

VBT YAZILIM A.Ş.
FINANCIAL STATEMENTS AND NOTES
FOR THE YEAR ENDED JUNE 30, 2022

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Limited Audit Report on Interim Consolidated Financial Information**To the Board of Directors of VBT YAZILIM A.Ş.****Opinion**

We carried out audit on the accompanying consolidated statement of financial position dated 30 June 2022 and the date table for the same six-month period and the historical table of another six-month period ended, and all other family statements, consolidated equity statements. We carry out the audit of the text and the consolidated value statements of the report, the summary of the accounting report and other explanatory footnotes of **VBT Yazılım A.Ş.** and its Affiliates ("Group"). The Group management is responsible for the fair preparation of the said interim consolidated financial information in accordance with the Turkish Accounting Standard 34 "Interim Financial Reporting" Standard ("TAS 34") published by the Public Oversight Accounting and Standards Authority ("POAASA"). Our responsibility is to inform about the result of the said interim consolidated financial information based on the audit we performed.

Scope of Limited Audit

Our limited audit was conducted in accordance with the Limited Independent Audit Standard (LIAS) 2410 "Limited Independent Audit of Interim Financial Information by the Auditor who carries out the Independent Audit of the Annual Financial Statements of the Company". The limited audit regarding the interim financial information consists of questioning mainly the persons in charge of finance and accounting as well as the analytical procedures. The scope of limited audit of the interim financial information is quite limited compared to scope of the independent audit which is conducted as per the Independent Audit Standards that aims at providing information on financial statements. As a result, the limited auditing of the interim financial information does not ensure that the auditing company has a good grasp of all the significant matters which may be encountered during an independent audit. Therefore, we haven't presented an independent audit opinion, hereby.

Conclusion

Based on our limited audit, we have observed that the accompanying interim financial information are accurate and truthful, in all material respects of the Group's financial position, financial performance and cash flows for the six-month period ended 30 June 2022, in accordance with TAS 34 "Interim Financial Reporting" Standard.

İstanbul, 16 Ağustos 2022**Ayşe KARAUSTA**
Auditor Responsible**KAVRAM BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.**
Member Crowe Global

VBT YAZILIM A.Ş.
CONSOLIDATED FINANCIAL STATEMENT AS OF JUNE 30, 2022 AND DECEMBER 31, 2021 (BALANCE SHEET)
(All amounts are expressed in Turkish Lira ("TL"))

	Footnote Reference	Reviewed	Audited
		CURRENT PERIOD	PREVIOUS PERIOD
		June 30, 2022	December 31, 2021
ASSETS			
Current Assets			
Cash and Cash Equivalents	7	71.529.326	224.819.836
Financial Investments	8	10.888.960	-
- Financial Assets at Fair Value Through Profit/Loss	5	10.888.960	-
-- Financial Assets Classified as Fair Value Through Profit/Loss		10.888.960	-
Trade Receivables	10	57.645.666	18.735.970
-Trade Receivables from Related Parties	6-10	-	-
-Trade Receivables from Unrelated Parties	10	57.645.666	18.735.970
Other Receivables	13	604.224	21.777
-Other Receivables from Related Parties	6-13	260.000	-
-Other Receivables from Unrelated Parties	13	344.224	21.777
Receivables From Customer Contracts	11	-	1.871.988
- Contract Assets Arising from Sales of Goods and Services	11	-	1.871.988
Inventories	16	5.498.049	16.330.251
Prepaid Expense	18	31.103.977	30.052.014
-Prepaid Expenses to Related Parties	6-18	408.801	233.634
- Prepaid Expenses to Unrelated Parties	18	30.695.176	29.818.380
Other Current Assets	22	3.741.658	5.819
-Other Current Assets from Unrelated Parties	22	3.741.658	5.819
Total Current Assets		181.011.860	291.837.655
Non-Current Assets			
Investments in Affiliates, Joint Ventures and Subsidiaries		459.673	509.673
Other Receivables	13	4.180.703	2.027.592
-Other Receivables From Related Parties		4.178.203	2.025.092
-Other Receivables From Unrelated Parties	13	2.500	2.500
Investments Valued by Equity Method	25	9.477.397	8.371.052
Tangible Fixed Assets	27	20.097.132	17.350.351
- Buildings		4.404.338	4.449.300
-Vehicles		2.318.927	1.225.382
- Plants, Machinery and Equipment		7.077.318	7.909.943
-Furniture and fixtures		4.018.170	1.704.950
-Special Cost		2.278.379	2.060.776
Right of Use Assets	29	3.233.965	279.082
Intangible Assets	28	46.302.479	19.274.756
- Goodwill		14.371.210	-
-Licenses		5.387	6.865
-Capitalized Development Costs		31.925.882	19.267.891
Prepaid Expenses	18	6.225.803	2.932.267
- Prepaid Expenses to Unrelated Parties	18	6.225.803	2.932.267
Total Non-Current Assets		89.977.152	50.744.773
TOTAL ASSETS		270.989.012	342.582.428

