

**DATAGATE BİLGİSAYAR MALZEMELERİ
TİCARET ANONİM ŞİRKETİ**

**CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2021
TOGETHER WITH THE INDEPENDENT AUDITORS' REPORT**

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

DATEGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 1 JANUARY- 31 DECEMBER 2021

CONTENTS	INDEX
INDEPENDENT AUDITOR'S REPORT	
CONSOLIDATED BALANCE SHEETS -----	1 -2
CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME -----	3
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY -----	4
CONSOLIDATED STATEMENTS OF CASH FLOWS -----	5
<i>NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS</i> -----	<i>6</i>
<i>NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS</i> -----	<i>6</i>
<i>NOTE 3 - BUSINESS COMBINATIONS</i> -----	<i>23</i>
<i>NOTE 4 - DISCLOSURE OF INTERESTS IN OTHER ENTITIES</i> -----	<i>23</i>
<i>NOTE 5 - SEGMENT REPORTING</i> -----	<i>24</i>
<i>NOTE 6 - CASH AND CASH EQUIVALENTS</i> -----	<i>24</i>
<i>NOTE 7 - FINANCIAL INVESTMENTS</i> -----	<i>24</i>
<i>NOTE 8 - BORROWINGS</i> -----	<i>24</i>
<i>NOTE 9 - OTHER FINANCIAL LIABILITIES</i> -----	<i>26</i>
<i>NOTE 10 - TRADE RECEIVABLES AND PAYABLES</i> -----	<i>26</i>
<i>NOTE 11 - OTHER RECEIVABLES AND PAYABLES</i> -----	<i>27</i>
<i>NOTE 12 - DERIVATIVE INSTRUMENTS</i> -----	<i>28</i>
<i>NOTE 13 - INVENTORIES</i> -----	<i>28</i>
<i>NOTE 14 - BIOLOGICAL ASSETS</i> -----	<i>29</i>
<i>NOTE 15 - PREPAID EXPENSES AND DEFERRED INCOME</i> -----	<i>29</i>
<i>NOTE 16 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</i> -----	<i>30</i>
<i>NOTE 17 - INVESTMENT PROPERTIES</i> -----	<i>30</i>
<i>NOTE 18 - PROPERTY, PLANT AND EQUIPMENT</i> -----	<i>31</i>
<i>NOTE 18 - RIGHT OF USE ASSETS</i> -----	<i>32</i>
<i>NOTE 19 - INTANGIBLE ASSETS</i> -----	<i>32</i>
<i>NOTE 20 - EMPLOYEE BENEFITS</i> -----	<i>33</i>
<i>NOTE 21 - GOVERNMENT GRANTS</i> -----	<i>33</i>
<i>NOTE 22 - PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS</i> -----	<i>33</i>
<i>NOTE 23 - COMMITMENTS</i> -----	<i>35</i>
<i>NOTE 24 - PROVISION FOR EMPLOYEE BENEFITS</i> -----	<i>36</i>
<i>NOTE 25 - TAX ASSETS AND LIABILITIES</i> -----	<i>37</i>
<i>NOTE 26 - OTHER ASSETS AND LIABILITIES</i> -----	<i>37</i>
<i>NOTE 27 - EQUITY</i> -----	<i>37</i>
<i>NOTE 28 - REVENUE AND COST OF SALES</i> -----	<i>40</i>
<i>NOTE 29 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SALES AND DISTRIBUTION EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES</i> -----	<i>40</i>
<i>NOTE 30 - EXPENSES BY NATURE</i> -----	<i>40</i>
<i>NOTE 31 - OTHER OPERATING INCOME/(EXPENSES)</i> -----	<i>41</i>
<i>NOTE 32 - GAINS/ (LOSSES) FROM INVESTMENT ACTIVITES</i> -----	<i>41</i>
<i>NOTE 33 - FINANCIAL INCOME / EXPENSE</i> -----	<i>41</i>
<i>NOTE 34 - ASSETS HELD FOR SALE</i> -----	<i>42</i>
<i>NOTE 35 - INCOME TAX</i> -----	<i>42</i>
<i>NOTE 36 - EARNINGS PER SHARE</i> -----	<i>44</i>
<i>NOTE 37 - RELATED PARTY DISCLOSURES</i> -----	<i>44</i>
<i>NOTE 38 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT</i> -----	<i>46</i>
<i>NOTE 39 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING)</i> -----	<i>52</i>
<i>NOTE 40 - EVENTS AFTER THE BALANCE SHEET DATE</i> -----	<i>53</i>
<i>NOTE 41 - THE OTHER MATTERS WHICH SUBSTANTIALLY AFFECT THE CONSOLIDATED FINANCIAL STATEMENTS OR ARE REQUIRED TO BE DESCRIBED IN TERMS OF MAKING THE CONSOLIDATED FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE</i> -----	<i>53</i>

**CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY
ISSUED IN TURKISH****INDEPENDENT AUDITOR'S REPORT****To the Board of Directors of Datagate Bilgisayar Malzemeleri Ticaret Anonim Şirketi;****Audit of the Consolidated Financial Statements****Opinion**

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

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

Basis for Opinion

Our audit was conducted in accordance with the International Standards on Auditing ("ISAs") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants ("IESBA Code") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the consolidated financial statements. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

www.gureli.com.tr**Merkez Ofisi**
Spine Tower Büyükdere Cad.
59. Sok. No:243 Kat:25-26-28
Maslak 34398 Sarıyer/İstanbul
T : 444 9 475 (0212) 285 01 50
F : (0212) 285 03 40-43
gym@gureli.com.tr**Ankara Ofisi**
ASO Kule Atatürk Bulvarı
No:193 Kat:9 06680
Kavaklıdere/Ankara
T : (0312) 466 84 20
F : (0312) 466 84 21
gymankara@gureli.com.tr**Antalya Ofisi**
Fener Mah. 1964 Sok. No:36
K:1 D:4 Kemal Erdoğan Apt.
Muratpaşa/Antalya
T : (0242) 324 30 14
F : (0242) 324 30 15
gymantalya@gureli.com.tr**İzmir Ofisi**
Atatürk Cad. Ekim Apt.
No:174/1 Kat:5 D:9
Alsancak/İzmir
T : (0232) 421 21 34
F : (0232) 421 21 87
gymizmir@gureli.com.tr**Trakya Ofisi**
Yavuz Mah. Ferman Sok.
No:3/7 K:2
Süleymanpaşa/Tekirdağ
T : (0282) 261 25 30 - 261 62 56
F : (0282) 261 83 22
gymtrakya@gureli.com.tr**Bursa Ofisi**
Odunluk Mah. Akademi Cad.
Zeno İş Merkezi D Blok Kat:7
D:31 Nilüfer/Bursa
T : (0224) 451 27 10
F : (0224) 451 27 79
gymbursa@gureli.com.tr

Trade Receivables	
Please refer to notes 2.08 and 10 to the consolidated financial statements	
Key audit matters	How our audit addressed the key audit matter
<p>The consolidated financial statements as of 31 December 2021 include trade receivables amounting to TL 6.371.966 which represent a 63,75% of Datagate's total assets.</p> <p>Relevant trade receivables are material to the consolidated financial statements. In addition, significant judgments and estimates are used in the determination of the recoverability amounts of trade receivables performed by the Group management.</p> <p>For these reasons, the recoverability of these receivables and its materiality on the consolidated financial statements have been determined as key audit matter of our audit.</p> <p>Please refer to note 10 and 38 to the consolidated financial statements for the accounting policy and the relevant disclosures.</p>	<p>We performed the following procedures in relation to the testing the provisions allocated in the accompanying consolidated financial statements and ensuring to reconcile the balances of trade receivables:</p> <p>Assessing and testing the business process for collections from customers, evaluating the operational effectiveness of controls embedded in the business process including the testing of third party balances,</p> <p>Understanding the credit risk policy of the Group for past due receivables and letters of guarantee obtained including insurance policies applied on current balances of trade receivables. Accordingly, we have assessed the aging results of the balances of the provisions, economic conditions, past collection performances, lawsuits and execution proceedings, and the letters of guarantees obtained for the trade receivables, allocation of the provisions accounted for the trade receivable balances considered recognised as doubtful trade receivables.</p> <p>Controlling and testing the trade receivable balances in the accompanying consolidated financial statements including exchange rate valuation, receivables rediscount (deferred interest income) etc. that have material impact on trade receivable balances.</p> <p>Testing the disclosures in the consolidated financial statements in relation to the trade receivables and evaluating the adequacy of such disclosures for TFRS' requirements.</p> <p>We had no material findings related to the trade receivables as a result of these procedures.</p>

Provision for Inventory Impairment	
Please refer to notes 2.08 and 13 to the consolidated financial statements	
Key audit matters	How our audit addressed the key audit matter
<p>Due to the technological developments, products in inventories may subject to technological obsolescence and depreciate its net realisable value. The consolidated financial statements as of and for the year ending 31 December 2021 include inventories with carrying values of TL 140.174.784 and the provision for</p>	<p>We performed the following procedures in relation to the testing net realizable value of inventories:</p> <p>Evaluating the provision for net realisable value in terms of changes in gross profit from sales on general</p>



www.gureli.com.tr

Merkez Ofisi
Spine Tower Büyükdere Cad.
59. Sok. No:243 Kat:25-26-28.
Maslak 34398 Sarıyer/İstanbul
T : 444 9 475 (0212) 285 01 50
F : (0212) 285 03 40-43
gym@gureli.com.tr

Ankara Ofisi
ASO Kule Atatürk Bulvarı
No:193 Kat:9 06680
Kavaklıdere/Ankara
T : (0312) 466 84 20
F : (0312) 466 84 21
gymankara@gureli.com.tr

Antalya Ofisi
Fener Mah. 1964 Sok. No:36
K:1 D:4 Kemal Erdoğan Apt.
Muratpaşa/Antalya
T : (0242) 324 30 14
F : (0242) 324 30 15
gymantalya@gureli.com.tr

İzmir Ofisi
Atatürk Cad. Ekim Apt.
No:174/1 Kat:5 D:9
Alsancak/İzmir
T : (0232) 421 21 34
F : (0232) 421 21 87
gymizmir@gureli.com.tr

Trakya Ofisi
Yavuz Mah. Ferman Sok.
No:3/7 K:2
Süleymanpaşa/Tekirdağ
T : (0282) 261 25 30 - 261 62 56
F : (0282) 261 83 22
gymtrakya@gureli.com.tr

Bursa Ofisi
Odunluk Mah. Akademi Cad.
Zeno İş Merkezi D Blok Kat:7
D:31 Nilüfer/Bursa
T : (0224) 451 27 10
F : (0224) 451 27 79
gymbursa@gureli.com.tr

<p>inventories of TL 3.617.671. Significant estimates and judgements are used by Group management in the net realisable values of inventories regarding depreciation and technological developments. The Group's inventory impairment policy indicates the policy including calculating the provision for inventory impairment with increasing percentages due to the increase in inventory periods more than 3 months during the determination of provision for inventory impairment.</p> <p>The balance of inventory and the calculation of impairment regarding the balance are determined as key audit of the consolidated financial statements.</p>	<p>or product basis,</p> <p>Comparing the unit prices on invoices in the balance sheet period with sales invoices samples after the balance sheet date,</p> <p>Testing unusual deviations with comparing prior period with the ratio of cost of sales to the inventory turnover ratio and cost of sales,</p> <p>Evaluating the movement of inventory for all inventory groups and their changes, inventory aging, and inactive inventory from prior period that unable to sell,</p> <p>Testing the inventory impairment through aging and waiting periods on the basis of the Group's inventory aging table.</p> <p>Testing the disclosures in the consolidated financial statements in relation to the provision for inventory impairment and evaluating the adequacy of such disclosures for TFRS' requirements.</p> <p>We had no material findings related to provision for inventory impairment as a result of these procedures.</p>
--	--

Trade Payables

Please refer to notes 2.08 and 10 to the consolidated financial statements

Key audit matters	How our audit addressed the key audit matter
<p>The consolidated financial statements as of and for the year ending 31 December 2021 include trade payables with carrying values of TL 144.833.041. The balance of trade payable which represents significant portion of Datagate's total liabilities determined as key audit of the consolidated financial statements.</p>	<p>We performed the following procedures in relation to the testing trade payables:</p> <p>Through obtaining detailed list of trade payables, reconciliation have been made with the suppliers that constitutes trade payables in the Group's records, and / or have been controlled with the payments after the balance sheet date,</p> <p>Evaluating the payables to suppliers balance if that have not been paid for a long period in accordance with the provision for interest and late charge,</p> <p>Evaluating the currency translation differences for foreign currency denominated suppliers and depreciation studies for trade payables.</p> <p>Testing the disclosures in the consolidated financial statements in relation to the trade payables and evaluating the adequacy of such disclosures for TFRS' requirements.</p> <p>We had no material findings related to trade payables as a result of these procedures.</p>



www.gureli.com.tr

Merkez Ofisi
Spine Tower Büyükdere Cad.
59. Sok. No:243 Kat:25-26-28
Maslak 34398 Sarıyer/İstanbul
T : 444 9 475 (0212) 285 01 50
F : (0212) 285 03 40-43
gym@gureli.com.tr

Ankara Ofisi
ASO Kule Atatürk Bulvarı
No:193 Kat:9 06680
Kavaklıdere/Ankara
T : (0312) 466 84 20
F : (0312) 466 84 21
gymankara@gureli.com.tr

Antalya Ofisi
Fener Mah. 1964 Sok. No:36
K:1 D:4 Kemal Erdoğan Apt.
Muratpaşa/Antalya
T : (0242) 324 30 14
F : (0242) 324 30 15
gymantalya@gureli.com.tr

İzmir Ofisi
Atatürk Cad. Ekim Apt.
No:174/1 Kat:5 D:9
Alsancak/İzmir
T : (0232) 421 21 34
F : (0232) 421 21 87
gymizmir@gureli.com.tr

Trakya Ofisi
Yavuz Mah. Ferman Sok.
No:3/7 K:2
Süleymanpaşa/Tekirdağ
T : (0282) 261 25 30 - 261 62 56
F : (0282) 261 83 22
gymtrakya@gureli.com.tr

Bursa Ofisi
Odunluk Mah. Akademi Cad.
Zeno İş Merkezi D Blok Kat:7
D:31 Nilüfer/Bursa
T : (0224) 451 27 10
F : (0224) 451 27 79
gymbursa@gureli.com.tr

