

**DATAGATE BİLGİSAYAR MALZEMELERİ
TİCARET ANONİM ŞİRKETİ**

**CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024
TOGETHER WITH THE INDEPENDENT AUDITORS' REPORT**

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

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

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR 1 JANUARY- 31 DECEMBER 2024

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

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Datagate Bilgisayar Malzemeleri Ticaret Anonim Şirketi

A) Report on the audit of the consolidated financial statements

1) Opinion

We have audited the consolidated financial statements of Datagate Bilgisayar Malzemeleri Ticaret Anonim Şirketi (the "Company" or "Datagate") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRSs").

2) Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Other Matters

The audit of the consolidated financial statements of the Group as at and for the year ended 31 December 2023 was conducted by another independent audit firm, whose financial report expressed an unqualified opinion in the audit report on 16 May 2024.

4) Key Audit Matters

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

Application of TAS 29, “Financial Reporting in Hyperinflationary Economies”	
Please refer to note 2.02 to the consolidated financial statements	
Key audit matter	How our audit addressed the key audit matter
<p>The Group applied TAS 29 “Financial reporting in hyperinflationary economies” (“TAS 29”) in its consolidated financial statements as at and for the year ending 31 December 2024.</p> <p>According to TAS 29, the consolidated financial statements as at and for the year ended 31 December 2023 should be restated in accordance with the purchasing power on 31 December 2024. Applying TAS 29 results in significant changes to the consolidated financial statement items included in the Group's consolidated financial statements as at and for the year ending 31 December 2024. The application of TAS 29 has a pervasive and material influence on the consolidated financial statements. In addition, considering the additional effort required to perform the audit of the application of TAS 29, we identified the application of TAS 29 as a key audit matter.</p> <p>The Group’s accounting policies and related explanations regarding the application of TAS 29 are disclosed in Note 2.02.</p>	<p>We performed the following audit procedures in relation to the application of TAS 29 “Financial reporting in hyperinflationary economies”:</p> <ul style="list-style-type: none"> -Verifying whether management’s determination of monetary and non-monetary items is in compliance with TAS 29, -Verifying the general price index rates used in calculations correspond with the coefficients in the “Consumer Price Index in Türkiye” published by the Turkish Statistical Institute, -Understanding and evaluating the process and controls related to application of TAS 29 designed and implemented by the Group management, -Testing the mathematical accuracy of the restatement non-monetary items, income statement, and cash flow statement to reflect the material influence of inflation, -Evaluating the adequacy of disclosures related to the application of TAS 29 in the notes to the consolidated financial statements in accordance with TFRS, <p>We had no material findings related to the application of inflation accounting as a result of these procedures.</p>

Trade receivables	
Please refer to note 10 and 38 to the consolidated financial statements	
Key audit matter	How our audit addressed the key audit matter
<p>The consolidated financial statements as at and for the year ended 31 December 2024 include trade receivables amounting to TL 7.163.859 which represents 77% of Datagate’s total assets.</p> <p>Relevant trade receivables are material to the consolidated financial statements. In addition, significant judgments and estimates are used in the determination of the recoverability amounts of trade receivables performed by the Group management.</p> <p>For these reasons, the recoverability of trade receivables and its materiality on the consolidated financial statements have been determined as key audit matter of our audit.</p> <p>Please refer to note 10 and 38 to the consolidated financial statements for the accounting policy and the relevant disclosures.</p>	<p>We performed the following procedures in relation to the testing the provisions allocated in the accompanying consolidated financial statements and ensuring to reconcile the balances of trade receivables:</p> <ul style="list-style-type: none"> -Assessing and testing the business process for collections from customers, evaluating the operational effectiveness of controls embedded in the business process through transactions with the dealers including the testing of third-party balances, -Understanding the credit risk policy of the Group for past due receivables and letters of guarantee obtained including insurance policies applied on current balances of trade receivables. Accordingly, we have assessed the aging results of the balances of the provisions, economic conditions, past collection performances, lawsuits and execution proceedings, and the letters of guarantees obtained for the trade receivables, allocation of the provisions accounted for the trade receivable balances considered recognised as doubtful trade receivables,

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

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

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

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

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

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

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

Our aim is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with ISAs is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

B) Report on Other Legal and Regulatory Requirements

1) In accordance with subparagraph 4 of Article 398 of the Turkish Commercial Code ("TCC") No. 6102, the auditor's report on the early risk identification system and committee was submitted to the Group's Board of Directors on 11 March 2025.

2) No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") and that causes us to believe that the Group's bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Group's articles of association related to financial reporting.

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

The engagement partner who supervised and concluded this independent auditor's report is Özcan Aksu.

MGI BAĞIMSIZ DENETİM A.Ş.
A Member of MGI WORLDWIDE

ÖZCAN AKSU
Partner
(İstanbul, 11 March 2025)

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

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

Page Number: 1

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024 AND 2023

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

	Notes	Audited current period 31 December 2024	Audited prior period 31 December 2023
ASSETS			
Current Assets		3.328.373.526	2.331.560.347
Cash and Cash Equivalents	6	12.726.203	20.384.590
Financial Investments	7	-	-
Trade Receivables	10	2.626.033.675	1.711.389.893
<i>Related Parties</i>	<i>10-38</i>	<i>62.789.977</i>	-
<i>Third Parties</i>	<i>10</i>	<i>2.563.243.698</i>	<i>1.711.389.893</i>
Other Receivables	11	3.116.398	786.264
<i>Related Parties</i>	<i>11-38</i>	<i>148.934</i>	<i>169.790</i>
<i>Third Parties</i>	<i>11</i>	<i>2.967.464</i>	<i>616.474</i>
Derivative Instruments	12	-	-
Inventories	13	551.217.292	519.074.747
Prepaid Expenses	15	32.228.393	61.981.312
Current Income Tax Assets	25	-	-
Other Current Assets	26	103.051.565	17.943.541
Non-Current Assets		81.928.555	83.467.731
Trade Receivables	10	-	-
<i>Third Parties</i>	<i>10</i>	-	-
Investment Properties	17	3.362.500	3.555.759
Property, Plant and Equipment	18	5.007.370	1.584.903
Right of Use Assets	18	14.448.701	7.669.146
Intangible Assets	19	7.059.452	8.163.890
<i>Other Intangible Assets</i>	<i>19</i>	<i>7.059.452</i>	<i>8.163.890</i>
Deferred Tax Assets	36	52.050.532	62.494.033
TOTAL ASSETS		3.410.302.081	2.415.028.078

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

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DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024 AND 2023

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

	Notes	<i>Audited</i> <i>current period</i> 31 December 2024	<i>Audited</i> <i>prior period</i> 31 December 2023
LIABILITIES			
Current Liabilities			
Short-Term Borrowings	8	3.678.934	3.458.827
Short-Term Portion of Long-Term Borrowings	8	-	-
Trade Payables	10	2.626.190.158	1.636.163.557
<i>Related Parties</i>	10-38	536.600.170	149.010.326
<i>Third Parties</i>	10	2.089.589.988	1.487.153.231
Employee Benefits	20	1.325.526	2.291.655
Other Payables	11	199.878.313	164.121.895
<i>Related Parties</i>	11-38	182.013.954	158.502.045
<i>Third Parties</i>	11	17.864.359	5.619.850
Derivative Instruments	12	-	-
Deferred Income	15	88.598.529	71.442.016
Current Income Tax Liabilities	36	-	8.808.231
Short-Term Provisions	22	66.157.951	54.511.221
<i>Other-Short Term Provisions</i>	22	66.157.951	54.511.221
Non-Current Liabilities			
Long-Term Borrowings	8	9.073.439	1.508.333
Long-Term Provisions for Employee Benefits	24	4.172.216	4.027.471
EQUITY			
Equity Holders of the Parent			
Paid-in Share Capital		30.000.000	30.000.000
Adjustment to Share Capital		373.170.845	373.170.845
Treasury Shares (-)		(6.706.279)	(6.706.279)
Share Premium		55.073.889	55.073.889
Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss		(1.711.893)	(1.362.105)
<i>Gains/(losses) on revaluation and remeasurements</i>		(1.711.893)	(1.362.105)
Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss		-	-
<i>Currency translation differences</i>		-	-
Restricted Reserves		107.595.040	107.595.040
Retained Earnings		(255.387.998)	(57.126.257)
Profit for the Period		(64.644.697)	(198.261.741)
Non-Controlling Interests	27	173.838.108	166.311.480
TOTAL LIABILITIES AND EQUITY		3.410.302.081	2.415.028.078

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

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

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

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

		<i>Audited</i>	<i>Audited</i>
		<i>current period</i>	<i>prior period</i>
		1 January -	1 January -
	Notes	31 December 2024	31 December 2023
PROFIT OR LOSS			
Revenue	28	8.781.211.241	7.436.972.828
Cost of Sales (-)	28	(8.335.838.705)	(7.188.614.400)
GROSS PROFIT/(LOSS)		445.372.536	248.358.428
General Administrative Expenses (-)	29	(124.070.514)	(121.829.034)
Marketing, Sales and Distribution Expenses (-)	29	(95.249.756)	(99.064.882)
Other Operating Income	31	730.700.550	767.906.882
Other Operating Expenses (-)	31	(516.282.933)	(716.500.651)
OPERATING PROFIT/(LOSS) FROM CONTINUING OPERATIONS		440.469.883	78.870.743
Gains from Investment Activities	32	-	218.056
Losses from Investment Activities (-)	32	(193.260)	-
OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)		440.276.623	79.088.799
Financial Income	33	62.425.024	90.330.445
Financial Expenses (-)	33	(576.500.555)	(376.835.644)
Net Monetary Position Gains/(Losses)	34	23.704.495	(51.100.999)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		(50.094.413)	(258.517.399)
Tax income/(expense)		(6.818.821)	1.897.765
- Current period tax expense	36	(15.399.768)	(38.640.179)
- Deferred income tax	36	8.580.947	40.537.944
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		(56.913.234)	(256.619.634)
PROFIT/(LOSS) FOR THE PERIOD		(56.913.234)	(256.619.634)
Attributable to		(56.913.234)	(256.619.634)
Non-Controlling Interests	27	7.731.463	(58.357.893)
Equity Holders of the Parent	27	(64.644.697)	(198.261.741)
Earnings Per Share	37	(2.154823)	(6.608725)
OTHER COMPREHENSIVE INCOME			
Items not to be reclassified to profit or loss		(554.623)	(141.980)
Gains/(losses) on remeasurements of defined benefit plans	24	(739.498)	(189.307)
Taxes relating to other comprehensive income not to be reclassified to profit or loss		184.875	47.327
- <i>Deferred income tax</i>	36	184.875	47.327
Items to be reclassified to profit or loss		-	-
Currency translation differences		-	-
Gains/(losses) on cash flow hedges		-	-
OTHER COMPREHENSIVE INCOME/(LOSS)		(554.623)	(141.980)
TOTAL COMPREHENSIVE INCOME/(LOSS)		(57.467.857)	(256.761.614)
Attributable to		(57.467.857)	(256.761.614)
Non-Controlling Interests		7.526.628	(58.240.718)
Equity Holders of the Parent		(64.994.485)	(198.520.896)

