

**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI  
SANAYİ VE TİCARET ANONİM ŞİRKETİ**

FINANCIAL STATEMENTS FOR THE INTERIM PERIOD BETWEEN  
JANUARY 01- JUNE 30, 2021, TOGETHER WITH  
AUDITOR'S REVIEW REPORT

**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI  
SANAYİ VE TİCARET ANONİM ŞİRKETİ**

**FOR THE ACCOUNTING PERIOD BETWEEN JANUARY 01 – JUNE 30, 2021  
INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**

**To the General Assembly of  
Link Bilgisayar Sistemleri Yazılımı Ve Donanımı Sanayi Ve Ticaret A.Ş.**

**Introduction**

We have performed limited review for the accompanying financial statements of Link Bilgisayar Sistemleri ve Donanımı Sanayi ve Ticaret Anonim Şirketi ("the Company"), which comprise the related statement of financial position as of June 30, 2021 includes the statements of profit or loss for the six-month period ended on the same date, the statement of income and expense items accounted for under equity, the statement of cash flows, the statement of changes in equity, and a summary of significant accounting policies and other explanatory notes. Company management, interim mentioned condensed financial information of the Public Oversight Accounting and Auditing Standards Board ("POA") issued by Turkey Accounting Standard 34 "Interim Financial Reporting" Standard ("TAS 34") is responsible for the appropriate as preparation and presentation. Our responsibility is to report a conclusion regarding the interim summary financial information in question, based on our limited audit.

**The Scope of Limited Review**

The limited review which we performed, has been conducted in compliance with the limited review audit by the auditor who conducting the independent audit of the "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE) 2410 "Interim Financial Information and Annual Financial Statements of the Company. The partial audit regarding to interim financial information consists of the questioning of the parties concerned, primarily those responsible for financial and accounting matters, and the application of analytical procedures and other partial audit procedures. Scope of partial audit of interim financial information; is significantly narrow in comparison with the scope of independent audit which is to present an opinion on the intent and the intended financial statements in accordance with the Independent Auditing Standards. As a result, partial audit of interim financial information does not provide assurance that the audit firm may be exposed to all significant aspects that may be identified in an independent audit. For this reason, we do not express an independent audit opinion.

## Conclusion

We have performed limited review for the accompanying financial statements of Link Bilgisayar Sistemleri ve Donanımı Sanayi ve Ticaret Anonim Şirketi ("the Company"), which comprise the related statement of financial position as of June 30, 2021, includes the statements of profit or loss for the six-month period ended on the same date, the statement of income and expense items accounted for under equity, the statement of cash flows, the statement of changes in equity, and a summary of significant accounting policies and other explanatory notes.

According to our limited audit, we have not drawn any attention to the conclusion that the attached interim summary financial information is not prepared, in all material respects, in accordance with TAS 34 "Interim Financial Reporting" Standard.

The name of the engagement partner who supervised and concluded this audit is Özkan Cengiz.

İstanbul, 06 August 2021

HSY Danışmanlık ve Bağımsız Denetim Anonim Şirketi

**Member, Crowe Global**

Özkan Cengiz

Partner, CPA

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**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
AS OF JUNE 30, 2021 REVIEWED FINANCIAL POSITION STATEMENT (BALANCE SHEET)

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

	Notes	Current Period 30.06.2021 TRY	Prior Period 31.12.2020 TRY
<b>ASSETS</b>		<b>54.125.660</b>	<b>51.392.882</b>
<b>CURRENT ASSETS</b>		<b>41.910.737</b>	<b>39.953.728</b>
Cash and Cash Equivalents	51	39.377.543	33.818.360
Trade Receivables	7	2.223.158	6.065.700
- Other Trade Receivables	7	2.223.158	6.065.700
Other Receivables	9	135.512	19.047
- Other Receivables	9	135.512	19.047
Inventories	10	49.838	5.347
Prepaid Expenses	12	124.686	45.274
- Other Prepaid Expenses	12	124.686	45.274
<b>Subtotal</b>		<b>41.910.737</b>	<b>39.953.728</b>
<b>TOTAL CURRENT ASSETS</b>		<b>41.910.737</b>	<b>39.953.728</b>
<b>NON-CURRENT ASSETS</b>		<b>12.214.923</b>	<b>11.439.154</b>
Other Receivables	9	344	344
- Other Receivables	9	344	344
Investment Properties	13	3.992.000	3.992.000
Tangible Assets	14	455.207	501.451
Intangible Assets	17	7.762.331	6.942.412
Other Intangible Assets	17	7.762.331	6.942.412
Prepaid Expenses	12	5.041	2.947
- Other Prepaid Expenses	12	5.041	2.947
<b>TOTAL NON-CURRENT ASSETS</b>		<b>12.214.923</b>	<b>11.439.154</b>
<b>TOTAL ASSETS</b>		<b>54.125.660</b>	<b>51.392.882</b>

The accompanying accounting policies and notes from an integral part of these financial statements.

**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
AS OF JUNE 30, 2021 REVIEWED FINANCIAL POSITION STATEMENT (BALANCE SHEET)

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

	Notes	Current Period 30.06.2021 TRY	Prior Period 31.12.2020 TRY
<b>LIABILITIES</b>		<b>54.125.660</b>	<b>51.392.882</b>
<b>Short-Term Liabilities</b>		<b>2.775.143</b>	<b>3.163.558</b>
Trade Payables	7	470.609	446.163
- Other Trade Payables	7	470.609	446.163
Liabilities Under Employee Benefits	27	702.999	1.439.679
Other Payables	9	905.085	521.148
- Other Payables	9	905.085	521.148
Deferred Income	12	129.041	162.128
- Other Deferred Income	12	129.041	162.128
Tax liabilities for The Period Profit	38	567.409	594.440
<b>Subtotal</b>		<b>2.775.143</b>	<b>3.163.558</b>
<b>Total Short-Term Liabilities</b>		<b>2.775.143</b>	<b>3.163.558</b>
<b>Long-Term Liabilities</b>		<b>3.326.472</b>	<b>2.722.693</b>
Long-Term Provisions	25	2.817.012	2.559.073
- Long-Term Provisions for Employee Benefits	25	2.817.012	2.559.073
Deferred Tax Liabilities	38	509.460	163.620
<b>Total Long-Term Liabilities</b>		<b>3.326.472</b>	<b>2.722.693</b>
<b>EQUITY</b>		<b>48.024.045</b>	<b>45.506.631</b>
<b>Parent Company Shareholder's Equity</b>		<b>48.024.045</b>	<b>45.506.631</b>
Paid in Capital	30	11.000.000	11.000.000
Accumulated Other Comprehensive Income/(Expenses) That Will Not Be Reclassified in Profit or Loss Statement	30	722.629	722.629
- Revaluation and Measurement Gains (Losses)	30	722.629	722.629
- Revaluation of Intangible Assets (Impairment)	30	1.728.151	1.728.151
- Defined Benefit Plans Re-Measurement Gains (Losses)	30	(1.005.522)	(1.005.522)
Reserves on Retained Earnings	30	1.012.357	892.011
Accumulated Profit/Losses	30	29.536.354	20.790.393
Net Profit/Loss for The Period	39	5.752.705	12.101.598
<b>Total Equity</b>		<b>48.024.045</b>	<b>45.506.631</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>54.125.660</b>	<b>51.392.882</b>

The accompanying accounting policies and notes from an integral part of these financial statements.

**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**REVIEWED INCOME STATEMENT FOR THE PERIOD BETWEEN JANUARY 01 – JUNE 30,2021**  
(Amounts expressed in Turkish Lira (\*TRY\*) unless otherwise indicated).

	Notes	Current Period 01.01.2021 30.06.2021 TRY	Prior Period 01.01.2020 30.06.2020 TRY	Current Period 01.04.2021 30.06.2021 TRY	Prior Period 01.04.2020 30.06.2020 TRY
Revenue	31	7.868.088	7.630.847	3.782.203	4.514.640
Cost of Sales (-)	31	(1.450.363)	(1.387.407)	(707.250)	(773.439)
<b>GROSS PROFIT/LOSS FROM COMMERCIAL ACTIVITIES</b>		<b>6.417.725</b>	<b>6.243.440</b>	<b>3.074.953</b>	<b>3.741.201</b>
<b>GROSS PROFIT/LOSS</b>		<b>6.417.725</b>	<b>6.243.440</b>	<b>3.074.953</b>	<b>3.741.201</b>
General Administrative Expenses (-)	28	(2.206.429)	(1.832.333)	(1.062.661)	(801.539)
Marketing Expenses (-)	28	(1.294.388)	(1.270.046)	(651.811)	(648.672)
Research and Development Expenses (-)	28	(1.288.238)	(1.147.004)	(658.771)	(587.818)
Other Income from Operations	34	300.516	127.142	144.125	20.680
Other Expenses from Operations (-)	34	(82.695)	(69.059)	(18.956)	(42.088)
<b>OPERATING PROFIT/LOSS</b>		<b>1.846.491</b>	<b>2.052.140</b>	<b>826.879</b>	<b>1.681.764</b>
Income from Investing Activities	35	59.697	315.953	34.608	207.160
<b>OPERATING PROFIT/LOSS BEFORE FINANCIAL INCOME/EXPENSES</b>		<b>1.906.188</b>	<b>2.368.093</b>	<b>861.487</b>	<b>1.888.924</b>
Financial Income	36	5.831.140	3.671.988	1.913.661	1.699.664
Financial Expenses (-)	36	(216.710)	(611.768)	(98.483)	(525.425)
<b>PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>7.520.618</b>	<b>5.428.313</b>	<b>2.676.665</b>	<b>3.063.163</b>
Continuing Operations Tax Income/(Expense)	38	(1.767.913)	(966.148)	(780.001)	(538.209)
-Tax Income/(Expense) for The Period	38	(1.422.073)	(899.732)	(603.474)	(493.594)
-Deferred Tax Income /(Expense)	38	(345.840)	(66.416)	(176.527)	(44.615)
<b>PROFIT/(LOSS) CONTINUING OPERATIONS FOR THE PERIOD</b>		<b>5.752.705</b>	<b>4.462.165</b>	<b>1.896.664</b>	<b>2.524.954</b>
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>5.752.705</b>	<b>4.462.165</b>	<b>1.896.664</b>	<b>2.524.954</b>
<b>Profit (Loss) for The Period Distribution</b>		<b>5.752.705</b>	<b>4.462.165</b>	<b>1.896.664</b>	<b>2.524.954</b>
-Parent Company Shares		5.752.705	4.462.165	1.896.664	2.524.954
<b>Earnings Per Share</b>	39	0,52	0,81	0,17	0,46
-Earnings (Loss) Per Share for Continuing Operations	39	0,52	0,81	0,17	0,46
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>5.752.705</b>	<b>4.462.165</b>	<b>1.896.664</b>	<b>2.524.954</b>
<b>OTHER COMPREHENSIVE INCOME</b>	37	--	54.555	--	--
<b>Items that will not be reclassified subsequently to profit or loss</b>		--	54.555	--	--
Defined Benefit Plans Re-Measurement Gains (Losses)	37	--	69.942	--	--
Taxes Which Will Not Be Reclassified in Profit or Loss, Related to Other Comprehensive Income	37	--	(15.387)	--	--
- Deferred Tax Expense/Income	37	--	(15.387)	--	--
<b>OTHER COMPREHENSIVE INCOME</b>		--	54.555	--	--
<b>TOTAL COMPREHENSIVE INCOME (EXPENSES)</b>		<b>5.752.705</b>	<b>4.516.720</b>	<b>1.896.664</b>	<b>2.524.954</b>

The accompanying accounting policies and notes from an integral part of these financial statements.

