpayer's declaration shall be filed on. There is no clear and definitive agreement on tax assessment procedures in Turkey. Companies are preparing their tax returns until 25 April of the following year. These declarations and the accounting records, which are based on them, can be reviewed and changed within 5 years.

Corporate Tax rate applied in Turkey is 20%. However, with the provisional article 10 of the Law No. 5520 on the Amendment of Some Tax Laws No. 7061 and some other Laws entered into force by being published in the Official Gazette dated December 5, 2017 and published in the Official Gazette. The corporation tax rate for the corporate income of the taxation periods 2019 and 2020 (for the institutions that are assigned for the special accounting period in the relevant year) shall be applied as 22%. This amendment shall be effective for the taxation of periods beginning on 1 January 2018.

### Income Withholding Tax

In addition to the corporation tax, income tax withholding must be calculated over the dividends distributed. With the Council of Ministers' Decision no 2006/10731, published in the Official Gazette dated 23.07.2006, the withholding tax rate was increased from 10% to 15%.

### ii) Deferred Tax

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TAS and TFRS. These differences usually result in the recognition of revenue and expenses in different reporting periods for TAS / TFRS and tax basis and described below.

Account Name	31 December 2018 Accumulated Interim Differences	31 December 2018 Deferred Tax Asset / (Liability)	31 December 2017 Accumulated Interim Differences	31 December 2017 Deferred Tax Asset / (Liability)
Tangible and Intangible Fixed Asstes	(289.423)	(57.885)	(238.836)	(47.767)
Rediscount Expenses	55.497.422	12.209.433	88.603.345	19.492.736
Financial Loss	7.521.882	1.654.814	-	-
Provisions for Severance Payment	213.895	42.779	67.307	13.461
Provision for Litigation	60.480	13.306	-	-
Inventory Impairment Provision	351.550	77.341	550.629	121.138
Rediscount Income	(627.428)	(138.034)	(3.459.780)	(761.152)
Derivative Instruments	-	-	404.709	89.036
Inventory Financing Share	145.433	31.995	303.158	66.695
Other	4.826	1.062	34.848	7.667
<b>Deferred Tax Assets</b>		<b>13.834.811</b>		<b>18.981.814</b>

	31 December 2018	31 December 2017
Deffered Tax Asset/(Liability) at Beginning of the Period (Net)	18.981.814	11.128.226
Deferred Tax Income/(Expense)	(5.180.060)	7.852.727
TFRS 9 Beginning Balance Adjustment	9.664	-
Severance Payment Actuarial Gain/(Loss)	23.393	861
<b>Deferred Tax Assets/(Liabilities) at the End of the Period</b>	<b>13.834.811</b>	<b>18.981.814</b>



# DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

The reconciliation of the tax provisions for the periods ended at 31 December 2018 and 31 December 2017 is as follows:

<b>Reconciliation of Tax Provision</b>	<b>1 January 2018 31 December 2018</b>	<b>1 January 2017 31 December 2017</b>
Continuing Operations Profit	23.055.475	36.795.742
Corporate Tax Rate (2018 %22, 2017 % 20)	(5.072.205)	(7.359.148)
Tax Effect:		
Tax Effect of Equity Items due to Foreign Currency Conversion	5.520	1.007
- Non-Deductible Tax Income/Expense	(113.375)	(124.532)
Other	-	1.728.739
<b>Tax Provision Expense in the Income Statement</b>	<b>(5.180.060)</b>	<b>(5.753.934)</b>

### NOTE 36 EARNINGS / (LOSSES) PER SHARE

The amount of profit per share is calculated by dividing the net profit for the period by the weighted average number of shares of the Company in the year. Earnings per share amounts for the periods are calculated in the following way:

<b>Account Name</b>	<b>1 January 2018 31 December 2018</b>	<b>1 January 2017 31 December 2017</b>
Net Profit/ Loss for the Period	17.875.415	31.041.808
Average Number of Shares	30.000.000	30.000.000
<b>Earnings/(Losses) Per Share(*)</b>	<b>0,595847</b>	<b>1,034727</b>