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

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023**

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

Audited Current Period	Notes	Paid-in share capital	Adjustment to Share Capital	Treasury shares	Share Premium	Business combinations under common control	Items not to be reclassified to profit or loss		Items to be reclassified to profit or loss	Retained Earnings			Equity holders of the parent	Non-Controlling Interests	Total Equity
							Gains/(losses) on revaluation and remeasurements	Other Gains/(Losses)	Currency Translation Differences	Restricted Reserves	Prior Years' Income	Profit for the Period			
Balances at 1 January 2024 (Beginning of the period)	Not-27	30.000.000	373.170.845	(6.706.279)	55.073.889	-	(1.362.105)	-	-	107.595.040	(57.126.257)	(198.261.741)	302.383.392	166.311.480	468.694.872
Transfers	-	-	-	-	-	-	-	-	-	-	(198.261.741)	198.261.741	-	-	-
Total Comprehensive Income	-	-	-	-	-	-	(349.788)	-	-	-	-	(64.644.697)	(64.994.485)	7.526.628	(57.467.857)
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	(64.644.697)	(64.644.697)	7.731.463	(56.913.234)
Other Comprehensive Income	-	-	-	-	-	-	(349.788)	-	-	-	-	-	(349.788)	(204.835)	(554.623)
Capital increases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business combinations under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease from treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at 31 December 2024 (End of the period)	Not-27	30.000.000	373.170.845	(6.706.279)	55.073.889	-	(1.711.893)	-	-	107.595.040	(255.387.998)	(64.644.697)	237.388.907	173.838.108	411.227.015
Audited Prior Period															
Balances at 1 January 2023 (Beginning of the period)	Not-27	30.000.000	373.170.845	(6.706.279)	55.073.889	-	(1.102.950)	-	-	107.595.040	126.741.689	(183.867.946)	500.904.288	224.552.198	725.456.486
Transfers	-	-	-	-	-	-	-	-	-	-	(183.867.946)	183.867.946	-	-	-
Total Comprehensive Income	-	-	-	-	-	-	(259.155)	-	-	-	-	(198.261.741)	(198.520.896)	(58.240.718)	(256.761.614)
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	(198.261.741)	(198.261.741)	(58.357.893)	(256.619.634)
Other Comprehensive Income	-	-	-	-	-	-	(259.155)	-	-	-	-	-	(259.155)	117.175	(141.980)
Capital increases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business combinations under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease from treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at 31 December 2023 (End of the period)	Not-27	30.000.000	373.170.845	(6.706.279)	55.073.889	-	(1.362.105)	-	-	107.595.040	(57.126.257)	(198.261.741)	302.383.392	166.311.480	468.694.872

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

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023**

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

	Notes	Audited current period	Audited prior period
		01.01.2024- 31.12.2024	01.01.2023- 31.12.2023
A) CASH FLOWS FROM OPERATING ACTIVITIES		254.638.646	251.348.157
Profit for the Period		(56.913.234)	(256.619.634)
Adjustments to reconcile profit for the period to cash generated from operating activities		217.557.493	267.697.579
Depreciation and amortisation	18-19	8.477.441	14.696.729
Adjustments for impairment loss/(reversal of impairment loss)		(18.234.346)	3.946.778
Adjustments for receivables impairment (reversal)	10	403.881	1.072.622
Adjustments for inventory impairment (reversal)	13	(18.638.227)	2.874.156
Adjustments for provisions		32.142.017	17.155.087
Adjustments for provisions for employee benefits (reversal)	24	3.739.709	4.042.533
Adjustments for provisions for lawsuits and penalties	22	(65.247)	14.838
Adjustments for other provisions (reversal)	22	28.467.555	13.097.716
Adjustments for interest income/expense		184.594.589	76.585.208
Adjustments for interest income	31-33	(659.110.406)	(422.942.741)
Adjustments for interest expenses	31-33	897.997.220	578.604.626
Deferred Financial Expense from Term Purchases	10	(14.243.329)	(28.005.417)
Unrealised Financial Income from Term Sales	10	(40.048.896)	(51.071.260)
Adjustments for fair value gains/(losses)		193.260	(218.056)
Investment properties		193.260	(218.056)
Adjustments for tax income/expense	36	6.818.821	(1.897.765)
Inflation effect on operating activities		3.565.711	157.429.598
Other adjustments to reconcile profit for the period	26	-	-
Changes in Working Capital		118.591.428	279.789.437
Adjustments for Gains/(Losses) on Trade Receivables	10	(1.436.711.787)	(1.119.208.902)
Adjustments for Gains/(Losses) on Other Receivables Related to Operations	11	(2.571.815)	(398.228)
Changes in inventories	13	(13.504.318)	(34.320.497)
Changes in prepaid expenses	15	29.752.919	40.153.818
Adjustments for Gains/(Losses) on Trade Payables	10	1.507.191.424	1.324.810.994
Adjustments for gains (losses) in payables due to employee benefits	24	(261.724)	1.253.296
Adjustments for Gains/(Losses) on Other Payables Related to Operations	11	86.203.959	13.815.546
Changes in deferred income	15	39.116.253	53.599.400
Adjustments for gains/(losses) on other changes in working capital	26	(90.623.483)	84.010
Cash flows from Operating Activities		279.235.687	290.867.382
Adjustments for gains/(losses) on payables due to employee benefits	24	(3.096.503)	(4.674.783)
Income Taxes Refund/Paid	36	(21.500.538)	(34.844.442)
Other Cash Inflows/(Outflows)		-	-
B) CASH FLOWS FROM INVESTING ACTIVITIES		(5.453.213)	(3.034.525)
Cash outflows from acquisition of interests or debt instruments		-	-
Cash inflows from sale of property, plant and equipment and intangible assets	18-19	-	-
Cash inflows from sale of property, plant and equipment		-	-
Cash inflows from sale of intangible assets		-	-
Cash outflows from purchase of property, plant and equipment and intangible assets	18-19	(5.453.213)	(3.034.525)
Cash outflows from purchase of property, plant and equipment	18	(4.826.901)	(319.351)
Cash outflows from purchase of intangible assets	19	(626.312)	(2.715.174)
Cash outflows from purchase of investment properties	17	-	-
C) CASH FLOWS FROM FINANCING ACTIVITIES		(250.598.089)	(252.804.275)
Cash inflows from borrowings	8	227.905.172	7.677.459
Cash inflows from loans	8	227.905.172	7.677.459
Cash outflows from repayments of borrowings	8	(231.345.534)	(90.223.233)
Cash outflows from loan repayments	8	(231.345.534)	(90.223.233)
Cash outflows from payments of lease liabilities	8	(8.250.859)	(7.534.705)
Dividends paid		-	-
Interest paid	32-33	(238.906.868)	(162.723.796)
INFLATION ON CASH AND CASH EQUIVALENTS		(6.265.785)	(16.066.205)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		(7.678.441)	(20.556.848)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(7.678.441)	(20.556.848)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	20.400.465	40.957.313
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	12.722.024	20.400.465

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

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024
(Amounts are expressed in Turkish Lira (“TL”) unless otherwise indicated.)

NOTE 1 - GROUP’S ORGANISATION AND NATURE OF OPERATIONS

Datagate Bilgisayar Malzemeleri Ticaret Anonim Şirketi (“the Company” or “Datagate”) was established in 1992 in Türkiye. Datagate’s business activities include ensuring telecom activities and operations.

Datagate is subject to regulations of the Capital Markets Board (“CMB”) and its shares have been quoted on the Borsa İstanbul (“BIST”) since February 2006 and its shares are listed in the BIST Main Market.

As of 31 December 2024 and 2023, the principal shareholders and their shareholding rates in Datagate is as follows:

- The ultimate controlling party of Datagate is İndeks Bilgisayar Sistemleri Sanayi ve Ticaret Anonim Şirketi with effective ownership interest rate of 59.24% (Unlisted 49.24% and listed 10% and total of 59.24%),

Datagate acquired the shares of Despec Bilgisayar Pazarlama ve Ticaret Anonim Şirketi with effective ownership interest rate of 49.13% on 12 March 2020. Despec’s nature of business is operating in consumer electronics and telecom.

As of 31 December 2024 and 2023, the subsidiary included in the scope of consolidation of Datagate is as follows:

Subsidiary	Nature of business	Share capital	Direct Ownership Held by Datagate (%)	Indirect Ownership Held by Datagate (%)
Despec Bilgisayar Pazarlama ve Ticaret Anonim Şirketi	Consumer electronics and telecom	TL 23.000.000	49.13	49.13

Total end of period and average number of personnel employed by Datagate is 71 (31 December 2023: 73). All personnel of the Company are administrative personnel.

The registered address of Datagate is as follows:

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

The Company’s head office is in Istanbul. In addition, the Company has branches in Ankara and Gebze.

The registered address of Ankara branch is as follows:

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

The registered address of Gebze branch is as follows:

Cumhuriyet Mahallesi Yahya Kaptan Caddesi No:10 A/2 Çayırova / KOCAELİ

The accompanying consolidated financial statements and related notes to the consolidated financial statements of Datagate and its subsidiary together hereinafter referred as the “Group”.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Basis of presentation

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

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updated through communiqués to ensure conformity with the changes in International Financial Reporting Standards ("IFRS").

In addition, the accompanying consolidated financial statements as at and for the year ended 31 December 2024 have been prepared in accordance with the "TAS Taxonomy" published by the POA on the basis of sub-paragraph (b) of Article 9 of the Statutory Decree numbered 660 ("Decree"), approved by the Board decision on 2 June 2016 numbered 30 and the "Announcement regarding to TAS Taxonomy" which was published on 15 April 2019 by POA and the format and mandatory information including amendments regarding TFRS 15 "Revenue from Contracts with Customers" and TFRS 16 "Leases" standards and presented in accordance with the "TAS taxonomy" published under the current "2024 TFRS" announced on 3 July 2024.

These consolidated financial statements as at and for the year ended 31 December 2024 have been approved for issue by the Board of Directors ("BOD") on 11 March 2025. These consolidated financial statements will be finalised following their approval in the General Assembly.

Functional and presentation currency (USD amounts presented in the consolidated financial statements)

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

2.02 Adjustments of financial statements in hyperinflationary periods

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

The Group has prepared the consolidated financial statements as of 31 December 2023 and for the annual reporting period ending on the same date by applying TAS 29 "Financial Reporting in Hyperinflation Economies" according to the announcement made and "Implementation Guide on Financial Reporting in Hyperinflation Economies" published by the Public Oversight Accounting and Auditing Standards Authority ("POA") on 23 November 2023. In accordance with the standard, financial statements prepared in the currency of a hyperinflationary economy have to be prepared on purchasing power on reporting date and comparative period information is expressed in terms of current measurement unit at the end of the reporting period.

The restatement is calculated with the adjustment factors derived from the consumer price index published by the Turkish Statistical Institute ("TURKSTAT"). The indices and adjustment factors used in the restatement of the financial statements for the last three years are as follows:

Date	Index	Adjustment coefficient
31 December 2024	2.684,55	1
31 December 2023	1.859,38	1.44379
31 December 2022	1.128,45	2.37897

The main components of the Group's restatement for financial reporting purposes in hyperinflationary economies are as follows:

- As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.
- Monetary assets and liabilities are expressed in terms of the purchasing power at the balance sheet date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.
- Non-current assets, subsidiaries and similar assets are indexed to their acquisition costs, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the Group.
- All items in the statement of profit or loss, except for the effects of non-monetary items in the statement of financial position and in the statement of profit or loss, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognised in the consolidated financial statements.

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- The gain or loss arising on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and profit or loss accounts. This gain or loss on the net monetary position is included in net profit.

The material influence and impact of the application of inflation accounting in accordance with TAS 29 are summarised below:

Restatement of the statement of financial position

Amounts in the statement of financial position that are not expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated because they are expressed in the currency of the reporting period. Non-monetary items are required to be restated unless they are expressed in terms of the currency in effect at the end of the reporting period.

The gain or loss on the net monetary position arising from restatement of non-monetary items is recognised in profit or loss and presented separately in the statement of comprehensive income.

Restatement of the statement of profit or loss

All items in the statement of profit or loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, all amounts have been restated by applying changes in the monthly general price index.

Cost of inventories sold has been restated using the restated inventory balance. Depreciation and amortisation charges have been restated using the restated balances of property, plant and equipment, intangible assets and right-of-use assets.

Restatement of the statement of cash flows

All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

Consolidated financial statements

The financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy are restated by applying the general price index before they are included in the consolidated financial statements prepared by the parent company.

Subsidiaries of the Group whose functional currency is other than Turkish Lira have been translated to the purchasing power on 31 December 2024. If financial statements with different reporting period endings are subject to consolidation, all items, whether monetary or non-monetary, are restated according to the measuring unit in effect at the date of the consolidated financial statements.

Comparative figures

Relevant figures for the prior reporting period are restated by applying the general price index so that the comparative financial statements are presented in the measuring unit applicable at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period.

In accordance with the relevant standard, financial statements prepared using the currency of a high-inflation economy are presented at the purchasing power of that currency on the balance sheet date. Comparative information for prior periods is also presented in the current measurement unit at the end of the reporting period for comparison. The Group has therefore presented its financial statements as at and for the year ended 31 December 2023 based on the purchasing power on 31 December 2024.

2.03 Basis of consolidation and group accounting

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

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and/or Datagate has rights or is exposed to variable returns from its involvement with the investee and when at the same time it has the power to affect these returns through its power over the investee.

The statement of financial position and profit or loss of the subsidiary are consolidated on a line-by-line basis and the carrying value of the investment held by Datagate and its subsidiary is eliminated against the related equity. Intercompany transactions and balances between Datagate and its subsidiary are eliminated during the consolidation.