Revenue	
Please refer to notes 2.08 and 28 to the consolidated financial statements	
Key audit matters	How our audit addressed the key audit matter
Recognition and determination of revenue in correct period determined as a key audit matter for audit of the consolidated financial statements.	<p>We performed the following procedures in relation to the testing recognition of revenue in correct period:</p> <p>Testing the accounting policy in relation to the recognition of revenue in the consolidated financial statements,</p> <p>Evaluating the revenue as a process by observing sales and delivery procedures,</p> <p>Evaluating the audit procedures are focused on the assessment of invoices issued but risk and ownership have not been transferred,</p> <p>Evaluating the details of the sales returns which are requested for the audit date whether there is a high amount of returns incurred after the balance sheet date,</p> <p>Evaluating the invoice, delivery note, warehouse exit and delivery documents are analyzed by sampling method and the actual delivery is made before the balance sheet date,</p> <p>Testing the disclosures in the consolidated financial statements in relation to the recognition of revenue and evaluating the adequacy of such disclosures for TFRS' requirements.</p> <p>We had no material findings related to recognition of revenue as a result of these procedures.</p>

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

Our aim is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion.



www.gureli.com.tr

Merkez Ofisi
Spine Tower Büyükdere Cad.
59. Sok. No:243 Kat:25-26-28
Maslak 34398 Sarıyer/İstanbul
T : 444 9 475 (0212) 285 01 50
F : (0212) 285 03 40-43
gym@gureli.com.tr

Ankara Ofisi
ASO Kule Atatürk Bulvarı
No:193 Kat:9 06680
Kavaklıdere/Ankara
T : (0312) 466 84 20
F : (0312) 466 84 21
gymankara@gureli.com.tr

Antalya Ofisi
Fener Mah. 1964 Sok. No:36
K:1 D:4 Kemal Erdoğan Apt.
Muratpaşa/Antalya
T : (0242) 324 30 14
F : (0242) 324 30 15
gymantalya@gureli.com.tr

İzmir Ofisi
Atatürk Cad. Ekim Apt.
No:174/1 Kat:5 D:9
Alsancak/İzmir
T : (0232) 421 21 34
F : (0232) 421 21 87
gymizmir@gureli.com.tr

Trakya Ofisi
Yavuz Mah. Ferman Sok.
No:3/7 K:2
Süleymanpaşa/Tekirdağ
T : (0282) 261 25 30 - 261 62 56
F : (0282) 261 83 22
gymtrakya@gureli.com.tr

Bursa Ofisi
Odunluk Mah. Akademi Cad.
Zeno İş Merkezi D Blok Kat:7
D:31 Nilüfer/Bursa
T : (0224) 451 27 10
F : (0224) 451 27 79
gymbursa@gureli.com.tr

Reasonable assurance expressed as a result of an independent audit conducted in accordance with ISAs is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

Other Responsibilities Arising from Regulatory Requirements

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

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



www.gureli.com.tr

Merkez Ofisi
Spine Tower Büyükdere Cad.
59. Sok. No:243 Kat:25-26-28
Maslak 34398 Sarıyer/İstanbul
T : 444 9 475 (0212) 285 01 50
F : (0212) 285 03 40-43
gym@gureli.com.tr

Ankara Ofisi
ASO Kule Atatürk Bulvarı
No:193 Kat:9 06680
Kavaklıdere/Ankara
T : (0312) 466 84 20
F : (0312) 466 84 21
gymankara@gureli.com.tr

Antalya Ofisi
Fener Mah. 1964 Sok. No:36
K:1 D:4 Kemal Erdoğan Apt.
Muratpaşa/Antalya
T : (0242) 324 30 14
F : (0242) 324 30 15
gymantalya@gureli.com.tr

İzmir Ofisi
Atatürk Cad. Ekim Apt.
No:174/1 Kat:5 D:9
Alsancak/İzmir
T : (0232) 421 21 34
F : (0232) 421 21 87
gymizmir@gureli.com.tr

Trakya Ofisi
Yavuz Mah. Ferman Sok.
No:3/7 K:2
Süleymanpaşa/Tekirdağ
T : (0282) 261 25 30 - 261 62 56
F : (0282) 261 83 22
gymtrakya@gureli.com.tr

Bursa Ofisi
Odunluk Mah. Akademi Cad.
Zeno İş Merkezi D Blok Kat:7
D:31 Nilüfer/Bursa
T : (0224) 451 27 10
F : (0224) 451 27 79
gymbursa@gureli.com.tr

January to 31 December 2021 period are not in compliance with the TCC and provisions of the Group's articles of association related to financial reporting.

3) In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

The engagement partner responsible for the audit resulting in this independent auditor's report is Arzu DEVELİ CİLARA.

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

İstanbul, 16 February 2022



Arzu DEVELİ CİLARA
Partner, CPA

www.gureli.com.tr

Merkez Ofisi

Spine Tower Büyükdere Cad.
59. Sok. No:243 Kat:25-26-28
Maslak 34398 Sarıyer/İstanbul
T : 444 9 475 (0212) 285 01 50
F : (0212) 285 03 40-43
gym@gureli.com.tr

Ankara Ofisi

ASO Kule Atatürk Bulvarı
No:193 Kat:9 06680
Kavaklıdere/Ankara
T : (0312) 466 84 20
F : (0312) 466 84 21
gymankara@gureli.com.tr

Antalya Ofisi

Fener Mah. 1964 Sok. No:36
K:1 D:4 Kemal Erdoğan Apt.
Muratpaşa/Antalya
T : (0242) 324 30 14
F : (0242) 324 30 15
gymantalya@gureli.com.tr

İzmir Ofisi

Atatürk Cad. Ekim Apt.
No:174/1 Kat:5 D:9
Alsancak/İzmir
T : (0232) 421 21 34
F : (0232) 421 21 87
gymizmir@gureli.com.tr

Trakya Ofisi

Yavuz Mah. Ferman Sok.
No:3/7 K:2
Süleymanpaşa/Tekirdağ
T : (0282) 261 25 30 - 261 62 56
F : (0282) 261 83 22
gymtrakya@gureli.com.tr

Bursa Ofisi

Odunluk Mah. Akademi Cad.
Zeno İş Merkezi D Blok Kat:7
D:31 Nilüfer/Bursa
T : (0224) 451 27 10
F : (0224) 451 27 79
gymbursa@gureli.com.tr

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

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

Page Number: 1

CONSOLIDATED BALANCE SHEETS
AT 31 DECEMBER 2021 AND 2020

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

		<i>Audited</i>	<i>Audited</i>
		<i>Current Period</i>	<i>Prior Period</i>
	Notes	31 December 2021	31 December 2020
ASSETS			
Current Assets		592.107.859	499.343.397
Cash and Cash Equivalents	6	23.209.165	20.706.560
Financial Investments	7	-	-
Trade Receivables	10	384.714.439	310.992.734
<i>Related Parties</i>	<i>10-37</i>	<i>954.098</i>	<i>669.266</i>
<i>Third Parties</i>	<i>10</i>	<i>383.760.341</i>	<i>310.323.468</i>
Other Receivables	11	358.101	402.670
<i>Related Parties</i>	<i>11-37</i>	<i>-</i>	<i>-</i>
<i>Third Parties</i>	<i>11</i>	<i>358.101</i>	<i>402.670</i>
Derivative Instruments	12	5.389.259	-
Inventories	13	140.174.784	144.821.513
Prepaid Expenses	15	21.967.763	12.693.659
Current Income Tax Assets	25	-	-
Other Current Assets	26	16.294.348	9.726.261
Non-Current Assets		11.329.827	11.814.721
Trade Receivables	10	-	-
<i>Third Parties</i>	<i>10</i>	<i>-</i>	<i>-</i>
Investment Properties	17	233.170	237.850
Property, Plant and Equipment	18	550.051	362.847
Right of Use Assets	18	1.972.913	2.637.705
Intangible Assets	19	873.367	818.227
<i>Other Intangible Assets</i>	<i>19</i>	<i>873.367</i>	<i>818.227</i>
Deferred Tax Assets	35	7.700.326	7.758.092
TOTAL ASSETS		603.437.686	511.158.118

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



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

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

Page Number: 2

CONSOLIDATED BALANCE SHEETS
AT 31 DECEMBER 2021 AND 2020

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

	Notes	Audited	Audited
		Current Period 31 December 2021	Prior Period 31 December 2020
LIABILITIES			
Current Liabilities		361.097.609	321.162.737
Short Term Borrowings	8	172.599.148	184.430.310
Short Term Portion of Long Term Borrowings	8	-	-
Trade Payables	10	144.833.041	108.034.094
<i>Related Parties</i>	<i>10-37</i>	<i>16.999.225</i>	<i>7.135.594</i>
<i>Third Parties</i>	<i>10</i>	<i>127.833.816</i>	<i>100.898.500</i>
Employee Benefits	20	197.802	192.231
Other Payables	11	536.492	452.483
<i>Related Parties</i>	<i>11-37</i>	<i>-</i>	<i>-</i>
<i>Third Parties</i>	<i>11</i>	<i>536.492</i>	<i>452.483</i>
Derivative Instruments	12	-	3.104.246
Deferred Income	15	7.638.350	2.927.494
Current Income Tax Liabilities	35	11.196.343	424.702
Short Term Provisions	22	24.096.433	21.597.177
<i>Other Short Term Provisions</i>	<i>22</i>	<i>24.096.433</i>	<i>21.597.177</i>
Non-Current Liabilities		2.690.765	2.780.498
Long Term Borrowings	8	1.171.750	1.649.857
<i>Long Term Provisions for Employee Benefits</i>	<i>24</i>	<i>1.519.015</i>	<i>1.130.641</i>
EQUITY	27	239.649.312	187.214.883
Equity Holders of the Parent	27	168.620.906	137.342.261
Paid in Share Capital		30.000.000	30.000.000
Adjustment to Share Capital		1.241.463	1.241.463
Repurchased Shares (-)		(810.827)	(810.827)
Share Premium		3.229.361	3.229.361
Business Combinations Under Common Control		(11.913.128)	(11.913.128)
Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss		(158.736)	(107.284)
<i>Gains/Losses on remeasurement of defined benefit plans</i>		<i>(158.736)</i>	<i>(107.284)</i>
Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss		1.940.310	1.940.310
<i>Currency Translation Differences</i>		<i>1.940.310</i>	<i>1.940.310</i>
Restricted Reserves		10.513.622	10.513.622
Retained Earnings		103.248.744	78.099.094
Profit for the Period		31.330.097	25.149.650
Non-Controlling Interests		71.028.406	49.872.622
TOTAL LIABILITIES AND EQUITY		603.437.686	511.158.118

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



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

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

	Notes	Audited Current Period 1 January 2021 31 December 2021	Audited Prior Period 1 January 2020 31 December 2020
PROFIT OR LOSS:			
Revenue	28	1.892.774.228	1.699.475.494
Cost of Sales (-)	28	(1.799.954.140)	(1.622.436.726)
GROSS PROFIT/(LOSS) FROM FINANCIAL OPERATIONS		92.820.088	77.038.768
GROSS PROFIT/(LOSS)		92.820.088	77.038.768
General Administrative Expenses (-)	29	(19.132.843)	(15.946.515)
Marketing, Sales and Distribution Expenses (-)	29	(19.032.836)	(15.469.081)
Other Operating Income	31	51.582.726	42.924.817
Other Operating Expenses (-)	31	(37.733.521)	(33.237.581)
OPERATING PROFIT / (LOSS) FROM CONTINUING OPERATIONS		68.503.614	55.310.408
Gains from Investment Activities	32	-	39.764
Losses from Investment Activities (-)	32	-	-
OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)		68.503.614	55.350.172
Financial Income	33	30.395.902	9.189.434
Financial Expenses (-)	33	(29.346.504)	(14.703.162)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		69.553.012	49.836.444
Tax income/(expense)		(17.028.436)	(11.783.711)
- Current income tax expense	35	(16.948.133)	(10.608.833)
- Deferred tax income	35	(80.303)	(1.174.878)
PROFIT / (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		52.524.576	38.052.733
PROFIT / (LOSS) FOR THE PERIOD		52.524.576	38.052.733
Attributable to:		52.524.576	38.052.733
Non-Controlling Interests		21.194.479	12.903.083
Equity Holders of the Parent		31.330.097	25.149.650
Earnings Per Share	36	1,044337	0,838322
OTHER COMPREHENSIVE INCOME:			
Items not to be reclassified to profit/loss		(90.147)	(84.944)
Actuarial gains/(losses) on remeasurements of defined benefit plans	27	(112.684)	(106.180)
Taxes relating to other comprehensive income not to be reclassified to profit/(loss)		22.537	21.236
- Deferred tax income/expense		22.537	21.236
Items to be reclassified to profit/loss		27	-
Currency translation differences		-	-
Gains/(losses) on cash flow hedges	27	-	-
OTHER COMPREHENSIVE INCOME/(LOSS)		(90.147)	(84.944)
TOTAL COMPREHENSIVE INCOME/(LOSS)		52.434.429	37.967.789
Attributable to:		52.434.429	37.967.789
Non-Controlling Interests		21.155.784	12.860.357
Equity Holders of the Parent		31.278.645	25.107.432