**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ**

REVIEWED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD BETWEEN JANUARY 01 – JUNE 30, 2021

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

				Accumulated Other Comprehensive Income/(Expenses) That Will Not Be Reclassified in Profit or Loss Statement						
				Revaluation and Measurement Gains (Losses)		Accumulated Profit				
CURRENT PERIOD	Notes	Paid in Capital	Capital Adjustment Differences	Tangible Assets Revaluation (Losses)	Defined Benefit Plans Re-Measurement Gains (Losses)	Restricted Reserves	Retained Earnings	Net Profit/Loss for The Period	Parent Shareholders' Equity	Total Equity
January 1, 2021 (Beginning of The Period)	30	11.000.000	--	1.728.151	(1.005.522)	892.011	20.790.393	12.101.598	45.506.631	45.506.631
Amount after adjustments	30	11.000.000	--	1.728.151	(1.005.522)	892.011	20.790.393	12.101.598	45.506.631	45.506.631
Transfers		--	--	--	--	120.346	11.981.252	(12.101.598)	--	--
Total Comprehensive Income (Expense)		--	--	--	--	--	--	5.752.705	5.752.705	5.752.705
- Profit/(Loss) For the Period	39	--	--	--	--	--	--	5.752.705	5.752.705	5.752.705
- Other Comprehensive Income (Expense)	37	--	--	--	--	--	--	--	--	--
Dividends		--	--	--	--	--	(3.235.291)	--	(3.235.291)	(3.235.291)
June 30, 2021 (Ending of The Period)	30	11.000.000	--	1.728.151	(1.005.522)	1.012.357	29.536.354	5.752.705	48.024.045	48.024.045
PRIOR PERIOD										
January 1, 2020 (Beginning of The Period)	30	5.500.000	4.178.483	1.728.151	(1.060.077)	892.011	16.023.679	7.446.343	34.708.590	34.708.590
Amount after adjustments	30	5.500.000	4.178.483	1.728.151	(1.060.077)	892.011	16.023.679	7.446.343	34.708.590	34.708.590
Transfers		--	--	--	--	--	7.446.343	(7.446.343)	--	--
Total Comprehensive Income (Expense)		--	--	--	54.555	--	--	4.462.165	4.516.720	4.516.720
- Profit/(Loss) For the Period	39	--	--	--	--	--	--	4.462.165	4.462.165	4.462.165
- Other Comprehensive Income (Expense)	37	--	--	--	54.555	--	--	--	54.555	54.555
Dividends		--	--	--	--	--	--	--	--	--
Increase/(Decrease) for Other Adjustments		--	--	--	--	--	56.691	--	56.691	56.691
June 30, 2020 (Ending of The Period)	30	5.500.000	4.178.483	1.728.151	(1.005.522)	892.011	23.526.713	4.462.165	39.282.001	39.282.001

The accompanying accounting policies and notes from an integral part of these financial statements.



**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ**

REVIEWED STATEMENT OF CASH FLOWS FOR THE PERIOD BETWEEN JANUARY 01 – JUNE 30, 2021

(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated.)

	Notes	Current Period 01.01.2021 30.06.2021 TRY	Prior Period 01.01.2020 30.06.2020 TRY
<b>A. CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</b>		<b>10.060.376</b>	<b>7.809.530</b>
<b>Profits (Losses) for The Period (+/-)</b>		<b>5.752.705</b>	<b>4.462.165</b>
- Profit (Loss) from Continuing Operations	39	5.752.705	4.462.165
<b>Net Profit (Loss) Reconciliation Related Adjustments</b>		<b>1.027.919</b>	<b>1.191.791</b>
Adjustments for Depreciation and Amortization	13-17	1.346.869	1.129.039
Adjustments for Impairment (Reversal) (+/-)	7	9.591	--
- Adjustments for Impairment (Reversal) on Receivables	7	9.591	--
Adjustments for Provisions (+/-)	25	99.312	279.255
- Adjustments for Provisions for Employee Benefits (Reversal)	25	99.312	279.255
Adjustments for Interest Income and Expenses (+/-)	36	(773.693)	(162.006)
- Adjustments for Interest Income	36	(854.642)	(264.035)
- Adjustments for Interest Expenses	36	158.627	153.716
- Deferred Financing Costs Arising from The Term Purchase	34	73.102	61.291
- Unearned Finance Income Arising from Forward Sales	34	(150.780)	(112.978)
Adjustments for Tax Revenue/Expenditure	38	345.840	80.404
Adjustments for Losses (Earnings) Arising from Disposal of Fixed Assets	13-17	--	(134.901)
- Adjustments for Losses (Earnings) Arising from Disposal of Tangible Assets		--	(134.901)
<b>Changes in Working Capital</b>		<b>3.306.783</b>	<b>2.600.154</b>
Adjustments for Increase/Decrease in Trade Receivables	7	3.759.849	3.042.476
- Increase/Decrease in Other Trade Receivables	7	3.759.849	3.042.476
Adjustments for Increase/Decrease in Other Receivables Related with Activities	9	(116.465)	1.300
- Increase/Decrease in Other Receivables Related with Activities from Other Parties	9	(116.465)	1.300
Adjustments for Increase/Decrease in Inventories	10	(44.491)	(32.536)
Increase/Decrease in Prepaid Expenses	12	(81.506)	290
Adjustments for Increase/Decrease in Trade Payables	7	175.226	10.356
- Increase/Decrease in Trade Payables from Other Parties	7	175.226	10.356
Increase/Decrease in Payables as Part of Employee Benefits	27	(736.680)	(340.918)
Adjustments for Increase/Decrease in Other Payables Related with Activities	9	383.937	(181.024)
- Increase/Decrease in Other Payables Related with Activities to Other Parties	9	383.937	(181.024)
Increase/Decrease in Deferred Income	12	(33.087)	13.499
Adjustments on Other Increase/Decrease in Realized Working Capital	29	--	86.711
- Increase/Decrease in Other Assets Related with Activities	29	--	30.019
- Increase/Decrease in Other Liabilities Related with Activities	29	--	56.692
<b>The Cash Flow Generated from Operations (+/-)</b>		<b>10.087.407</b>	<b>8.254.110</b>
Tax Refunds (Payments)	38	(27.031)	(444.580)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(2.120.544)</b>	<b>(1.687.135)</b>
Cash Inflows for Sales Tangible and Intangible Assets	13-17	--	134.901
- Cash inflows arising from The Sale of Tangible Assets	13	--	134.901
Cash Outflows for Purchasing Tangible and Intangible Assets	13-17	(2.120.544)	(1.822.036)
- Cash Outflows for Purchasing Tangible Assets	13	(21.866)	(320.814)
- Cash Outflows for Purchasing Intangible Assets	17	(2.098.678)	(1.501.222)
<b>C. CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>		<b>(2.411.752)</b>	<b>62.019</b>
Dividends Paid		(3.235.291)	--
Interest Paid		--	(153.716)
Interest Received		823.539	215.735
<b>NET INCREASE/(DECREASE) CASH AND CASH EQUIVALENTS BEFORE FOREIGN CURRENCY</b>		<b>5.528.080</b>	<b>6.184.414</b>
<b>NET INCREASE/(DECREASE) CASH AND CASH EQUIVALENTS (A+B+C+D)</b>		<b>5.528.080</b>	<b>6.184.414</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	51	<b>33.818.360</b>	<b>23.785.106</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (A+B+C+D+E)</b>	51	<b>39.346.440</b>	<b>29.969.520</b>

The accompanying accounting policies and notes from an integral part of these financial statements.

# LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO REVIEWED FINANCIAL STATEMENTS, FOR THE PERIOD JUNE 30,2021

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

## NOTE 1– ORGANIZATION AND NATURE OF OPERATIONS

### • General Information

Link Bilgisayar Sistemleri Yazılımı ve Donanımı Sanayi ve Ticaret A.Ş. ("Company") was established in İstanbul on 07.01.1985. A certain part of the company's shares (33,28%) are traded on Borsa İstanbul (BIST). Company's address: 'Kısıklı Caddesi No:2 Ak İş Merkezi A Blok Kat:2 Altunizade Üsküdar 34662 İstanbul

Link Bilgisayar Sistemleri Yazılımı ve Donanımı Sanayi ve Ticaret A.Ş., is engaged in software, marketing, sales, consultancy, and training activities.

Company's address, trade register, tax office, tax number and communication details are explained in below:

<b>Official address:</b>	Kısıklı Caddesi No:2 Ak İş Merkezi A Blok Kat:2 Altunizade / İstanbul
<b>Trade register number:</b>	209892
<b>Tax office:</b>	Üsküdar Tax Office
<b>Tax number:</b>	6090006829
<b>Phone - Fax:</b>	0216 522 00 00– Fax: 0216 474 10 92
<b>Website:</b>	<a href="http://www.link.com.tr/">http://www.link.com.tr/</a>

As of 30 June 2021, the number of staff working in the Company is 47 (December 31, 2020: 45)

### b) The Structure of Capital

The Company's capital is TRY 11.000.000. The capital of the company is divided into 137.280.750 bearer shares of which 214.532.000 A group shares, 748.187.250 B group shares, 1.100.000.000 C group shares, each with a nominal value of TRY 0.01. (December 31, 2020: The company's capital has been increased by 5.500.000 to reach TRY 11.000.000. All of the increased TRY 5.500.000 was met from internal resources. The capital of the company is divided into a total of 1.100.000.000 bearer shares, each of which has a nominal value of TRY 0.01, 137.280.750 Group A shares, 214.532.000 Group B shares, 748.187.250 Group C shares.)

The name with share capital of the company is explained in below:

Shareholders	Share ratio (%)	30.06.2021		31.12.2020	
		TRY	Share ratio (%)	TRY	
Murat Kasaroğlu	46,22%	5.084.348	46,22%	5.084.348	
Hayguyi Antikacıoğlu	19,41%	2.135.382	19,41%	2.135.382	
Public	31,00%	3.459.582	31,00%	3.459.582	
Other	3,37%	320.688	3,37%	320.688	
<b>Total</b>	<b>100%</b>	<b>11.000.000</b>	<b>100%</b>	<b>11.000.000</b>	
Capital adjustment difference		--		--	
<b>Total</b>		<b>11.000.000</b>		<b>11.000.000</b>	

**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ**

NOTES TO REVIEWED FINANCIAL STATEMENTS, FOR THE PERIOD JUNE 30,2021

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

**NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS (CONT.)****b) The Structure of Capital**

As of the balance sheet date, the vote distribution table is as follows:

	30.06.2021	31.12.2020
Shareholders	Vote rate	Vote rate
Murat Kasaroğlu	64,57%	64,57%
Hayguyi Antikacıoğlu	22,53%	22,53%
Public	8,58%	8,58%
Other	4,32%	4,32%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS****2.1) Basis of Presentation**

The accompanying financial statements are prepared in accordance with the Communiqué Serial II, No:14.1, “Principles of Financial Reporting in Capital Markets” (“the Communiqué”) published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards (“TFRS”) and its addendum and interpretations (“TFRS”) issued by Public Oversight Accounting and Auditing Standards Authority (“POA”) Turkish Accounting Standards Boards It was also presented in accordance with the TMS taxonomy published by the (“POA”) on April 15, 2019.

Approval of Financial Statements:

The Company's financial statements for the fiscal period dated 30 June 2021 and ending on this date were approved by the Board of Directors on **07 August 2021**. The General Assembly has the power to change the financial statements after the publication of the financial statements.