### NOTE 37 RELATED PARTY DISCLOSURES

a) Receivables from / Payables Balances to Related Parties:

	<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 2018</b>				
İndeks A.Ş.	351.434	-	-	-
Teklos A.Ş.	-	-	235.158	-
Homend A.Ş.	-	-	-	-
Despec A.Ş.	-	-	-	-
<b>Total</b>	<b>351.434</b>	<b>-</b>	<b>235.158</b>	<b>-</b>
	<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 2017</b>				
İndeks A.Ş.	75.702	-	-	-
Neteks A.Ş.	-	-	-	-
Teklos A.Ş.	-	-	290.324	-
Despec A.Ş.	-	-	706.277	-
Homend A.Ş.	-	-	11.670	-
<b>Total</b>	<b>75.702</b>	<b>-</b>	<b>1.008.271</b>	<b>-</b>

The receivables and payables from related parties are not included in the collateral. There is no provision amount for provision for doubtful receivables related to related parties.

The current account balances between the parties are generally caused by the commercial transactions. However, in some cases, there may also be cash disbursements among companies. The balances due to non-commercial transactions are classified as non-trade payables or receivable. For current account balances, interest is charged and billed on a quarterly basis.



**DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ****NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018**

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

In the current period, the Company has interest on USD, EUR and TL for current account balances, the interest rates used for the twelve months of 2018 are in the range of USD 8,00% - 8,50% and 8,00% - 8,50% for EUR and 26,00% - 34,00% for TL. Interest rates for 2017 are between 3,50 - 4,75% (between 3,50 - 3,75%) and% (14-16) respectively.

b) Purchases from related parties and sales to related parties are as follows:

**31 December 2018**

<b>Sales to Related Parties</b>	<b>Service and Goods Sales</b>	<b>Joint Expense Participation</b>	<b>Interest and Exchange Rate Difference Income</b>	<b>Total Income / Sales</b>
İndeks A.Ş.	35.909	120.000	4.890.661	5.046.570
Artım A.Ş.	-	-	467	467
Despec A.Ş.	4.167.148	-	452	4.167.600
Homend A.Ş.	-	353	-	353
Teklos A.Ş.	35.362	9.195	39.090	83.647
<b>TOTAL</b>	<b>4.238.419</b>	<b>129.548</b>	<b>4.930.670</b>	<b>9.298.637</b>

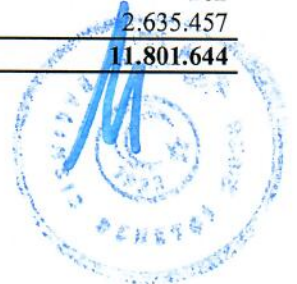
<b>Purchases from Related Parties</b>	<b>Mal ve Hizmet Alışları</b>	<b>Joint Expense Participation</b>	<b>Interest and Exchange Rate Difference Expense</b>	<b>Total Expenses/ Purchases</b>
Artım	9.483	-	950	10.433
Despec	10.691	7.485	4.825	23.001
İndeks	795.115	4.409.724	318.199	5.523.038
Teklos	2.398.186	-	107.467	2.505.653
<b>TOTAL</b>	<b>3.213.475</b>	<b>4.417.209</b>	<b>431.441</b>	<b>8.062.125</b>

The Company has no collaterals received and given to related parties.