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



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020**

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

Audited Current Period	Notes	Paid in share capital	Adjustment to Share Capital	Repurchase d Shares	Share Premium	Business Combinations Under Common Control	Items not to be reclassified to profit/loss		Items to be reclassified to profit/loss	Retained Earnings		Profit for the Period	Equity Holders of the Parent	Non-Controlling Interests	Total Equity
							Gains/(losses) on remeasurement of defined benefit plans	Other Gains/(Losses)	Currency Translation Differences	Restricted Reserves	Prior Years Income				
Balances at 01.01.2021	27	30.000.000	1.241.463	(810.827)	3.229.361	(11.913.128)	(107.284)	-	1.940.310	10.513.622	78.099.094	25.149.650	137.342.261	49.872.622	187.214.883
<i>Transfers</i>		-	-	-	-	-	-	-	-	-	25.149.650	(25.149.650)	-	-	-
Total Comprehensive Income		-	-	-	-	-	(51.452)	-	-	-	-	31.330.097	31.278.645	21.155.784	52.434.429
<i>-Net Profit/Loss for the Period</i>		-	-	-	-	-	-	-	-	-	-	31.330.097	31.330.097	21.194.479	52.524.576
<i>Other Comprehensive Income</i>		-	-	-	-	-	(51.452)	-	-	-	-	-	(51.452)	(38.695)	(90.147)
<i>Capital Increases</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Dividends Paid</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Business Combinations Under Common Control</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Transactions with share based payments</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at 31.12.2021	27	30.000.000	1.241.463	(810.827)	3.229.361	(11.913.128)	(158.736)	-	1.940.310	10.513.622	103.248.744	31.330.097	168.620.906	71.028.406	239.649.312
Audited Prior Period															
Balances at 01.01.2020	27	30.000.000	1.241.463	(810.827)	3.229.361	-	(65.066)	-	1.940.310	10.513.622	54.553.949	23.545.145	124.147.957	77.889.984	202.037.941
<i>Transfers</i>		-	-	-	-	-	-	-	-	-	23.545.145	(23.545.145)	-	-	-
Total Comprehensive Income		-	-	-	-	-	(42.218)	-	-	-	-	25.149.650	25.107.432	12.860.357	37.967.789
<i>-Net Profit/Loss for the Period</i>		-	-	-	-	-	-	-	-	-	-	25.149.650	25.149.650	12.903.083	38.052.733
<i>Other Comprehensive Income</i>		-	-	-	-	-	(42.218)	-	-	-	-	-	(42.218)	(42.726)	(84.944)
<i>Capital Increases</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Dividends Paid</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Business Combinations Under Common Control</i>		-	-	-	-	(11.913.128)	-	-	-	-	-	-	(11.913.128)	(40.877.719)	(52.790.847)
<i>Transactions with share based payments</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at 31.12.2020	27	30.000.000	1.241.463	(810.827)	3.229.361	(11.913.128)	(107.284)	-	1.940.310	10.513.622	78.099.094	25.149.650	137.342.261	49.872.622	187.214.883

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



**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020**

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

Notes	Audited Current Period	Audited Prior Period
	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
A) CASH FLOWS FROM OPERATING ACTIVITIES	38.850.367	(12.175.992)
Profit for the Period	52.524.576	38.052.733
Adjustments to reconcile profit for the period to cash generated from operating activities:	30.212.729	6.040.025
Depreciation and amortisation	17-18-19 1.643.264	1.463.417
Adjustments for impairment loss/(reversal of impairment loss)	1.199.650	2.743.462
Adjustments for receivables impairment (reversal)	10 1.554.863	291.188
Adjustments for inventory impairment (reversal)	13 (355.213)	2.452.274
Adjustments for provisions	3.070.655	(2.580.978)
Adjustments for provisions for employee benefits (reversal)	24 571.399	291.420
Adjustments for provisions for lawsuits and penalties	22 4.461	2.986
Adjustments for other provisions (reversal)	22 2.494.795	(2.875.384)
Adjustments for interest income/expense	13.838.811	(698.778)
Adjustments for interest income	31-33 (31.960.149)	(19.561.613)
Adjustments for interest expenses	31-33 45.509.985	22.764.398
Deferred Financial Expense from Term Purchases	10 (851.116)	(232.887)
Unrealised Financial Income from Term Sales	10 1.140.091	(3.668.676)
Adjustments for tax income/expense	35 17.028.436	11.783.711
Other adjustments to reconcile profit for the period	26 (6.568.087)	(6.670.809)
Changes in Working Capital	(33.636.076)	(44.976.545)
Adjustments for Gains/Losses in Trade Receivables	10 (76.416.659)	(31.530.147)
Adjustments for Gains/Losses In Other Receivables Related To Operations	11 44.569	(24.365)
Gains/Losses from Inventories	13 5.001.942	(49.086.349)
Adjustments for losses/(gains) in Trade Payables	10 37.650.063	37.110.717
Adjustments for Gains/Losses In Trade Payables Related To Operations	11 84.009	(1.446.401)
Cash flows from Operating Activities	49.101.229	(883.787)
Payments Within Provisions Related To Employee Benefits	24 (295.708)	(71.763)
Income Taxes Refund/Paid	35 (6.176.493)	(11.447.680)
Other Cash Inflows (Outflows)	(3.778.661)	227.238
B) CASH FLOWS FROM INVESTING ACTIVITIES	(516.376)	(52.961.885)
Cash Inflows from Acquisition of Other Entities, Funds and Debt Instruments	-	(52.775.640)
Cash inflows from sale of property, plant and equipment and intangible asset	18-19 -	-
Cash inflows from sale of property, plant and equipment	-	-
Cash inflows from sale of intangible assets	-	-
Cash outflows from purchase of property, plant and equipment and intangible assets	18-19 (516.376)	(186.245)
Cash outflows from purchase of property, plant and equipment	18 (358.876)	(170.245)
Cash outflows from purchase of intangible assets	19 (157.500)	(16.000)
Investment Properties (-)	17 -	-
C) CASH FLOWS FROM FINANCING ACTIVITIES	(35.816.762)	61.895.213
Cash inflows from borrowings	8 266.758.747	504.023.064
Cash inflows from loans	8 266.758.747	504.023.064
Cash outflows from repayments of borrowings	8 (283.838.914)	(442.610.336)
Cash outflows from loan repayments	8 (283.838.914)	(442.610.336)
Cash outflows from payments of lease liabilities	(1.847.357)	(1.635.772)
Dividends paid	-	-
Interest paid	32-33 (16.889.238)	2.118.257
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	2.517.229	(3.242.664)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2.517.229	(3.242.664)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6 20.705.679	23.948.343
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6 23.222.908	20.705.679

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



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts are expressed in ("TL") unless otherwise indicated.)

NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS

Datagate Bilgisayar Malzemeleri Ticaret A.Ş. ("the Company") was established on 1992 in Turkey. Datagate's business activities include engaging in the representation, sales, distributorship, marketing, logistics, and after sales services of many IT producer supplying IT components such as microprocessors, hard discs, memory units, optical units, motherboards, tapes, video accelerator cards, monitors, various types of hardware supporting software. The Company is listed in BIST on February 2006, and equity securities are on the BIST Main Market.

As of 31 December 2021 and 2020, the principal shareholders and their shareholding rates in Datagate is as follows:

İndeks Bilgisayar Sistemleri Sanayi ve Ticaret A.Ş. 59,24% (Unlisted 49,24% and listed 10% and total of 59,24%),

Datagate's effective ownership interest rate has changed following the acquisition of 49,13% of Despec Bilgisayar Pazarlama ve Ticaret A.Ş shares on 12.03.2020 and nature of business of the Company is consumer electronics and telecom.

As of 31 December 2021 and 2020, the subsidiary included in the consolidation scope of Datagate is as follows:

Subsidiary	Nature of Business	Capital	Direct Ownership Held by Datagate %	Indirect Ownership Held by Datagate %
Despec Bilgisayar Pazarlama ve Ticaret A.Ş	Consumer Electronics and Telecom	TL 23.000.000	49,13%	49,13%

Total end of period and average number of personnel employed by the Datagate is 69 (31 December 2020: 67). All personnel of the Company are administrative personnel.

The registered address of Datagate is as follows:

Ayazağa Mah. Mimar Sinan Sok. No: 21 Seba Office Boulevard D Blok Kat:1 Bölüm No:10 PK: 34485 Ayazağa/Sarıyer/İSTANBUL

The Company's head office is in Istanbul. In addition, the Company has a branch in Ankara.

The registered address of Ankara branch is as follows:

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

The accompanying consolidated financial statements and related notes of the Datagate and its Subsidiary together hereinafter referred as the "Group".

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Basis of Presentation

Datagate Bilgisayar Malzemeleri Ticaret A.Ş. maintains their books of account and prepares their statutory consolidated financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The consolidated financial statements of the Group have been prepared in accordance with Turkish Financial Reporting Standards ("TFRS") promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") that are set out in the 5th article of the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board ("CMB") on 13 June 2013 and published in Official Gazette numbered 28676.

The accompanying consolidated financial statements have been prepared in accordance with Communiqué No: II-14.1 and consolidated financial statements and notes are presented in accordance with the formats required by the CMB dated on 7 June 2013. In addition, the consolidated financial statements were published by POA with the decision numbered 30 on June 2, 2016 and together with the changes in TFRS 15 Revenue from Contracts with



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts are expressed in ("TL") unless otherwise indicated.)

Customers and TFRS 16 Leases standards, it was presented in accordance with the "Announcement regarding to TAS Taxonomy", or "TFRS 2019" which was published on April 15, 2019.

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

Functional and Presentation Currency (USD amounts presented in the consolidated financial statements)

The functional and presentation currency of Datagate Bilgisayar Malzemeleri Ticaret A.Ş. determined as USD until 30 June 2013 due to the operations of the Group in accordance with Turkish Accounting Standards No. 21 ("TAS"), "The Effects of Changes in Foreign Exchange Rates". Since the operations of the Group have changed significantly in TL since 1 July 2013, the consolidated financial statements are presented in TL, which is Datagate's functional and presentation currency.

2.02 Dealing with the Inflation Effects in Hyper-Inflationary Periods

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

2.03 Basis of Consolidation

Subsidiary is company over which Datagate has the power to control the financial and operating policies for the benefit of Datagate, either (a) through the power to exercise more than 50% of voting rights relating to the shares in the companies as a result of the ownership interest owned directly and indirectly by itself, and/or by certain Datagate members and companies owned by them where by Datagate exercises control over the ownership interest of the shares held by them and shares to be used according to Datagate preferences; or (b) although not having the power to exercise more than 50% of the ownership interest, Datagate has power to control the investee due to the dispersed capital structure of the investee and/or Datagate has rights or is exposed to variable returns from its involvement with the investee and when at the same time it has the power to affect these returns through its power over the investee.

The balance sheets and income statements of the Subsidiary are consolidated on a line-by-line basis and the carrying value of the investment held by Datagate and its Subsidiary is eliminated against the related equity. Intercompany transactions and balances between Datagate and its Subsidiary are eliminated during the consolidation. The nominal amount of the shares held by Datagate in its Subsidiary dividends are eliminated from equity and income for the period, respectively.

Non-controlling interests include the share option under non controlling interest in the subsidiary' net assets and operating results for the period. The amounts are presented separately from the balance sheet and statement of income. The obligation of non controlling interest exceeds more than the non controlling interest belonging to the interests of subsidiary, if the non controlling interest has no binding obligations, the benefits of non-controlling interest may result against the interests of the majority.

Business Combinations Under Common Control- Acquisition Method of Entity

In accordance with the investment and growth plans, Datagate's effective ownership interest rate has changed following the acquisition of 49,13% of Despec Bilgisayar Pazarlama ve Ticaret A.Ş of 11.300.994 number of outstanding shares, Desbil Teknolojik Ürünler A.Ş., N. Erol Bilecik and other shareholders shares purchased at the unit amount of TL 4,67 total TL 52.775.640 on 12 March 2020.



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts are expressed in ("TL") unless otherwise indicated.)

In scope of "Business Combinations Under Common Control-Recognition" announced by POA published on Official Gazette on 21 July 2013, the pooling of interest method is applied, while the consolidated financial statements will be corrected as and the business combination was realized as of the 1 January 2020 in which the joint control was formed and presented comparatively from the beginning of the reporting period when the joint control was established in order to eliminate the possible asset-liability mismatch that may occur due to the business combination subject to joint control. Therefore, "Business Combinations Under Common Control" will be utilised as to be offset under equity.

The 4.000 number of outstanding shares within total number of 11.300.994 shares are Class A shares and remaining shares are Class B shares. Datagate Bilgisayar Malzemeleri Ticaret A.Ş has also acquired the 4.000 Class A shares of Despec Bilgisayar ve Pazarlama Malzemeleri A.Ş. Class A shares have concession on the election of Board of Directors. Board of Directors of Despec Bilgisayar ve Pazarlama Malzemeleri A.Ş is selected from 5 or 6 members in case of 5 or 6 members, 5 members in case of 7 or 8 members, 6 members in case of 9 members from among the candidates nominated by the Class A shareholders of the Group.

Subsidiary	Nature of Business	Capital	Direct Ownership Held by Datagate %	Indirect Ownership Held by Datagate %
Despec Bilgisayar Pazarlama ve Ticaret A.Ş	Consumer Electronics and Telecom	TL 23.000.000	49,13%	49,13%

The balance sheets and income statements of the Subsidiary are consolidated on a line-by-line basis and the carrying value of the investment held by Datagate and its Subsidiary is eliminated against the related equity. Intercompany transactions and balances between Datagate and its Subsidiary are eliminated during the consolidation.

2.04 Comparatives and adjustment of prior periods' financial statements

The current period consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in financial position and performance. Comparative figures are reclassified, where necessary, to conform to the changes in the presentation of the current period consolidated financial statements.

2.05 Offsetting

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

2.06 Changes in Accounting Policies

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

2.07 Changes in Accounting Estimates and Errors

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



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts are expressed in ("TL") unless otherwise indicated.)

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

The Group management uses the actuarial assumptions used in the calculation of useful lives of property, plant and equipment and intangible assets, the actuarial assumptions used in the calculation of employment termination benefits, the provisions to be allocated for the lawsuits and execution proceedings in favor of or against the Group, and the determination of the inventory impairment.

Explanations on the estimates used are included in the related notes is as follows and there are no changes in the accounting estimates expected to have an impact on the results of operations in the current period.

TAS 21 "The Effects of Changes in Foreign Exchange Rates" outlines how to account for foreign currency transactions and operations in consolidated financial statements, and also how to translate consolidated financial statements into a presentation currency. The Group Management determines the presentation and functional currency that most affects the sales of goods and services, the currency in which the labor expenses are realized, the currency of the cash generated from the financing activities, and taking into account the expected future changes in these factors.

The Group Management reviews the accounting estimates regarding the functional currency and the policies applied in every balance sheet date.

Significant Accounting Estimates and Assumptions

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

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

- Provision for employment termination benefits is determined by using actuarial assumptions (discount rates, future salary increases and employee exit rates). (Note 24)
- The Group depreciates its property, plant and equipment and intangible assets on a straight-line basis over their useful lives. Expected useful life residual value and amortization method are reviewed every year for possible effects of changes in estimates and are accounted for prospectively if there is a change in estimates. The Group has no changes in estimates during the period (Note 18-19)
- On the provision for lawsuits in Note 22, the probability of losing these cases regarding collecting the receivables and the consequences to be faced if these cases are lost evaluated in accordance with the opinions of the Group's legal counsel as of 31 December 2021 and 2020. The Group obtains letters of guarantee from companies it deems necessary and risky in order to prevent doubtful trade receivables (Note 10).
- Inventories are valued at the lower of cost or net realisable value. For determination of inventory impairment, the technological obsolescence of the products in the Group's inventories are also taken into consideration (Note 13)



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts are expressed in ("TL") unless otherwise indicated.)