**2.1.2) Comparatives and adjustment of prior periods consolidated financial statements**

In order to allow for the determination of the financial situation and performance trends the Company's financial statements have been presented comparatively with the previous year. Where necessary, comparative figures have been reclassified to conform to the changes in presentation in the current period.

**2.1.3) Going concern assumption**

The financial statements have been prepared on a going concern basis, under the assumption that the Company will benefit from its assets and fulfill its obligations in the next year and in the natural course of its activities.

**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**

**2.1.4) Functional and reporting currency**

The Company's functional and reporting currency is Turkish Lira ("TRY"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation are recognized in the consolidated statement of income.

**2.1.5) Changes in Turkey Financial Reporting Standards**

The accounting policies adopted in preparation of the consolidated financial statements as of 30 June 2021 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS interpretations effective as of 1 January 2021. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

- **The new standards, amendments and interpretations which are effective as of January 1, 2021, are as follows:**
  - Interest Rate Benchmark Reform – Phase 2 – Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16
  - Facilitating practice for changes in the basis for determining contractual cash flows as a result of the IBOR reform - Privileges on termination of the hedge accounting relationship
  - TFRS 16 Amendments - Change in Concessions Granted in Rent Payments Related to Covid-19

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

- **Standards issued but not yet effective and not early adopted**

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

- Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to TFRS 3 – Reference to the Conceptual Framework
- Amendments to TAS 16 – Proceeds before intended use
- Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract
- TFRS 17 - The new Standard for insurance contracts
- Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**

**2.2) Changes in Turkey Financial Reporting Standards (Cont.)**

• **Annual Improvements – 2018–2020 Cycle**

In July 2020, the POA issued Annual Improvements to TFRS Standards 2018–2020 Cycle, amending the followings:

- TFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter: The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by the parent. The amendment is also applied to an associate or joint venture.
- TFRS 9 Financial Instruments – Fees in the “10 per cent test” for derecognition of financial liabilities: The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either borrower or lender on the other’s behalf.
- TAS 41 Agriculture – Taxation in fair value measurements: The amendment removes the requirement in paragraph 22 of TAS 41 that entities exclude cash flows for taxation when measuring fair value of assets within the scope of TAS 41.

Improvements are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted for all.

The Company is in the process of assessing the impact of the improvements financial position or performance of the Company.

• **The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)**

The following standards, interpretations, and amendments to existing IFRS standards are issued by the IASB but not yet effective up to the date of issuance of the financial statements. However, these standards, interpretations, and amendments to existing IFRS standards are not yet adapted/issued by the POA, thus they do not constitute part of TFRS. The Company will make the necessary changes to its consolidated financial statements after the new standards and interpretations are issued and become effective under TFRS.

- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Overall, the Company expects no significant impact on its balance sheet and equity.

**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**

**2.3) Changes in The Accounting Estimates and Errors**

If changes in accounting estimates are related to only one period, they are recognized in the period when changes are applied: if changes in estimates are related to future periods. They are recognized both in the period where the change is applied and future periods prospectively. Significant estimates used in the preparation of the financial statements for the period ended 30 June 2021 are consistent with the estimates used in the preparation of the financial statements for the period ended 31 December 2020. Correction of error are considered by retrospectively and the prior period financial statements are restated.

**2.4) Summary of significant accounting policies**

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and at banks and short-term highly liquid investments whose risk of value change is not material including time deposits generally having original maturities of three months or less.

**Trade Receivables**

Trade receivables arising from the provision of products or services to the buyer are accounted for from the amortized value of the amounts to be obtained in the following periods of the receivables recorded from the original invoice value. Short-term receivables with no determined interest rates are shown in the invoice amount if the effect of the original effective interest rate is not very large. The "simplified approach" is applied within the scope of impairment calculations of trade receivables that are recognized at amortized cost in the financial statements and do not contain a significant financing component (with a maturity less than 1 year). With this approach, in cases where trade receivables are not impaired for certain reasons (except for the impairment losses incurred), the provisions for losses related to trade receivables are measured at an amount equal to "lifelong expected credit losses". In the event that all or some of the amount of the receivable that is impaired is collected following the provision for impairment, the collected amount is deducted from the provision for impairment and recorded in other income from the main activities. Maturity difference incomes / expenses related to commercial transactions and exchange rate profit / losses are recognized in the statement of "Other Income / Expenses from Main Operations" in the profit or loss statement.

**Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)****2.4) Summary of significant accounting policies (Cont.)****Investment properties**

Investment properties are properties that are held to obtain capital will, such as rent and / or appreciation gains, and are first measured by their cost values and the transaction costs involved. After the initial accounting, investment properties are valued with their fair values reflecting the market conditions as of the reporting period. Gains or losses arising from changes in the fair value of investment properties are included in the consolidated statement of profit or loss in the period when they occur.

Investment properties are excluded from the statement of financial position if they are sold or become unusable and it is determined that there will be no future economic benefits from their sale. Profit / loss arising from the expiration or sale of investment properties is included in the consolidated statement of profit or loss in the period in which they occur.

**Tangible assets**

Property, plant, and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their costs and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of income.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property, plant and equipment have been put into the operation, such as repairs, and maintenance and overhaul costs are normally charged to income in the period the costs are incurred. Expenditures are added to cost of assets if the expenditures provide economic added value for the future use of the related property, plant, and equipment.

Depreciation is computed on a straight-line basis over the estimated useful lives. The useful lives and depreciation methods are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant, and equipment (Note 14)

	<b>Useful Life</b>
Motor vehicles	4-5 – years
Furniture and fixtures	3-10 – years
Special costs	4-5 - years

In case of any indication of the impairment in the carrying value of property, plant and equipment, the recoverable amount is reassessed and provision for impairment is reflected in the consolidated financial statements.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Recoverable amount is the higher of net selling price or value in use. Net selling price is determined by deducting any expenses to be incurred for the sale of an asset from the fair value of the asset. Value in use is calculated as the discounted value of the estimated future cash flows the entity expects to receive from the asset. Gains and losses on sale of property, plant and equipment are included in other income and expense from investment activities.

**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**

**2.4) Summary of significant accounting policies (Cont.)**

**Intangible assets**

Intangible assets acquired separately from a business are capitalized at cost. Intangible assets created within the business are not capitalized and expenditure is charged against profits in the year in which it is incurred. Intangible assets are amortized on a straight-line basis over their useful lives. The depreciation period for the intangibles capitalized in relation with the new models will be started after the production of these models is started. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

**Impairment of assets**

The carrying amounts of the Company's tangible and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. When an indication of impairment exists, the Company compares the carrying amount of the asset with its net realizable value which is the higher of value in use or fair value less costs to sell. Impairment exists if the carrying value of an asset or a cash generating unit is greater than its recoverable amount which is the higher of value in use or fair value less costs to sell. An impairment loss is recognized immediately in the consolidated statement of profit or loss.

The increase in carrying value of the assets (or a cash generated unit) due to the reversal of recognized impairment loss shall not exceed the carrying amount of the asset (net of amortization amount) in case where the impairment loss was reflected in the consolidated financial statements in prior periods. Such a reversal is accounted for in the statement of profit or loss.

**Research and development expenditures**

Research expenses are recognized as expense on the date it is realized. Development expenses related to a project can be carried forward to the next periods when it is sure its future realizable value. Any expenditure carried is depreciated over the period of expected future sales of the project to which it relates. The Company directly associates research expenses with the income statement in the period it occurs. The total development expense capitalized in the period is TRY 2.108.987 (31.12.2020: TRY 2.776.125).



**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**

**2.4) Summary of significant accounting policies (Cont.)**

**Government Incentives**

Government incentives are not recognized unless the Company meets the requirements related to these incentives and there is no reasonable reason for receiving this incentive. These incentives are accounted as income in the related period to match the costs expected to cover. The income from the incentives provided by the government is accounted for as a discount from an appropriate expense item.

However, the 2019 year of the General Directorate of R&D Incentives of the Ministry of Industry and Technology Within the scope of the audits conducted by the Company regarding its activities, it was decided by the Evaluation and Audit Commission to suspend the incentives and exemptions benefited from within the scope of Law No. 5746 for a period of 3 months as of 18.12.2020, and Since it was understood at the Board of Directors Meeting dated 18.03.2021 that the conditions expected from the Company within the scope of the R&D Center certificate could not be met, an application was made to the Ministry for the cancellation of the R&D Center certificate as of 18 March 2021, and It has been decided to authorize the General Directorate to carry out the necessary studies in order to continue the R&D activities within the company in a techno park on the Anatolian side of Istanbul. In this context, the cancellation application was accepted by the General Directorate of R&D Incentives of the Ministry of Industry and Technology.

**Leasing Transactions**

Financial Leasing: There are no financial leasing transactions.

Operational Leasing (Company as a lessee): The lease contracts that the lessor holds all the risks and benefits of the property are called operational leases. Lease payments made for an operational lease are recorded as expense during the lease period.

The company and Ak İnşaat Mermercilik ve Gayrimenkul Yatırım Ticaret A.Ş. According to the lease agreement signed on 15.06.2011, TRY 630.000 per year (rent increase based on PPI average for each year) will be paid for the building used as head office. In addition, the Company has a lease agreement as a tenant to use as an office in Ankara in order to carry out its marketing activities. As of June 30, 2021 the lease expense of the Company is TRY 357.200. All of this amount has been accounted for in operating expenses. (As of December 31, 2020, the rental expense is TRY 649.744 and TRY 177.366 of this amount has been accounted for within the development expenses and TRY 472.378 has been accounted for within the operating expenses.)

Operational Leasing (Company as Lessor): Rental income arising from operational leasing is recorded as income by normal method during the lease period. Direct costs incurred to earn income from an operational lease are recorded as expense in the income statement of the period in which they are made.

**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**

**2.4) Summary of significant accounting policies (Cont.)**

**Revenue recognition**

Link Bilgisayar Sistemleri Yazılımı ve Donanımı Sanayi ve Ticaret A.Ş., creates income by producing special and package programs that enable production, trade, and accounting processes to be carried out in an integrated computer environment. Revenues are package program sales revenues, license renewal agreement sales revenues, special software development project revenues etc. Revenues are shown as the expected amount to be earned in return for these goods and services, reflecting the promised goods and / or services. For this purpose, a 5-step process is applied to record revenue within the framework of the provisions of TFRS 15.

- Identification of contracts with the customer
- Determination of separate performance criteria and obligations in the contract
- Determination of the contract price
- Distribution of Sales Price to Liabilities
- Record revenue as contractual obligations are met

If there is a significant financing element in sales, the reasonable value is determined by reducing the future cash flows with the hidden interest rate included in the financing element. The difference is reflected in the financial statements on an accrual basis. Considering that the maturity of the sales is less than 1 year, the sales are reflected in the financial statements over the invoice amount, considering that there is no significant interest component in the sales.

Additional explanations for some important income classifications are given below.

**Package Program Sales (License Sales)**

In package program sales, customers pay a one-off licensing fee, and only buy the right to use the current version and version indefinitely. The Company has no obligations following the sales of package programs. These revenues are reflected in the income statement at the time of sale.

**Package Program Sales (Non-Transfer License Model)**

It is the sales model in which license rights are not transferred and customers are given the right to use the package program for a limited time. Sales revenues are accounted on an accrual basis. Where invoicing is made in advance, the portion corresponding to the next months is separated and accounted for as deferred income in the balance sheet.