Enclosed footnotes are integral parts of these statements.



VB T YAZILIM A.Ş.

CONSOLIDATED FINANCIAL STATEMENT AS OF JUNE 30, 2022 AND DECEMBER 31, 2021 (BALANCE SHEET)

(All amounts are expressed in Turkish Lira ("TL"))

	Footnote Reference	Reviewed	Audited
		CURRENT PERIOD	PREVIOUS PERIOD
		June 30, 2022	December 31, 2021
LIABILITIES			
Short-Term Liabilities			
Short-term Portion of Long-term Borrowings	9	3.311.226	2.461.120
Short-term Portion of Long-term Borrow. from Unrelated Parties		3.311.226	2.461.120
--Banks credits		2.587.814	2.416.236
-- Debts from Leasing Transactions		723.412	44.884
Other Financial Liabilities	9	261.150	139.987
-Other Miscellaneous Financial Liabilities		261.150	139.987
Trade Payables	10	16.558.296	126.911.606
-Trade Payables to Unrelated Parties	10	16.558.296	126.911.606
Payables in Scope of Employee Benefits	14	3.252.873	1.531.108
Other Payables	13	18.229.965	6.898.375
Other Payables to Related Parties	6-13	14.943.298	146.805
Other Payables to Unrelated Parties	13	3.286.667	6.751.570
Liabilities from Customer Contracts	11	37.475.065	44.857.011
-Contractual Liabilities From Sales Goods and Services	11	37.475.065	44.857.011
Government Incentives and Grants	19	202.458	44.148
Current Period Profit Tax Liability	20	4.073.569	3.917.565
Short-Term Provisions	30	3.544.658	9.138.748
-Short-Term Provisions for Employee Benefits	30	3.208.500	1.545.843
-Other Short-Term Provisions	30	336.158	7.592.905
Total Short-Term Liabilities		86.909.260	195.899.668
Long-Term Liabilities			
Long-Term Borrowings			
- Long-Term Borrowings from Unrelated Parties	9	5.674.459	2.351.276
--Banks credits		5.674.459	2.351.276
-- Debts from Leasing Transactions		2.788.246	2.007.963
Liabilities from Customer Contracts	11	10.607.009	387.276
- Contractual Liabilities From Sales Goods and Services		10.607.009	387.276
Government Incentives and Grants	19	439.405	154.518
Long-Term Provisions	30	5.477.635	3.274.259
-Long-Term Provisions For Employee Benefits	30	5.477.635	3.274.259
Deferred Tax Liability		369.843	1.132.680
Total Long-Term Liabilities		22.568.351	7.300.009
TOTAL LIABILITIES		109.477.611	203.199.677
EQUITY			
Equity Attributable To Parent Company			
- Paid-in Capital	31	153.440.963	139.382.751
- Repurchased Shares (-)		26.000.000	26.000.000
-Share Premium (Discount)	31	(9.955.039)	(9.955.039)
- Accum. Other comprehensive income/(expense) not to be reclassified in Profit/Loss	31	65.190.632	65.190.632
-- Revaluation measurement gains/losses	31	(546.174)	(297.659)
---Actuarial Gain/Loss Fund from defined benefit plan		(546.174)	(297.659)
Accum. Other comprehensive income/(expense) to be reclassified in Profit/Loss		417.805	286.829
-- Foreign Currency Conversion Adjustments		417.805	286.829
- Restrained Reserves From Profit	31	14.920.371	11.729.891
--Legal Reserves		4.676.001	1.774.852
--Reserves for Repurchased Shares		9.955.039	9.955.039
--Venture capital fund		289.331	
- Profit (Loss) for Previous Period	31	30.978.319	12.281.894
- Net Profit (Loss) For The Period	43	26.435.049	34.146.203
Non-Controlling Shares		8.070.438	-
Total Equity		161.511.401	139.382.751
TOTAL LIABILITIES		270.989.012	342.582.428