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

2.08 Summary of Significant Accounting Policies

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

2.08.01 Revenue Recognition

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

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

The majority of the Group'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 inventory protection. These payments are deducted from the inventory cost. On the other hand, turnover premiums received based on sales are recognized as revenue by adding to the sales amount.

Interest income is accrued in the relevant period in proportion to the remaining principal balance and the effective interest rate that reduces the estimated cash inflows from the related financial asset to the book value of that asset.

If there is a significant financing component included in sales, the fair value is determined by reducing the future cash flows with the hidden interest rate recognized in the consolidated financial statements. The difference is reflected in the consolidated financial statements on accrual basis.

2.08.02 Inventories

Inventories are valued at the lower of cost or net realisable value. The Group's inventories include mobile devices, airtime minutes, sim card and information technologies. The cost of inventories is calculated by FIFO method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

In addition, the Group allocates provision of 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 and related depreciation

Property, plant and equipments are carried at cost less accumulated depreciation as of December 31, 2004 for the items purchased before 01 January 2005 and for the items purchased as of January 1, 2005, less the accumulated depreciation. Depreciation is provided for property, plant and equipment on a straight-line basis over their estimated



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts are expressed in ("TL") unless otherwise indicated.)

useful lives. The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	<u>Economic Useful Lives (year)</u>
- Machinery and Equipment	5
- Furniture and Fixtures	4-5
- Motor Vehicles	2-5
- Leasehold Improvements	5

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset's net selling price or value in use. Recoverable amount of the property, plant and equipment is the higher of future net cash flows from the utilisation of this property, plant and equipment or its fair value less cost to sell.

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

Repairs and maintenance expenses are charged to the income statements during the period in which they are incurred. Machinery and equipment are capitalised and amortised when their capacity is fully available for use.

2.08.04 Intangible assets and related amortisation

Intangible assets comprise assets acquired through computer programs and rights. The Group has no internally generated intangible assets during the period.

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

They are initially recognised at acquisition cost and amortised on a straight-line basis over their estimated useful lives for 3-15 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 has been no provision calculated for impairment on intangible assets.

2.08.05 Impairment of Assets

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

2.08.06 Research and Development Costs

None.

2.08.07 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, one that takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale. Borrowing costs that are not in this scope are recognised directly in the income statement. The financing costs of borrowings attributable to ongoing investments (interest expenses and foreign exchange losses based on the difference between the TL benchmark



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

interest and interest regarding the foreign currency denominated loans) are capitalised until the completion of the investments. The Group does not have capitalized financing costs during the period.

2.08.08 Financial Instruments

i. Financial Assets-Classification and Measurement

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

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

For financial assets, reclassification is required between FVTPL, FVTOCI and amortised cost, if and only if the entity's business model objective for its financial assets changes so its previous model assessment would no longer apply. If reclassification is appropriate, it must be done prospectively from the reclassification date which is defined as the first day of the reporting period following the change in business model.

A debt instrument that meets the following two conditions must be measured at FVTOCI unless the asset is designated at FVTPL under the fair value option.

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

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

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

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

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

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

Assessing the cash flow characteristics also includes an analysis of changes in the timing or in the amount of payments. It is necessary to assess whether the cash flows before and after the change represent only repayments of the nominal amount and an interest based on them.



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts are expressed in ("TL") unless otherwise indicated.)

The right of termination may for example be in accordance with the cash flow condition if, in the case of termination, the only outstanding payments consists of principal and interest on the principal amount and an appropriate compensation payment where applicable.

A debt instrument that meets the following two conditions must be measured at FVTOCI unless the asset designated at FVTPL under the fair value option.

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

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

ii. Impairment of Financial Assets

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

Financial assets measured at amortized cost consist of trade receivables, other receivables and cash and cash equivalents. The provisions for trade receivables, other receivables, other assets and contractual assets are always measured at an amount equal to the expected credit losses for life. When determining whether the credit risk in a financial asset has increased substantially since its adoption in the consolidated financial statements and the expected credit losses are estimated, reasonable and supportable information that can be obtained without incurring excessive costs or efforts is taken into consideration. These include qualitative and quantitative information and analyzes and forward-looking information based on the Group's past experience and informed credit evaluations.

Credit-impaired financial asset

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

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

Presentation

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

Derecognition

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



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts are expressed in ("TL") unless otherwise indicated.)

recovery of past due receivables.

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

2.08.09 Foreign Currency Translation

Foreign currency transactions are translated into Turkish Lira using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Turkish Lira using the exchange rates at the balance sheet date. Foreign exchange gains and losses resulting from trading activities (trade receivables and payables) denominated in foreign currencies of the Group companies operating in the non-finance sectors, have been accounted for under "other operating income/expenses" whereas foreign exchange gains and losses resulting from the translation of other monetary assets and liabilities denominated in foreign currencies have been accounted for under "financial income/expenses" in the consolidated income statement. The Group sells goods in terms of foreign currency denominated purchases goods. Therefore, the Group has no currency risk during the period.

2.08.10 Earnings Per Share

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

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

2.08.11 Events After the Balance Sheet Date

Events after the balance sheet date are those events, which occur between the balance sheet date and the date when the consolidated financial statements are authorized for issue.

The Group adjusts the amounts recognised in its consolidated financial statements to reflect the adjusting events after the balance sheet date. If non-adjusting events after the balance sheet date have material influence on the economic decisions of users of the financial statements, they are disclosed in the notes to the consolidated financial statements.

2.08.12 Provisions, Contingent Liabilities and Contingent Assets

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

Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

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

2.08.13 Leases

Group - as a lessee

Finance Leases

A lease is classified as finance lease if it transfers substantially all the risks and rewards incident to ownership. An entity assesses the classification of each element as finance or an operating lease separately. At commencement of the lease term, finance leases should be recorded as an asset and liability at the lower of the fair value of the asset and the present value of the minimum lease payments (discounted at the interest rate implicit in the lease, if practicable, or else entity's incremental borrowing rate)

Finance lease payments should be apportioned between the finance charge and the reduction of the outstanding liability (the finance charge to be allocated so as to produce a constant periodic rate of interest on the remaining balance of the liability.)

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

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

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group reflects a right of use assets and lease liabilities in the consolidated financial statements at the date when the lease term actually begins.

Right-of-use asset Group - as a lessee

Group recognises a right-of-use asset and a lease liability at the commencement date of the lease following the consideration of the above mentioned factors.

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

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

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

- Less any accumulated depreciation and any accumulated impairment losses; and



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

b) Adjusted for any remeasurement of the lease liability.

Group applies the depreciation requirements in TAS 16 "Property, Plant and Equipment" standard in depreciating the right-of-use asset.

Lease liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease, if that rate can be readily determined, or by using the Group's incremental borrowing rate.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- a) Increasing the carrying amount to reflect interest on the lease liability,
- b) Reducing the carrying amount to reflect the lease payments made, and
- c) Remeasuring the carrying amount to reflect any reassessment or lease modifications. The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The interest on the lease liabilities for each period in the lease term is the amount found by applying a fixed periodic interest rate to the remaining balance of the lease liabilities. The periodic interest rate, if easily determined, is the implied interest rate on the lease. If this rate cannot be easily determined, the Group uses the Group's incremental borrowing interest rate.

Group - as a lessor

Operating Leases

Non-current assets leased out under operating leases are classified according to its nature in the consolidated balance sheet. Rental income is recognised in the consolidated statement of income on a straight-line basis over the lease term.

2.08.14 Related Parties

For the purpose of these consolidated financial statements, shareholders, parents of Datagate Bilgisayar A.Ş, key management personnel and Board of Directors members, their close family members and the legal entities over which these related parties exercise control and significant influence, subsidiaries and joint ventures excluded from the scope of consolidation are considered and expressed as "related parties". The detailed explanation of related parties is disclosed in Note 37.

2.08.15 Government Grants

None.

2.08.16 Investment Properties

Land and buildings that are held for rental yields or for capital appreciation or both rather than held in the production or supply of goods or services or for administrative purposes or for the sale in the ordinary course of business are classified as "investment property". Investment properties are carried at cost less accumulated depreciation. Depreciation is provided for investment properties on a straight-line basis over their estimated useful lives. The investment properties of the Group comprise land and buildings. (Note 17)

2.08.17 Taxes on Income

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



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

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 Group's liability for current tax is calculated using legal statutory tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax

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

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

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

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

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

Current and deferred tax for the period

The deferred tax, other than those directly attributable to debt or liability recognized in equity (in which case deferred tax is recognized directly in equity) or deferred tax, other than those arising from initial recognition of business combinations, is recognized as income or expense in the 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 consolidated financial statements include current period tax and the change in deferred taxes. The Group calculates current and deferred tax on the results for the period.

Offsetting in tax assets and liabilities

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



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

2.08.18 Provision for Employment Termination Benefits

The provision for employment termination benefits, as required by Turkish Labour Law represents the present value of the future probable obligation of the Group arising from the retirement of its employees based on the actuarial projections.

TAS 19 "Employee Benefits" requires actuarial assumptions (net discount rate, turnover rate to estimate the probability of retirement etc.) to estimate the entity's obligation for employment termination benefits. The effects of differences between the actuarial assumptions and the actual outcome together with the effects of changes in actuarial assumptions compose the actuarial gains / losses and recognised under other comprehensive income.

2.08.19 Statement of Cash Flow

Cash and cash equivalents are carried at cost in the consolidated balance sheet. Cash and cash equivalents include cash in hand, deposits held in banks with maturities of 3 months or less and other short-term liquid investments. Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements. Cash flows from operating activities represent the cash flows generated from the Group's activities.

Cash flows from investing activities represent the cash flows that are used in or provided from the investing activities of the Group (tangible and intangible assets and financial assets).

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

2.08.20 Income Accruals

Almost all of the products sold by the Group are of foreign origin. A portion of foreign purchases of some foreign companies or the companies from resident companies in Turkey are performed operations which are resident companies in Turkey. Depending on the realization of the targets given by the domestic or foreign companies, some costs are taken under the name of ad rebate, "risturn", "sell out" and bonus names or deducted from current accounts. These values are recognized as credit note income accrual on the balance sheet asset by providing the targets or conditions given by the seller companies. These prices are deducted or collected from the current account with the documents issued by the vendors under rebate or, risturn, sell out, bonus, arranged documents under credit note "(or invoices issued by the Group).

2.08.21 Warranty Provisions

The Group 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 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. The Group has no warranty provisions during the period.

2.09 New and Revised Turkish Financial Reporting Standards

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

Standards issued but not yet effective and not early adopted

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

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

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



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

useful information about their leases to investors. Related changes were published by POA as Amendments to TFRS 16 on June 5, 2020.

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

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

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

Reference to the Conceptual Framework (Amendments to TFRS 3)

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

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

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

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

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

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

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

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

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

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



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts are expressed in ("TL") unless otherwise indicated.)

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

TFRS 17 – Insurance Contracts

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

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

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

In December 2021, IASB issued Initial Application of TFRS 17 and TFRS 9—Comparative Information (Amendment to TFRS 17). Related changes were published by POA as Amendments to TFRS 17 on 31 December 2021.

The amendment is a transition option relating to comparative information about financial assets presented on initial application of TFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements. TFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after 1 January 2023.

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

Amendments to TFRS 4: Applying TFRS 9 Financial Instruments with TFRS 4 Insurance Contracts

TFRS 4 has also been amended by POA within the amendments issued by IASB in order to reduce the impact of the differing effective dates of the new insurance contracts standard and TFRS 9. These amendments to TFRS 4 provide two optional solutions for insurers to reduce concerns about implementations: i) when applying TFRS 9 by insurers to its financial assets, an insurer will be permitted to reclassify the difference between profit or loss and other comprehensive income and the amounts recognised in profit or loss under TFRS 9 and those that would have been reported under TAS 39; or ii) an optional temporary exemption from applying TFRS 9 for companies whose activities are predominantly connected with insurance before January 1, 2023. These companies will be permitted to continue to apply existing requirements for financial instruments in TAS 39.

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

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

On 23 January 2020, IASB issued "Classification of Liabilities as Current or Non-Current" which amends TAS 1 Presentation of Financial Statements to clarify its requirements for the presentation of liabilities in the statement of financial position which are issued by POA on 12 March 2020 as amendments to TAS 1.

The amendments clarify one of the criteria in TAS 1 for classifying a liability as non-current—that is, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts are expressed in ("TL") unless otherwise indicated.)

The amendments include:

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

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

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

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

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

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

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

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

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

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

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

Definition of Accounting Estimates (Amendments to TAS 8)

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

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

Developing an accounting estimate includes both:

- selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying TFRS 9 Financial Instruments; and



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts are expressed in ("TL") unless otherwise indicated.)

- choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying TAS 37 Provisions, Contingent Liabilities and Contingent Assets.

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

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

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

Disclosure of Accounting Policies (Amendments to TAS 1)

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

The key amendments to TAS 1 include:

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

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

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

Annual Improvements to TFRS Standards 2018–2020

Improvements to TFRSs

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

TFRS 1 First-time Adoption of Turkish Financial Reporting Standards

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

TFRS 9 Financial Instruments

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



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts are expressed in ("TL") unless otherwise indicated.)

TAS 41 Agriculture

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

Amendments are effective on 1 January 2021

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

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

NOTE 3 - BUSINESS COMBINATIONS

Datagate's effective ownership interest rate has changed following the acquisition of 49,13% of Despec Bilgisayar Pazarlama ve Ticaret A.Ş of 11.300.994 number of outstanding shares, Desbil Teknolojik Ürünler A.Ş., N. Erol Bilecik and other shareholders shares purchased at the unit amount of TL 4,67 total amount of TL 52.775.640 on 12 March 2020. Business combinations under common control should be accounted for pooling of interest method,

- i) Therefore, goodwill should not be included in the consolidated financial statements,
- ii) During the initial application of pooling of interest method, the consolidated financial statements should be corrected as if the business combination had taken place at the beginning of the reporting period in which the business combination under common control was performed and presented comparatively from the beginning of the reporting period in which the joint control was performed and
- iii) Since it would be appropriate to consider the business combinations subject to joint control from the perspective of the parent company in the reflection of the consolidated financial statements, the Group has restated the prior years financial statements as if the consolidated financial statements were prepared according to TAS, on the date and after the Group, which holds the control of the Group during the consolidation, has the control over the companies under business combination.