**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**

**2.4) Summary of significant accounting policies (Cont.)**

**Revenue recognition (Cont.)**

**Package Program Sales (Optionally, the Model That Company Has Right to Take Transfer License.)**

In this model, the customer is granted the right to obtain the license with a lower amount than the current license fee if the usage period exceeds the pre-determined periods such as 3-5 years with annual renewals along with the transfer of the right of use for a certain period of time. This sales model has been used in previous years, and currently there is no sale in this model, and accumulation of licenses continues in the current period regarding the contracts issued in the previous year. Since the option of purchasing a low price, which is likely to be used in the coming years, will not create an additional resource outflow from the company as of the field of activity of the company, neither option is reflected in the financial statements nor possible license sales income accrual.

**License Renewal Agreement Sales (LRA)**

License Renewal Agreements (LRA) are generally accounted on the same principles as License sales, and sales under the LRA are included in the income statement at the time of sale. In the first sale of the same product main software, a free application is made with the license. The company management allocates the entire amount collected from the customer to the main software product in such sales transactions and it is accepted that this product is given free of charge. LRA is a sales model that protects against all legal changes in a year and at the same time provides all paid version changes with free features that add value to the products during the year. Installation, training etc. given to customers due to renewed versions. The services are usually provided by solution partner dealers, and the relevant revenues are generated by these solution partners. The management of the company foresees that this renewal right, which is given free of charge in the first year together with the sale of the product, and the free renewal right granted due to the sales under the License Renewal Agreement, will not cause any additional resource outflow from the Company except for the Research and Development activities that the Company has actually folded.

**After Sales Support Income**

Sales support services are mainly provided by dealers who are solution partners, and these revenues are formed within these solution partners. Sales support services provided by the company are recorded on an accrual basis at the service hours.

**Special Project Revenues**

Special software development project revenues are included in the financial statements as income based on the level of completion of the contract activities as of the balance sheet date.

**Credit Sales**

Credits from integrator companies are sold to customers within the scope of e - applications such as e - invoice, e - archive, e - custody services, e - dispatch. The part sold at the time of sale is directly reflected to the income statement and the company does not have an ongoing liability regarding these sales. Amounts received from the integrator but not sold to customers are tracked in the stocks account group in the financial statements.

**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**

**2.4) Summary of significant accounting policies (Cont.)**

**Revenue recognition (Cont.)**

**Interest Income**

Interest income is accrued based on the effective interest method, which brings the remaining principal amount and the estimated cash inflows to be acquired over the expected life of the financial asset to the net book value of the asset. Interest income and foreign exchange gains on trade transactions are recognized as other income from operating activities.

**Current and deferred tax**

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized, or the deferred tax liability is settled. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax liability is recognized on all temporary differences regarding subsidiaries unless neither utilization date of taxable temporary differences is reviewed nor utilization of temporary difference in an estimated period is probable.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**

**2.4) Summary of significant accounting policies (Cont.)**

**Provision for severance pay**

In accordance with existing social legislation, the Company is required to make lump sum termination indemnities to each employee who has completed one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

In the financial statement, the Company has reflected a liability calculated using "Projected Method" and based upon factors derived using the Company's experience of personnel terminating their services and being eligible to receive benefits, discounted by using the current market yield at the balance sheet date on government bonds.

The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements. Past-service costs are recognized immediately in income.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

**Provisions**

Provisions for environmental restoration, restructuring costs and legal claims are recognized when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

**Offsetting**

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**

**2.4) Summary of significant accounting policies (Cont.)**

**Foreign currency transactions**

Income and expenses arising in foreign currencies during the year have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated at the exchange rates prevailing at the balance sheet dates, which are announced by Central Bank of the Republic of Turkey. Exchange gains or losses arising from the settlement and translation of foreign currency items have been included in the related income and expense accounts, as appropriate.

**Related parties**

Parties are considered related to the Company if;

- (a) directly, or indirectly through one or more intermediaries, the party:
  - (i) controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries, and fellow subsidiaries);
  - (ii) has an interest in the Company that gives it significant influence over the Company; or
  - (iii) has joint control over the Company
- (a) the party is an associate of the Company
- (b) the party is a joint venture in which the Company is a venture
- (c) the party is member of the key management personnel of the Company or its parent
- (d) the party is a close member of the family of any individual referred to in (a) or (d)
- (f) the party is an entity that is controlled, jointly controlled, or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party has a post-employment benefit plan for the benefit of employees of the Company, or of an entity that is a related party of the Company.

**Investment, research, and development incentives**

Government grants are recognized at fair value where there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systemic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is recorded as deferred income.

Government grants relating to costs are deferred and recognized in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight- line basis over the expected lives of the related assets. Investment and research and development incentives are recognized when incentive applications of the Company are approved by fiscal authorities.

**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**

**2.4) Summary of significant accounting policies (Cont.)**

**Subsequent Events**

Events after the balance sheet date; Includes all events between the balance sheet date and the date of authorization for the publication of the balance sheet, even if they have occurred after the announcement of any period profit or other selected financial information to the public. In the event of events requiring correction after the balance sheet date, the Company corrects the amounts included in the financial statements in accordance with this new situation.

Matters that do not require correction as of the balance sheet date are explained in the footnotes of the financial statements in case, they are the issues affecting the economic decisions of the users of the financial statements.

**Cash flow statement**

The Company prepares a cash flow statement as an integral part of other financial statements in order to inform the users of the financial statements about the changes in the net assets, the financial structure, and the ability to direct the cash flows according to the conditions and timing. Cash flows for the period is classified as operating, investing, and financing activities

The cash flows raised from operating activities indicate cash flows due to the Company's operations.

The cash flows due to investing activities indicate the Company cash flows that are used for and obtained from investments (investments in property, plant and equipment and financial investments).

The cash flows due to financing activities indicate the cash obtained from financial arrangements and used in their repayment.

**2.5) Significant accounting judgments, estimates and assumptions**

The preparation of financial statements requires the Company management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. Those estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the periods in which they become known.

**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**

**2.5) Significant accounting judgments, estimates and assumptions**

Significant estimates used in the preparation of these financial statements and the significant judgments with the most significant effect on amounts recognized in the financial statements are as follows:

- a) The cost of defined benefit plans is determined using actuarial valuations which involve making assumptions about discount rates, future salary increases and employee turnover. Due to the long- term nature of these plans, such estimates are subject to significant uncertainty.
- b) The Company assesses whether there is any impairment indicator in investment properties and compares carrying values of the investment property with the fair determined in the valuation report obtained by a property appraiser company licensed by CMB at the end of period.
- c) Company management has made assumptions based on the experience of the technical staff in determining the useful life of tangible and intangible assets.
- d) Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit. In determination of deferred tax asset to be recognized, there are certain assumptions and judgments made about future taxable income to be recognized in the future.
- e) The company capitalizes ongoing development expenditures and assesses whether the related asset has an impact on the assets that will increase or decrease the cost of the Company during the useful life of the asset in the subsequent periods and whether there is an impairment of the year. As of June 30, 2020, and December 31, 2019, no impairment was determined for the development expenses that were capitalized.
- f) Covid-19 outbreak will continue for how long the effects of the world and in Turkey cannot be estimated as yet unclear. As the severity and duration of the effects become clearer, it will be possible to make a more specific and healthy evaluation for the medium and long term. While preparing its financial statements dated June 30, 2021, the company evaluated the possible effects of the Covid 19 outbreak on the financial statements and reviewed the estimates and assumptions used in the preparation of the financial statements. In this context, possible impairment losses that may occur in the financial statements dated June 30, 2021, were evaluated and no significant impact was detected.

**NOTE 3 – BUSINESS COMBINATIONS**

None. ( December,31 2020: None.)

**NOTE 4 – SHARES IN OTHER COMPANIES**

None. ( December,31 2020: None.)



**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ**

NOTES TO REVIEWED FINANCIAL STATEMENTS, FOR THE PERIOD JUNE 30,2021

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

**NOTE 5 – SEGMENT REPORTING**

The Company believes that the segments offered in management reporting have similar economic characteristics and that these segments demonstrate similar financial performance in the long run. In addition, the Company's related operating segments; it reports similar product and service qualifications, customer type and class, product distribution and service delivery and is also subject to similar legal regulations, as a single business segment.

**NOTE 6 – RELATED PARTY DISCLOSURES****• Benefits Provided to Senior Executives**

The benefits provided to senior executives are as follows;

	01.01.2021 30.06.2021	01.01.2020 30.06.2020	01.04.2021 30.06.2021	01.04.2020 30.06.2020
Benefits provided to senior executives (*)	1.405.259	1.321.691	734.291	691.844
<b>Total</b>	<b>1.405.259</b>	<b>1.321.691</b>	<b>734.291</b>	<b>691.844</b>

(\*) Benefits provided to senior executives arise from salary payments.

**NOTE 7 – TRADE RECEIVABLES AND PAYABLES****a) Short Term Trade Receivables**

The details of short-term trade receivables as of the balance sheet date of the company are as follows:

	30.06.2021	31.12.2020
Trade receivables	1.633.868	5.188.531
Notes receivables	108.990	100.734
Rediscount of receivables (-)	(62.153)	(132.227)
Credit card receivables (*)	542.453	908.662
Doubtful trade receivables (-)	92.145	82.554
Provisions for doubtful receivables (-)	(92.145)	(82.554)
<b>Total</b>	<b>2.223.158</b>	<b>6.065.700</b>

(\*) TRY 542.453 (31 December 2020: TRY 908.662) consists of the receivables from the sales made by credit card.

Average maturity of trade receivables is 75 days. (31.12.2020: 23 days)

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**NOTE 7 – TRADE RECEIVABLES AND PAYABLES****a) Short Term Trade Receivables (Cont.)**

The movements of the allowance for doubtful receivables within the accounting periods ending on 30.06.2021 and 31.12.2020 are as follows:

	30.06.2021	31.12.2020
Opening balance	(82.554)	(83.125)
Expense for the current period	(9.591)	--
Cancellation of provision	--	571
<b>Ending balance</b>	<b>(92.145)</b>	<b>(82.554)</b>

**b) Short Term Trade Payables**

The details of short-term trade payables as of the balance sheet date of the company are as follows:

	30.06.2021	31.12.2020
Suppliers	489.162	457.112
Rediscount on suppliers (-)	(18.553)	(10.949)
<b>Total</b>	<b>470.609</b>	<b>446.163</b>

Average maturity of trade payables is 91 days. (31.12.2020: 103 days)

**NOTE 8 – RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS**

None. (December 31, 2020: None).

**NOTE 9 – OTHER RECEIVABLES AND PAYABLES****a) Other Short-Term Receivables**

The details of other short-term receivables as of the balance sheet date of the company are as follows:

	30.06.2021	31.12.2020
Receivables from personnel	15.000	15.000
Receivables from tax-office	116.465	--
Deposits and guarantees given	4.047	4.047
<b>Total</b>	<b>135.512</b>	<b>19.047</b>

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**NOTE 9 – OTHER RECEIVABLES AND PAYABLES****b) Other Long-Term Receivables**

The details of other long-term receivables as of the balance sheet date of the company are as follows:

	<b>30.06.2021</b>	<b>31.12.2020</b>
Deposits and guarantees given	344	344
<b>Total</b>	<b>344</b>	<b>344</b>

**c) Other Short-Term Payables**

The details of other short-term payables as of the balance sheet date of the company are as follows:

	<b>30.06.2021</b>	<b>31.12.2020</b>
Taxes and funds payable	903.045	519.086
Other payables	2.040	2.062
<b>Total</b>	<b>905.085</b>	<b>521.148</b>

**NOTE 10 – INVENTORIES**

The details of the inventories as of the balance sheet date of the company are as follows:

	<b>30.06.2021</b>	<b>31.12.2020</b>
Trade goods	49.838	5.347
<b>Total</b>	<b>49.838</b>	<b>5.347</b>

**NOTE 11 – BIOLOGICAL ASSETS**

None. (December 31, 2020: None).