**31 December 2017**

<b>Sales to Related Parties</b>	<b>Service and Goods Sales</b>	<b>Joint Expense Participation</b>	<b>Interest and Exchange Rate Difference Income</b>	<b>Total Income / Sales</b>
İndeks A.Ş.	40.934	446.974	3.453.572	3.941.480
Artım A.Ş.	75.238	-	2.080	77.318
Despec A.Ş.	2.522.074	-	23.718	2.545.792
İnfin A.Ş.	-	-	1.511	1.511
Neteks A.Ş.	7.919	-	6	7.925
Teklos A.Ş.	72.038	9.834	45.291	127.163
<b>TOTAL</b>	<b>2.718.203</b>	<b>456.808</b>	<b>3.526.178</b>	<b>6.701.189</b>

<b>Purchases from Related Parties</b>	<b>Mal ve Hizmet Alışları</b>	<b>Joint Expense Participation</b>	<b>Interest and Exchange Rate Difference Expense</b>	<b>Total Expenses/ Purchases</b>
Artım A.Ş.	17.286	-	4	17.290
Despec A.Ş.	855.786	-	16.226	872.012
Homend A.Ş.	-	-	-	-
İndeks A.Ş.	3.647.295	3.798.526	830.802	8.276.623
Neteks A.Ş.	-	-	262	262
Teklos A.Ş.	2.615.692	-	19.765	2.635.457
<b>TOTAL</b>	<b>7.136.059</b>	<b>3.798.526</b>	<b>867.059</b>	<b>11.801.644</b>



**DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018**  
*(Amounts are expressed in Turkish Lira unless otherwise stated.)*

The Company has no collaterals received and given to related parties.

**c) Senior management benefits and salaries**

<b>Account Name</b>	<b>31 December 2018</b>	<b>31 December 2017</b>
Benefits Provided to Senior Management and Salaries	2.554.484	2.298.139
Benefits due to Dismissal	-	-
<b>Total</b>	<b>2.554.484</b>	<b>2.298.139</b>

The benefits and services provided to the senior management cover the remuneration of the general manager and assistant general managers.

**NOTE 38 QUALIFICATIONS AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS**

**(a) Capital Risk management**

The Company, while trying to maintain the continuity of its activities in capital management on one hand, aims to increase its profitability by using the balance between debts and resources on the other hand.

The capital structure of the Company consists of debts containing the credits explained in note 8, cash and cash equivalents explained in note 6 and resource items containing respectively issued capital, capital reserves, profit reserves and profits of previous years explained in note 27.

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

The Company monitors capital by using the debt to total capital ratio. This ratio is calculated by dividing net debt by total capital.

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

General strategy based on the Company's equity does not differ from the previous period.

The Company has no speculative financial instruments (including derivative financial instruments) and does not have any activities related to the purchase and sale of such instruments.

**(b) Significant Accounting Policies**

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

**(c) Company Risk Exposures**

Due to their activities, the Group is exposed to changes in interest rates, interest rates and other risks.

The Company also carries the risk that the counterparty may fail to meet the requirements of the agreement due to the possession of the financial instruments.

Market risks encountered at the company level are measured on the basis of sensitivity analysis. In the current year, there has been no change in the Company's exposure to market risks or the manner in which it is exposed to risks or how it measures such risks.



# DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

### **(c1) Foreign Currency Risk and Management**

Foreign currency transactions result in foreign currency risk. The Group is exposed to foreign exchange risk due to changes in the exchange rates used in the translation of foreign currency assets and liabilities into Turkish Lira. Foreign currency risk arises due to the difference between the future transactions and the recorded assets and liabilities.

Since the Group mainly evaluates its deposits as foreign currency deposits, the Group is exposed to foreign exchange risk due to the changes in the foreign exchange rate due to the changes in the foreign currency denominated receivables and payables.

As stated below, the Company management evaluates and monitors the balance of the assets and liabilities denominated in Turkish Lira as open positions. As of 31 December 2018 and 31 December 2017, TL position risk is presented below:

If all other variables were fixed as of December 31, 2018, if the general level of exchange rates was 10% higher, the Company's profit before tax would have been higher by TL 198.210 (31 December 2017: TL 728.544 would become more).