Enclosed footnotes are integral parts of these statements.



VBİ YAZILIM A.Ş.
REVIEWED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT (CONSOLIDATED)
FOR THE PERIOD JANUARY 1, 2022 –JUNE 30, 2022 AND JANUARY 1, 2021–JUNE 30, 2021
 (All amounts are expressed in Turkish Lira ("TL"))

	Footnote Ref.	Current Period		Previous Period		Current Period		Previous Period	
		January 1, 2022 June 30, 2022	January 1, 2021 June 30, 2021	January 1, 2022 June 30, 2021	January 1, 2022 June 30, 2021	April 1, 2022 June 30, 2022	April 1, 2022 June 30, 2022	April 1, 2021 June 30, 2021	
Sales Revenue	32	208.497.533	56.710.012	140.853.932	24.406.511				
Cost of Sales (-)	32	(163.882.795)	(41.307.856)	(114.502.945)	(14.793.234)				
GROSS PROFIT (LOSS)		44.614.738	15.402.156	26.350.987	9.613.277				
General Administrative Expenses	33	(6.972.559)	(2.477.332)	(4.163.369)	(1.403.181)				
Marketing Expenses	33	(228.366)	(362.354)	(64.085)	(144.536)				
Research and Development Expenses	33	(15.047.353)	(7.184.108)	(8.504.214)	(3.474.318)				
Other Operating Income	35	9.912.211	2.162.948	8.162.897	1.163.076				
Other Operating Expenses	35	(16.626.224)	(3.532.812)	(12.119.381)	(1.021.132)				
MAIN OPERATION PROFIT/LOSS		15.652.447	4.008.498	9.662.835	4.733.186				
Income from Investment Activities	36	1.153.249	-	1.153.249	-				
Shares of Profits (Losses) of Investments Valued by Equity Method	25	(893.655)	29.913	(571.613)	33.088				
CONTINUING OPER. PROFIT OR LOSS BEFORE FINANCIA INCOME(Exp.)		15.912.041	4.038.411	10.244.471	4.766.274				
Financial Income	38	17.354.803	4.920.309	9.719.177	931.792				
Financial Expenses	39	(2.184.950)	(943.148)	(1.437.252)	(456.175)				
CONTINUING OPER. PROFIT OR LOSS BEFORE TAX		31.081.894	8.015.572	18.526.396	5.241.891				
Continuing Operations Tax Income / Loss	42	(4.734.052)	(390.452)	(3.045.212)	(688.642)				
-Period Tax Profit / Loss	42	(4.940.856)	(61.319)	(3.849.025)	316.704				
-Deferred Tax Profit / Loss	42	206.804	(329.133)	803.813	(1.005.346)				
CONTINUING OPER. PERIOD PROFIT OR LOSS		26.347.842	7.625.120	15.481.184	4.553.249				
PERIOD PROFIT OR LOSS		26.347.842	7.625.120	15.481.184	4.553.249				
Allocation Of Period Profit/Loss		26.347.842	7.625.120	15.481.184	4.553.249				
-Non-Controlling Shares		(87.207)	-	(87.207)	-				
-Share of Main Partnership		26.435.049	7.625.120	15.568.391	4.553.249				
-Earnings per share(loss)									
-- Earnings per share from continuing oper.	43	1,02	0,38	0,60	0,23				
Other Comprehensive Income:									
Items not to be reclassified as profit or loss									
--Revaluation gains(loss) in defined benefit plans , Post Tax	41	(272.941)	335.857	(880.651)	(146.079)				
Items to be reclassified as profit or loss									
Earnings (Losses) on Foreign Currency Translation Differences, After Tax		130.976	-	146.942	-				
OTHER COMPREHENSIVE INCOME (EXPENSE)		(141.965)	335.857	(733.709)	(146.079)				
TOTAL COMPREHENSIVE INCOME (EXPENSE)		26.205.877	7.960.977	14.747.475	4.407.170				
Allocation of Total Comprehensive Income		26.205.877	7.960.977	14.747.475	4.407.170				
-Non-Controlling Shares		(111.633)	-	(111.633)	-				
-Share of Main Partnership		26.317.510	7.960.977	14.859.108	4.407.170				