**NOTE 12 – PREPAID EXPENSES AND DEFERRED INCOME****a) Short-Term Prepaid Expenses**

The details of the short-term prepaid expenses as of the balance sheet date of the company are as follows:

	<b>30.06.2021</b>	<b>31.12.2020</b>
Advances given	8.000	2.724
Prepaid expenses for future months	101.144	32.793
Job advances	15.542	9.757
<b>Total</b>	<b>124.686</b>	<b>45.274</b>

**b) Long-Term Prepaid Expenses**

The details of the long-term prepaid expenses as of the balance sheet date of the company are as follows:

	<b>30.06.2021</b>	<b>31.12.2020</b>
Expenses for the following years	5.041	2.947
<b>Total</b>	<b>5.041</b>	<b>2.947</b>

**c) Short-Term Deferred Income**

The details of the short-term deferred income as of the balance sheet date of the company are as follows:

	<b>30.06.2021</b>	<b>31.12.2020</b>
Income for following months	89.633	100.806
Advances taken	39.408	61.322
<b>Total</b>	<b>129.041</b>	<b>162.128</b>

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**NOTE 13 – INVESTMENT PROPERTIES**

The cost value of a 6.543,68 m2 field property in the Dursunköy District 126 Island 19 parcel in Arnavutköy district of İstanbul province is TRY 64.810. The real estate in question is included in the financial statements with its fair value. Movement table of investment properties is as follows.

<b>Real Estate Type</b>	<b>31.12.2019</b>	<b>Fair Value Difference</b>	<b>31.12.2020</b>	<b>Fair Value Difference</b>	<b>30.06.2021</b>
Lands	2.750.000	1.242.000	3.992.000	--	3.992.000
<b>Total</b>	<b>2.750.000</b>	<b>1.242.000</b>	<b>3.992.000</b>	<b>--</b>	<b>3.992.000</b>

As of 30.06.2021, no valuation studies have been carried out. As of 31.12.2020, The fair value of the Company's investment properties has been determined by Reel Gayrimenkul Değerleme ve Danışmanlık A.Ş., an independent valuation company independent from the company. Reel Gayrimenkul Değerleme ve Danışmanlık A.Ş. is authorized by the Capital Markets Board and capital market. It provides real estate valuation services in accordance with its legislation and has sufficient experience and quality in the measurement of fair value of properties in the relevant regions. The fair value of the owned lands has been determined according to the market comparative approach / other methods that reflect the current transaction prices for similar properties. In the previous year, its fair value increased by approximately 45% due to both the İstanbul Province Yenişehir Reserve Building Area (Canal İstanbul Project) dated 29.06.2020 and the 1/1000 scale plan approved ex officio by the Ministry of Environment and Urbanization.

The company does not earn rental income from its investment property.

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NOTES TO REVIEWED FINANCIAL STATEMENTS, FOR THE PERIOD JUNE 30,2021

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**NOTE 14 – TANGIBLE ASSETS**

Movements of tangible assets as of the balance sheet date of the company are as follows;

<b>Cost</b>	<b>31.12.2019</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfer</b>	<b>31.12.2020</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfer</b>	<b>30.06.2021</b>
Vehicles	416.393	293.957	(81.642)	--	628.708	--	--	--	628.708
Furniture and fixture	418.692	182.961	--	--	601.653	21.866	--	--	623.519
Special cost	133.012	--	--	--	133.012	--	--	--	133.012
<b>Total</b>	<b>968.097</b>	<b>476.918</b>	<b>(81.642)</b>	<b>--</b>	<b>1.363.373</b>	<b>21.866</b>	<b>--</b>	<b>--</b>	<b>1.385.239</b>
<b>Accumulated Depreciation (-)</b>									
Vehicles	(405.039)	(48.904)	81.642	--	(372.301)	(29.396)	--	--	(401.697)
Furniture and fixture	(314.813)	(41.796)	--	--	(356.609)	(38.714)	--	--	(395.323)
Special cost	(133.012)	--	--	--	(133.012)	--	--	--	(133.012)
<b>Total</b>	<b>(852.864)</b>	<b>(90.700)</b>	<b>81.642</b>	<b>--</b>	<b>(861.922)</b>	<b>(68.110)</b>	<b>--</b>	<b>--</b>	<b>(930.032)</b>
<b>Net book value</b>	<b>115.233</b>				<b>501.451</b>				<b>455.207</b>

As of 30 June 2021, and 31 December 2020, there is no pledge or mortgage on the Company's tangible assets. Tangible fixed assets are protected by insurance coverage amounting to TRY 1.685.359. (31.12.2020: TRY 1.575.359)

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NOTES TO REVIEWED FINANCIAL STATEMENTS, FOR THE PERIOD JUNE 30,2021

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**NOTE 15 – RIGHTS IN SHARE FROM THE SERVICE, RESTORATION AND ENVIRONMENT REHABILITATION FUNDS**

None. (December 31, 2020: None).

**NOTE 16 – SHARES OF MEMBERS IN COOPERATIVE BUSINESSES AND SIMILAR FINANCIAL INSTRUMENTS**

None. (December 31, 2020: None).

**NOTE 17 – INTANGIBLE ASSETS**

Intangible asset movements of the Company as of the balance sheet date are as follows:

<b>Cost</b>	<b>31.12.2019</b>	<b>Additions</b>	<b>Disposals</b>	<b>31.12.2020</b>	<b>Additions</b>	<b>Disposals</b>	<b>30.06.2021</b>
Rights	85	--	--	85	--	--	85
Development Costs	16.118.288	2.776.125	--	18.894.413	2.108.988	--	21.003.401
Other Intangible Assets	95.493	--	--	95.493	--	--	95.493
<b>Total</b>	<b>16.213.866</b>	<b>2.776.125</b>	<b>--</b>	<b>18.989.991</b>	<b>2.108.988</b>	<b>--</b>	<b>21.098.979</b>
<b>Accumulated Depreciation (-)</b>							
Rights	(85)	--	--	(85)	--	--	(85)
Development Costs	(9.660.149)	(2.292.902)	--	(11.953.051)	(1.288.238)	--	(13.241.289)
Other Intangible Assets	(91.640)	(2.803)	--	(94.443)	(831)	--	(95.274)
<b>Total</b>	<b>(9.751.874)</b>	<b>(2.295.705)</b>	<b>--</b>	<b>(12.047.579)</b>	<b>(1.289.069)</b>	<b>--</b>	<b>(13.336.648)</b>
<b>Net Book Value</b>	<b>6.461.992</b>			<b>6.942.412</b>			<b>7.762.331</b>

**NOTE 18 – GOODWILL**

None. (December 31, 2020: None).

**NOTE 19 – INVESTIGATION AND EVALUATION OF MINERAL RESOURCES**

None. (December 31, 2020: None).

**NOTE 20 – RENT OPERATIONS**

- Rental in Terms of Tenant**

As of June 30, 2021, and December 31, 2020, the total amount of future minimum lease payments within the framework of the Company's operational leases that cannot be cancelled as of the balance sheet date are as follows;

	<b>01.01.2021- 30.06.2021</b>	<b>01.01.2020- 31.12.2020</b>
Less than 1 year	714.400	833.224
<b>End of the Period</b>	<b>714.400</b>	<b>833.224</b>

The Company leases sales offices (Ankara) and head office (İstanbul). The related lease is generally valid for 1 year. The lease agreement of the Head Office can be terminated if the parties declare that they will not extend the contract 3 months before the end of the contract via a notary. Lease payments are subject to fixed instalments and in case of prolongation of contract, increase in CPI 2 ratio published by TSI.

**NOTE 21 – PRIVILEGE SERVICE ARRANGEMENTS**

None. (December 31, 2020, None).

**NOTE 22 – IMPAIRMENT ON ASSETS**

The movements of the doubtful receivable provision are as follows:

	<b>30.06.2021</b>	<b>31.12.2020</b>
Opening balance	(82.554)	(83.125)
Expenses for the period	(9.591)	--
Cancellation of provision	--	571
<b>Ending balance</b>	<b>(92.145)</b>	<b>(82.554)</b>



**NOTE 23 – GOVERNMENT INCENTIVES**

The company shall provide monthly premium and service documents in accordance with Law No. 5510 within the legal period, due to the fact that SSI does not have any premium, administrative fine, delay penalty and no delayed payment, 5 percent of the employer's share is covered by the Treasury.

The Ministry of Science, Industry and Technology has issued an R&D Center Certificate to the Company, effective from 16.11.2016. In this context, the Company can benefit from the supports provided by Law No. 5746 on Supporting Research, Development and Design Activities. However, the 2019 year of the General Directorate of R&D Incentives of the Ministry of Industry and Technology Within the scope of the audits conducted by the Company regarding its activities, it was decided by the Evaluation and Audit Commission to suspend the incentives and exemptions benefited from within the scope of Law No. 5746 for a period of 3 months as of 18.12.2020, and Since it was understood at the Board of Directors Meeting dated 18.03.2021 that the conditions expected from the Company within the scope of the R&D Center certificate could not be met, an application was made to the Ministry for the cancellation of the R&D Center certificate as of 18 March 2021, and It has been decided to authorize the General Directorate to carry out the necessary studies in order to continue the R&D activities within the company in a techno park on the Anatolian side of Istanbul. In this context, the cancellation application was accepted by the General Directorate of R&D Incentives of the Ministry of Industry and Technology.

**NOTE 24 – BORROWING COSTS**

For the period ended on 30 June 2021, there is no borrowing cost added to the cost of assets directly related to the assets. (31 December 2020 - None) Borrowing costs are included in the statement of profit or loss.

**NOTE 25 – CONTINGENT ASSETS AND LIABILITIES**

There is no lawsuit filed against the company. (31.12.2020: None.)

The details of long-term provisions as of the balance sheet date of the company are as follows:

	30.06.2021	31.12.2020
Severance payment	2.817.012	2.559.073
<b>Total</b>	<b>2.817.012</b>	<b>2.559.073</b>

The severance pay provision of the company has been calculated as explained in Note 2. As of 30.06.2021, the provision is calculated over a 30-day wage, with a maximum of TRY 8.285 for each year of service, using the rates on the date of retirement or leaving. (31.12.2020: TRY 7.117.)

The Company has reflected on its financial statements the severance pay liability calculated by using the expected inflation rate and the real rediscount rate based on the above-mentioned principles in its financial statements for the periods ending on 30.06.2021 and 31.12.2020.