1





**DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ**

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

*(Amounts are expressed in Turkish Lira unless otherwise stated.)***Exchange Rate Sensitivity Analysis Table**

	31.12.2018 Current Period	
	Profit / Losses	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
USD against TRY by 10% value change;		
1- USD Net Asset / Liability	198.164	(198.164)
2- Hedged portion of USD Risk (-)		
<b>3- USD Net Effect (1+2)</b>	<b>198.164</b>	<b>(198.164)</b>
EURO against TRY by 10% value change;		
4- EURO Net Asset / Liability	46	(46)
5- Hedged portion of Euro Risk (-)		
<b>6- EURO Net Effect (4+5)</b>	<b>46</b>	<b>(46)</b>
Other against TRY by 10% value change;		
7- Other Net Asset / Liability	-	-
8- Hedged portion of Other Risk (-)	-	-
<b>9- Other Net Effect (7+8)</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>198.210</b>	<b>(198.211)</b>

**Exchange Rate Sensitivity Analysis Table**

	31.12.2017 Previous Period	
	Profit / Losses	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
USD against TRY by 10% value change;		
1- USD Net Asset / Liability	724.952	(724.952)
2- Hedged portion of USD Risk (-)	-	-
<b>3- USD Net Effect (1+2)</b>	<b>724.952</b>	<b>(724.952)</b>
EURO against TRY by 10% value change;		
4- EURO Net Asset / Liability	3.592	(3.592)
5- Hedged portion of Euro Risk (-)	-	-
<b>6- EURO Net Effect (4+5)</b>	<b>3.592</b>	<b>(3.592)</b>
Other against TRY by 10% value change;		
7- Other Net Asset / Liability	-	-
8- Hedged portion of Other Risk (-)	-	-
<b>9- Other Net Effect (7+8)</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>728.544</b>	<b>(728.544)</b>



# DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

Currency Position Table

	31 December 2018			31 December 2017		
	TL Equivalent	USD	EURO	TL Equivalent	USD	EURO
1. Trade Receivables	8.894	1.691	-	81.725	21.667	-
2a. Monetary Financial Assets	2.050.999	389.769	77	1.184.574	314.038	12
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	35.477	6.743	-	1.685.943	437.913	7.569
<b>4. Total Current Assets (1+2+3)</b>	<b>2.095.370</b>	<b>398.203</b>	<b>77</b>	<b>2.952.242</b>	<b>773.618</b>	<b>7.581</b>
5. Trade Receivables	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
<b>8. Total Fixed 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>2.095.370</b>	<b>398.203</b>	<b>77</b>	<b>2.952.242</b>	<b>773.618</b>	<b>7.581</b>
10. Trade Payables	18.245	3.468	-	7.193.983	1.907.706	(375)
11. Financial Liabilities	-	-	-	-	-	-
12a. Other Monetary Liabilities	94.028	17.873	-	154.862	41.057	-
12b. Other Non- Monetary Liabilities	989	188	-	710	188	-
<b>13. Total Short-Term Liabilities (10+11+12)</b>	<b>113.262</b>	<b>21.529</b>	<b>-</b>	<b>7.349.555</b>	<b>1.948.951</b>	<b>(375)</b>
14. Trade Payables	-	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-	-	-
16b. Other Non- Monetary Liabilities	-	-	-	-	-	-
<b>17. Total Long-Term 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>113.262</b>	<b>21.529</b>	<b>-</b>	<b>7.349.555</b>	<b>1.948.951</b>	<b>(375)</b>
<b>19. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.682.753</b>	<b>3.097.313</b>	<b>-</b>
19a. Total Asset Amount of Hedged	-	-	-	11.682.753	3.097.313	-
19b. Total Liabilities Amount of Hedged	-	-	-	-	-	-
<b>20. Net Foreign Currency Asset / (Liability) Position (9-18+19)</b>	<b>1.982.108</b>	<b>376.674</b>	<b>77</b>	<b>7.285.440</b>	<b>1.921.980</b>	<b>7.956</b>
<b>21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+3+5+6a-10-11-12a-14-15-16a)</b>	<b>1.947.620</b>	<b>370.118</b>	<b>77</b>	<b>(6.082.546)</b>	<b>(1.613.058)</b>	<b>387</b>
<b>22. Total Fair Value of Financial Instruments Used for Currency Hedge</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.087.462</b>	<b>3.097.313</b>	<b>-</b>
<b>23. Currency Hedged Portion Amount of Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24. Currency Hedged Portion Amount of Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>25. Export</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>26. Import</b>	<b>3.735.370</b>	<b>-</b>	<b>-</b>	<b>23.013.944</b>	<b>-</b>	<b>-</b>



# DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

### c2 ) Related Party Risks

31 December 2018	Receivables				Footnotes	Bank Deposits and Reverse Repo	Footnotes
	Trade Receivables		Other Receivables				
	Related Party	Other	Related Party	Other			
<b>Maximum credit risk exposure as of balance sheet date (A+B+C+D)</b>	<b>351.434</b>	<b>125.217.724</b>	-	<b>7.770</b>		<b>73.896.294</b>	
- Collateralized or secured with guarantees part of maximum credit risk	-	124.870.034	-	-		-	
<b>A. Book value of restructured otherwise accepted as past due and impaired financial assets</b>	<b>351.434</b>	<b>124.554.097</b>	-	<b>7.770</b>	<b>10-11</b>	<b>73.896.294</b>	<b>6</b>
<b>B. Book value of restructured otherwise accepted as past due and impaired financial assets</b>	-	663.627	-	-		-	
- Guaranteed amount by commitment	-	-	-	-		-	
<b>C. Impaired asset net book value</b>	-	-	-	-	<b>10-11</b>	-	<b>6</b>
- Past due (gross amount)	-	-	-	-		-	
- Impairment (-)	-	2.049.416	-	-	<b>10-11</b>	-	<b>6</b>
- Net value collateralized or guaranteed part of net value	-	(2.049.416)	-	-	<b>10-11</b>	-	<b>6</b>
- Not over due (gross amount)	-	-	-	-	<b>10-11</b>	-	<b>6</b>
- Impairment (-)	-	-	-	-	<b>10-11</b>	-	<b>6</b>
- Net value collateralized or guaranteed part of net value.	-	-	-	-	<b>10-11</b>	-	<b>6</b>
<b>D. Off-balance sheet items bearing credit risk</b>	-	-	-	-	<b>10-11</b>	-	<b>6</b>



# DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

	31 December 2017						
	Receivables				Footnotes	Bank Deposits	Footnotes
	Trade Receivables		Other Receivables				
	Related Party	Other	Related Party	Other			
<b>Maximum credit risk exposure as of balance sheet date (A+B+C+D)</b>	75.702	283.845.923	-	77.148		37.441.065	
- Collateralized or secured with guarantees part of maximum credit risk	-	148.762.780	-	-		-	
<b>A. Book value of restructured otherwise accepted as past due and impaired financial assets</b>	75.702	283.170.080	-	77.148	10-11	37.441.065	6
<b>B. Book value of restructured otherwise accepted as past due and impaired financial assets</b>	-	675.843	-	-		-	
-Part secured with collateral, etc.	-	-	-	-		-	
<b>C. Impaired asset net book value</b>	-	-	-	-	10-11	-	6
- Past due (gross amount)	-	-	-	-		-	
- Impairment (-)	-	2.048.958	-	-	10-11	-	6
- Net value collateralized or guaranteed part of net value	-	(2.048.958)	-	-	10-11	-	6
- Not over due (gross amount)	-	-	-	-	10-11	-	6
- Impairment (-)	-	-	-	-	10-11	-	6
- Net value collateralized or guaranteed part of net value.	-	-	-	-	10-11	-	6
<b>D. Off-balance sheet items bearing credit risk</b>	-	-	-	-	10-11	-	6



# DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

31 December 2018	Receivables	
	Trade Receivables	Other Receivables
1-30 days past overdue	921.767	-
1-30 month past over due	166.378	-
More than 3 months past over due	98.834	-
Part secured with collateral, etc.	523.352	-