Enclosed footnotes are integral parts of these statements.

VBT YAZILIM A.Ş.
REVIEWED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD JUNE 30, 2022 AND JUNE 30, 2021
 (All amounts are expressed in Turkish Lira ("TL"))

	Paid-in Capital	Capital adjust. Differ.	Repurchased Shares	Share Premium/(Discount)	Remeasurement Gains/Losses Due to Defined Benefit Plan	Foreign Currency Conversion Adjust.	Restricted Reserves	Previous Years Profit/Loss	Profit/Loss for the period	Equity Attributable to Parent Company	Non-Controlling Shares	EQUITY	Retained Earnings	
													Revaluation measurement gains/losses	Accum. Other comprehensive income/(expense) to be reclassified in Profit/Loss
PREVIOUS PERIOD														
Balance as of January 1, 2021	20.000.000	-	-	-	(313.192)	-	1.774.852	6.595.302	15.080.346	43.137.308	-	43.137.308	-	-
Transfers	-	-	-	-	-	-	-	15.080.346	(15.080.346)	-	-	-	-	-
Total comprehensive income (Expense)	-	-	-	-	335.857	-	-	-	7.625.120	7.960.977	-	7.960.977	-	-
- Profit/(Loss) of the Period	-	-	-	-	-	-	-	-	7.625.120	7.625.120	-	7.625.120	-	-
- Other Comprehensive Income/Loss	-	-	-	-	335.857	-	-	-	-	335.857	-	335.857	-	-
Subsidiary Acquisition or Disposal	-	3.775	-	-	-	-	165.398	339.466	-	508.639	-	508.639	-	-
Balance as of June 30, 2021	20.000.000	-	-	-	22.665	-	1.940.250	22.015.114	7.625.120	51.606.924	-	51.606.924	-	-
CURRENT PERIOD														
Balance as of January 1, 2022	26.000.000	-	(9.955.039)	65.190.632	(297.659)	286.829	11.729.891	12.281.894	34.146.203	139.382.751	-	139.382.751	-	-
Transfers	-	-	-	-	(248.515)	130.976	3.264.199	30.882.004	(34.146.203)	-	-	-	-	-
Total comprehensive income (Expense)	-	-	-	-	(248.515)	130.976	-	-	26.435.049	26.317.510	(111.633)	26.205.877	-	-
- Profit/(Loss) of the Period	-	-	-	-	-	-	-	-	26.435.049	26.435.049	(87.207)	26.347.842	-	-
- Other Comprehensive Income/Loss	-	-	-	-	(248.515)	130.976	-	-	-	(117.539)	(24.426)	(141.965)	-	-
Dividends	-	-	-	-	-	-	-	(13.000.000)	-	(13.000.000)	-	(13.000.000)	-	-
Subsidiary Acquisition or Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) Due to Other Changes	-	-	-	-	-	-	(73.719)	814.421	-	740.702	8.182.071	8.182.071	-	-
Balance as of June 30, 2022	26.000.000	-	(9.955.039)	65.190.632	(546.174)	417.805	14.920.371	30.978.319	26.435.049	153.440.963	8.070.438	161.511.401	-	-



Enclosed footnotes are integral parts of these statements.

VBT YAZILIM A.Ş.