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

2.04 Comparatives and adjustment of prior period's financial statements

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

2.05 Offsetting

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

2.06 Investment properties

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

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

2.07 Changes in accounting policies

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

The Group has no changes in the accounting policies during the reporting period.

2.08 Changes in accounting estimates and errors

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

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

The Group management uses the actuarial assumptions used in the calculation of economic useful lives of property, plant and equipment and intangible assets, the actuarial assumptions used in the calculation of employment termination benefits,

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the provisions to be allocated for the lawsuits and execution proceedings in favor of or against the Group, and the determination of the inventory impairment.

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

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

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

Significant accounting estimates and assumptions

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

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

- Provision for employment termination benefits is determined by using actuarial assumptions (discount rates, future salary increases and employee exit rates) (**Note 24**).
- The Group depreciates its property, plant and equipment and intangible assets on a straight-line basis over their useful lives. Expected useful life residual value and amortization method are reviewed every year for possible effects of changes in estimates and are accounted for prospectively if there is a change in estimates. The Group has no changes in estimates during the period (**Note 18-19**).
- On the provision for lawsuits, the probability of losing these cases regarding collecting the receivables and the consequences to be faced if these cases are lost evaluated in accordance with the opinions of the Group's legal counsel as of 31 December 2024 and 2023. The Group obtains letters of guarantee from companies it deems necessary and risky in order to prevent doubtful trade receivables (**Note 10**).
- Inventories are valued at the lower of cost or net realisable value. For determination of inventory impairment, the technological obsolescence of the products in the Group's inventories are also taken into consideration (**Note 13**).
- The Group obtains premiums at pre-determined rates from sales or purchases from the companies that have distributorship agreement. Accrued premiums are recognized as income on the basis of progress payment (**Note 26**).

2.09 Summary of significant accounting policies

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

2.09.01 Revenue recognition

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

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

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

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

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

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

2.09.02 Inventories

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

In addition, the Group allocates provision of a net realizable value for the value of the merchandise in the post-balance sheet period (**Note 13**).

2.09.03 Property, plant and equipment and related depreciation

Property, plant and equipment are carried as costs adjusted for the effects of inflation, less accumulated depreciation as of 31 December 2024. Depreciation is provided for property, plant and equipment on a straight-line basis over their estimated useful lives. The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	<u>Economic useful lives (year)</u>
- Machinery and equipment	5-10
- Furniture and fixtures	2-10
- Motor vehicles	2-5
- Leasehold improvements	2-10

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset's net selling price or value in use. Provision for impairment has not been calculated for property, plant and equipment.

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

Repairs and maintenance expenses are charged to the statement of profit or loss during the period in which they are incurred. Machinery and equipment are capitalised and amortised when their capacity is fully available for use.

2.09.04 Intangible assets and related amortisation

Intangible assets comprise of assets acquired through computer programs and rights. There is no intangible asset that is established within the structure of the Group.

Intangible assets are carried as costs adjusted for the effects of inflation, less accumulated depreciation as of 31 December 2024.

They are initially recognised at acquisition cost and amortised on a straight-line basis over their estimated useful lives for 3-15 years.

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

2.09.05 Impairment of Assets

Assets with an indefinite useful life, such as goodwill, are not subject to amortization. An impairment test is applied to these assets each year. For assets subject to amortization, impairment test is applied if the book value cannot be recovered. An impairment loss is recognized if the carrying amount of the asset exceeds the recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets except goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.09.06 Research and development costs

None.

2.09.07 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, one that takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale. Borrowing costs that are not in this scope are recognised directly in the income statement. All other borrowing costs are recognized in profit or loss in the period in which they are incurred. Borrowing costs include interest expenses and all other borrowing costs. The Group has no capitalized financing costs during the period.

2.09.08 Financial instruments

i. Financial assets and liabilities-Classification and measurement

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

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

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

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

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

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

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

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

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

ii. Impairment of financial assets

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

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

The provisions for trade receivables, other receivables, other assets and contractual assets are always measured at an amount equal to the expected credit losses for life.

When determining whether the credit risk in a financial asset has increased substantially since its adoption in the financial statements and the expected credit losses are estimated, reasonable and supportable information that can be obtained without incurring excessive costs or efforts is taken into consideration. These include qualitative and quantitative information and analyzes and forward-looking information based on the Group's past experience and informed credit evaluations.

Credit-impaired financial asset

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

- significant financial difficulty of the issuer or borrower;
- a breach of contract, such as a default or past-due event;
- the lenders for economic or contractual reasons relating to the borrower's financial difficulty granted the borrower a concession that would not otherwise be considered;

- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for the financial asset because of financial difficulties.

Presentation

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

Derecognition

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

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

2.09.09 Foreign currency translation

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

2.09.10 Earnings per share

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

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

2.09.11 Events after the reporting period

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

2.09.12 Provisions, contingent liabilities and contingent assets

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

Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

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

2.09.13 Leases

Group - as a lessee

Finance leases

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

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

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

TFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after 1 January 2019. TFRS 16 standard, in the liabilities of the "Lease Liability" amount calculated as the present value of the lease payments to be made during the lease term for the lease agreements with a maturity of more than 12 months and "Right of Use Assets" (Note 18) requires an amount equal to the lease liabilities to be recognized in the assets of financial position statement. The amount recognized as "Right of Use Assets" is subject to depreciation according to the lease term and adjusted for the inflation effect on 31 December 2024.

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

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

Right-of-use asset Group - as a lessee

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

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

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

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

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

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

Lease liability

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

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

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

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

Group - as a lessor

Operating leases

The lease process, where a significant part of the property risks and returns belong to the lessor, is classified as an operating lease. Lease payments is recognised in the consolidated statement of income as an expense on a straight-line basis over the lease term.

2.09.14 Related parties

For the purpose of these consolidated financial statements, shareholders, parents of Datagate Bilgisayar Malzemeleri Ticaret Anonim Şirketi, key management personnel and Board of Directors members, their close family members and the legal entities over which these related parties exercise control and significant influence, are considered and expressed as "related parties". The detailed analysis of related parties has been disclosed under Note 38.

2.09.15 Government grants

None.

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2.09.16 Taxes on income

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

Current tax

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

Deferred tax

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

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

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

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

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

Current and deferred tax for the period

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

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

Offsetting in tax assets and liabilities

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

2.09.17 Provision for employment termination benefits

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

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

2.09.18 Statement of cash flows

Cash and cash equivalents are carried at cost in the consolidated statement of financial position. Cash equivalents are short-term, highly-liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements. Cash flows from operating activities represent the cash flows generated from the Group's activities.

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

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

2.09.19 Income accruals

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

2.09.20 Warranty provisions

The Group acts as the distributor company of information technology products in Türkiye. The guarantees of the products sold are given by companies appointed by the manufacturers. The products that purchased are under warranty that delivered from dealers and are sent to manufacturers or companies appointed by manufacturers for repair and maintenance. For products that required to be replaced under warranty after repair and maintenance, the replaced products are given to customers and the amount is invoiced to the manufacturers. The Group has no provision for warranty during the annual reporting periods.

2.10 New and Revised Turkish Financial Reporting Standards

New and revised standards and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at and for the year ended 31 December 2024 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards ("TAS")/IFRS and IFRS interpretations effective as of 1 January 2023 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations and interpretations to the existing previous standards which are effective from 31 December 2024 are as follows:

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

In March 2020 and January 2023, POA issued amendments to TAS 1 to clarify the principles for classifying liabilities as current and non-current. According to the amendments made in January 2023, if an entity's right to defer payment of a liability depends on the entity's ability to comply with the terms of the loan agreement at a date subsequent to the reporting period, the entity has the right to defer payment of the liability at the end of the reporting period (even if the entity does not comply with the relevant terms at the end of the reporting period).

When a liability arising from a loan contract is classified as non-current and the entity's right to defer payment depends on the entity's ability to comply with the terms of the loan contract within 12 months, the January 2023 amendments require entities to make various disclosures. These disclosures should include information about the terms of the loan contract and related obligations. The amendments also clarify that the right to defer payment for a long-term classification must exist at the end of the reporting period, regardless of whether compliance with the contractual terms will be tested at the reporting date or at a later date.

The amendments clarify that the possibility that an entity will not exercise its right to defer payment until at least twelve months after the reporting period does not affect the classification of a liability. The amendments are applied retrospectively in accordance with TAS 8.

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

Amendments to TFRS 16 - Lease liability in a sale and leaseback

In January 2023, POA issued amendments to TFRS 16. The amendments clarify the requirements for the measurement of a lease liability arising from a sale and leaseback by a seller-lessee, so that no gain or loss is recognised in respect of the retained right of use. In this context, the seller-lessee will determine 'lease payments' or 'revised lease payments' so as not to recognise any gain or loss on the retained right of use when applying the provisions of TFRS 16 under the heading 'Subsequent measurement of a lease liability' after the commencement date of the sale and leaseback transaction. The amendments do not include a specific provision for the measurement of lease liabilities arising from leaseback. The initial measurement of such a lease liability may result in payments other than those included in the definition of lease payments in TFRS 16 being identified as lease payments. The seller-lessee will need to develop and apply an accounting policy that provides reliable and relevant information in accordance with TAS 8. The seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16. The amendments did not have a significant material influence on the financial position or performance of the Group.

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued by POA in September 2023 introduce clarifications that improve existing provisions to help users of financial statements understand the effects of supplier financing arrangements on an entity's liabilities, cash flows and liquidity risks. Supplier financing arrangements are defined as arrangements in which one or more financing providers undertake to pay an entity's supplier and the entity agrees to pay the supplier on or after the day on which the supplier is paid. The amendments require disclosures about the terms and conditions of such arrangements, quantitative information about the liabilities arising from them at the beginning and end of the reporting period, and the nature and effects of non-cash changes in the carrying amount of those liabilities. In addition, within the scope of quantitative disclosures about liquidity risk required by TFRS 7, supplier financing arrangements are given as examples of other factors that may need to be disclosed.

TSRS 1, General requirements for disclosure of sustainability-related financial information

TSRS S1 sets out general requirements for sustainability-related financial disclosures, requiring an entity to disclose information about sustainability-related risks and opportunities that is useful for primary users of general purpose financial reports to make decisions about funding the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the relevant criteria included in the POA's announcement on 5 January 2024 and numbered 2024-5 and the Board Decision on 16 December 2024 amending this announcement. Other entities may voluntarily report in accordance with TSRS.

TSRS 2 Climate-related Disclosures

TSRS 2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

The application of the standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and the Board Decision dated 16 December 2024 amending this announcement. Other entities may voluntarily report in accordance with TSRS.

The Group is in the scope of application as it meets the criteria specified in the Board's decision. For companies in scope, there is no obligation to present comparative information in the first reporting period and the sustainability report of the first year can be published after the financial reports of that period. The Group's report in full compliance with TSRS is expected to be published in August 2025, as it is required to be disclosed no later than nine months in 2025.

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

ii) Standards issued but not yet effective and not early adopted

The new standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of authorisation of the consolidated financial statements and have not been early adopted by the Group are as follows. The Group will make the necessary changes and amendments if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective. New standards issued by the International Accounting Standards Board but not yet adopted by the Public Oversight Accounting and Auditing Standards Authority retain the IFRS codification.

IFRS 17 - New Insurance Contracts Standard

In February 2019, POA issued IFRS 17, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 introduces a model that enables both the measurement of liabilities arising from insurance contracts at current statement of financial position amounts and the recognition of profit over the period in which the services are provided. With the announcement made by POA, the mandatory effective date of the Standard has been postponed to accounting periods beginning on or after 1 January 2025.

Amendments to TAS 21 – Lack of exchangeability

In May 2024, POA issued amendments to TAS 21. The amendments clarify how to assess whether a currency is not exchangeable and how to determine the exchange rate when a currency is not exchangeable. According to the amendments, when estimating the exchange rate because a currency is not exchangeable, information that enables users of financial statements to understand how the inability to exchange one currency for another currency has affected, or is expected to affect, an entity's performance, financial position and cash flows is disclosed. The amendments are effective for annual periods beginning on or after 1 January 2025. Early application is permitted, in which case information is disclosed in the notes. When the amendments are applied, comparative information is not restated.