31 December 2017	Receivables	
	Trade Receivables	Other Receivables
1-30 days past overdue	292.184	-
1-30 month past over due	245.730	-
More than 3 months past over due	178.617	-
Part secured with collateral, etc.	40.688	-

### Credit risk management:

Datagate's collection risk arises mainly from its trade receivables. Almost all of the trade receivables are due to receivables from dealers. The Group has established an effective control system on its dealers and the credit risk arising from these transactions is followed by the risk management team and the Company's 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's management and are presented on the balance sheet net of provision for doubtful receivables. The low profit margin of the sector due to the structure of the sector makes collection and risk tracking policies quite important for our company and maximum sensitivity is shown in this regard. Our detailed explanations on our collection and risk management policy are given below.

For receivables exceeding the maturity of several months, enforcement proceedings and / or lawsuits are filed. It can also be done for some dealers who are in difficult situation. 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.

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 policies and procedures and accordingly, net of doubtful receivables are presented in the balance sheet. (Note 10).



**DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ****NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018**

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

**(c3) Interest rate risk management**

The Company is exposed to interest rate risk due to its fixed rate financial instruments.

**Interest Position Statement**

	<b>31 December 2018</b>	<b>31 December 2017</b>
<b>Fixed Interest Rate Financial Instruments</b>		
Financial Assets	69.653.434	27.195.479
Financial Liabilities	62.472.181	49.503.571
<b>Variable Interest Rate Financial Instruments</b>		
Financial Assets	-	-
Financial Liabilities	-	-

If the interest had been higher by 1 point on 31 December 2018 and all other variables had remained constant, the profit before tax would have been 71.813 TL more.

If the interest had been higher by 1 point on 31 December 2017 and all other variables had remained constant, the profit before tax would have been lower by TL 223.081.

**(c4) Liquidity risk management**

The Group follows the cash flows regularly and tries to manage the liquidity risk by maintaining sufficient funds and borrowing reserves through matching the maturity of financial assets and liabilities.

**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.

Risk of existing or future possible debt requirements being fundable is managed by maintaining the continuation of availability of sufficient numbers and high quality credit providers.

The following table shows non-derivative financial liabilities of the Group on the basis of TL maturity distribution:

**31 December 2018**

<b>Contract Maturities</b>	<b>Book Value</b>	<b>Cash Outflows Total As Per the Contract</b>	<b>Shorter than 3 months</b>	<b>Between 3-12 Months</b>	<b>Between 1-5 Years</b>	<b>More than 5 years</b>
<b>Non-derivative financial liabilities</b>						
<i>Bank Loans</i>	105.890.644	116.465.180	69.612.719	40.301.123	6.551.338	-
<i>Trade Payables</i>	62.472.181	72.419.289	25.566.828	40.301.123	6.551.338	-
<i>Other Payables</i>	41.954.875	42.582.303	42.582.303	-	-	-
<i>Other</i>	1.463.588	1.463.588	1.463.588	-	-	-
	-	-	-	-	-	-
<b>Derivative financial liabilities</b>						
<i>Derivative Cash Inflows</i>	-	-	-	-	-	-
<i>Derivative Cash Outflows</i>	-	-	-	-	-	-



**DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ****NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018**

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

**31 December 2017**

<b>Contract Maturities</b>	<b>Book Value</b>	<b>Cash Outflows Total As Per the Contract</b>	<b>Shorter than 3 months</b>	<b>Between 3- 12 Months</b>	<b>Between 1-5 Years</b>	<b>More than 5 years</b>
<b>Non-derivative financial liabilities</b>	<b>300.663.572</b>	<b>311.133.629</b>	<b>264.078.222</b>	<b>25.798.720</b>	<b>21.256.686</b>	-
<i>Bank Loans</i>	49.503.571	56.510.192	9.454.786	25.798.720	21.256.686	-
<i>Trade Payables</i>	249.549.531	253.012.967	253.012.967	-	-	-
<i>Other Payables</i>	1.610.470	1.610.470	1.610.470	-	-	-
<i>Other</i>	-	-	-	-	-	-