**NOTE 25 – CONTINGENT ASSETS AND LIABILITIES (CONT.)**

The rates of the basic assumptions used on the statement of financial position are as follows:

	30.06.2021	31.12.2020
Interest rate	12,50%	12,50%
Inflation rate	9,50%	9,50%
Discount rate	2,74%	2,74%

The movement of Severance payment is as follow:

	30.06.2021	31.12.2020
Opening balance	2.559.073	2.286.208
Service costs	90.440	56.248
Interest cost	167.499	286.559
Actuarial difference	--	(69.942)
<b>Ending balance</b>	<b>2.817.012</b>	<b>2.559.073</b>

**NOTE 26 – COMMITMENTS AND CONTINGENCIES****a) Guarantee-Pledge-Mortgage Receives**

As of the balance sheet date, the details of the guarantees received by the Company for its trade receivables are as follows:

Guarantee Type	Original Amount	30.06.2021		31.12.2020	
		TRY		Original Amount TRY	
Guarantee Check TRY	360.000	360.000		360.000	360.000
Guarantee Notes TRY	1.575.000	1.575.000		1.575.000	1.575.000
Guarantee Check USD	39.000	339.503		39.000	286.280
Guarantee Notes USD	385.012	3.351.606		385.012	2.826.181
<b>Total</b>		<b>5.626.109</b>			<b>5.047.460</b>

**NOTE 27 – PAYABLES FOR EMPLOYEE BENEFITS**

The details of payables for employee benefits as of the balance sheet date of the company are as follows:

	<b>30.06.2021</b>	<b>31.12.2020</b>
Social security premiums payable	181.823	817.314
Due to personnel	521.176	622.365
<b>Total</b>	<b>702.999</b>	<b>1.439.679</b>

**NOTE 28 – EXPENSES ACCORDING TO QUALIFICATIONS**

**a) General and administrative expenses**

The details of general and administrative expenses are as follows:

	<b>01.01.2021</b>	<b>01.01.2020</b>	<b>01.04.2021</b>	<b>01.04.2020</b>
	<b>30.06.2021</b>	<b>30.06.2020</b>	<b>30.06.2021</b>	<b>30.06.2020</b>
Personnel expenses	(1.015.937)	(878.797)	(495.128)	(346.188)
Building expenses	(178.276)	(149.424)	(89.780)	(77.686)
Rent expenses	(374.276)	(226.316)	(198.176)	(113.158)
Consulting expenses	(273.938)	(229.607)	(106.064)	(113.755)
Tax, duty, fees expenses	(94.067)	(42.896)	(56.562)	(12.835)
Amortization expenses	(68.939)	(27.354)	(34.699)	(17.219)
Other	(200.996)	(277.939)	(82.252)	(120.698)
<b>Total</b>	<b>(2.206.429)</b>	<b>(1.832.333)</b>	<b>(1.062.661)</b>	<b>(801.539)</b>

**b) Marketing Expenses**

The details of marketing expenses are as follows.

	<b>01.01.2021</b>	<b>01.01.2020</b>	<b>01.04.2021</b>	<b>01.04.2020</b>
	<b>30.06.2021</b>	<b>30.06.2020</b>	<b>30.06.2021</b>	<b>30.06.2020</b>
Personnel expenses	(1.287.033)	(1.253.109)	(651.799)	(641.100)
Rent expenses	(5.000)	(11.250)	--	(5.625)
Other	(2.355)	(5.687)	(12)	(1.947)
<b>Total</b>	<b>(1.294.388)</b>	<b>(1.270.046)</b>	<b>(651.811)</b>	<b>(648.672)</b>

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**NOTE 28 – EXPENSES ACCORDING TO QUALIFICATIONS (CONT.)****c) Research and Development Expenses**

The details of research and development expenses are as follows:

	01.01.2021 30.06.2021	01.01.2020 30.06.2020	01.04.2021 30.06.2021	01.04.2020 30.06.2020
Amortization expenses	(1.288.238)	(1.102.887)	(658.771)	(565.305)
Personnel expenses	--	(44.117)	--	(22.513)
<b>Total</b>	<b>(1.288.238)</b>	<b>(1.147.004)</b>	<b>(658.771)</b>	<b>(587.818)</b>

**NOTE 29 – OTHER ASSETS AND LIABILITIES**

None. (31.12.2020:None.)

**NOTE 30 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS****a) Paid in Capital**

The Company's capital is TRY 11.000.000. The capital of the company is divided into 1.100.000.000 bearer shares of which 137.280.750 A group shares, 214.532.000 B group shares, 748.187.250 C group shares, each with a nominal value of TRY 0.01. (December 31, 2020: The Company's capital has been increased by 5.500.000 to reach TRY 11.000.000. All of the increased TRY 5.500.000 was met from internal resources. The capital of the company is divided into a total of 1.100.000.000 bearer shares, each of which has a nominal value of TRY 0.01, 137.280.750 Group A shares, 214.532.000 Group B shares, 748.187.250 Group C shares.)

The names, surnames, and capital shares of the shareholders of the company are described below.

Shareholders	Share Ratio (%)	30.06.2021		31.12.2020	
		TRY	Share Ratio (%)	TRY	
Murat Kasaroğlu	45,04%	4.954.347	45,04%	4.954.347	
Hayguyi Antikacıoğlu	18,31%	2.013.711	18,31%	2.013.711	
Public	33,28%	3.661.150	33,28%	3.661.150	
Other	3,37%	370.792	3,37%	370.792	
<b>Total</b>	<b>100%</b>	<b>11.000.000</b>	<b>100%</b>	<b>11.000.000</b>	
Capital adjustment difference		--		--	
<b>Total</b>		<b>11.000.000</b>		<b>11.000.000</b>	

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**NOTE 30 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (CONT.)**

- **Paid in Capital (Cont.)**

As of the balance sheet, the vote distribution table is as follows:

	30.06.2021	31.12.2020
Shareholders	Voting Rate	Voting Rate
Murat Kasaroğlu	64,57%	64,57%
Hayguyi Antikacıoğlu	22,53%	22,53%
Public	8,58%	8,58%
Other	4,32%	4,32%
<b>Total</b>	<b>100%</b>	<b>100%</b>

- **Other Accumulated Comprehensive Income That Will Be Reclassified in Profit or Loss**

The details of other accumulated comprehensive income (expenses) that will not be reclassified in profit or loss as of the balance sheet date are as follows:

	30.06.2021	31.12.2020
Tangible assets revaluation increase / decrease (*)	1.728.151	1.728.151
Gains / (losses) on re-measurements of defined benefit plans (**)	(1.005.522)	(1.005.522)
<b>Total</b>	<b>722.629</b>	<b>722.629</b>

(\*) The Company has made to prepare a valuation report to "Emek Taşınmaz Değerleme ve Danışmanlık A.Ş." which is licensed by the Capital Markets Board in order to determine the fair value of the land, buildings and machinery and equipment registered in its assets. The difference between the market value and the net book TRY 2.160.190 is accounted in tangibles in assets; in liabilities, is added to "Revaluation of tangibles gains/losses (After deferred tax assets amounting to TRY 432.038 which is accounted under equity, the Revaluation of Tangible is amount to TRY 1.728.151).

(\*\*) With the amendment in IAS 19 "Employee Benefits" standard, actuarial loss that is taken into account in calculating the provision for severance pay does not allow the recognition of earnings in the income statement. Losses and gains resulting from the change of actuarial assumptions are accounted for under equity. Actuarial loss / gain fund is not to be reclassified in profit or loss.

- **Restricted Reserves**

The details of restricted reserves as of the balance sheet date of the company are as follows:

	30.06.2021	31.12.2020
Restricted reserves	1.012.357	892.011
<b>Total</b>	<b>1.012.357</b>	<b>892.011</b>

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**NOTE 30 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (CONT.)**

- **Retained Earnings**

The details of retained earnings as of the balance sheet date of the company are as follows:

	<b>30.06.2021</b>	<b>31.12.2020</b>
Accumulated profits / (losses)	29.536.354	20.790.393
<b>Total</b>	<b>29.536.354</b>	<b>20.790.393</b>

**NOTE 31 – SALES**

The details of the company's revenue and cost of sales are as follows:

	<b>01.01.2021</b>	<b>01.01.2020</b>	<b>01.04.2021</b>	<b>01.04.2020</b>
	<b>30.06.2021</b>	<b>30.06.2020</b>	<b>30.06.2021</b>	<b>30.06.2020</b>
Domestic sales	8.271.061	7.972.716	3.968.606	4.684.503
Export sales	51.549	9.219	6.134	8.920
Sales returns (-)	(52.297)	(68.385)	(9.683)	(22.925)
Sales discounts (-)	(402.225)	(282.703)	(182.854)	(155.857)
<b>Net Sales</b>	<b>7.868.088</b>	<b>7.630.847</b>	<b>3.782.203</b>	<b>4.514.641</b>
Cost of trade goods sold (-)	(728.294)	(527.426)	(353.086)	(293.397)
Cost of services sold (-)	(722.069)	(859.981)	(354.164)	(480.043)
<b>Trade Activity Gross Profit / (Loss)</b>	<b>6.417.725</b>	<b>6.243.440</b>	<b>3.074.953</b>	<b>3.741.201</b>

**NOTE 32 – CONSTRUCTION CONTRACTS**

None. (December 31, 2020: None).

**NOTE 33 – GENERAL ADMINISTRATIVE, MARKETING EXPENSES AND RESEARCH AND DEVELOPMENT EXPENSES**

The details of general administrative, marketing expenses and research and development expenses are as follow:

	<b>01.01.2021</b>	<b>01.01.2020</b>	<b>01.04.2021</b>	<b>01.04.2020</b>
	<b>30.06.2021</b>	<b>30.06.2020</b>	<b>30.06.2021</b>	<b>30.06.2020</b>
General and administrative expenses (-)	(2.206.429)	(1.832.333)	(1.062.661)	(801.539)
Marketing expenses (-)	(1.294.388)	(1.270.046)	(651.811)	(648.672)
Research and development expenses (-)	(1.288.238)	(1.147.004)	(658.771)	(587.818)
<b>Total</b>	<b>(4.789.055)</b>	<b>(4.249.383)</b>	<b>(2.373.243)</b>	<b>(2.038.029)</b>

**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ**

NOTES TO REVIEWED FINANCIAL STATEMENTS, FOR THE PERIOD JUNE 30,2021

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

**NOTE 34 – OTHER INCOME / (EXPENSES) FROM OPERATING ACTIVITIES**

The details of other income from the main activities of the Company are as follows;

	01.01.2021 30.06.2021	01.01.2020 30.06.2020	01.04.2021 30.06.2021	01.04.2020 30.06.2020
Rediscount income	150.780	112.978	13.004	8.927
Commission income	26.780	13.389	14.348	11.264
Other revenues	122.956	775	116.773	489
<b>Total</b>	<b>300.516</b>	<b>127.142</b>	<b>144.125</b>	<b>20.680</b>

The details of other expenses from the main activities of the Company are as follows;

	01.01.2021 30.06.2021	01.01.2020 30.06.2020	01.04.2021 30.06.2021	01.04.2020 30.06.2020
Rediscount expenses	(73.103)	(61.291)	(15.964)	(34.320)
Provision for doubtful receivables	(9.591)	(4.749)	(2.991)	(4.749)
Other	--	(3.019)	--	(3.019)
<b>Total</b>	<b>(82.694)</b>	<b>(69.059)</b>	<b>(18.955)</b>	<b>(42.088)</b>

**NOTE 35 - INCOME / (EXPENSES) FROM INVESTING ACTIVITIES**

Details of income from investment activities are as follows:

	01.01.2021 30.06.2021	01.01.2020 30.06.2020	01.04.2021 30.06.2021	01.04.2020 30.06.2020
Liquid fund sales profits	59.697	181.052	34.608	72.259
Fixed asset sales profits	--	134.901	--	134.901
<b>Total</b>	<b>59.697</b>	<b>315.953</b>	<b>34.608</b>	<b>207.160</b>

**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ**

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

**NOTE 36 – FINANCIAL INCOME / (EXPENSES)**

The details of the company's financing income are as follows:

	01.01.2021 30.06.2021	01.01.2020 30.06.2020	01.04.2021 30.06.2021	01.04.2020 30.06.2020
Foreign exchange income	5.007.601	3.456.253	1.484.168	1.573.720
Interest income	823.539	215.735	429.493	125.944
<b>Total</b>	<b>5.831.140</b>	<b>3.671.988</b>	<b>1.913.661</b>	<b>1.699.664</b>