Amendments to TFRS 9 and TFRS 7 on classification and measurement of financial instruments

Effective for annual periods beginning on or after 1 January 2026 (earlier application is permitted). These amendments

- clarify the timing requirements for the recognition and derecognition of certain financial assets and financial liabilities, including a new exception for certain financial liabilities settled through an electronic cash transfer system;
- provide further guidance and clarification on assessing whether a financial asset meets the principal and interest payments only criterion;
- adding new disclosures for certain instruments with contractual terms that may alter cash flows (such as certain instruments with features linked to the achievement of environmental, social and governance (ESG) objectives); and
- updates to the disclosures on equity instruments at fair value through other comprehensive income.

Annual Improvements to IFRSs - Amendment 11

Annual improvements are limited to amendments that clarify wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or inconsistencies between provisions in Accounting Standards. The 2024 amendments relate to the following standards:

- IFRS 1 First-time Adoption of Turkish Financial Reporting Standards,
- IFRS 7 Financial Instruments: Disclosures and the accompanying Guidance on the application of IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements and,
- IAS 7 Statement of Cash Flows

IFRS 18 Presentation and Disclosure in Financial Statements

Effective for annual periods beginning on or after 1 January 2027. This is a new standard on presentation and disclosure of financial statements that focuses on updates to the statement of profit or loss. The main new concepts introduced in IFRS 18 relate to,

- structure of the statement of profit or loss
- disclosures required in the financial statements for certain profit or loss performance measures (i.e., performance measures defined by management) that are reported outside the entity's financial statements; and
- enhanced principles of aggregation and disaggregation that generally apply to the core financial statements and disclosures.

IFRS 19 — Subsidiaries without Public Accountability: Disclosures

Effective for annual periods beginning on or after 1 January 2027. Early application is permitted. This new standard is applied in conjunction with other IFRSs. A qualifying subsidiary applies the provisions of other IFRSs except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19.

The reduced disclosure requirements of IFRS 19 balance the information needs of users of the financial statements of qualifying subsidiaries with cost savings for preparers of the financial statements. IFRS 19 is a voluntary standard for qualifying subsidiaries. A subsidiary fulfils the relevant conditions if

- does not have a public accountability obligation; and
- The Group has a parent or intermediate parent that prepares consolidated financial statements in accordance with IFRS Accounting Standards that are available for public use.

The Group does not expect that these amendments will have significant material influence on the financial performance of the Group.

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The Group will assess the material influence of these amendments when the standards are authorized and become effective.

NOTE 3 - BUSINESS COMBINATIONS

As of 31 December 2024 and 2023, the Group has no business combinations under common control and relevant transactions.

NOTE 4 - DISCLOSURE OF INTERESTS IN OTHER ENTITIES

As of 31 December 2024 and 2023, the Group has no interests in subsidiaries, joint arrangements, associates and unconsolidated "structured entities".

NOTE 5 – OPERATING SEGMENTS

Since the Group is engaging in the IT products and consumables, the Group does not exercise reportable segments at the end of the annual reporting periods.

NOTE 6 – CASH AND CASH EQUIVALENTS

As of 31 December 2024 and 2023, the breakdown and detailed analysis of cash and cash equivalents are as follows:

	31 December 2024	31 December 2023
Cash on hand	195.062	195.053
Banks	6.916.366	12.480.768
- Demand deposit	6.916.366	12.480.768
Time deposit (Reverse repurchase agreements)	3.454.179	3.852.381
Credit card slips	2.160.596	3.856.388
Cash and cash equivalents, net	12.726.203	20.384.590

As of 31 December 2024, the reverse repurchase agreements and time deposits have maturity of 2 days and the Group has interest income accrued amounting to TL 4.179 arising from reverse repurchase agreements and time deposits. The annual effective interest rate of reverse repurchase agreements is between 54.23% - 58.12% denominated in TL.

As of 31 December 2023, the reverse repurchase agreements and time deposits have maturity of 4 days and the Group has interest income accrued amounting to TL 11.900 arising from reverse repurchase agreements and time deposits. The annual effective interest rate of reverse repurchase agreements is 46.075% denominated in TL. The maturity of credit card slips is between 1-29 days and the Group has interest expense accrued amounting to TL 27.775 arising from credit card slips. The annual effective interest rate of credit card slips is 43.63%. Accordingly, the Group has net interest expense accrued amounting to TL 15.875.

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

Cash and cash equivalents	31 December 2024	31 December 2023
Cash and cash equivalents	12.726.203	20.384.590
Interest income (-)/Accrued expenses (+)	(4.179)	15.875
Total	12.722.024	20.400.465

As of 31 December 2024 and 2023, the Group has no blocked or pledged deposits presented under cash and cash equivalents.

NOTE 7 - FINANCIAL INVESTMENTS

None.

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NOTE 8 – BORROWINGS

As of 31 December 2024 and 2023, the breakdown of short-term borrowings is as follows:

Account Name	31 December 2024	31 December 2023
Bank borrowings	-	-
Lease liabilities	3.678.934	3.458.827
Short-term borrowings, net	3.678.934	3.458.827

As of 31 December 2024 and 2023, the details of short-term borrowings are as follows:

31 December 2024

Type	Original currency amount	TL equivalent	Annual effective interest rate (%)
Short-term borrowings			
Loans - TL	-	-	-
Lease liabilities - TL	-	3.678.934	21-49.60
Total		3.678.934	

31 December 2023

Type	Original currency amount	TL equivalent	Annual effective interest rate (%)
Short-term borrowings			
Loans - TL	-	-	-
Lease liabilities - TL	-	3.458.827	18-21
Total		3.458.827	

As of 31 December 2024 and 2023, the details of long-term borrowings are as follows:

Account Name	31 December 2024	31 December 2023
Lease liabilities	9.073.439	1.508.333
Long-term borrowings, net	9.073.439	1.508.333

As of 31 December 2024 and 2023, the details of long-term borrowings are as follows:

31 December 2024

Type	Original currency amount	TL equivalent	Annual effective interest rate (%)
Long-term borrowings			
Lease liabilities - TL		9.073.439	21-49.60
Total		9.073.439	

31 December 2023

Type	Original currency amount	TL equivalent	Annual effective interest rate (%)
Long-term borrowings			
Lease liabilities - TL		1.508.333	18-21
Total		1.508.333	

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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

The movement of borrowings is as follows:

Account Name	31 December 2024	31 December 2023
Beginning of the period – 1 January	4.967.160	224.112.947
Additions	227.905.172	7.677.459
Lease liabilities	12.752.373	4.967.160
Payments during the period	(231.345.534)	(90.223.233)
Interest accruals	-	-
Adjustments for inflation	(1.526.798)	(141.567.173)
End of the period – 31 December	12.752.373	4.967.160

The maturity analysis of borrowings is as follows:

Account Name	31 December 2024	31 December 2023
0-12 months	3.678.934	3.458.827
13-36 months	9.073.439	1.508.333
Total	12.752.373	4.967.160

NOTE 9 - OTHER FINANCIAL LIABILITIES

None.

NOTE 10 - TRADE RECEIVABLES AND PAYABLES

Account Name	31 December 2024	31 December 2023
Trade Receivables	2.698.766.486	1.711.379.050
<i>Related parties (Note 38)</i>	62.789.977	-
<i>Third parties</i>	2.635.976.509	1.711.379.050
Notes receivables	27.049.421	59.744.179
Discount on notes receivables (-)	(99.782.232)	(59.733.336)
Doubtful trade receivables	7.163.859	9.759.976
Provision for doubtful trade receivables (-)	(7.163.859)	(9.759.976)
Short-term trade receivables, net	2.626.033.675	1.711.389.893

As of 31 December 2024 and 2023, the functional breakdown of short-term trade receivables is as follows:

As of 31 December 2024 and 2023, the Group has no long-term trade receivables.

As of 31 December 2024, short-term trade receivables amounted to TL **50.450.341** in total amount of TL **2.626.033.675**, is in under scope of guarantee (including guarantees in scope of Euler Hermes). The Group obtained collateral for the amount of TL **1.250.322.317** regarding the remaining amount of TL **2.575.583.334**. The related explanations regarding the nature and level of risks on trade receivables are disclosed in **Note 39**.

As of 31 December 2023, short-term trade receivables amounted to TL **54.347.713** in total amount of TL **1.711.389.893**, is in under scope of guarantee (including guarantees in scope of Euler Hermes). The Group obtained collateral for the amount of TL **1.324.943.844** regarding the remaining amount of TL **1.657.042.179**. The related explanations regarding the nature and level of risks on trade receivables are disclosed in **Note 39**.

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

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

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Movements of the provision for doubtful receivables are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Beginning of the period – 1 January	(9.759.976)	(14.314.392)
Reversals / Collections during the period (-)	-	-
Increases during the period (-) (*)	(403.881)	(1.072.622)
Adjustments for inflation	2.999.998	5.627.038
End of the period – 31 December	(7.163.859)	(9.759.976)

(*) Recognised under general administrative expenses

As of 31 December 2024 and 2023, the functional breakdown of short-term trade payables is as follows:

Account Name	31 December 2024	31 December 2023
Suppliers	2.670.574.763	1.666.304.833
<i>Third parties</i>	2.133.974.593	1.517.294.507
<i>Related parties (Note 38)</i>	536.600.170	149.010.326
Notes payable	-	-
Discount on notes payable (-)	(44.384.605)	(30.141.276)
Short-term trade payables, net	2.626.190.158	1.636.163.557

As of 31 December 2024 and 2023, the Group has no long-term trade payables.

The average maturity turnover for trade receivables and payables is up to 3 months. In the case of discount of trade receivables and payables, compound interest rates of Government Debt Securities are used as effective interest rate in TL denominated receivables and payables. Libor rates are used in the rediscount of USD and EURO denominated receivables and payables.

NOTE 11 - OTHER RECEIVABLES AND PAYABLES

As of 31 December 2024 and 2023, the functional breakdown of short-term other receivables is as follows:

Account Name	31 December 2024	31 December 2023
Due from employee	460.769	544.284
Deposits and guarantees given (*)	2.506.695	72.190
Due from related parties (Note 38)	148.934	169.790
Short-term other receivables, net	3.116.398	786.264

The related explanations regarding the nature and level of risks on other receivables are disclosed in Note 39. The details of related party transactions and balances are disclosed in Note 38.

* Represents tax refund from tax office amounting to TL 2.456.695 and the amount of TL 50.000 is deposits and guarantees given in a total amount of TL 2.506.695

As of 31 December 2024 and 2023, the functional breakdown of short-term other payables is as follows:

Account Name	31 December 2024	31 December 2023
Due to related parties (Note 38)	182.013.954	158.502.045
Taxes payable	17.864.359	5.619.850
Short-term other payables, net	199.878.313	164.121.895

NOTE 12 - DERIVATIVE INSTRUMENTS

As of 31 December 2024 and 2023, the Group has no foreign exchange forward contracts.

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

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NOTE 13 - INVENTORIES

As of 31 December 2024 and 2023, the breakdown of inventories is as follows:

Account Name	31 December 2024	31 December 2023
Merchandise	409.760.095	506.022.809
Goods in transit	171.991.190	62.224.158
Provision for impairment (-)	(30.533.993)	(49.172.220)
Total	551.217.292	519.074.747

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

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

	1 January - 31 December 2024	1 January - 31 December 2023
Beginning of the period – 1 January (-)	(49.172.220)	(46.298.064)
Reversal of provisions from gains on net realisable value (+)	18.638.227	-
Additions during the period (-) (*)	-	(2.874.156)
End of the period – 31 December (-)	(30.533.993)	(49.172.220)

(*) Recognised under cost of merchandise sold

For merchandise that included in inventories for 3 months and over, provision for impairment is calculated with increasing percentages depending on the increase in inventory turnover. As of 31 December 2024, the inventories amounting to **TL 59.647.975** are carried at net realisable value and the remaining inventories are carried at cost in the accompanying consolidated financial statements (31 December 2024: **TL 154.531.191**).

Disclosures	31 December 2024	31 December 2023
Cost	90.181.968	203.703.411
Less: Provision for impairment on inventories	(30.533.993)	(49.172.220)
Net realisable value (a)	59.647.975	154.531.191
Carried at cost (b)	491.569.317	364.543.556
Total inventories (a+b)	551.217.292	519.074.747

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

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

The breakdown of inventories recognised as an expense in the consolidated financial statements is disclosed in **Note 28**.

NOTE 14 - BIOLOGICAL ASSETS

None.