<b>Contract Maturities</b>	<b>Book Value</b>	<b>Cash Outflows Total As Per the Contract</b>	<b>Shorter than 3 months</b>	<b>Between 3- 12 Months</b>	<b>Between 1-5 Years</b>	<b>More than 5 years</b>
<b>Derivative financial liabilities</b>	<b>(404.709)</b>	<b>(528.713)</b>	<b>(528.713)</b>	-	-	-
<i>Derivative Cash Inflows</i>	11.682.755	11.682.755	11.682.755	-	-	-
<i>Derivative Cash Outflows</i>	(12.087.464)	(12.211.468)	(12.211.468)	-	-	-

(c5) Other risks analysis

**Common Stocks, etc. Risks Related to Financial Instruments**

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

**NOTE 39 FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND THE DISCLOSURES RELATED TO HEDGING AGAINST FINANCIAL RISKS)****Financial risk management objectives**

The finance department of the Company is responsible for the regular access to financial markets and the monitoring and management of financial risks related to the Company's operations. These risks include; market risk (includes foreign currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

**Financial Instruments Fair Value**

Fair value is the amount at which a financial instrument can be exchanged in a current transaction between voluntary parties, except for a forced sale or liquidation, and is best determined by a quoted market price, if any.

The Group has determined the estimated values of the financial instruments by using current market information and appropriate valuation methods. However, evaluating market information and estimating real values require interpretation and reasoning. As a result, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange.

The methods and assumptions used to estimate the fair value of financial instruments are as follows:



# DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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

### Financial Assets

Foreign currency balances are translated into Turkish Lira at the exchange rates prevailing at the end of the period. These balances are estimated to be close to the book value.

Certain financial assets, including cash and cash equivalents, are carried at cost and are considered to approximate their respective carrying values due to their short-term nature.

It is predicted that the carrying values of trade receivables together with the related allowances for doubtful receivables.

### Financial Liabilities

Foreign currency balances are translated into Turkish Lira at the exchange rates prevailing at the end of the period. These balances are estimated to be close to the book value.

Due to their short-term nature, the carrying values of bank loans and other monetary liabilities are considered to approximate their respective carrying values.

The carrying values of trade payables are considered to approximate their carrying values due to their short-term nature.

### Fair Value Estimations:

Effective from 1 January 2009, the Group has applied the amendment to IFRS 7 for financial instruments measured at fair value in the balance sheet. This amendment is explained on the basis of the steps in the following calculation hierarchy of the fair value calculations:

Level 1: Financial assets and liabilities are valued at exchange rates traded on the active market for the same assets and liabilities.

Level 2: Financial assets and liabilities are valued at the inputs used to find the price that can be observed directly or indirectly in the market, other than the quoted price in the 1st category.

Level 3: Financial assets and liabilities are valued using inputs that are not based on observable inputs in the market for the fair value of the asset or liability.

The fair values of balances denominated in foreign currencies translated at year-end exchange rates are considered to approximate their respective carrying values.

As of December 31, 2018 and December 31, 2017, the Group has presented its financial assets at fair value in the financial statements. (Level 2) (Note: 7)

The fair values of certain financial assets carried at amortized cost, such as cash and cash equivalents, are considered to approximate their respective carrying values due to their short-term nature.

Trade receivables and payables are measured at amortized cost using the effective interest method, and are therefore considered to approximate their fair values.

### NOTE 40 SUBSEQUENT EVENTS

None.

### NOTE 41 THE OTHER ISSUES WHICH SUBSTANTIALLY AFFECT THE FINANCIAL STATEMENTS OR ARE REQUIRED TO BE DESCRIBED IN TERMS OF MAKING THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE

None.