The details of the company's financing expenses are as follows:

	01.01.2021 30.06.2021	01.01.2020 30.06.2020	01.04.2021 30.06.2021	01.04.2020 30.06.2020
Foreign exchange expenses	(10.451)	(458.052)	(445)	(458.052)
Severance pays provision interest expenses (-)	(158.627)	(113.997)	(79.751)	(113.997)
Bank commission expenses	(47.632)	(39.719)	(18.287)	46.624
<b>Total</b>	<b>(216.710)</b>	<b>(611.768)</b>	<b>(98.483)</b>	<b>(525.425)</b>

**NOTE 37 – ANALYSIS OF OTHER COMPREHENSIVE INCOME ELEMENTS**

The details of the company's other comprehensive income / (expenses) are as follows:

	01.01.2021 30.06.2021	01.01.2020 30.06.2020	01.04.2021 30.06.2021	01.04.2020 30.06.2020
Defined benefit plans re-measurement gains / losses	--	69.942	--	--
Deferred tax expense / income	--	(15.387)	--	--
<b>Income that not to be Reclassified in Profit or Loss - Total</b>	<b>--</b>	<b>54.555</b>	<b>--</b>	<b>--</b>



**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ**

NOTES TO REVIEWED FINANCIAL STATEMENTS, FOR THE PERIOD JUNE 30,2021

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

**NOTE 38 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)**

- **Deferred Tax**

The Company recognizes deferred tax assets and liabilities for temporary timing differences arising from differences between tax-based legal financial statements and financial statements prepared in accordance with TAS. These differences are generally caused by the fact that some income and expense items take place in different periods in the tax-based financial statements and financial statements prepared in accordance with TAS. These differences are stated below.

The corporate tax rate for 2021 and 2022 will be applied as 25% and 23%, respectively, within the scope of the "Law on the Law on the Collection of Public Claims and Amendments to Certain Laws", which entered into force after being published in the Official Gazette dated April 22, 2021. Within the scope of the mentioned law, deferred tax assets and liabilities in the financial statements dated 30 June 2021 are calculated with a 20% tax rate for the portion of temporary differences that will have tax effects in 2021 and 2022.

	30.06.2021		31.12.2020	
	Total Temporary Differences	Deferred Tax Assets/liabilities	Total Temporary Differences	Deferred tax Assets/liabilities
<b>Deferred Tax Assets</b>				
Provision for severance pay	2.817.013	563.403	2.559.073	511.815
Rediscount on trade receivables	72.000	14.400	138.937	27.787
Doubtful receivable provision	9.591	1.918	--	--
<b>Deferred Tax Assets</b>	<b>2.898.604</b>	<b>579.721</b>	<b>2.698.010</b>	<b>539.602</b>
<b>Deferred Tax Liabilities</b>				
Tangible and intangible assets	(3.459.473)	(691.895)	(1.541.564)	(308.313)
net difference between registered values and tax base	(3.927.190)	(392.719)	(3.927.190)	(392.719)
Investment properties				
Rediscount on trade payables	(22.835)	(4.567)	(10.949)	(2.190)
<b>Deferred Tax Liabilities</b>	<b>(7.409.497)</b>	<b>(1.089.180)</b>	<b>(5.479.702)</b>	<b>(703.222)</b>
<b>Deferred tax assets/(Liabilities), Net</b>		<b>(509.459)</b>		<b>(163.620)</b>

**NOTE 38 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (CONT.)**

- **Corporate Tax**

The Company is subject to corporation tax applicable in Turkey. Necessary provisions are reserved in the attached financial statements for the estimated tax liabilities of the Company for the current period activity results.

The tax base that remains after deducting the corporate tax rate to be accrued over the taxable corporate income, the addition of the expenses that cannot be deducted from the tax base that is written as expense in the determination of the commercial income, tax exemptions, non-taxable income, and other discounts (previous year losses and investment discounts used if preferred) calculated on.

The effective tax rate applied in 2021 is 25%. (31.12.2020: 22%)

Provisional tax in Turkey is calculated as three-month period and are accrued. The advance tax rate that needs to be calculated over the corporate earnings at the taxation stage of 2020 corporate earnings as of temporary tax periods is 25%. (31.12.2020: 22%)

There is no procedure for a final and definitive agreement on tax assessments in Turkey. Companies prepare their tax returns between 1-25 April of the year following the closing period of the relevant year (between 1-25 of the fourth month following the period closing in those with a special accounting period). These statements and the accounting records that are based on this can be examined and changed by the Tax Office within 5 years.

The company's tax expenses are as follows:

	01.01.2021 30.06.2021	01.01.2020 30.06.2020	01.04.2021 30.06.2021	01.04.2020 30.06.2020
Current period corporate tax	(1.422.073)	(899.732)	(603.474)	(493.594)
Deferred tax income / (expense)	(345.840)	(66.416)	(176.527)	(44.615)
<b>Total</b>	<b>(1.767.913)</b>	<b>(966.148)</b>	<b>(780.001)</b>	<b>(538.209)</b>

The details of the Company's assets related to current period tax are as follows:

	30.06.2021	31.12.2020
Corporate tax provision	1.422.073	2.329.294
Prepaid corporate tax (-)	(854.664)	(1.734.854)
<b>Corporate tax that (to be paid)/to be returned</b>	<b>567.409</b>	<b>594.440</b>

There are exceptions for corporations in the Corporate Tax Law. These exceptions related to the Company are explained below:

*Deductible Financial Losses*

According to the Turkish tax legislation, financial losses shown on the declaration can be deducted from the period's corporate income, provided that they do not exceed 5 years. However financial losses cannot be offsetted from last year's profits.

**NOTE 38 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (CONT..)**

- **Corporate Tax (Cont.)**

*Real Estate and Participation Stock Sales Gain Exemption*

50% of the corporations' earnings arising from the sale of participation shares, real estates, pre-emptive rights, founder bonds and usufruct securities in their assets for at least two full years are exempt from corporate tax. In order to benefit from the exemption, the said income should be kept in a passive fund account and should not be withdrawn for 5 years. The sales price must be collected until the end of the second calendar year following the year in which the sale was made. The earnings obtained by the institutions dealing with the trade and leasing of securities and real estate from the sale of the values they hold for this purpose are excluded from the scope of the exception.

*Income Tax Withholding*

In addition to corporate taxes, in case of allocating get a profit share and incorporate this dividend at the company's income statement that the full liability corporations and foreign companies through dividends except for those distributed to branches in Turkey also income tax withholding should be calculated. As of 23 July 2006, the income tax withholding rate was changed to 15%. Dividends that are not distributed and added to the capital are not subject to income tax withholding. Based on the investment incentive certificates obtained before April 24, 2003, 19.8% tax withholding is required over the investment allowance amount. 25% of the incentive certificate investment expenditures made directly after the companies' production activity can be deducted from taxable income. No tax withholding is made from investment expenditures without incentive certificate.

**NOTE 39 – EARNINGS PER SHARE**

According to the main contract of the company, although each unit share hits the nominal value of TRY 0.01, the earnings per share is expressed in terms of the value that corresponds to the nominal value of TRY 1 in Borsa Istanbul, and the earnings per share is TRY 1. According to the weighted average number, it is calculated as follows.

	01.01.2021 30.06.2021	01.01.2020 30.06.2020	01.04.2021 30.06.2021	01.04.2020 30.06.2020
Net profit / (loss) for the period	5.752.705	4.462.165	1.896.664	2.524.954
Total number of shares	11.000.000	5.500.000	11.000.000	5.500.000
<b>Simple and divided earnings / (loss) per share (TRY)</b>	<b>0,52</b>	<b>0,81</b>	<b>0,17</b>	<b>0,46</b>

**NOTE 40 – SHARE-BASED PAYMENTS**

None. (December 31, 2020: None).

**NOTE 41 – INSURANCE CONTRACTS**

None. (December 31, 2020: None).

**NOTE 42 – THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES**

The foreign exchange risk of the company as of 30 June 2021 is shown in the table in Note: 47, as of the accounting period ending on 30 June 2021, foreign exchange income and foreign exchange difference expense are included in other income / expenses and financial income / expenses in the financial statements.

**NOTE 43 – HYPERINFLATIONARY ECONOMY REPORTING**

None. (December 31, 2020: None).

**NOTE 44 – DERIVATIVE FINANCIAL INSTRUMENTS**

None. (December 31, 2020: None).

**NOTE 45 - FIXED ASSETS HELD FOR SALE**

None. (December 31, 2020: None).

**NOTE 46 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS**

- **Financial Instruments Interest Rate Risk**

Fluctuations in the values of financial instruments can occur with the changes in the market prices. These fluctuations may be due to the price change in securities or factors that are specific to the party that issued this security or that affect the entire market. The Company's interest rate risk mainly depends on bank loans.

Although the interest rate of interest-bearing financial debts varies, interest bearing financial assets have a fixed interest rate and the cash flow in the coming years does not change with the size of these assets. The risk gap against the changes in the market interest rates of the Company depends primarily on the Company's variable interest rate debt obligations. The Company's policy in this regard is to manage the interest cost by using fixed and variable interest loans.

	<b>Book Value</b>	<b>Book Value</b>
	<b>30.06.2021</b>	<b>31.12.2020</b>
<b>Fixed interest instruments</b>		
Financial assets	37.835.115	33.349.794
<b>Total</b>	<b>37.835.115</b>	<b>33.349.794</b>
<b>Variable interest instruments</b>		
Financial assets	1.487.268	439.901
<b>Total</b>	<b>1.487.268</b>	<b>439.901</b>

**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ**

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

**NOTE 46 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONT.)**

- Financial Instruments Credit Risk**

	Assets				
	Trade Receivables		Other Receivables		Bank
Current Period	Related Parties	Other	Related Parties	Other	Deposits
Maximum credit risk exposed as of the reporting date	--	2.223.158	--	135.856	37.888.148
- The portion of the maximum risk secured by collateral		5.626.109			
A- not overdue or impaired net book value of financial assets	--	2.223.158	--	135.856	37.888.148
B- Book value of financial assets whose conditions have been renegotiated, which would otherwise be deemed to be overdue or impaired	--	--	--	--	--
C- Overdue but not impaired net book value of assets	--	--	--	--	--
D- Net book values of impaired assets					
-overdue	--	92.145	--	--	--
- impairment	--	(92.145)	--	--	--
E- Items that include off-balance credit risk	--	--	--	--	--

**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ**

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

**NOTE 46 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONT.)**

- Financial Instruments Credit Risk**

<b>Prior Period</b>	<b>Assets</b>				
	<b>Trade Receivables</b>		<b>Other Receivables</b>		<b>Trade Receivables</b>
	<b>Related Parties</b>	<b>Other</b>	<b>Related Parties</b>	<b>Other</b>	<b>Deposits and Funds</b>
Maximum credit risk exposed as of the reporting date	--	6.065.700	--	19.391	33.817.963
- The portion of the maximum risk secured by collateral		5.047.460			
A- not overdue or impaired net book value of financial assets	--	6.065.700	--	19.391	33.817.963
B- Book value of financial assets whose conditions have been renegotiated, which would otherwise be deemed to be overdue or impaired	--	--	--	--	--
C- Overdue but not impaired net book value of assets	--	--	--	--	--
D- Net book values of impaired assets					
-overdue	--	82.554	--	--	--
- impairment	--	(82.554)	--	--	--
E- Items that include off-balance credit risk	--	--	--	--	--

# LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO REVIEWED FINANCIAL STATEMENTS, FOR THE PERIOD JUNE 30,2021

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

## NOTE 46 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONT.)

### • Financial Risk Factors

Foreign currency transactions cause currency risk. The distribution of the Company's foreign currency denominated monetary and non-monetary assets and monetary and non-monetary liabilities as of the balance sheet date is as follows:

	30.06.2021			31.12.2020		
	TRY Equivalent	USD Dollar	Euro	TRY Equivalent	USD Dollar	Euro
1. Trade Receivables	6.750	--	651	--	--	--
2a. Monetary Financial Assets (including cash, banks)	33.051.683	3.520.587	231.971	26.211.331	3.289.401	229.297
2b. Non-monetary financial assets	--	--	--	--	--	--
3. Other	--	--	--	--	--	--
<b>4. Current Assets(1+2+3)</b>	<b>33.058.433</b>	<b>3.520.587</b>	<b>232.623</b>	<b>26.211.331</b>	<b>3.289.401</b>	<b>229.297</b>
5. Trade Receivables	--	--	--	--	--	--
6a. Monetary financial assets	--	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--	--
7. Other	--	--	--	--	--	--
<b>8. Non-Current Assets(5+6+7)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>9. Total Assets(4+8)</b>	<b>33.058.433</b>	<b>3.520.587</b>	<b>232.623</b>	<b>26.211.331</b>	<b>3.289.401</b>	<b>229.297</b>
10. Trade Payables	--	--	--	--	--	--
11. Financial Liabilities	--	--	--	--	--	--
12a. Other monetary financial liabilities	--	--	--	--	--	--
12b. Other non-monetary financial liabilities	--	--	--	--	--	--
<b>13. Current Liabilities(10+11+12)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
14. Trade Payables	--	--	--	--	--	--
15. Financial Liabilities	--	--	--	--	--	--
16 a. Other monetary financial liabilities	--	--	--	--	--	--
16 b. Other non-monetary financial liabilities	--	--	--	--	--	--
<b>17. Non-Current Liabilities(14+15+16)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>18. Total Liabilities(13+17)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>19. Net asset / liability position of off- balance sheet derivative instruments</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>20. Net foreign currency position asset / liabilities(9-18+19)</b>	<b>33.058.433</b>	<b>3.520.587</b>	<b>232.623</b>	<b>26.211.331</b>	<b>3.289.401</b>	<b>229.297</b>
<b>21. Net foreign currency asset/liability position of monetary items (TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>33.058.433</b>	<b>3.520.587</b>	<b>232.623</b>	<b>26.211.331</b>	<b>3.289.401</b>	<b>229.297</b>

**NOTE 46 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONT.)**

• **Currency Risk Management (Cont.)**

	Profit/Loss		Equity	
	Foreign Currency Appreciation	Foreign Currency Depreciation	Foreign Currency Appreciation	Foreign Currency Depreciation
<b>30.06.2021</b>				
<b>If the USD rate changes by 20%:</b>				
1- USD net asset / liability	6.129.483	(6.129.483)	6.129.483	(6.129.483)
2- Amount hedged for USD risk (-)	--	--	--	--
<b>3- US Dollar Net Effect (1 + 2)</b>	<b>6.129.483</b>	<b>(6.129.483)</b>	<b>6.129.483</b>	<b>(6.129.483)</b>
<b>If the Euro exchange rate changes by 20%:</b>				
4- Euro net asset / liability	482.204	(482.204)	482.204	(482.204)
5- Amount hedged for Euro risk (-)	--	--	--	--
<b>6- Euro Net Effect (4+5)</b>	<b>482.204</b>	<b>(482.204)</b>	<b>482.204</b>	<b>(482.204)</b>
<b>Total (3+6+9)</b>	<b>6.611.687</b>	<b>(6.611.687)</b>	<b>6.611.687</b>	<b>(6.611.687)</b>
<b>31.12.2020</b>				
<b>If the USD rate changes by 20%:</b>				
1- USD net asset / liability	4.829.169	(4.829.169)	4.829.169	(4.829.169)
2- Amount hedged for USD risk (-)	--	--	--	--
<b>3- US Dollar Net Effect (1 + 2)</b>	<b>4.829.169</b>	<b>(4.829.169)</b>	<b>4.829.169</b>	<b>(4.829.169)</b>
<b>If the Euro exchange rate changes by 20%:</b>				
4- Euro net asset / liability	413.097	(413.097)	413.097	(413.097)
5- Amount hedged for Euro risk (-)	--	--	--	--
<b>6- Euro Net Effect (4+5)</b>	<b>413.097</b>	<b>(413.097)</b>	<b>413.097</b>	<b>(413.097)</b>
<b>Total (3+6+9)</b>	<b>5.242.266</b>	<b>(5.242.266)</b>	<b>5.242.266</b>	<b>(5.242.266)</b>

According to the foreign currency position as of 31.12.2020, if the Turkish Lira appreciated / lost 20% against the US Dollar and the Euro and if all other variables remained constant, it was composed of assets and liabilities in the foreign currency in the accounting period ending on the same date. net loss as a result of exchange rate profit / loss would be higher / lower for US Dollar, TRY 6.129.483, and TRY 482.204 for Euro. (31 December 2020: TRY 4.829.169 for US Dollars and TRY 413.097 for Euro).



**NOTE 46 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONT.)**

• **Financial Instruments Liquidity Risk**

The tables showing the liquidity risk of the Company are as follows;

Current Period	Book Value	Cash Outflow Per Agreement	Shorter Than 3 Months(I)	3-12 Months (II)	1-5 Months (III)	4-5 Years	5+ Years
<b>Non-derivative financial liabilities:</b>	<b>1.375.694</b>	<b>1.375.694</b>	<b>1.375.694</b>	--	--	--	--
Trade Payables	470.609	470.609	470.609	--	--	--	--
Other Payables	905.085	905.085	905.085	--	--	--	--
<b>Derivative financial liabilities:</b>	--	--	--	--	--	--	--
<b>Total</b>	<b>1.375.694</b>	<b>1.375.694</b>	<b>1.375.694</b>	--	--	--	--

Prior Period	Book Value	Cash Outflow Per Agreement	Shorter Than 3 Months(I)	3-12 Months (II)	1-5 Months (III)	4-5 Years	5+ Years
<b>Non-derivative financial liabilities::</b>	<b>967.311</b>	<b>967.311</b>	<b>967.311</b>	--	--	--	--
Trade Payables	446.163	446.163	446.163	--	--	--	--
Other Payables	521.148	521.148	521.148	--	--	--	--
<b>Derivative financial liabilities:</b>	--	--	--	--	--	--	--
<b>Total</b>	<b>967.311</b>	<b>967.311</b>	<b>967.311</b>	--	--	--	--

**NOTE 47 – FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATIONS AND EXPLANATIONS IN THE FRAMEWORK OF FINANCIAL RISK PROTECTION)**

It refers to the price of a financial instrument subject to trading between the willing parties in a current transaction, except for reasonable value, compulsory sales, or liquidation. Quoted market price, if any, is the value that best reflects the reasonable value of a financial instrument. The Company's financial instruments at fair value on the financial markets in Turkey and to the extent that reliable information is available, was estimated. The estimations presented here may not reflect the amounts that the Company can obtain in a market transaction. The following methods and assumptions are used in estimating the reasonable values of the Company's financial instruments

Forecasting fair values of financial instruments that are practically possible to estimate fair values, the following methods and assumptions are used:

**NOTE 47 – FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATIONS AND EXPLANATIONS IN THE FRAMEWORK OF FINANCIAL RISK PROTECTION) (CONT.)****Financial Assets**

Monetary assets whose fair value approaches the book value:

- Foreign currency balances are converted at the end of period exchange rate.
- It is assumed that the fair values of some financial assets (cash-bank) shown in the financial statement in terms of their cost value are approximate to those of the financial statement.
- The fair value of the trade receivables is estimated to be close to the value they carry after the provisions are reserved.

**Financial Liabilities**

Monetary liabilities, the fair value of which approximates the carrying amount:

- Fair values of short-term loans and other monetary liabilities are assumed to be approximate due to their short-term nature.
- It is assumed that the reasonable value of the long-term debts, which are in foreign currency and are converted at the end of the exchange rates, is equal to the carrying amount.
- Trade values carried in the statement of financial position of the trade payables and accrued expenses representing the estimated amounts to be paid to third parties are assumed to be approximately to the market values.

**Fair value measurements hierarchy table**

The Company classifies the fair value measurements of financial instruments reflected at fair value in the financial statements according to the source of the inputs of each financial instrument class, using a three-level hierarchy as follows

First level: Financial assets and liabilities are valued at the stock market prices traded in the active market for the same assets and liabilities.

Second level: Financial assets and liabilities are valued from the inputs used to find the price of the relevant asset or liability directly or indirectly in the market other than the stock exchange price specified in the first level.

Third level: Financial assets and liabilities are valued from inputs that are not based on any observable data in the market used in finding the fair value of the asset or liability.

<b>30.06.2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Investment properties	--	--	3.992.000
<b>Total</b>	<b>--</b>	<b>--</b>	<b>3.992.000</b>
<b>31.12.2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Investment properties	--	--	3.992.000
<b>Total</b>	<b>--</b>	<b>--</b>	<b>3.992.000</b>

**NOTE 48 – SUBSEQUENT EVENTS**

None.

**NOTE 49 – OTHER MATTERS THAT MAY HAVE A MATERIAL EFFECT ON, OR PREVENT THE CLEAR UNDERSTANDING OF THE FINANCIAL STATEMENTS**

None. (31.12.2020: None.)

**NOTE 50 – FIRST TRANSITION TO IAS**

None. (31.12.2020: None.)

**NOTE 51 – EXPLANATIONS ON CASH FLOW STATEMENT**

The details of cash and cash equivalents of the Company as of the balance sheet date are as follows:

	<b>30.06.2021</b>	<b>31.12.2020</b>
Cash	2.127	397
Banks	37.888.148	33.378.062
- <i>Time deposits</i>	37.804.015	33.349.794
- <i>Demand deposits</i>	84.133	28.268
Type B liquid fund	1.487.268	439.901
<b>Total</b>	<b>39.377.543</b>	<b>33.818.360</b>

The details of the cash equivalents in the cash flow statement of the Company as of the balance sheet date are as follows:

	<b>30.06.2021</b>	<b>31.12.2020</b>
Cash and cash equivalents	39.377.543	33.818.360
Interest income accrual (-)	(31.103)	(18.686)
<b>Total</b>	<b>39.346.440</b>	<b>33.799.674</b>

**NOTE 51 – EXPLANATIONS ON CASH FLOW STATEMENT**

The details of time deposits are as follows:

Currency	Amount	30.06.2021		31.12.2020		
		Currency Amount	Effective rate of Interest	Amount	Currency Amount	Effective rate of Interest
TRY	4.770.199	4.770.199	20,09-19,72%	7.128.464	7.128.464	19,19%
EURO	2.404.274	231.972	0,50%	2.065.917	229.345	0,28%
USD	30.629.542	3.518.534	1,16%	24.155.413	3.290.704	1,76%
<b>Total</b>	<b>37.804.015</b>			<b>33.349.794</b>		

**NOTE 52 – DISCLOSURES OF CHANGES IN EQUITY**

The effects of changes in the accounting policies explained in Note 2 and the accumulated profit / loss account and the effects of other accumulated comprehensive income / expenses that will not be reclassified as profit or loss in other comprehensive income are shown in the statement of changes in equity.