Therefore, goodwill has not been calculated as a result of these transactions, the difference arising from the of the subsidiary amount and the amount of effective ownership interest rate of the purchased Group recognised as "Business Combinations under Common Control" directly in equity. The transaction has been accounted for in accordance with "Business Combinations under Common Control" announced by POA numbered 2018-1.

Therefore, goodwill has not been calculated in the consolidated financial statements from the acquisition of Despec Bilgisayar Pazarlama ve Ticaret A.Ş. The difference arising from total acquisition cost and the Group's share of the net asset value of financial statements of Despec Bilgisayar Pazarlama ve Ticaret A.Ş prepared in accordance with TFRS recognised as "Business Combinations under Common Control" directly in equity.

Business Combinations Under Common Control- Change of Control	Amount (TL)
Carrying value of Despec shares (29.02.2020)	83.164.172
Carrying value of Group's share (49,1347565%)	(40.862.514)
Acquisition Cost	52.775.642
Business Combinations under Common Control (net change from the change of control)	11.913.128

NOTE 4 - DISCLOSURE OF INTERESTS IN OTHER ENTITIES

None.



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

NOTE 5 - SEGMENT REPORTING

Since the Group is engaging in the IT segment, the Group does not exercise segment reporting at the end of the period.

NOTE 6 - CASH AND CASH EQUIVALENTS

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

Account Name	31 December 2021	31 December 2020
Cash in hand	110.543	77.105
Banks	14.788.213	12.558.066
- Demand Deposit	14.788.213	12.558.066
Time Deposit (Reverse Repo)	5.103.072	2.030.881
Credit Card Slips	3.207.337	6.040.508
Total	23.209.165	20.706.560

As of 31 December 2021, reverse repo and demand deposits interest income accrued total amounted to TL 3.072, maturity of 3 days. The reverse repo transactions are made in TL and the annual interest rate is 24,58%.

As of 31 December 2021, interest expense arising from credit card slips accrued total amounted to TL 16.815, maturity of 1-31 days with the annual effective interest rate of 18%. Net expense accrual arising from interests included in cash and cash equivalents is amounting to TL 13.743.

As of 31 December 2020, reverse repo and demand deposits interest income accrued total amounted to TL 881, maturity of 1 day. The reverse repo transactions are made in TL and the annual interest rate is 15,02% -17,63%.

As of 31 December 2019 and 2018, credit card slips have the maturity of 1-3 days.

Cash and cash equivalents are included in the cash flow statement excluding interest.

Cash and Cash Equivalents:	31 December 2021	31 December 2020
Balance Sheet Position, net	23.209.165	20.706.560
Interest Income (-) / Expense Accruals (+)	13.743	(881)
Statement of Cash Flow, net	23.222.908	20.705.679

As of 31 December 2021, the Group has no blocked deposits and pledges in the cash and cash equivalents. (31 December 2020: None).

NOTE 7 - FINANCIAL INVESTMENTS

None.

NOTE 8 - BORROWINGS

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

Account Name	31 December 2021	31 December 2020
Short Term Loans	171.483.177	183.176.888
Lease Liabilities	1.115.971	1.253.422
Short term borrowings, net	172.599.148	184.430.310



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

The functional breakdown of short term borrowings is as follows:

31 December 2021

Type	Original Currency Amount	TL Equivalent	Annual Effective Interest Rate (%)
Short term borrowings:			
Short term loans - TL		171.483.177	18,40-33,00
Lease liabilities - TL		1.115.971	18,00-21,00
Total short term borrowings		172.599.148	

As of 31 December 2021, short term loans is amounting to TL 171.483.177. In addition, short term lease liabilities is amounting to TL 1.115.971.

31 December 2020

Type	Original Currency Amount	TL Equivalent	Annual Effective Interest Rate (%)
Short term borrowings:			
Short term loans - TL		183.176.888	7,95-17,77
Lease liabilities - TL		1.253.422	18,00-21,00
Total short term borrowings		184.430.310	

As of 31 December 2020, short term borrowings amounted to TL 184.430.310 which has the portion amounting to TL 50.003.165 include contracted campaigns with terms of 6 months, 12 months, 24 months and 36 months sold to subscribers of Türk Telekom Group (Türk Telekomünikasyon A.Ş., TT Mobil İletişim Hizmetleri A.Ş. and TTNET A.Ş.) has been used for financing, and total loan agreement are under Türk Telekom Group guarantorship.

The collections of receivables from devices are from Datagate subscribers by Türk Telekom Group dealers are made by Türk Telekom Group at maturities and TL and USD denominated short term lease liabilities amounted to TL 1.253.422.

The Group used assignment of trade receivables resulting from sales of devices to financial institutions. In accordance with the assignment terms and conditions, the principal and interests of the loans are paid by Türk Telekom Group. In addition, The Group's assignment of trade receivables, whose collection is mediated by Türk Telekom Group, are also collected by irrevocable transfer and assignment to factoring companies. In accordance with the assignment terms and conditions, the principal and interests of the loans are paid by Türk Telekom Group.

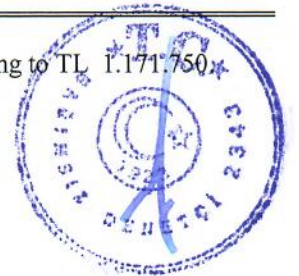
The functional breakdown of long term borrowings is as follows:

Account Name	31 December 2021	31 December 2020
Lease Liabilities	1.171.750	1.649.857
Total	1.171.750	1.649.857

31 December 2021

Type	Original Currency Amount	TL Equivalent	Annual Effective Interest Rate (%)
Long term borrowings:			
Lease Liabilities - TL		1.171.750	18,00-21,00
Total		1.171.750	

The Group has no long term loans during the period. In addition, lease liabilities is amounting to TL 1.171.750.



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

31 December 2020

Type	Original Currency Amount	TL Equivalent	Annual Effective Interest Rate (%)
Long term borrowings:			
<i>Lease Liabilities - TL</i>		1.649.857	18,00-21,00
Total		1.649.857	

The Group has no long term loans during the period. In addition, lease liabilities is amounting to TL 1.649.857.

The movements and reconciliation statement of borrowings is as follows:

Account Name	31 December 2021	31 December 2020
Beginning of the Period – 1 January	186.080.167	115.926.958
Principal and Interest Additions During the Period	266.758.747	504.023.064
Lease Liabilities	2.287.721	2.903.279
Principal and Interest Payments During the Period	(283.838.914)	(442.610.336)
Interest Accrual	2.483.177	5.837.202
End of the Period – 31 December	173.770.898	186.080.167

The redemption schedule of borrowings is as follows:

Account Name	31 December 2021	31 December 2020
0-12 months	172.599.148	184.430.310
13-36 months	1.171.750	1.649.857
Total	173.770.898	186.080.167

NOTE 9 - OTHER FINANCIAL LIABILITIES

None.

NOTE 10 - TRADE RECEIVABLES AND PAYABLES

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

Account Name	31 December 2021	31 December 2020
Trade Receivables	358.695.623	291.527.079
<i>Related parties</i>	954.098	669.266
<i>Third parties</i>	357.741.525	290.857.813
<i>Other</i>	357.741.525	238.238.292
<i>Assignment of Trade Receivables</i>	-	52.619.521
Notes Receivables	30.436.985	22.743.733
Rediscount on Notes Receivables (-)	(4.418.169)	(3.278.078)
Doubtful Trade Receivables	6.371.966	4.817.103
Provision for Doubtful Trade Receivables (-)	(6.371.966)	(4.817.103)
Total	384.714.439	310.992.734

As of 31 December 2021, the Group has no short term portion of assignment of trade receivables (31 December 2020: TL 52.619.521 include contract campaigns with terms of 6 months, 12 months, 24 months and 36 months sold to subscribers of Türk Telekom Group (Türk Telekomünikasyon A.Ş., TT Mobil İletişim Hizmetleri A.Ş. and TTNET A.Ş.) has been used for financing, and total loan agreement are under Türk Telekom Group guarantorship. The portion amounted to TL 50.003.165 is assigned to banks against the bank loans in scope of same campaigns.

As of 31 December 2021 and 2020, the Group has no long term trade receivables.



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

As of 31 December 2021, the portion amounted to **TL 15.192.606** of short term trade receivables in total amount of **TL 384.714.439**, is letters of guarantee given to banks. The remaining portion amounted to **TL 248.827.760** in total amount of **TL 369.521.833** is guarantee in scope of Euler Hermes. As of 31 December 2020, the portion amounted to **TL 47.431.320** of short term trade receivables in total amount of **TL 310.992.734**, is letters of guarantee given to banks. The remaining portion amounted to **TL 87.947.829** in total amount of **TL 263.561.414** is guarantee in scope of Euler Hermes. In addition, the Group has short and long term assignment of trade receivables from Türk Telekom Group (31 December 2020: **TL 52.619.521**). The related disclosures regarding the nature of risks of trade receivables included in **Note 38**.

The Group has credit insurance policy from Euler Hermes Sigorta A.Ş. within borders of Turkey for insuring its trade receivables until 31.03.2022. (the payment guarantee for trade receivables is determined between 85% - 90%).

Movement of the provision for doubtful receivables is as follows:

	1 January- 31 December 2021	1 January- 31 December 2020
Beginning of the Period – 1 January	(4.817.103)	(4.525.915)
Reversals/ collections during the period (-)	37.659	-
Increases during the period (-)	(1.592.522)	(291.188)
End of the Period – 31 December	(6.371.966)	(4.817.103)

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

Account Name	31 December 2021	31 December 2020
Suppliers	146.251.125	108.601.062
<i>Third parties</i>	129.251.900	101.465.468
<i>Related parties</i>	16.999.225	7.135.594
Notes Payable	-	-
Rediscount on Notes Payable (-)	(1.418.084)	(566.968)
Total	144.833.041	108.034.094

As of 31 December 2021 and 2020, the Group has no long term trade payables.

The average maturity of trade receivables and payables is up to 3 months. In the case of rediscount of trade receivables and payables, compound interest rates of Government Debt Securities are used as effective interest rate in TL 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 2021 and 2020, short term other receivables is as follows:

Account Name	31 December 2021	31 December 2020
Receivables from Employees	358.101	320.120
Deposits and Guarantees Given	-	-
Other	-	82.550
<i>Third parties(*)</i>	-	82.550
Total	358.101	402.670

(*)As of 31 December 2020, other receivables amounted to TL 82.550 includes receivables from tax office.

The related disclosures regarding the nature of risks of other receivables included in **Note 38** and related party balances are included in **Note 37**.



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

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

Account Name	31 December 2021	31 December 2020
Taxes Payable	536.492	452.483
Total	536.492	452.483

NOTE 12 - DERIVATIVE INSTRUMENTS

The receivables from derivative instruments of the Group included in financial investments measured at fair value, are as follows:

The foreign exchange contract for purchases of the Group is as follows:

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

As of 31 December 2021, the Group has foreign exchange purchase contract amounted to USD 4.321.400. The contracts have 0-3 months maturities. As of 31 December 2021, the fair value of the contracts amounted to TL 52.210.682 and appraisal value of TL 5.389.259 recognised as an income.

As of 31 December 2020, the Group has no receivables regarding derivative instruments.

The payables to derivative instruments of the Group included in financial investments measured at fair value, are as follows:

Derivative instruments included in current liabilities is as follows:

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

As of 31 December 2021, the Group has no payables regarding derivative instruments.

As of 31 December 2020, the Group has foreign exchange purchase contract amounted to USD 4.105.250. The contracts have 0-3 months maturities. As of 31 December 2020, the fair value of the contracts amounted to TL 33.238.834 and the revaluation difference amounted to TL 3.104.246 recognised as an expense.

NOTE 13 - INVENTORIES

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

Account Name	31 December 2021	31 December 2020
Merchandise	133.771.731	131.939.553
Goods in Transit	10.020.724	16.854.844
Provision for Impairment (-)	(3.617.671)	(3.972.884)
Total	140.174.784	144.821.513

Invoiced but not yet reached the receiving dock of the Datagate accounted for "Goods in Transit".



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

Movement of the provision for impairment on inventories is as follows:

	1 January- 31 December 2021	1 January- 31 December 2020
Beginning of the Period – 1 January	(3.972.884)	(1.520.610)
Reversal of Provisions from Gains on Net Realisable Value (+)	355.213	-
Increases during the period (-)(Note 28)	-	(2.452.274)
End of the Period – 31 December	(3.617.671)	(3.972.884)

The provision for inventory impairment is recognised in accordance with the increasing percentages on waiting periods of inventories for merchandise for the periods more than 3 months. As of 31 December 2021, the net realisable value amounted to **TL 15.119.925** in inventories and the remaining portion is carried at cost in the consolidated financial statements. (As of 31 December 2020, net realisable value is amounting to **TL 14.761.222**, and the remaining portion is carried at cost in the consolidated financial statements).

Explanations	31 December 2021	31 December 2020
Cost	18.737.596	18.734.106
Provision for impairment on inventories	(3.617.671)	(3.972.884)
Net Realisable Value (a)	15.119.925	14.761.222
Carried at Cost (b)	125.054.859	130.060.291
Total Inventories (a+b)	140.174.784	144.821.513

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

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

The inventories recognised as an expense during the period is disclosed in **Note 28**.

NOTE 14 - BIOLOGICAL ASSETS

None.

NOTE 15 - PREPAID EXPENSES AND DEFERRED INCOME

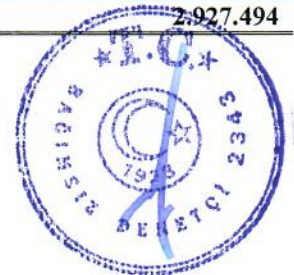
Short Term:

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

Account Name	31 December 2021	31 December 2020
Short Term Prepaid Expenses	1.117.078	561.005
Advances Given	20.850.685	12.132.654
Total	21.967.763	12.693.659

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

Account Name	31 December 2021	31 December 2020
Short Term Deferred Income	1.032.777	10.236
Advances Received	6.605.573	2.917.258
Total	7.638.350	2.927.494



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts are expressed in ("TL") unless otherwise indicated.)

As of 31 December 2021, the portion for advances received from customers amounted to **TL 3.915.564** include advances received from physical and virtual airtime meters, and when the credits are sold to the end user, they are invoiced to the dealers. (31 December 2020: **TL 1.561.359**).