NOTE 15 - PREPAID EXPENSES AND DEFERRED INCOME

Short-term

As of 31 December 2024 and 2023, the details of prepaid expenses are as follows:

Account Name	31 December 2024	31 December 2023
Short-term prepaid expenses	4.500.670	4.070.780
Advances given	27.727.723	57.910.532
Total	32.228.393	61.981.312

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

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As of 31 December 2024 and 2023, the details of deferred income are as follows:

Account Name	31 December 2024	31 December 2023
Short-term deferred income	20.997.671	16.474.896
Advances received	67.600.858	54.967.120
Total	88.598.529	71.442.016

Long-term

None.

NOTE 16 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

None.

NOTE 17 - INVESTMENT PROPERTIES

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

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

As of 31 December 2024 and 2023, the details of the investment properties carried at fair value in the accompanying consolidated financial statements are as follows:

31 December 2024

Carrying value	Opening balance – 1 January 2024	Changes in fair value, net	Inflation (PP&E)	Additions	Disposals	Closing balance – 31 December 2024
Land	32.911	(2.911)	-	-	-	30.000
Land (Hatay)	32.911	(2.911)	-	-	-	30.000
Buildings	3.522.848	(190.348)	-	-	-	3.332.500
İstanbul Ataşehir	3.522.848	(190.348)	-	-	-	3.332.500
TOTAL	3.555.759	(193.260)	-	-	-	3.362.500

31 December 2023

Carrying value	Opening balance – 1 January 2023	Changes in fair value, net	Transfers (PP&E)	Additions	Disposals	Closing balance – 31 December 2023
Land	30.926	1.985	-	-	-	32.911
Land (Hatay)	30.926	1.985	-	-	-	32.911
Buildings	3.306.777	216.071	-	-	-	3.522.848
İstanbul Ataşehir	3.306.777	216.071	-	-	-	3.522.848
TOTAL	3.337.703	218.056	-	-	-	3.555.759

As of 31 December 2024, the fair value of the land and buildings included in the investment properties is determined by independent appraisal firm "Kale Taşınmaz Değerleme ve Danışmanlık Anonim Şirketi" in accordance with the report prepared on 10 February 2025.

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As of 31 December 2024 and 2023, the detailed list of the investment properties is as follows:

31 December 2024

City	Town	Neighborhood	Title deed (m ²)	Date of acquisition
Hatay(a)	Arsuz	Aşağı Kepirce	6.792,09 m ²	26.11.2020
İstanbul(b)	Ataşehir	Esatpaşa	13.985,94 m ²	17.11.2017

31 December 2023

City	Town	Neighborhood	Title deed (m ²)	Date of acquisition
Hatay(a)	Arsuz	Aşağı Kepirce	6.792,09 m ²	26.11.2020
İstanbul(b)	Ataşehir	Esatpaşa	13.985,94 m ²	17.11.2017

Land - Buildings

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

The information regarding the land subject to appraisal received from the Land Registry Office on 22 January 2025 is as follows:

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

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

NOTE 18 - PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS

As of 31 December 2024 and 2023, the movements for property, plant and equipment, and related depreciation are as follows:

31 December 2024

Cost

Account Name	Opening balance – 1 January 2024	Additions	Disposals (-)	Closing balance – 31 December 2024
Plant, machinery and equipment	98.303	30.397	-	128.700
Motor vehicles	44.565	3.855.674	-	3.900.239
Furniture and fixtures	37.925.026	940.830	-	38.865.856
Leasehold improvements	7.705.447	-	-	7.705.447
Total	45.773.341	4.826.901	-	50.600.242

Accumulated depreciation

Account Name	Opening balance – 1 January 2024	Current period depreciation	Disposals (-)	Closing balance – 31 December 2024
Plant, machinery and equipment	(98.303)	(2.533)	-	(100.836)
Motor vehicles	(44.565)	(622.293)	-	(666.858)
Furniture and fixtures	(36.347.903)	(771.861)	-	(37.119.764)
Leasehold improvements	(7.697.667)	(7.747)	-	(7.705.414)
Total	(44.188.438)	(1.404.434)	-	(45.592.872)
Net book value	1.584.903			5.007.370

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

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31 December 2023

Cost

Account Name	Opening balance – 1 January 2023	Additions	Disposals (-)	Closing balance – 31 December 2023
Plant, machinery and equipment	98.303	-	-	98.303
Motor vehicles	44.565	-	-	44.565
Furniture and fixtures	37.605.675	319.351	-	37.925.026
Leasehold improvements	7.705.447	-	-	7.705.447
Total	45.453.990	319.351	-	45.773.341

Accumulated depreciation

Account Name	Opening balance – 1 January 2023	Current period depreciation	Disposals (-)	Closing balance – 31 December 2023
Plant, machinery and equipment	(98.303)	-	-	(98.303)
Motor vehicles	(44.565)	-	-	(44.565)
Furniture and fixtures	(35.355.320)	(992.583)	-	(36.347.903)
Leasehold improvements	(7.620.886)	(76.781)	-	(7.697.667)
Total	(43.119.074)	(1.069.364)	-	(44.188.438)
Net book value	2.334.916			1.584.903

Other information

Depreciation and amortisation charges on property, plant and equipment are presented under operating expenses (Note 30).

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

RIGHT OF USE ASSETS

As of 31 December 2024 and 2023, the movements for right of use assets, and related depreciation are as follows:

31 December 2024

Account Name	Opening balance – 1 January 2024	Additions	Disposals (-)	Closing balance – 31 December 2024
Buildings	16.902.743	7.771.095	(14.149.487)	10.524.351
Motor vehicles	13.782.526	4.997.498	(6.554.558)	12.225.466
Total	30.685.269	12.768.593	(20.704.045)	22.749.817

Accumulated depreciation

Account Name	Opening balance – 1 January 2024	Current period depreciation	Disposals (-)	Closing balance – 31 December 2024
Buildings	(15.416.441)	(326.694)	14.149.487	(1.593.648)
Motor vehicles	(7.599.682)	(5.015.563)	5.907.777	(6.707.468)
Total	(23.016.123)	(5.342.257)	20.057.264	(8.301.116)
Net book value	7.669.146			14.448.701

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31 December 2023

Cost

Account Name	Opening balance – 1 January 2023	Additions	Disposals (-)	Closing balance – 31 December 2023
Buildings	12.842.502	4.060.241	-	16.902.743
Motor vehicles	14.587.648	2.757.113	(3.562.235)	13.782.526
Total	27.430.150	6.817.354	(3.562.235)	30.685.269

Accumulated depreciation

Account Name	Opening balance – 1 January 2023	Current period depreciation	Disposals (-)	Closing balance – 31 December 2023
Buildings	(9.256.377)	(6.160.064)	-	(15.416.441)
Motor vehicles	(4.772.881)	(6.231.391)	3.404.590	(7.599.682)
Total	(14.029.258)	(12.391.455)	3.404.590	(23.016.123)

Net book value	13.400.892	7.669.146
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NOTE 19 - INTANGIBLE ASSETS

As of 31 December 2024 and 2023, the movements for intangible assets, and related depreciation are as follows:

31 December 2024

Cost

Account Name	Opening balance – 1 January 2024	Additions	Disposals (-)	Transfers	Closing balance – 31 December 2024
Rights	25.542.623	626.312	-	-	26.168.935
Total	25.542.623	626.312	-	-	26.168.935

Accumulated depreciation

Account Name	Opening balance – 1 January 2024	Current period depreciation	Disposals (-)	Transfers	Closing balance – 31 December 2024
Rights	(17.378.733)	(1.730.750)	-	-	(19.109.483)
Total	(17.378.733)	(1.730.750)	-	-	(19.109.483)

Net book value	8.163.890	7.059.452
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31 December 2023

Cost

Account Name	Opening balance – 1 January 2023	Additions	Disposals (-)	Transfers	Closing balance – 31 December 2023
Rights	22.827.449	2.715.174	-	-	25.542.623
Total	22.827.449	2.715.174	-	-	25.542.623

Accumulated depreciation

Account Name	Opening balance – 1 January 2023	Current period depreciation	Disposals	Transfers	Closing balance – 31 December 2023
Rights	(16.142.823)	(1.235.910)	-	-	(17.378.733)
Total	(16.142.823)	(1.235.910)	-	-	(17.378.733)

Net book value	6.684.626	8.163.890
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Depreciation and amortisation charges on intangible assets are presented under operating expenses (Note 30).

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ

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NOTE 20 - EMPLOYEE BENEFITS

As of 31 December 2024 and 2023, the detailed analysis of employee benefits is as follows:

Account Name	31 December 2024	31 December 2023
Social security premiums payable	1.245.704	2.269.730
Due to employee	79.822	21.925
Total	1.325.526	2.291.655

NOTE 21 - GOVERNMENT GRANTS

None.

NOTE 22 - PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

i) Provisions

Account Name	31 December 2024	31 December 2023
Provision for price revision	64.869.938	51.828.897
Provision for lawsuits	-	94.203
Provision for unused vacation	1.288.013	2.588.121
Total	66.157.951	54.511.221

31 December 2024	Provision for lawsuits	Provision for price revision	Provision for unused vacation	Total
Beginning of the period – 1 January				
January	94.203	51.828.897	2.588.121	54.511.221
Additions	-	71.473.698	-	71.473.698
Payments during the period	(65.247)	(39.552.205)	(555.941)	(40.173.393)
Adjustments for inflation	(28.956)	(18.880.452)	(744.167)	(19.653.575)
End of the period – 31 December	-	64.869.938	1.288.013	66.157.951

31 December 2023	Provision for lawsuits	Provision for price revision	Provision for unused vacation	Total
Beginning of the period – 1 January				
January	130.773	64.638.250	3.444.802	68.213.825
Additions	14.838	67.150.555	675.867	67.841.260
Payments during the period	-	(50.825.443)	(31.316)	(50.856.759)
Adjustments for inflation	(51.408)	(29.134.465)	(1.501.232)	(30.687.105)
End of the period – 31 December	94.203	51.828.897	2.588.121	54.511.221

Invoices regarding price revisions are obtained from customers for the products sold at different prices in the prior period and relevant provisions are allocated in the consolidated financial statements. In addition, the specific sales objectives are provided to customers, and in accordance with the sales achievement, invoices such as turnover premium, credit note, price revisions are received from the dealers and provisions are allocated in the consolidated financial statements accordingly.

ii) Contingent liabilities and contingent assets

31 December 2024

The Group has a lawsuit filed by a creditor of the former controlling shareholder alleging that the shares of Despec Bilgisayar, whose controlling shares were acquired by the subsidiary Datagate in 2020 and included in the consolidated financial statements as a subsidiary, are pledged over the shares transferred by the former controlling shareholders and that these shares were transferred to the Group collusively, is in progress. As an interim decision in the lawsuit for the performance of the pledge agreement and compensation, a preliminary injunction was issued to prevent the transfer of

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Despec Bilgisayar shares with a nominal value amounting to TL 4.100.000. In accordance with assessment made by taking into consideration the latest claim update made by the plaintiff, the maximum risk amount, including trial and attorney expenses, is estimated amounting TL 18.9 million. As a result of the assessment realised by the Group management by taking into consideration the opinions of expert legal counsel, the Group management assessed the probability of losing the lawsuit as limited and decided not to allocate any provision in the accompanying consolidated financial statements since the financial risks that may arise in case the lawsuit is considered as a possible cash outflow are satisfied by Nevres Erol Bilecik.

31 December 2024

As of 31 December 2024, the Group has no lawsuits filed against the Group.

31 December 2023

As of 31 December 2023, the provision for lawsuits is amounted to **TL 94.203** filed against the Group and the related provisions are recognised in the consolidated financial statements.

In accordance with TFRS 9, provision for doubtful receivables is amounted to **TL 7.163.859** for execution proceedings of the Group and the related provisions recognised in the consolidated financial statements.