REVIEWED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD JANUARY 1, 2022 – JUNE 30, 2022 AND JANUARY 1, 2021 - JUNE 30, 2021

(All amounts are expressed in Turkish Lira ("TL"))

	Footnote Ref.	Current Period January 01,2022 June 30, 2022	Previous Period January 01,2021 June 30, 2021
A) Cash Flow from Operating Activities		(142.376.199)	(49.733.163)
Profit / (Loss) of the Period		26.347.842	7.625.120
Profit/ (Loss) of the period Continued Operations		26.347.842	7.625.120
Adjustments Related to Net Profit/Loss Reconciliation		2.777.796	1.779.315
Adjustments related to Depreciation and Amortisation Expense	27-28	3.332.805	1.407.026
Adjustments Related to Impairment/Reversal of impairment	10-28-35-36	1.294.356	-
-Adjustments Related to Impairment of Receivables/Reversal of impairment	10	1.294.356	-
Adjustments related to Provisions	30	3.866.033	1.180.943
- Adjustments Related to Employee Benefits Provisions(Cancellations)	30	3.866.033	1.180.943
Adjustments for Interest (Income) and Expenses	35-38-39	(4.045.865)	177.412
- Adjustments for Interest Income	38	(5.498.491)	(662.906)
- Adjustments for Interest Expenses	39	1.452.626	840.318
Adjustments for Fair Value Loss (Gains)	41	(903.037)	-
-Adjustments for Fair Value Loss (Gains) of Financial Assets		(903.037)	-
Adjustments for Undist. Profits of Invest. Valued by Equity Method	25	(722.912)	(43.117)
- Adjustments for Undistributed Profits of Affiliates	25	(722.912)	(43.117)
Adjustments for Tax (Income) Expense	30	204.931	(1.446.734)
Other Adjustments Regarding Non-Cash Items		(248.515)	503.785
Changes in Working Capital		(158.501.837)	(59.137.598)
Decrease (Increase) in Financial Investments		(10.000.000)	-
Adjustments for Decrease (Increase) in Trade Receivables	6-10	(40.336.789)	1.922.283
Decrease (Increase) in Trade Receivables from UnRelated Parties	10	(40.336.789)	1.922.283
Adjust. Related to increase/(dec.) in Oth. Receiv.related with oper.	6-13	(2.735.558)	865.985
- Incr. (Decr.) in Other Receiv. Related to Act. from Related Parties	6	(2.413.111)	569.023
- Incr. (Decr.) in Other Receiv. Related to Act. from Unrelated Parties	13	(322.447)	296.962
Adjust.Related to incr./ (Decr.) in Assets from Customer Contracts	11	1.871.988	-
-Incr. (Decr.) in Contractual Assets Arising from Sales of Goods and Services	11	1.871.988	-
Adjustments for Decrease (Increase) in Inventories	16	10.832.202	(9.118.547)
Decrease (Increase) in Prepaid Expenses	18	(4.345.499)	(2.452.378)
Adjustments for Increase (Decrease) in Trade Payables	6-10	(110.353.310)	(39.019.289)
-Decrease (Increase) in Trade Receivables to related Party	6	-	76.648
-Decrease (Increase) in Trade Receivables to Unrelated Party	10	(110.353.310)	(39.095.937)
Increase (Decrease) in Debts within the Scope of Employee Benefits	14	1.721.765	242.229
Adjust. for Increase (Decrease) in Liab. Arising from Customer Contracts	11	2.837.787	(6.216.100)
-Incr. (Decr.) in Contractual Oblig. Arising from Sales of Goods and Services	11	2.837.787	(6.216.100)
Adjustments for Inc. (Decr.) in Other Liab. Related to Operations	6-13	351.590	(2.217.821)
-Increase (Decrease) in Other Related Party Payables Related to Activities	6	3.816.493	46.931
-Increase (Decrease) in Other Unrelated Party Payables Relat. to Activities	13	(3.464.903)	(2.264.752)
Increase (Decrease) in Government Incentives and Grants	19	443.197	(22.074)
Adjustments Related to Other Incr. (Decrease) in Oper. Capital	22-23	(8.789.210)	(3.121.886)
- Decrease (Increase) in Other Assets Related to Operations	22	(3.735.839)	(3.108.306)
-Increase (Decrease) in Other Liabilities Related to Operations	23	(5.053.371)	(13.580)
Cash Flows From Activities		(129.376.199)	(49.733.163)
Dividends Paid		(13.000.000)	

Enclosed footnotes are integral parts of these statements.