Long Term:

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

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

NOTE 16 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

None.

NOTE 17 - INVESTMENT PROPERTIES

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

31 December 2021

Cost

Account Name	1 January 2021	Additions	Disposals (-)	31 December 2021
Land	18.280	-	-	18.280
Buildings	234.000	-	-	234.000
Total	252.280	-	-	252.280

Accumulated Depreciation

Account Name	1 January 2021	Current Period Depreciation	Disposals	31 December 2021
Buildings	(14.430)	(4.680)	-	(19.110)
Total	(14.430)	(4.680)	-	(19.110)

Net book value	237.850			233.170
----------------	---------	--	--	---------

31 December 2020

Cost

Account Name	1 January 2020	Additions	Disposals (-)	31 December 2020
Land	18.280	-	-	18.280
Buildings	234.000	-	-	234.000
Total	252.280	-	-	252.280

Accumulated Depreciation

Account Name	1 January 2020	Current Period Depreciation	Disposals	31 December 2020
Buildings	(9.750)	(4.680)	-	(14.430)
Total	(9.750)	(4.680)	-	(14.430)

Net book value	242.530			237.850
----------------	---------	--	--	---------



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

NOTE 18 – PROPERTY, PLANT AND EQUIPMENT

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

31 December 2021

Cost

Account Name	1 January 2021	Additions	Disposals (-)	31 December 2021
Plant, Machinery and Equipment	4.170	-	-	4.170
Motor Vehicles	3.505	-	-	3.505
Furniture and Fixtures	2.260.506	358.877	-	2.619.383
Leasehold Improvements	665.557	-	-	665.557
Total	2.933.738	358.877	-	3.292.615

Accumulated Depreciation

Account Name	1 January 2021	Current Period Depreciation	Disposals	31 December 2021
Plant, Machinery and Equipment	(4.170)	-	-	(4.170)
Motor Vehicles	(3.505)	-	-	(3.505)
Furniture and Fixtures	(1.932.543)	(160.429)	-	(2.092.972)
Leasehold Improvements	(630.673)	(11.244)	-	(641.917)
Total	(2.570.891)	(171.673)	-	(2.742.564)

Net book value	362.847	550.051
-----------------------	----------------	----------------

31 December 2020

Cost

Account Name	1 January 2020	Additions	Disposals (-)	31 December 2020
Plant, Machinery and Equipment	4.170	-	-	4.170
Motor Vehicles	3.505	-	-	3.505
Furniture and Fixtures	2.090.261	170.245	-	2.260.506
Leasehold Improvements	665.557	-	-	665.557
Total	2.763.493	170.245	-	2.933.738

Accumulated Depreciation

Account Name	1 January 2020	Current Period Depreciation	Disposals	31 December 2020
Plant, Machinery and Equipment	(4.170)	-	-	(4.170)
Motor Vehicles	(3.505)	-	-	(3.505)
Furniture and Fixtures	(1.816.177)	(116.366)	-	(1.932.543)
Leasehold Improvements	(620.053)	(10.620)	-	(630.673)
Total	(2.443.905)	(126.986)	-	(2.570.891)

Net book value	319.588	362.847
-----------------------	----------------	----------------



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

Other Information:

Depreciation and amortisation charges are presented under operating expenses. (Note 30)
Total insurance coverage on property, plant and equipment is disclosed in Note 22.
The Group has no pledges and mortgages and restrictions on Property, Plant and Equipment.

NOTE 18 – RIGHT OF USE ASSETS

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

31 December 2021

Cost

Account Name	1 January 2021	Additions	Disposals (-)	31 December 2021
Buildings	1.715.741	153.242	-	1.868.983
Motor Vehicles	2.199.636	761.111	(551.336)	2.409.411
Total	3.915.377	914.353	(551.336)	4.278.394

Accumulated Depreciation

Account Name	1 January 2021	Current Period Depreciation	Disposals (-)	31 December 2021
Buildings	(588.317)	(395.610)	-	(983.927)
Motor Vehicles	(689.355)	(968.941)	336.742	(1.321.554)
Total	(1.277.672)	(1.364.551)	336.742	(2.305.481)

Net book value **2.637.705** **1.972.913**

31 December 2020

Cost

Account Name	1 January 2020	Additions	Disposals (-)	31 December 2020
Buildings	1.574.226	141.515	-	1.715.741
Motor Vehicles	2.006.323	1.271.926	(1.078.613)	2.199.636
Total	3.580.549	1.413.441	(1.078.613)	3.915.377

Accumulated Depreciation

Account Name	1 January 2020	Current Period Depreciation	Disposals (-)	31 December 2020
Buildings	(240.072)	(348.245)	-	(588.317)
Motor Vehicles	(627.796)	(907.882)	846.323	(689.355)
Total	(867.868)	(1.256.127)	846.323	(1.277.672)

Net book value **2.712.681** **2.637.705**

NOTE 19 - INTANGIBLE ASSETS

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

31 December 2021

Cost

Account Name	1 January 2021	Additions	Disposals (-)	Transfers	31 December 2021
Rights	1.777.025	157.500	-	-	1.934.525
Total	1.777.025	157.500	-	-	1.934.525



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

Accumulated Depreciation

Account Name	1 January 2021	Current Period Depreciation	Disposals	Transfers	31 December 2021
Rights	(958.798)	(102.360)	-	-	(1.061.158)
Total	(958.798)	(102.360)	-	-	(1.061.158)
Net book value	818.227				873.367

31 December 2020

Cost

Account Name	1 January 2020	Additions	Disposals (-)	Transfers	31 December 2020
Rights	1.073.538	16.000	-	687.487	1.777.025
Other Intangible Assets	687.487	-	-	(687.487)	-
Total	1.761.025	16.000	-	-	1.777.025

Accumulated Depreciation

Account Name	1 January 2020	Current Period Depreciation	Disposals	Transfers	31 December 2020
Rights	(581.590)	(75.624)	-	(301.584)	(958.798)
Other Intangible Assets	(301.584)	-	-	301.584	-
Total	(883.174)	(75.624)	-	-	(958.798)
Net book value	877.851				818.227

Depreciation and amortisation charges are presented under operating expenses. (Note 30)

NOTE 20 - EMPLOYEE BENEFITS

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

Account Name	31 December 2021	31 December 2020
SSI Premium Payables	190.255	185.548
Payables to Personnel	7.547	6.683
Total	197.802	192.231

NOTE 21 - GOVERNMENT GRANTS

None.

NOTE 22 - PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

i) Provisions

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

Account Name	31 December 2021	31 December 2020
Provision for Price Revision	24.045.924	21.551.129
Provision for Lawsuits	50.509	46.048
Total	24.096.433	21.597.177



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

31 December 2021	Provision for Lawsuits	Provision for Price Revision	Total
Beginning of the Period – 1 January	46.048	21.551.129	21.597.177
Additions	4.461	24.045.924	24.050.385
Payments During the Period	-	(21.551.129)	(21.551.129)
Total	50.509	24.045.924	24.096.433

31 December 2020	Provision for Lawsuits	Provision for Price Revision	Total
Beginning of the Period – 1 January	43.062	24.426.513	24.469.575
Additions	2.986	21.551.129	21.554.115
Payments During the Period	-	(24.426.513)	(24.426.513)
Total	46.048	21.551.129	21.597.177

Price difference invoices are obtained from customers for products sold at different prices for the prior period and provisions are disclosed in the consolidated financial statements during the period. In addition, for increasing the sales, customers has the direct sales target and for achieving the given targets, invoices such as turnover premium, credit note, price difference are obtained from the dealers and related provisions are disclosed in the consolidated financial statements during the period.

ii) Contingent Liabilities and Contingent Assets:

31 December 2021

As of 31 December 2021, the provisions for lawsuits amounted to **TL 50.509** filed against the Group and the related provisions are reflected in to the consolidated financial statements.

31 December 2020

As of 31 December 2020, the provisions for lawsuits amounted to **TL 46.048** filed against the Group and the related provisions are reflected in to the consolidated financial statements.

In accordance with TFRS 9, execution proceedings amounted to **TL 6.371.966** for provisions for doubtful receivables of the Group and the related provisions are reflected in to the consolidated financial statements. (31.12.2020: **TL 4.817.103**)

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

31 December 2021

	TL	USD	EURO
Letters of Guarantee Given	72.174.957	2.000.000	-
TOTAL	72.174.957	2.000.000	-

31 December 2020

	TL	USD	EURO
Letters of Guarantee Given	147.024.957	2.000.000	-
TOTAL	147.024.957	2.000.000	-

iv) Total mortgages and guarantees on assets:

None.



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

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

v) Total insurance coverage on assets:

31 December 2021

Type of Insured Asset	USD	TL
Merchandise	20.000.000	-
Other	-	-
Total	20.000.000	-

31 December 2020

Type of Insured Asset	USD	TL
Merchandise	22.500.000	-
Other	-	-
Total	22.500.000	-

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

vi) Ratio of guarantees and mortgages to equity:

Collateral, Pledge, Mortgages Given by the Group	31 December 2021	31 December 2021	31 December 2020	31 December 2020
	Original Currency Amount	TL Equivalent	Original Currency Amount	TL Equivalent
A. Total amount of CPM's given in the name of its own legal personality	-	98.880.957	-	161.705.957
Letters of Guarantee (USD)	2.000.000	26.706.000	2.000.000	14.681.000
Letters of Guarantee (TL)	-	72.174.957	-	147.024.957
Bill of Guarantees	-	-	-	-
Mortgages	-	-	-	-
B. Total amount of CPM's given on behalf of the fully consolidated companies	-	-	-	-
C. Total amount of CPM's given on behalf of third parties for ordinary course of business	-	-	-	-
D. Total amount of other CPM's given	-	-	-	-
i. Total amount of CPM's given on behalf of the majority shareholder	-	-	-	-
ii. Total amount of CPM's given to on behalf of other companies which are not in scope of B and C	-	-	-	-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-
Total	-	98.880.957	-	161.705.957

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

NOTE 23 - COMMITMENTS

None.



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

NOTE 24 – PROVISION FOR EMPLOYEE BENEFITS

Account Name	31 December 2021	31 December 2020
Provision for Employment Termination Benefits	1.519.015	1.130.641
Total	1.519.015	1.130.641

Under Turkish Labour Law, Datagate and its Turkish subsidiary are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). As of 31 December 2021, the amount payable consists of one month's salary limited to a maximum of TL 10.848,59 (31 December 2020: TL 7.638,96) for each year of service.

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

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

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As of 31 December 2021, the provisions in the accompanying consolidated financial statements are calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees.

As of the 31 December 2021, the provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 17,00% and an interest rate of 21,00%, resulting in a real discount rate of 3,42% (31 December 2020: 3,69% real discount rate). The real discount rates are reviewed and, revised if necessary, in every reporting period.

As of the 31 December 2021, turnover rate to estimate the probability of retirement is 89,85%. (31 December 2020: 90,75%)

	1 January 2021	1 January 2020
	31 December 2021	31 December 2020
Beginning of the period – 1 January	1.130.641	785.795
Service costs	160.355	126.269
Actuarial gains /(losses)	112.684	125.189
Interest costs	237.435	98.224
Payments during the period (-)	(295.709)	(71.763)
Losses on remeasurements of defined benefit plans	173.609	66.927
End of the period – 31 December	1.519.015	1.130.641

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

	1 January 2021	1 January 2020
	31 December 2021	31 December 2020
General Administrative Expenses	(571.399)	(291.420)
Other Operating Income/ (Expenses)	-	-
Income / (Expense) Recognised in Profit or Loss	(571.399)	(291.420)
Actuarial Gains/Losses Recognized in Other Comprehensive Income	(112.684)	(125.189)
Profit / (Loss) for the Period	(684.083)	(416.609)



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

Account Name	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Actuarial Gains/Losses Recognized in Other Comprehensive Income	(112.684)	(125.189)
Business Combinations Under Common Control and Non Controlling Interests	-	19.009
Total	(112.684)	(106.180)
Tax Effect 20%	22.537	21.236
Net Amount	(90.147)	(84.944)

NOTE 25 - TAX ASSETS AND LIABILITIES

None.

NOTE 26 - OTHER ASSETS AND LIABILITIES

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

Account Name	31 December 2021	31 December 2020
Credit Note Income Accruals (*)	5.844.994	1.194.246
Deferred VAT	10.438.354	8.513.323
Business Cash Advances	11.000	18.692
Total	16.294.348	9.726.261

(*) Credit note income accruals is disclosed in Note 2.08.20.

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

NOTE 27 - EQUITY

i) Non-Controlling Interests

Account Name	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Beginning of the Period – 1 January	49.872.622	77.889.984
Business Combinations Under Common Control	-	(27.974.636)
Gains/Losses on Non Controlling Interests	21.194.479	-
Gains/Losses on Minority Interests	(38.695)	(42.726)
Total	71.028.406	49.872.622

(ii) Capital / Capital Adjustments Due to Cross Ownership / Repurchased Shares

The capital of the Group comprise of 30.000.000 number of outstanding shares, each with a nominal value of TL 1 and the capital of the Group is amounting to TL 30.000.000. The capital of the Group is TL 30.000.000 which include Class A shares amounting to TL 454,545 and Class B shares amounting to TL 29.999.545,455.

Class A shares have concessions in the election of the Board of Directors but Class B shares have no concessions regarding the election of the Board of Directors. More than half of the number of members of the Board of Directors is elected among candidates nominated by Class A shareholders.

At the Ordinary General Assembly Meeting of Datagate held on 23 May 2019, the valid period of the Registered Capital Ceiling will be extended to 2019-2023 and the registered capital ceiling will be increased from TL



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

40.000.000 (Forty Million) to TL 150.000.000 (Hundred and Fifty Million). The amendment of article 6 of the articles of association was registered by the Istanbul Trade Registry Office on 7 June 2019.

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

Shareholders	31 December 2021		31 December 2020	
	Share %	Amount	Share %	Amount
İndeks A.Ş.(*)	%59,24	17.772.688	%59,24	17.772.688
Other (publicly held)	%40,76	12.227.270	%40,76	12.227.270
Other	%0,00	42	%0,00	42
Total share capital	%100	30.000.000	%100	30.000.000

(*) Includes unlisted shares 49,24%, listed shares 10% and total of 59,24%. The ultimate controlling party of the Group is Nevres Erol Bilecik and his family members.