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

31 December 2024

	TL	USD	EUR
Letter of guarantee given	170.189.957	1.000.000	-
Total	170.189.957	1.000.000	-

31 December 2023

	TL	USD	EUR
Letter of guarantee given	181.116.174	1.000.000	-
Total	181.116.174	1.000.000	-

iv) Total mortgages and guarantees on assets

None.

v) Total insurance coverage on assets

31 December 2024

Type of insured asset	USD	TL
Merchandise	15.000.000	-
Motor vehicles	-	2.994.542
Total	15.000.000	2.994.542

31 December 2023

Type of insured asset	USD	TL
Merchandise	15.000.000	-
Other	-	-
Total	15.000.000	-

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

vi) Ratio of guarantees and mortgages to equity

Collaterals, Pledges, Mortgages Given by the Group	31 December 2024	31 December 2024	31 December 2023	31 December 2023
	Original currency amount	TL equivalent	Original currency amount	TL equivalent
A. Total amount of CPM's given in the name of its own legal personality	-	205.533.757	-	223.695.418
<i>Letter of guarantee (USD)</i>	1.000.000	35.343.800	1.000.000	42.579.244
<i>Letter of guarantee (TL)</i>	-	170.189.957	-	181.116.174
<i>Pledges</i>	-	-	-	-
<i>Mortgages</i>	-	-	-	-
B. Total amount of CPM's given on behalf of the fully consolidated companies	-	-	-	-
C. Total amount of CPM's given on behalf of third parties for ordinary course of business	-	-	-	-
D. Total amount of other CPM's given	-	-	-	-
i. Total amount of CPM's given on behalf of the majority shareholder	-	-	-	-
ii. Total amount of CPM's given to on behalf of other companies which are not in scope of B and C	-	-	-	-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-
Total	-	205.533.757	-	223.695.418

The ratio of other CPM's given by the Group to its equity is 0% (31 December 2023: 0%)

NOTE 23 - COMMITMENTS

None.

NOTE 24 – PROVISIONS FOR EMPLOYEE BENEFITS

Account Name	31 December 2024	31 December 2023
Provision for employment termination benefits	4.172.216	4.027.471
Total	4.172.216	4.027.471

Under Turkish Labour Law, Datagate and its subsidiary incorporated in Türkiye is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). As of 31 December 2024, the amount payable consists of one month's salary limited to a maximum of TL 46.655,43 (31 December 2023: TL 35.058,58) for each year of service.

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

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The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As of 31 December 2024, the provisions in the accompanying consolidated financial statements are calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees.

As of the 31 December 2024, the provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 21.00% and an interest rate of 25.00%, resulting in a discount rate of 3.31% (31 December 2023: 3.33%). The discount rates are reviewed and revised if deemed necessary, in every reporting period.

As of 31 December 2024, turnover rate to estimate the probability of retirement is 91.79% (31 December 2023: 89.97%).

	1 January - 31 December 2024	1 January - 31 December 2023
Beginning of the period – 1 January	4.027.471	7.366.043
Service costs	837.557	568.864
Actuarial (gains)/losses	739.498	189.307
Interest costs	697.379	1.072.899
Payments during the period (-)	(3.096.503)	(4.674.783)
Losses on remeasurements of defined benefit plans	2.204.773	2.400.770
Adjustments for inflation	(1.237.959)	(2.895.629)
End of the period – 31 December	4.172.216	4.027.471

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

	1 January - 31 December 2024	1 January - 31 December 2023
General administrative expenses	(3.739.709)	(4.042.533)
Other operating income	-	-
Gains/(losses) charge to the profit or loss	(3.739.709)	(4.042.533)
Actuarial gains/(losses) charge to the other comprehensive income	(739.498)	(189.307)
Profit/(loss) for the period	(4.479.207)	(4.231.840)

Account Name	1 January - 31 December 2024	1 January - 31 December 2023
Actuarial gains/(losses) charge to the other comprehensive income	(739.498)	(189.307)
Total	(739.498)	(189.307)
Tax calculated at domestic tax rate 25%	184.875	47.327
Net amount	(554.623)	(141.980)

NOTE 25 - TAX ASSETS AND LIABILITIES

None.

As of the 31 December 2024 and 2023, the details of current income tax liabilities are disclosed in Note 36.

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NOTE 26 - OTHER ASSETS AND LIABILITIES

As of 31 December 2024 and 2023, the breakdown of other current assets is as follows:

Account Name	31 December 2024	31 December 2023
Income accruals (Credit note) (*)	82.119.594	8.177.536
Deferred VAT	20.929.434	9.740.067
Cash advances	2.537	25.938
Other current assets, net	103.051.565	17.943.541

(*) The details of credit note income accruals are disclosed in Note 2.08.

As of 31 December 2024 and 2023, the Group has no other non-current assets.

NOTE 27 - EQUITY

i) Non-controlling interests

Account Name	1 January - 31 December 2024	1 January - 31 December 2023
Beginning of the period – 1 January	166.311.480	224.552.198
Share of profit/(loss) from non-controlling interests	7.731.463	(58.357.893)
Actuarial gains/(losses) from minority interests	(204.835)	117.175
End of the period – 31 December	173.838.108	166.311.480

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

The current issued share capital of Datagate is amounting to TL 30.000.000 which comprise of 30,000,000 outstanding shares each with a nominal value of TL 1. The current share capital of the Group consists of Class A shares issued to the name as paid-in share capital is amounting to TL 454,545 and Class B shares issued to the bearer as paid-in share capital is amounting to TL 29.999.545,455.

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

At the Ordinary General Assembly Meeting of Datagate held on 25 June 2024, the valid period of the “Registered Capital Ceiling” will be extended to 2024-2028 and the registered share capital ceiling will be increased from TL 40.000.000 (Forty Million) to TL 750.000.000 (Seven Hundred and Fifty Million). The amendment of article 6 of the articles of association was registered by the Istanbul Trade Registry Office on 12 February 2024.

As of 31 December 2024 and 2023, the principal shareholders and their respective shareholding rates in Datagate are as follows:

Shareholders	31 December 2024		31 December 2023	
	Share (%)	Amount	Share (%)	Amount
İndeks A.Ş. (*)	59.24	17.772.688	59.24	17.772.688
Listed shares (quoted on the BIST)	40.76	12.227.270	40.76	12.227.270
Other	0.00	42	0.00	42
Total share capital	100	30.000.000	100	30.000.000

(*) Represent unlisted shares of 49.24%, listed shares of 10% with a total of 59.24%. The ultimate controlling party of the Group is Nevres Erol Bilecik and his family members.

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iii) Share Premium

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

iv) Other comprehensive income or expenses not to be reclassified to profit or loss

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

Account Name	31 December 2024	31 December 2023
<i>Beginning of the period – 1 January</i>	(1.362.105)	(1.102.950)
<i>Actuarial gains and (losses) (Note 24)</i>	(739.498)	(189.307)
<i>Tax effect (Note 24, Note 36)</i>	184.875	47.327
Actuarial gains/(losses) from minority interests	204.835	(117.175)
Actuarial gains/(losses), (net)	(1.711.893)	(1.362.105)
Gains/(losses) on revaluation and remeasurements	(1.711.893)	(1.362.105)
Other gains and losses	(1.711.893)	(1.362.105)
Other comprehensive income or expenses not to be reclassified to profit or loss, net	(1.711.893)	(1.362.105)

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

None.

vi) Restricted reserves

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

vii) Retained earnings

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

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

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As of 31 December 2024 and 2023, the breakdown of equity items is as follows:

Account Name	31 December 2024	31 December 2023
Paid-in share capital	30.000.000	30.000.000
Adjustment to share capital	373.170.845	373.170.845
Treasury shares (-) (*)	(6.706.279)	(6.706.279)
Share premium	55.073.889	55.073.889
Other comprehensive income or expenses not to be reclassified to profit or loss	(1.711.893)	(1.362.105)
-Gains/(losses) on revaluation and remeasurements	(1.711.893)	(1.362.105)
Other comprehensive income or expenses to be reclassified to profit or loss	-	-
-Currency translation differences	-	-
Business combinations under common control	-	-
Restricted reserves	107.595.040	107.595.040
- Legal reserves	86.436.778	86.436.778
- Gain on subsidiary exempted from corporate tax	21.158.262	21.158.262
Retained earnings	(255.387.998)	(57.126.257)
Profit for the period	(64.644.697)	(198.261.741)
Non-controlling interests	173.838.108	166.311.480
Total equity	411.227.015	468.694.872

(*) In accordance with the announcement by Capital Markets Board of Türkiye ("CMB") dated 21.07.2016, it has been determined that the redemption of the shares in the stock exchange without any limit. In this context, with the decision of Board of Directors on 16.05.2018, the amount of the funds allocated for the repurchase is up to TL 5 million, the maximum number of shares shall not exceed this amount. Within this scope, the Group was realised share repurchase of 158,040 outstanding shares corresponding to 0.53% of the Group's share capital and traded in BİAŞ for an amount of TL 810.827 in 2018. The financing of share buy-back is provided by the Group's own funds. No gain or loss is recognized in the statement of profit or loss. The amounts received or paid are recognized directly in equity. In accordance with the decision of the General Assembly dated 16.02.2023, the maximum amount of funds for the repurchase of shares increased from TL 8 million to TL 20 million which was announced on 23.03.2020.

NOTE 28 - REVENUE AND COST OF SALES

As of 31 December 2024 and 2023, the breakdown and detailed analysis of revenue and cost of sales are as follows:

Account Name	1 January - 31 December 2024	1 January - 31 December 2023
Domestic sales	8.810.040.688	7.610.683.688
Foreign and other sales	109.418.163	51.397.541
Sales returns (-)	(137.347.419)	(214.184.544)
Sales discounts (-)	(900.191)	(10.923.857)
Revenue, net	8.781.211.241	7.436.972.828
Cost of merchandise sold (-)	(8.335.838.705)	(7.188.614.400)
Gross profit	445.372.536	248.358.428

Depreciation and amortisation charges are included in operating expenses.

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

As of 31 December 2024 and 2023, the breakdown of operating expenses is as follows:

Account Name	1 January - 31 December 2024	1 January - 31 December 2023
General administrative expenses (-)	(124.070.514)	(121.829.034)
Marketing, sales and distribution expenses (-)	(95.249.756)	(99.064.882)
Total operating expenses	(219.320.270)	(220.893.916)

NOTE 30 - EXPENSES BY NATURE

As of 31 December 2024 and 2023, the functional breakdown of expenses by nature is as follows:

Account Name	1 January - 31 December 2024	1 January - 31 December 2023
Marketing, sales and distribution expenses and general administrative expenses (-)		
- Personnel expenses	(129.008.193)	(125.315.080)
- Transportation, distribution and storage expenses	(38.108.044)	(32.297.244)
- Depreciation and amortisation charges	(8.477.441)	(14.696.729)
- Insurance expenses	(8.153.680)	(9.023.728)
- Advertisement and promotion expenses	(6.198.407)	(10.426.573)
- Audit and consultancy expenses	(5.317.249)	(7.317.056)
- Provision for employment termination benefits	(3.739.709)	(4.042.533)
- Repair and maintenance expenses	(2.891.401)	(2.786.115)
- Outsourcing expenses	(2.701.004)	(2.731.497)
- Rent expenses	(775.815)	(764.807)
- Information systems and communication expenses	(640.570)	(678.509)
- Other	(13.308.757)	(10.814.045)
Operating expenses, net	(219.320.270)	(220.893.916)

Fees for Services Received from Independent Auditor/Independent Audit Firms

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

Account Name	1 January - 31 December 2024	1 January - 31 December 2023
Audit fee for the reporting period	1.452.172	1.000.773
Tax consulting fee	683.116	1.040.429
Other assurance fees	99.162	22.447
Total	2.234.450	2.063.649

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NOTE 31 - OTHER OPERATING INCOME/(EXPENSES)

As of 31 December 2024 and 2023, the breakdown and detailed analysis of other operating income and expenses are as follows:

Account Name	1 January - 31 December 2024	1 January - 31 December 2023
Other operating income	730.700.550	767.906.882
Provisions no longer required (Doubtful receivables)	67.564	15.732
Interest income	598.280.013	340.897.291
Discount income	85.757.198	43.138.637
Foreign exchange gains	46.491.183	383.791.991
Other	104.592	63.231
Other operating expenses (-)	(516.282.933)	(716.500.651)
Interest expenses	(321.567.663)	(204.477.973)
Discount expenses	(120.658.727)	(74.635.188)
Foreign exchange losses	(73.641.959)	(436.544.555)
Other	(414.584)	(842.935)
Other operating income/(expenses), net	214.417.617	51.406.231

NOTE 32 - GAINS/(LOSSES) FROM INVESTMENT ACTIVITIES

As of 31 December 2024 and 2023, the breakdown of gains and losses from investment activities is as follows:

Account Name	1 January - 31 December 2024	1 January - 31 December 2023
Gains from investment activities	-	218.056
Gain on sale of property, plant and equipment and intangible assets	-	-
Investment properties revaluation surplus	-	218.056
Losses from investment activities (-)	(193.260)	-
Loss on sale of property, plant and equipment and intangible assets (-)	-	-
Loss on revaluation of investment properties	(193.260)	-
Gains/(losses) from investment activities, net	(193.260)	218.056

NOTE 33 - FINANCIAL INCOME/(EXPENSE)

As of 31 December 2024 and 2023, the breakdown of financial income is as follows:

Account Name	1 January - 31 December 2024	1 January - 31 December 2023
Interest income	60.830.393	82.045.451
Foreign exchange gains	1.594.631	8.284.994
Financial income, net	62.425.024	90.330.445

As of 31 December 2024 and 2023, the breakdown of financial expenses is as follows:

Account Name	1 January - 31 December 2024	1 January - 31 December 2023
Bank fees and charges and interest expenses	(576.429.557)	(374.126.654)
Foreign exchange losses	(70.998)	(2.708.990)
Financial expenses, net	(576.500.555)	(376.835.644)

The Group has no capitalised financing costs during the period.