VBT YAZILIM A.Ş.**REVIEWED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD JANUARY 1, 2022 –JUNE 30, 2022
AND JANUARY 1, 2021-JUNE 30, 2021**

(All amounts are expressed In Turkish Lira ("TL"))

		Current Period	Previous Period
	Footnote	January 01,2022	January 01,2021
	Ref..	June 30, 2022	June 30, 2021
B)Cash Flows From Investing Activities		(13.465.738)	(4.196.555)
Cash Outflows Due to Subsidiaries and/or Joint Ventures Share Purchase or Capital Increase		(8.014.020)	-
-Cash Inflows from the Sale of Tangible Fixed Assets	27	142.658	-
Cash Outflows from the Purchase of Tan. and Intan. Fixed Assets	27-28	(5.594.376)	(4.196.555)
-Cash Outflows from Purchase of Fixed Assets	27	(3.682.916)	(2.243.594)
-Cash Outflows from Purchase of Intangible Fixed Assets	28	(1.911.460)	(1.952.961)
C) Cash Flows From Financing Activities		2.551.427	218.625
Cash Inflows From Borrowing	9	250.000	16.480.876
Cash Inflows from Credits	9	250.000	16.480.876
Cash Outflows Related to Debt Payments	9	(1.319.015)	(15.919.660)
-Cash Outflows Related to Credit Repayments	9	(1.319.015)	(15.919.660)
Cash Outflows Related to Loan Payments Arising from Lease Agreements		(664.435)	(223.514)
Interest Paid	39	(1.452.626)	(840.318)
Interest Received	38	5.498.491	662.906
Other Cash Inflows (Outflows)		239.012	58.335
Net Increase / Decrease in Cash and Cash Equivalents Before Foreign Currency Translation Differences (A+B+C)		(153.290.510)	(53.711.093)
D-THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS (A+B+C)			
Net Increase / Decrease in Cash and Equivalents (A + B + C + D)		(153.290.510)	(53.711.093)
E- CASH AND CASH EQUIV. AT THE BEGINNING OF THE PERIOD		224.819.836	75.739.812
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A + B + C + D + E)		71.529.326	22.028.719

Enclosed footnotes are integral parts of these statements.



VB T YAZILIM A.Ş.**FOOTNOTES REGARDING CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022**

(All amounts are expressed in Turkish Lira ("TL"))

NOTE 1 - ORGANIZATION AND SUBJECT OF ACTIVITY

VB T Yazılım A.Ş. was established on June 24, 1993 under the name of "Vizyon Bilgi İşlem ve Danışmanlık Limited Şirketi". The company made a change in its title and type with the general assembly decision dated 04.08.2014 and numbered 13292, and its new title was changed to VB T Bilgi Teknolojileri Anonim Şirketi. The relevant amendment was registered and announced in the Turkish Trade Registry Gazette dated 11.08.2014 and numbered 8628. The company later changed its title to VB T Yazılım A.Ş. with the decision taken at the general assembly dated 20.11.2020 and registered and announced it in the Turkish Trade Registry Gazette dated 15.12.2020 and numbered 10224.

The Company is registered with the Istanbul Trade Registry Office under trade registry no. 6120-8.

The company provides services in areas such as business applications, system integrator and business partner, hardware, data backup and storage hardware, project management, software solutions and consultancy.

The head office address of the VB T Yazılım A.Ş. is İçerenköy Mah. Umut St. Quick Tower Sitesi Blok N10-12 Interior door N:57 Ataşehir/ İstanbul.