(iii) Share Premium

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

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

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

Account Name	31 December 2021	31 December 2020
Beginning of the Period – 1 January	(107.284)	(65.066)
Actuarial Gains and (Losses) (Note 24)	(112.684)	(106.180)
Tax Effect (Note 24, Note 35)	22.537	21.236
Actuarial Gains and (Losses) on Non Controlling Interests	38.695	42.726
Actuarial Gains and (Losses) (Net)	(158.736)	(107.284)
Gains/(losses) on Remeasurements of Defined Benefit Plans	(158.736)	(107.284)
Other Gains and Losses	-	-
Accumulated Other Comprehensive Income or Expenses not to be Reclassified in Profit or Loss, net	(158.736)	(107.284)

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

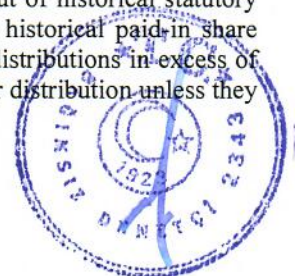
Account Name	31 December 2021	31 December 2020
Currency translation differences	1.940.310	1.940.310
Currency translation differences, (net)	1.940.310	1.940.310
Accumulated Other Comprehensive Income or Expenses to be Reclassified in Profit or Loss, net	1.940.310	1.940.310

Movement of currency translation differences is as follows:

	31 December 2021	31 December 2020
Beginning of the Period – 1 January	1.940.310	1.940.310
End of the Period - 31 December	1.940.310	1.940.310

vi) Restricted Reserves

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



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

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts are expressed in ("TL") unless otherwise indicated.)

exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted.

(vii) Retained Earnings

Retained Earnings / Losses, comprise of Extraordinary Reserves and Prior Years Income.

Shares of publicly-held companies distributed dividends in accordance with 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 2021 and 2020, equity items is as follows:

Account Name	31 December 2021	31 December 2020
Paid in Share Capital	30.000.000	30.000.000
Adjustment to Share Capital	1.241.463	1.241.463
Repurchased Shares (-) (*)	(810.827)	(810.827)
Share Premium	3.229.361	3.229.361
Accumulated Other Comprehensive Income Or Expenses not to Be Reclassified In Profit Or Loss	(158.736)	(107.284)
-Gains/(Losses) on Remeasurements of Defined Benefit Plans	(158.736)	(107.284)
Accumulated Other Comprehensive Income or Expenses to be Reclassified in Profit or Loss	1.940.310	1.940.310
-Currency Translation Differences	1.940.310	1.940.310
Business Combinations Under Common Control	(11.913.128)	(11.913.128)
Restricted Reserves	10.513.622	10.513.622
- Legal Reserves	9.420.701	9.420.701
- Gains on Sale of Interest in a Subsidiary	1.092.921	1.092.921
Retained Earnings	103.248.744	78.099.094
Profit for the Period	31.330.097	25.149.650
Non Controlling Interests	71.028.406	49.872.622
Total	239.649.312	187.214.883

(*)In accordance with the announcement by Capital Markets Board of Turkey ("CMB") dated 21.07.2016, it has been determined that the redemption of the shares in the stock exchange without any limit. In this context, with the decision of Board of Directors on 16.05.2018, 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. Within this scope, the Group has withdrawn 158.040 shares corresponding to 0,53% of the Group's capital and traded in BİAŞ for TL 810.827. The financing of share buy-back is provided by the Group'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. In accordance with the decision of the General Assembly dated 23.03.2020, the maximum amount of funds for the repurchase of shares increased from TL 5 million to TL 8 million which was announced on 16.05.2018.



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

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts are expressed in ("TL") unless otherwise indicated.)

NOTE 28 - REVENUE AND COST OF SALES

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

Account Name	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Domestic Sales	1.940.893.720	1.745.867.476
Foreign and Other Sales	4.703.185	420.900
Sales Returns (-)	(51.552.359)	(43.963.967)
Sales Discounts (-)	(1.270.318)	(2.848.915)
Revenue	1.892.774.228	1.699.475.494
Cost of Goods Sold (-)	(1.799.954.140)	(1.622.436.726)
Gross Profit	92.820.088	77.038.768

Depreciation and amortisation charges are included in operating expenses.

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

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

Account Name	1 January 2021 31 December 2021	1 January 2020 31 December 2020
General Administrative Expenses (-)	(19.132.843)	(15.946.515)
Marketing, Sales and Distribution Expenses (-)	(19.032.836)	(15.469.081)
Total Operating Expenses, net	(38.165.679)	(31.415.596)

NOTE 30 - EXPENSES BY NATURE

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

Account Name	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Marketing, Sales and Distribution Expenses and General Administrative Expenses (-)		
- Personnel Expenses	(19.984.313)	(17.397.642)
- Transportation, Distribution and Storage Expenses	(8.248.465)	(7.224.127)
- Insurance Expenses	(1.763.451)	(981.459)
- Provision for Employment Termination Benefits	(571.399)	(291.420)
- Rent Expenses	(118.366)	(200.405)
- Advertisement and Promotion Expenses	(478.757)	(291.519)
- Consultancy and Audit Expenses	(801.236)	(949.342)
- Outsourcing Expenses	(425.291)	(497.031)
- Information Systems and Communication Expenses	(126.538)	(129.713)
- Depreciation and Amortisation Charges	(1.643.264)	(1.463.417)
- Provision for Doubtful Receivables	(1.592.522)	(291.188)
- Other	(2.412.077)	(1.989.753)
Total Operating Expenses	(38.165.679)	(31.415.596)



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

Fees for Services Received from Independent Auditor/Independent Audit Firms

The Group's disclosure regarding the fees for the services received from the independent audit firms, which is based on the letter of POA dated August 19, 2021, the preparation principles which are based on the Board Decision published in the Official Gazette on March 30, 2021, are as follows:

Account Name	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Audit fee for the reporting period	98.000	73.900
Tax consulting fee	140.747	132.000
Other service fee apart from audit	31.000	26.750
Total	269.747	232.650

NOTE 31 - OTHER OPERATING INCOME/(EXPENSES)

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

Account Name	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Other Operating Income	51.582.726	42.924.817
Provisions No Longer Required (Doubtful receivables)	37.659	-
Interest Eliminated from Sales	29.056.898	16.875.493
Interest and Rediscount Income	3.698.625	1.527.537
Foreign Exchange Gains	18.785.031	24.521.637
Other	4.513	150
Other Operating Expenses (-)	(37.733.521)	(33.237.581)
Interest Eliminated from Purchases	(16.362.105)	(8.570.988)
Interest and Rediscount Expenses	(5.001.771)	(2.614.622)
Foreign Exchange Losses	(16.145.967)	(21.846.678)
Other	(223.678)	(205.293)
Other Operating Income / Expenses (Net)	13.849.205	9.687.236

NOTE 32 - GAINS/ (LOSSES) FROM INVESTMENT ACTIVITES

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

Account Name	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Dividend Income	-	-
Other	-	39.764
Total Gains from Investment Activities, net	-	39.764

NOTE 33 - FINANCIAL INCOME / EXPENSE

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

Account Name	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Interest Income	2.903.251	2.686.120
Foreign Exchange Gains	27.492.651	6.503.314
Total Financial Income, net	30.395.902	9.189.434



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

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts are expressed in ("TL") unless otherwise indicated.)

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

Account Name	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Bank Fees and Charges and Interest Expenses	(29.147.880)	(14.193.410)
Foreign Exchange Losses	(198.624)	(509.752)
Total Financial Expenses, net	(29.346.504)	(14.703.162)

The Group has no capitalised financing costs during the period.

NOTE 34 - ASSETS HELD FOR SALE

None.

NOTE 35 - INCOME TAX

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

Account Name	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Current Period Tax Expense (-)	(16.948.133)	(10.608.833)
Deferred Income Tax / (Expense)	(80.303)	(1.174.878)
Total Tax Income/(Expense)	(17.028.436)	(11.783.711)

Account Name	31 December 2021	31 December 2020
Current Period Tax Expense (-)	16.948.133	10.608.833
Prepaid Taxes (-)	(5.751.790)	(10.184.131)
Total Net Tax Payable, net	11.196.343	424.702

i) Corporate tax

The Group, its subsidiaries and associates in Turkey, are subject to the tax legislation and practices in force in Turkey. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements.

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

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

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



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts are expressed in ("TL") unless otherwise indicated.)

Income Withholding Tax:

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

ii) Deferred Tax:

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

Advance tax in Turkey is calculated and accrued on a quarterly basis. Corporation Tax rate applied in Turkey is 25% in 2021. In the Official Gazette dated April 22, 2021 and numbered 31462, the Law No. 7316 on the procedure for the collection of public receivables and Law Amending Certain Laws has been published and the Provisional Article 13 has been added to the Corporate Tax Law with the 11th article of the stated Law. Corporate tax rate of 20% with the added item will be applied as; 25% for corporate earnings for the 2021 taxation period and 23% for corporate earnings for the 2022 taxation period. The breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates are as follows:

Account Name	31 December 2021 Cumulative Temporary Differences	31 December 2021 Deferred tax assets / liabilities	31 December 2020 Cumulative Temporary Differences	31 December 2020 Deferred tax assets / liabilities
Property, Plant and Equipment and Intangible Assets	(489.881)	(97.976)	(464.892)	(92.978)
Rediscount Expenses	34.464.960	7.926.940	30.087.007	6.017.401
Provision for Employment Termination Benefits	1.519.015	303.803	1.130.641	226.128
Provision for Lawsuits	50.509	11.617	46.048	9.210
Provision for Inventory Impairment	3.617.671	832.064	3.972.884	794.577
Rediscount on Notes Payable	(1.418.084)	(326.159)	(566.968)	(113.394)
Derivative Instruments	(5.389.259)	(1.239.530)	3.104.246	620.849
Inventory Financing	1.059.073	243.587	1.086.441	217.288
Other	199.912	45.980	395.053	79.011
Deferred Tax Assets / (Liabilities), Net		7.700.326		7.758.092

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

	31 December 2021	31 December 2020
Beginning of the Period – 1 January	7.758.092	8.907.932
Deferred Tax Income / (Expense)	(80.303)	(1.174.878)
Actuarial Gains/Losses on Employment Termination Benefits	22.537	25.038
End of the Period – 31 December	7.700.326	7.758.092



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

NOTE 36 - EARNINGS PER SHARE

The amount of profit per share is calculated by dividing the net profit for the period by the weighted average share of the Group shares during the year. The Group's earnings per share is as follows.

Account Name	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Profit for the Period	31.330.097	25.149.650
Weighted Average Number of Shares	30.000.000	30.000.000
Earnings Per Share (*)	1,044337	0,838322

NOTE 37 - RELATED PARTY DISCLOSURES

a) Related parties balances are as follows:

	Receivables		Payables	
	Trade Receivables	Other Receivables	Trade Payables	Other Payables
31 December 2021				
İndeks A.Ş.	-	-	15.832.794	-
Neotech A.Ş.	-	-	24.401	-
Ifz A.Ş.	913.938	-	-	-
Neteks Teknoloji A.Ş.	40.160	-	-	-
Teklos A.Ş.	-	-	1.142.030	-
Total	954.098	-	16.999.225	-

	Receivables		Payables	
	Trade Receivables	Other Receivables	Trade Payables	Other Payables
31 December 2020				
İndeks A.Ş.	586.984	-	6.407.047	-
Teklos A.Ş.	-	-	728.547	-
Desbil A.Ş.	82.282	-	-	-
Total	669.266	-	7.135.594	-

The receivables and payables from related parties are not include collateral. The provision for doubtful receivables is not calculated and reflected to the consolidated financial statements for the related parties. The current account balances between the parties are generally caused by the finance operations. However, in some cases, there may also be cash disbursements among intercompany transactions. The balances due to non-finance operations are classified as other payables or receivables. The bank operates interest for current account balances and is invoiced on a quarterly basis.

The Group has interest gains on USD, EUR and TL for the account balances during the period, and the effective annual interest in 2021 is USD 3,15% - 6,50% and EUR 3,00% -5,00% and TL 18,00% -23,00%. (31 December 2020: (2,65% - 7,00%) (2,50% - 5,50%) and (8,75% -21,00%) respectively.



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

b) Related parties transactions are as follows:

31 December 2021

Sales	Goods and Services	Joint Venture Participation Costs	Interest Income and Foreign Exchange Gains	Total
İndeks A.Ş.	3.205.491	1.296.134	4.622.349	9.123.974
Ifz A.Ş.	-	151.399	-	151.399
İfin A.Ş.	658.136	-	5.449	663.585
Neteks Teknoloji A.Ş.	190.378	15.050	22.317	227.745
Teklos A.Ş.	82.590	58.486	20.781	161.857
Total	4.136.595	1.521.069	4.670.896	10.328.560

Purchases	Goods and Services	Joint Venture Participation Costs	Interest Expenses and Foreign Exchange Losses	Total
İndeks A.Ş.	93.326.933	6.289.779	21.406.232	121.022.944
Neteks Teknoloji	2.538	-	495.968	498.506
Ifz A.Ş.	53.041.442	-	-	53.041.442
İfin	-	22.295	52	22.347
Teklos A.Ş.	8.673.040	917.129	115.833	9.706.002
Total	155.043.953	7.229.203	22.018.085	184.291.241

The Group has no letters of guarantee received or given from related parties during the period.

31 December 2020

Sales	Goods and Services	Joint Venture Participation Costs	Interest Income and Foreign Exchange Gains	Total
İndeks A.Ş.	2.358.352	1.284.922	2.566.198	6.209.472
Homend A.Ş.	187.732	244	32.506	220.482
İfin A.Ş.	-	16	1.883	1.899
Neteks Teknoloji A.Ş.	153.500	1.202	18.340	173.042
Teklos A.Ş.	98.592	1.436	6.144	106.172
Total	2.798.176	1.287.820	2.625.071	6.711.067

Purchases	Goods and Services	Joint Venture Participation Costs	Interest Expenses and Foreign Exchange Losses	Total
İndeks A.Ş.	17.622.729	5.953.479	2.276.779	25.852.987
Neteks Teknoloji	18.431	-	3.087	21.518
Teklos A.Ş.	7.550.866	688.484	66.218	8.305.568
Total	25.192.026	6.641.963	2.346.084	34.180.073

The Group has no letters of guarantee received or given from related parties during the period.