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NOTE 34 – NET MONETARY POSITION GAINS/(LOSSES)

Net monetary position gains/(losses) recognised in the consolidated statement of profit or loss is arising from the following non-monetary items:

Non-monetary items	31.12.2024
Statement of financial position	(128.399.668)
Inventories	10.321.134
Prepaid expenses (Short-term)	200.893
Investments in subsidiaries	96.650.669
Property, plant and equipment	3.261.432
Intangible assets	2.054.039
Prepaid expenses (Long-term)	(172.672)
Paid-in share capital	(249.444.017)
Gains/(losses) on remeasurements of defined benefit plans	652.347
Share premium	(30.143.632)
Treasury shares (-)	2.061.346
Restricted reserves	(68.515.276)
Retained earnings	104.674.069
Statement of profit or loss	152.104.163
Revenue	(877.669.458)
Cost of sales	983.353.301
General administrative expenses	20.153.095
Other operating income/(expenses)	(24.935.728)
Financial income/(expenses)	51.202.953
Net monetary position gains/(losses), net	23.704.495

NOTE 35 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None.

NOTE 36 - INCOME TAXES

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

Account Name	1 January - 31 December 2024	1 January - 31 December 2023
Current period tax expense	(15.399.768)	(38.640.179)
Deferred income tax	8.580.947	40.537.944
Total tax income/(expense)	(6.818.821)	1.897.765
Account Name	31 December 2024	31 December 2023
Current period tax expense	15.399.768	38.640.179
Prepaid taxes (-)	(15.399.768)	(29.831.948)
Current income tax liabilities, net	-	8.808.231

i) Corporate tax

Advance tax in Türkiye is calculated and accrued on a quarterly basis. Accordingly, the Group has been calculated tax in accordance with the 2024 earnings in the first advance tax period, an advance tax of 25% was calculated on corporate earnings. The corporate tax rate applied in Türkiye is 25%.

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

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According to Corporate Tax Law Article numbered 24, the corporate tax is imposed by the taxpayer's tax returns. In Türkiye, there is no procedure for a final and definitive agreement on tax assessments. Companies file their corporate tax returns between 1-30 April following the close of the accounting year. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Income withholding tax

In addition to the corporate tax, it is required to calculate income tax withholding on any dividends, except for those distributed to all taxpayer entities and Turkish branches of foreign companies gaining dividend for such distribution and declaring these dividends within the corporate profit. The rate of withholding tax has been increased from 10% to 15% upon the Cabinet decision No: 2006/10731, which was published in Official Gazette on July 23, 2006. While the withholding tax rate applied to dividend payments other than those made to non-resident institutions that have a place of business or permanent representative in Türkiye and resident institutions in Türkiye was 10%, this rate was changed to 15% with the Presidential Decree published in the Official Gazette on 22 December 2024 and numbered 32760.

ii) Deferred tax

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

As of 31 December 2024, the effective corporate tax rate is 25%.

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

Account Name	31 December 2024 Cumulative temporary differences	31 December 2024 Deferred tax assets/ (liabilities)	31 December 2023 Cumulative temporary differences	31 December 2023 Deferred tax assets/ (liabilities)
Property, plant and equipment and intangible assets	3.823.053	(955.763)	2.618.166	(654.542)
Discount expenses	98.563.933	24.640.983	180.842.393	45.210.599
Provision for employment termination benefits	4.172.216	1.043.054	4.027.471	1.006.867
Provision for lawsuits	-	-	94.203	23.551
Provision for impairment on inventories	30.533.993	7.633.498	49.172.220	12.293.055
Discount on notes receivables	44.384.605	(11.096.151)	30.141.276	(7.535.319)
Inventory financing	7.997.377	1.999.344	12.495.439	3.123.861
Provision for unused vacation	1.288.013	322.003	2.588.121	647.030
Financial losses	112.200.257	28.050.064	33.611.924	8.402.981
Other	1.654.008	413.500	96.195	(24.050)
Deferred tax assets, net		52.050.532		62.494.033

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

	31 December 2024	31 December 2023
Beginning of the period – 1 January	62.494.033	36.099.725
Deferred income tax during the period	8.580.947	40.537.944
Actuarial gains/(losses) on employment termination benefits	184.875	47.326
Adjustments for inflation	(19.209.323)	(14.190.962)
End of the period – 31 December	52.050.532	62.494.033

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NOTE 37 - EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Accordingly, the weighted average number of shares used in earnings per share calculation as of 31 December 2024 and 2023, which is as follows:

Account Name	1 January - 31 December 2024	1 January - 31 December 2023
Profit for the period	(64.644.697)	(198.261.741)
Weighted average number of shares	30.000.000	30.000.000
Earnings per share	(2.154823)	(6.608725)

NOTE 38 - RELATED PARTY DISCLOSURES

a) Related party balances are as follows:

	Receivables		Payables	
	Trade receivables	Other receivables	Trade payables	Other payables
31 December 2024				
İndeks A.Ş.	-	-	518.886.526	182.013.954
Neteks Teknoloji A. Ş	-	148.934	-	-
Teklos A.Ş.	-	-	5.134.805	-
Ifz A.Ş.	61.139.733	-	12.578.839	-
İnfin A. Ş	1.650.244	-	-	-
Total	62.789.977	148.934	536.600.170	182.013.954

	Receivables		Payables	
	Trade receivables	Other receivables	Trade payables	Other payables
31 December 2023				
İndeks A.Ş.	-	-	130.157.433	158.502.045
Ifz A.Ş.	-	-	13.077.729	-
Neteks Teknoloji A.Ş	-	169.790	-	-
İnfin A.Ş.	-	-	2.477.337	-
Teklos A.Ş.	-	-	3.297.827	-
Total	-	169.790	149.010.326	158.502.045

The Group has no collateral obtained against its receivables and payables due from/due to related parties. The Group has no provision for doubtful receivables allocated for related parties.

Current balances between related parties mainly arise from operating activities. However, there exists cash allocations between related parties. Balances arising from non-finance sector operations and transactions are classified as other receivables and payables. The Group has interest income arising from current balances of related parties and invoiced to the related parties on a quarterly basis.

The Group has interest gains on USD, EUR and TL for the current accounts during the period, and the effective annual interest in 2024 is for USD 8.60% - 10.25%, EUR 7.80% -9.50% and TL 46.00% – 56.00%, respectively (31 December 2023: 11.50% - 14.50%, 9.65% – 14.10% and 24.00% - 49.00%, respectively).

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b) Related party transactions are as follows:

31 December 2024

Sales	Goods and services	Common costs	Interest income and foreign exchange gains	Total
İndeks A.Ş.	6.458.179	1.175.020	26.311.732	33.944.931
Ifz A.Ş.	-	69.082.995	-	69.082.995
İfin A.Ş.	3.823.396	-	-	3.823.396
Neteks Teknoloji A.Ş.	762.665	-	2.214	764.879
Teklos A.Ş.	829.291	-	5.214	834.505
Homend A.Ş.	-	273.786	-	273.786
Total	11.873.531	70.531.801	26.319.160	108.724.492

Purchases	Goods and services	Common costs	Interest expenses and foreign exchange losses	Total
İndeks A.Ş.	440.874.146	31.243.873	298.170.320	770.288.339
Ifz A.Ş.	1.050.191.158	-	-	1.050.191.158
Neteks Teknoloji A.Ş.	8.505.262	-	105.219	8.610.481
Teklos A.Ş.	40.367.326	6.178.253	1.911.026	48.456.605
Total	1.539.937.892	37.422.126	300.186.565	1.877.546.583

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

31 December 2023

Sales	Goods and services	Common costs	Interest income and foreign exchange gains	Total
İndeks A.Ş.	14.972.933	1.922.521	352.490.316	369.385.770
Ifz A.Ş.	-	7.318.897	-	7.318.897
İfin A.Ş.	36.953.900	-	4.413.021	41.366.921
Neteks Teknoloji A.Ş.	1.474.500	-	2.751.736	4.226.236
Teklos A.Ş.	1.157.369	-	684.313	1.841.682
Total	54.558.702	9.241.418	360.339.386	424.139.506

Purchases	Goods and services	Common costs	Interest expenses and foreign exchange losses	Total
İndeks A.Ş.	173.133.535	24.310.268	280.352.674	477.796.477
Ifz A.Ş.	510.793.867	-	246.880	511.040.747
Neteks Teknoloji A.Ş.	2.714	-	6.074.490	6.077.204
İfin	-	7.434	897.891	905.325
Teklos A.Ş.	26.091.042	4.495.417	2.008.856	32.595.315
Total	710.021.158	28.813.119	289.580.791	1.028.415.068

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

c) Key management compensation

Account Name	31 December 2024	31 December 2023
Key management compensation	57.366.233	48.291.961
Employment termination benefits	-	-
Total	57.366.233	48.291.961

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

NOTE 39 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

(a) Capital risk management

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

The capital structure of the Group consists of borrowings includes loans disclosed in note 8, cash and cash equivalents disclosed in note 6 and equity items containing respectively issued share capital, capital reserves, profit reserves and prior years' income disclosed in note 27.

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

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

The general strategy regarding equity does not differ from the prior period.

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

Consolidated net financial debt/invested capital ratio as of 31 December 2024 and 2023 is as follows:

	31 December 2024	31 December 2023
Total borrowings	2.999.075.066	1.946.333.206
Less: Cash and cash equivalents	(12.726.203)	(20.384.590)
Net financial debt	2.986.348.863	1.925.948.616
Equity	411.227.015	468.694.872
Total capital	3.397.575.878	2.394.643.488
Net financial debt/invested capital ratio	0.8790	0.8043

b) Significant accounting policies

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

(c) Risks

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

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

(c1) Foreign exchange risk

Foreign exchange risk arises from the fact that the Group has liabilities denominated in USD and EUR.

The difference between the foreign currency denominated and foreign currency indexed assets and liabilities of the Group are defined as the "Net foreign currency position" and it is the basis of the foreign exchange risk. Another important dimension of the risk is the changes of the exchange rates of different foreign currencies in net foreign currency position. The Group's exposure to foreign exchange risk arises from its receivables, payables and bank borrowings denominated

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in foreign currencies. In order to minimize this risk, the Group monitors its financial position and cash inflows/outflows with detailed consolidated statements of cash flow.

As of 31 December 2024, if EUR and USD had appreciated by 10% against TL with all other variables held constant, profit before tax would have been TL 37.387.417 higher (31 December 2023: TL 9.510.519 higher).

The following table details the Group's foreign currency sensitivity as at 31 December 2024 and 2023 for the changes at the rate of 10%:

Foreign Exchange Sensitivity Analysis		
Current period - (31.12.2024)		
	Profit/(Loss)	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
Change in USD against TL by 10%		
1- USD Net Asset/Liability	(23.582.461)	23.582.461
2- Hedged portion of USD Risk (-)		
3- USD Net Effect (1+2)	(23.582.461)	23.582.461
Change in EUR against TL by 10%		
4- EUR Net Asset/Liability	(13.804.956)	13.804.956
5- Hedged portion of EUR Risk (-)		
6- EUR Net Effect (4+5)	(13.804.956)	13.804.956
Change in TL against USD by 10%		
7- TL Net Asset/Liability	-	-
8- Hedged portion of TL Risk (-)	-	-
9- TL Net Effect (7+8)	-	-
Total	(37.387.417)	37.387.417
Foreign Exchange Sensitivity Analysis		
Prior period - (31.12.2023)		
	Profit/(Loss)	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
Change in USD against TL by 10%		
1- USD Net Asset/Liability	1.254.277	(1.254.277)
2- Hedged portion of USD Risk (-)		
3- USD Net Effect (1+2)	1.254.277	(1.254.277)
Change in EUR against TL by 10%		
4- EUR Net Asset/Liability	(10.764.796)	10.764.796
5- Hedged portion of EUR Risk (-)		
6- EUR Net Effect (4+5)	(10.764.796)	10.764.796
Change in TL against USD by 10%		
7- TL Net Asset/Liability	-	-
8- Hedged portion of TL Risk (-)	-	-
9- TL Net Effect (7+8)	-	-
Total	(9.510.519)	9.510.519

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

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As of 31 December 2024 and 2023, foreign exchange position of the Group is as follows:

	Foreign Exchange Position			Foreign Exchange Position		
	Current period - (31.12.2024)			Prior period - (31.12.2023)		
	TL equivalent	USD	EUR	TL equivalent	USD	EUR
1. Trade Receivables	154.983.204	1.494.765	2.783.288	93.324.902	1.436.568	686.097
2a. Monetary Financial Assets	427.275	8.027	3.922	320.703	5.359	1.976
2b. Non-Monetary Financial Assets	2.223.081	60.039	2.855	2.507.535	58.997	-
3. Other	162.749.969	4.214.523	382.737	79.667.483	1.442.355	390.469
4. Total Current Assets (1+2+3)	320.383.529	5.777.354	3.172.802	175.820.623	2.943.279	1.078.542
5. Trade Receivables	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Total Non-Current Assets(5+6+7)	-	-	-	-	-	-
9. Total Assets (4+8)	320.383.529	5.777.354	3.172.802	175.820.623	2.943.279	1.078.542
10. Trade Payables	679.619.023	12.245.752	6.706.291	250.715.359	2.315.616	3.228.683
11. Financial Liabilities	-	-	-	-	-	-
12a. Other Monetary Liabilities	2.263.051	59.196	4.642	3.135.737	67.149	5.870
12b. Other Non-Monetary Liabilities	12.375.580	134.331	207.264	17.074.721	260.639	126.859
13. Total Current Liabilities (10+11+12)	694.257.654	12.439.279	6.918.197	270.925.817	2.643.404	3.361.412
14. Trade Payables	-	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-	-	-
17. Total Non-Current Liabilities (14+15+16)	-	-	-	-	-	-
18. Total Liabilities (13+17)	694.257.654	12.439.279	6.918.197	270.925.817	2.643.404	3.361.412
19. Off-Balance Sheet Derivative Instruments Net Asset/(Liability) Position (19a-19b)	-	-	-	-	-	-
19a. Total Asset Amount of Hedged	-	-	-	-	-	-
19b. Total Liabilities Amount of Hedged	-	-	-	-	-	-
20. Net Foreign Exchange Asset/(Liability) Position (9-18+19)	(373.874.125)	(6.661.925)	(3.745.395)	(95.105.194)	299.875	(2.282.870)
21. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (1+2a+3+5+6a-10-11-12a-14-15-16a)	(526.471.595)	(10.802.156)	(3.923.723)	(160.205.491)	(940.838)	(2.546.480)
22. Total Fair Value of Financial Instruments Used for Foreign Exchange Hedge	-	-	-	(208.961.257)	-	-
23. Foreign Exchange Hedged Portion Amount of Assets	-	-	-	-	-	-
24. Foreign Exchange Hedged Portion Amount of Liabilities	-	-	-	-	-	-
25. Export	9.886.174	-	-	4.538.675	-	-
26. Import	1.384.178.575	-	-	1.804.522.484	-	-

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c2) Credit risk details

As of 31 December 2024 and 2023, the exposure of consolidated financial assets to credit risk is as follows:

31 December 2024	Receivables				Notes	Bank deposits and reverse repo	
	Trade receivables		Other receivables			Notes	Notes
	Related party	Other	Related party	Other			
Maximum exposure to credit risk as of the reporting date (A+B+C+D) (*)	62.789.977	2.563.243.698	148.934	2.967.464		10.370.545	
- Maximum risk, secured with guarantees and collaterals	-	1.300.772.658	-	-		-	
A. Net book value of neither past due nor impaired financial assets	62.789.977	2.562.664.809	148.934	2.967.464	10-11	10.370.545	6
B. Net book value of past due but not impaired financial assets	-	2.159.979	-	-		-	
- Maximum risk, secured with guarantees and collaterals	-	(1.581.090)	-	-		-	
C. Net book value of impaired assets	-	-	-	-	10-11	-	6
- Past due (gross book value)	-	7.163.859	-	-		-	
- Impairment (-)	-	(7.163.859)	-	-	10-11	-	6
- Secured with guarantees and collaterals	-	-	-	-	10-11	-	6
- Not past due (gross book value)	-	-	-	-	10-11	-	6
- Impairment (-)	-	-	-	-	10-11	-	6
- Secured with guarantees and collaterals	-	-	-	-	10-11	-	6
D. Off-balance sheet expected credit losses (-)							

31 December 2023	Receivables				Notes	Bank deposits	
	Trade receivables		Other receivables			Notes	Notes
	Related party	Other	Related party	Other			
Maximum exposure to credit risk as of the reporting date (A+B+C+D) (*)	-	1.711.389.893	169.790	616.474		16.333.149	
- Maximum risk, secured with guarantees and collaterals	-	1.324.943.844	-	-		-	
A. Net book value of neither past due nor impaired financial assets	-	1.703.104.594	169.790	616.474	10-11	16.333.149	6
B. Net book value of past due but not impaired financial assets	-	9.447.629	-	-		-	
- Maximum risk, secured with guarantees and collaterals	-	(1.162.330)	-	-		-	
C. Net book value of impaired assets	-	-	-	-	10-11	-	6
- Past due (gross book value)	-	9.759.976	-	-		-	
- Impairment (-)	-	(9.759.976)	-	-	10-11	-	6
- Secured with guarantees and collaterals	-	-	-	-	10-11	-	6
- Not past due (gross book value)	-	-	-	-	10-11	-	6
- Impairment (-)	-	-	-	-	10-11	-	6
- Secured with guarantees and collaterals	-	-	-	-	10-11	-	6
D. Off-balance sheet expected credit losses (-)							

	Receivables	
	Trade receivables	Other receivables
Current period - (31 December 2024)		
Past due up to 1 month	1.907.002	-
Past due 1-3 months	-	-
Past due more than 3 months	252.977	-
Secured with guarantees and collaterals	1.581.090	-
	Receivables	
	Trade receivables	Other receivables
Prior period - (31 December 2023)		
Past due up to 1 month	3.553.598	-
Past due 1-3 months	3.372.496	-
Past due more than 3 months	2.521.535	-
Secured with guarantees and collaterals	1.162.330	-

Credit risk management

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

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

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

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

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

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

(c3) Interest rate risk

The Group has interest rate risk from fixed-interest rate financial instruments.

Interest rate position

	31 December 2024	31 December 2023
Fixed-interest rate financial instruments		
Financial assets	3.454.179	3.852.381
Financial liabilities	12.752.373	4.967.160
Floating-interest rate financial instruments		
Financial assets	-	-
Financial liabilities	-	-

As of 31 December 2024, in the case of 100 bps rise in the annual interests, with all other variables held constant, profit before tax would have been TL 92.982 higher.

As of 31 December 2023, in the case of 100 bps rise in the annual interests, with all other variables held constant, profit before tax would have been TL 11.148 higher.

c4) Liquidity risk

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

Liquidity risk statements

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

Undiscounted contractual cash flows of the derivative and non-derivative consolidated financial liabilities as of 31 December 2024 and 2023 are as follows:

31 December 2024

Contractual maturities	Carrying value	Total contractual cash outflows	Demand or up to 3 months	3-12 months	1-5 years	5 years and over
Non-derivative financial liabilities	2.838.820.844	2.893.010.544	2.872.872.437	5.334.523	14.803.584	-
<i>Bank borrowings</i>	-	-	-	-	-	-
<i>Lease liabilities</i>	12.752.373	22.557.468	2.419.361	5.334.523	14.803.584	-
<i>Trade payables</i>	2.626.190.158	2.670.574.763	2.670.574.763	-	-	-
<i>Other payables</i>	199.878.313	199.878.313	199.878.313	-	-	-
<i>Other</i>	-	-	-	-	-	-

31 December 2023

Contractual maturities	Carrying value	Total contractual cash outflows	Demand or up to 3 months	3-12 months	1-5 years	5 years and over
Non-derivative financial liabilities	1.805.252.612	1.835.536.891	1.831.766.312	1.973.488	1.797.091	-
<i>Bank borrowings</i>						-
<i>Lease liabilities</i>	4.967.160	5.110.163	1.339.584	1.973.488	1.797.091	-
<i>Trade payables</i>	1.636.163.557	1.666.304.833	1.666.304.833	-	-	-
<i>Other payables</i>	164.121.895	164.121.895	164.121.895	-	-	-
<i>Other</i>	-	-	-	-	-	-

c5) Other risks analysis

Equity securities and other related risks related financial instruments

The Group has no securities and similar financial assets sensitive to changes in fair value.

NOTE 40 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING)

Financial Instruments and Financial Risk Management Objectives

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

Fair value of financial instruments

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

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

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

Monetary assets

Foreign currency transactions are translated into Turkish lira using the exchange rates prevailing at the dates of the transactions. Monetary assets denominated in foreign currencies are translated using the exchange rates at the balance sheet date. Monetary assets denominated in foreign currencies are considered to approximate their respective carrying values.

Carrying values of significant portion of cash and cash equivalents, accrued interests and other financial assets are carried at cost which are assumed to reflect their fair values due to their short-term nature and insignificant credit risk. The carrying values of receivables estimated that reflecting the fair value less provision for doubtful receivables in the accompanying consolidated financial statements.

Monetary liabilities

Foreign currency transactions are translated into Turkish lira using the exchange rates prevailing at the dates of the transactions. Monetary liabilities denominated in foreign currencies are translated using the exchange rates at the balance sheet date. Monetary liabilities and trade payables denominated in foreign currencies are considered to approximate their respective carrying values.

The fair values of trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. Bank borrowings are expressed with discounted cost and transaction costs are added to the initial cost of the loan. The fair values of the loans after discount are considered to be approximate to their corresponding carrying values. In addition, it is considered that the fair values of the trade payables are approximate to their respective carrying value due to their short-term nature.

Fair value estimate

The Group has applied the amendment to TFRS 7 for financial instruments carried at fair value in the consolidated statement of financial position effective from 1 January 2019.

Fair value measurements hierarchy table

The classification of the Group's financial assets and liabilities at fair value is as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);

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

It is estimated that the fair values of balances denominated in foreign currencies are translated at year-end exchange rates and considered that approximate their carrying values.

It is estimated that the carrying values of financial assets, such as cash and cash equivalents, at discounted cost are approximate to their fair values due to their short-term nature.

Trade receivables and payables are carried at discounted costs using the effective interest method. Thus, it is estimated that their carrying values are considered to approximate their fair values.

NOTE 41 - EVENTS AFTER THE REPORTING PERIOD

Within the framework of the Capital Markets Board's Communiqué on "Buy-Back Shares" and the Capital Markets Board's Resolution numbered 9/177 on 14 February 2023, under the Share Buyback Programme initiated by the Board of Directors' Resolutions on 16 May 2018 and 16 February 2023 and the General Assembly on 30 May 2023, 96,079 outstanding shares were repurchased at an average price of TL 5.553 per share with a nominal value of TL 1 in 2018. The ratio of the treasury shares under the aforementioned share buyback programme to the share capital is 0.32%. The maximum amount paid for the treasury shares (TL/Share) is TL 5.92 (non-inflation adjusted value). As of the balance sheet date, a total of 158,040 outstanding shares, including treasury shares under the previous share buyback programme, have been repurchased, representing 0.5268% of the Datagate's share capital. It has been decided to terminate the buyback programme as of 25 February 2025 and to inform shareholders at the first general meeting to be held by Datagate.

NOTE 42 - THE OTHER MATTERS WHICH SUBSTANTIALLY AFFECT THE CONSOLIDATED FINANCIAL STATEMENTS OR ARE REQUIRED TO BE DESCRIBED IN TERMS OF MAKING THE CONSOLIDATED FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE

None.