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

c) Key management compensation

Account Name	31 December 2021	31 December 2020
Key management compensation	7.438.926	6.115.827
Employment Termination Benefits	-	-
Total	7.438.926	6.115.827

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

NOTE 38 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

(a) Capital Risk Management

The Group's main objectives for capital management are to keep the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debts includes 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 Group 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 Group's equity does not differ from the previous period. The Group 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 Group's significant accounting policies relating to financial instruments are presented in the **Note 2**.

(c) Risks

Because of its operations, the Group is exposed to financial risks related to exchange rates and interest rates. The Group also holds the financial instruments risk that other party not be able to meet the requirements of the agreement.

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

(c1) Foreign Exchange Risk

The difference between the foreign currency denominated and foreign currency indexed assets and liabilities for USD and EURO of the Group are defined as the "Net foreign currency position" and it is the basis of the currency risk. Another important dimension of the currency risk exposure is the transactions of the Group. These risks arise



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

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts are expressed in ("TL") unless otherwise indicated.)

from the Group's purchase and sale of goods and services in a foreign currency and the use of foreign currency denominated bank borrowings.

The Group management evaluates and monitors the balance of the assets and liabilities denominated in Turkish Lira as open positions. As of 31 December 2021 and 2020, assets and liabilities denominated in foreign currency are as follows:

As of 31 December 2021, if EUR and USD had appreciated by 10% against TL with all other variables held constant, profit before tax would have been TL 12.771.726 higher (31 December 2020: TL 8.576.860 higher). The following table details the Group's foreign currency sensitivity as at 31 December 2021 and 2020 for the changes at the rate of 10%:

Current Period - 31 December 2021		
	Profit / Loss	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
The impact of 10% USD increase in income statement		
1- USD Net Asset / Liability	12.591.936	(12.591.936)
2- Hedged portion of USD Risk (-)		
3- USD Net Effect (1+2)	12.591.936	(12.591.936)
The impact of 10% EURO increase in income statement		
4- EURO Net Asset / Liability	179.790	(179.790)
5- Hedged portion of Euro Risk (-)		
6- EURO Net Effect (4+5)	179.790	(179.790)
The impact of 10% Other currencies increase in income statement		
7- Other currencies Net Asset / Liability	-	-
8- Hedged portion of Other Currencies Risk (-)	-	-
9- Other Currencies Net Effect (7+8)	-	-
Total	12.771.726	(12.771.726)

Exchange Rate Sensitivity Analysis Table		
Prior Period - 31 December 2020		
	Profit / Loss	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
The impact of 10% USD increase in income statement		
1- USD Net Asset / Liability	7.885.405	(7.885.405)
2- Hedged portion of USD Risk (-)		
3- USD Net Effect (1+2)	7.885.405	(7.885.405)
The impact of 10% EURO increase in income statement		
4- EURO Net Asset / Liability	691.455	(691.455)
5- Hedged portion of Euro Risk (-)		
6- EURO Net Effect (4+5)	691.455	(691.455)
The impact of 10% Other currencies increase in income statement		
7- Other currencies Net Asset / Liability	-	-
8- Hedged portion of Other Currencies Risk (-)	-	-
9- Other Currencies Net Effect (7+8)	-	-
Total	8.576.860	(8.576.860)



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

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts are expressed in ("TL") unless otherwise indicated.)

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

	Foreign Exchange Position Table					
	31 December 2021			31 December 2020		
	TL Equivalent	USD	EUR	TL Equivalent	USD	EUR
1. Trade Receivables	75.776.236	5.658.489	23.480	30.045.977	4.088.443	3.859
2a. Monetary Financial Assets	13.853.418	1.035.712	3.209	10.094.070	738.980	518.388
2b. Non-monetary financial assets	362.349	27.185	-	-	-	-
3. Other	29.842.687	2.019.927	193.487	24.415.298	2.639.877	559.207
4. Total Current Assets (1+2+3)	119.834.690	8.741.313	220.176	64.555.345	7.467.300	1.081.454
5. Trade Receivables	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Total Non Current Assets(5+6+7)	-	-	-	-	-	-
9. Total Assets (4+8)	119.834.690	8.741.313	220.176	64.555.345	7.467.300	1.081.454
10. Trade Payables	47.560.472	3.498.209	56.166	8.718.037	808.106	309.299
11. Financial Liabilities	-	-	-	-	-	-
12a. Other Monetary Liabilities	1.293.487	76.255	18.212	188.368	20.084	4.545
12b. Other Non- Monetary Liabilities	863.410	34.728	26.445	14.931	2.034	-
13. Total Current Liabilities (10+11+12)	49.717.369	3.609.192	100.823	8.921.336	830.224	313.844
14. Trade Payables	-	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-	-	-
16b. Other Non- Monetary Liabilities	-	-	-	-	-	-
17. Total Non Current Liabilities (14+15+16)	-	-	-	-	-	-
18. Total Liabilities (13+17)	49.717.369	3.609.192	100.823	8.921.336	830.224	313.844
19. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b)						
19a. Total Asset Amount of Hedged	57.599.941	4.321.400	-	30.134.587	4.105.250	-
19b. Total Liabilities Amount of Hedged	57.599.941	4.321.400	-	30.134.587	4.105.250	-
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	127.717.262	9.453.521	119.353	85.768.596	10.742.326	767.610
21. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (1+2a+3+5+6a-10-11-12a-14-15-16a)	40.775.695	3.119.737	(47.689)	31.233.642	3.999.233	208.403
22. Total Fair Value of Financial Instruments Used for Foreign Exchange Hedge						
23. Foreign Exchange Hedged Portion Amount of Assets	52.210.682	4.321.400	-	33.238.834	4.105.250	-
24. Foreign Exchange Hedged Portion Amount of Liabilities	-	-	-	-	-	-
25. Export	737.641	-	-	420.900	-	-
26. Import	416.141.185	-	-	248.693.810	-	-

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts are expressed in ("TL") unless otherwise indicated.)

c2) Credit Risk Details

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

31 December 2021	Receivables				Notes	Bank Deposits and Reverse Repo	
	Trade Receivables		Other Receivables			Notes	Notes
	Related Party	Other	Related Party	Other			
Maximum exposure to credit risk as of reporting date (A+B+C+D)	954.098	383.760.341	-	358.101		19.891.285	
- Maximum risk, secured with guarantees	-	264.020.366	-	-		-	
A. Net book value of neither past due nor impaired financial assets	954.098	383.590.994	-	358.101	10-11	19.891.285	6
B. Net book value of past due but not impaired financial assets	-	3.412.601	-	-		-	
- Secured with guarantees	-	(3.243.253)	-	-		-	
C. Net book value of impaired assets	-	-	-	-	10-11	-	6
- Past due (gross amount)	-	-	-	-		-	
- Impairment (-)	-	6.371.966	-	-	10-11	-	6
- Secured with guarantees	-	(6.371.966)	-	-	10-11	-	6
- Not past due (gross amount)	-	-	-	-	10-11	-	6
- Impairment (-)	-	-	-	-	10-11	-	6
- Secured with guarantees	-	-	-	-	10-11	-	6
D. Expected Credit Losses (-)	-	-	-	-	10-11	-	6
31 December 2020	Receivables				Notes	Bank Deposits	
	Trade Receivables		Other Receivables			Notes	Notes
	Related Party	Other	Related Party	Other			
Maximum exposure to credit risk as of reporting date (A+B+C+D)	669.266	310.323.468	-	402.670		14.588.947	
- Maximum risk, secured with guarantees	-	187.998.670	-	-		-	
A. Net book value of neither past due nor impaired financial assets	669.266	309.739.223	-	402.670	10-11	14.588.947	6
B. Net book value of past due but not impaired financial assets	-	2.173.268	-	-		-	
- Secured with guarantees	-	(1.589.023)	-	-		-	
C. Net book value of impaired assets	-	-	-	-	10-11	-	6
- Past due (gross amount)	-	-	-	-		-	
- Impairment (-)	-	4.817.103	-	-	10-11	-	6
- Secured with guarantees	-	(4.817.103)	-	-	10-11	-	6
- Not past due (gross amount)	-	-	-	-	10-11	-	6
- Impairment (-)	-	-	-	-	10-11	-	6
- Secured with guarantees	-	-	-	-	10-11	-	6
D. Expected Credit Losses (-)	-	-	-	-	10-11	-	6



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts are expressed in ("TL") unless otherwise indicated.)

	Receivables	
	Trade Receivables	Other Receivables
31 December 2021		
Past due up to 1 month	2.410.148	-
Past due 1-3 months	536.438	-
Past due more than 3 months	466.015	-
Secured with guarantees	3.243.253	-

	Receivables	
	Trade Receivables	Other Receivables
31 December 2020		
Past due up to 1 month	1.481.113	-
Past due 1-3 months	396.090	-
Past due more than 3 months	296.065	-
Secured with guarantees	1.589.023	-

Credit Risk Management:

Credit risk management procedures:

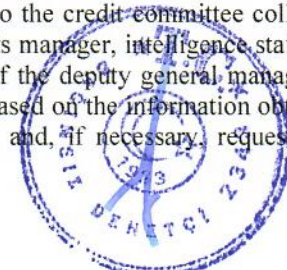
Datagate's collection risk arises mainly from its trade receivables. Almost all of the trade receivables are due to receivables from dealers. The Group has established an effective control system on its dealers and the credit risk arising from these transactions is followed by the risk management team and the Group management and limits are set for each dealer and limits are revised when necessary. Receiving sufficient collateral from dealers is another method used in the management of credit risk. The Group does not have a significant trade receivable risk due to the fact that it is a creditor from a large number of customers rather than a small number of customers. Trade receivables are evaluated by taking into consideration the past experiences and current economic situation of the Group management and are presented on the balance sheet net of provision for doubtful receivables. The low profit margin of the sector due to the structure of the sector makes collection and risk tracking policies significant for the Group and maximum sensitivity is presented accordingly. Our detailed explanations on our collection and risk management policy are as follows.

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

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.



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

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

(c3) Interest Rate Risk

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

Interest Rate Position Table

	31 December 2021	31 December 2020
Fixed Interest Rate Financial Instruments		
Financial Assets	5.103.072	2.030.881
Financial Liabilities	173.770.898	186.080.167
Floating Interest Rate Financial Instruments		
Financial Assets	-	-
Financial Liabilities	-	-

As of 31 December 2021, in the case of 100 bps rise in the annual interests, with all other variables held constant, profit before tax would have been TL 1.686.678 lower.

As of 31 December 2020, in the case of 100 bps rise in the annual interests, with all other variables held constant, profit before tax would have been TL 1.840.493 lower.

(c4) Liquidity Risk

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

Liquidity risk statements

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

Undiscounted contractual cash flows of the consolidated financial liabilities as of 31 December 2021 and 2020 are as follows:

31 December 2021

	Carrying Value	Total Contractual Cash Outflow	Demand or up to 3 months	3-12 months	1-5 years	5 years and over
Financial Liabilities	319.140.431	338.091.820	335.765.767	1.000.213	1.325.840	-
Bank Borrowings	171.483.177	188.528.162	188.528.162	-	-	-
Lease Liabilities	2.287.721	2.776.041	449.988	1.000.213	1.325.840	-
Trade Payables	144.833.041	146.251.125	146.251.125	-	-	-
Other Payables	536.492	536.492	536.492	-	-	-
Other	-	-	-	-	-	-



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts are expressed in ("TL") unless otherwise indicated.)

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

31 December 2020

	Carrying Value	Total Contractual Cash Outflow	Demand or up to 3 months	3-12 months	1-5 years	5 years and over
Financial Liabilities	294.566.744	300.064.253	224.707.741	73.413.703	1.942.809	-
<i>Bank Borrowings</i>	183.176.888	187.355.703	115.225.352	72.130.351	-	-
<i>Lease Liabilities</i>	2.903.279	3.655.005	428.844	1.283.352	1.942.809	-
<i>Trade Payables</i>	108.034.094	108.601.062	108.601.062	-	-	-
<i>Other Payables</i>	452.483	452.483	452.483	-	-	-
<i>Other</i>	-	-	-	-	-	-

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

(c5) Other

Equity Securities, etc. Risks Related Financial Instruments

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

NOTE 39 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING)

Financial Risk Management

The Group is exposed to variety of financial risks due to its operations. These risks include credit risk, market risk (foreign exchange risk, interest rate risk, commodity price risk) and liquidity risk. The Group's overall risk management strategy focuses on the unpredictability of financial markets and targets to minimise potential adverse effects on the Group's financial performance. The Group also uses derivative instruments to hedge risk exposures.

Fair Value of Financial Instruments

Fair value is the amount for which a financial instrument could be exchanged, or a liability settled between, willing parties during current transaction, other than in a forced sale or liquidation, and is best evidenced through a quoted market price, if one exists.

The Group determined fair value of financial instruments by using available market information and appropriate valuation methods. However, evaluating the market information and forecasting the real values requires interpretation. As a result, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

The following methods and assumptions are used to estimate the fair values of financial instruments:



DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts are expressed in ("TL") unless otherwise indicated.)

Financial Assets

Financial assets and liabilities denominated in foreign exchanges have been translated into Turkish Lira at the exchange rates prevailing at the balance sheet date. The carrying values of financial assets and liabilities denominated in foreign exchanges are considered to approximate their respective carrying values.

The carrying values of cash and cash equivalents including cash in hand and demand deposits, accrued interests and other financial assets are considered to approximate their respective carrying values due to their short-term nature and insignificant credit risk. The carrying values of trade receivables after deduction of provision for doubtful receivables are considered to approximate their respective carrying values.

Financial Liabilities

Financial assets and liabilities denominated in foreign exchanges have been translated into Turkish Lira at the exchange rates prevailing at the balance sheet date. The carrying values of financial assets and liabilities denominated in foreign exchanges are considered to approximate their respective carrying values.

The fair values of trade payables, bank borrowings and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.

Fair value estimation:

The Group has been applied the amendment to TFRS 7 for financial instruments measured at fair value in the balance sheet effective from 1 January 2009. This amendment is explained on the basis of the levels in the following calculation hierarchy of the fair value calculations

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities: The fair value of financial assets and financial liabilities are determined with reference to quoted market prices.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices): The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions

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

Financial assets and liabilities denominated in foreign exchanges have been translated into Turkish Lira at the exchange rates prevailing at the balance sheet date. The carrying values of financial assets and liabilities denominated in foreign exchanges are considered to approximate their respective carrying values.

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 they are considered to approximate their respective carrying values.

NOTE 40 - EVENTS AFTER THE BALANCE SHEET DATE

None.

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

None.