The Company's branch address information is as follows;

-Ankara Center Office: Mahall İş Merkezi B Blok No:127 Çankaya - Ankara, Türkiye

-Adana Branch Office: Central Plaza İş Merkezi Hurmalı Mah. Kurtuluş St. No: 39 Flights Up: 8 D.85 Seyhan - Adana, Türkiye

-İstanbul Branch: Üsküdar İçerenköy Yolu Bodur İş Merkezi No:8 Flights Up:1 and Flights Up:3 D: 11 İçerenköy/İstanbul

The average number of employees working at the Group as of 30.06.2022 is 318. (as of 31 December 2021: 259)

	June 30, 2022	December 31, 2021
Administrative Personnel	33	30
Technical Personnel	199	163
R&D Personnel	86	66
Total	318	259

1.2 Information on the Subsidiaries and Participations of the Company**a. VB T Akademi Eğitim A.Ş.**

VB T Akademi Eğitim A.Ş. was established on April 17, 2018 under the name of "Cambridge Eğitim Servisleri A.Ş. ". The company made a change in its title and type with the general assembly decision dated 0.12.2019 and numbered 475574, and its new title was changed to VB T Akademi Eğitim A.Ş. The relevant amendment was registered and announced in the Turkish Trade Registry Gazette dated 09.01.2020 and numbered 9990.

The address and the main activity center of the Company is İçerenköy Road. Bodur İş Merkezi No: 8/11 Ataşehir - İstanbul.

VB T Yazılım A.Ş. has 100 % share of VB T Akademi A.Ş.. The mentioned subsidiary has been included in the scope of consolidation as of 31 December 2019 and is consolidated according to the full consolidation method.

Subsidiaries and Participations of VB T Akademi Eğitim A.Ş.**In Liquidation Sothis Yazılım Danışmanlık ve Ticaret Ltd. Şti.**

Sothis Yazılım Danışmanlık ve Ticaret Ltd. Şti was established on August 27, 1997 under the name of "Köprü Bilgisayar Ticaret Ltd.". The company made a change in its title dated 14.02.2006 and its new title was changed as Sothis Yazılım Danışmanlık ve Ticaret Ltd.

The address and the main activity center of the Company is İçerenköy Road. Bodur İş Merkezi No: 8/11 Ataşehir - İstanbul.



VB T YAZILIM A.Ş.

FOOTNOTES REGARDING CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

(All amounts are expressed in Turkish Lira ("TL"))

The capital of the company is 50.000 TL and VBT Akademi Eğitim A.Ş. has 100% share of Sothis Yazılım Danışmanlık ve Ticaret Ltd. Şti. As of 31.12.2021, the mentioned subsidiary is consolidated by using the full consolidation method with VBT Akademi Eğitim A.Ş.

In the Ordinary General Assembly Meeting of Sothis Yazılım Danışmanlık ve Ticaret Ltd.Şti, which was included in the full consolidation by the Group, it was decided to liquidate the company at the Ordinary General Assembly Meeting held on 20.09.2021, and this liquidation decision was registered and announced as of 05.10.2021.

The related liquidation was concluded on 27.06.2022 and was registered and announced in the Turkish Trade Registry Gazette dated 28.06.2022 and numbered 10608.

Stoneity Yazılım A.Ş.

Stoneity Yazılım A.Ş. was established on April 05, 2021, and the establishment was registered and announced in the Turkish Trade Registry Gazette dated April 05, 2021 and numbered 10302.

The address and the main activity center of the Company is içerenköy Road. Bodur İş Merkezi No: 8/11 Ataşehir – İstanbul.

The capital of the company is 200.000 TL and VBT Akademi Eğitim A.Ş. has 20% share of Stoneity Yazılım A.Ş. The mentioned subsidiary is consolidated by using equity method with VBT Akademi Eğitim A.Ş.

b. VBT Europe AG

The company was established under the name of "VBT Europe AG" and the establishment procedures were completed as of 07.10.2021.

The main activity of the company is to develop software and projects.

The address and the main activity center of the Company is Franklinstrasse 9 8050 Zürich.

The capital of the company is 100.000 CHF and VBT Yazılım A.Ş. has 51% share of VBT Europe AG.

As of 31.12.2021, the mentioned subsidiary has not been included in the consolidation since it has not yet produced cash, and has been shown in the "Investments in Affiliates, Joint Ventures and Subsidiaries" item in the statement of financial position with its cost value.

c. VBT Albania Sh.P.K

The company was established under the name of "VBT Albania Sh.P.K" and the establishment procedures were completed as of 26.11.2021.

The main field of activity of the Company is IT services.

The address and the main activity center of the Company is Tirane Kashar KASHAR Rruga "Egantia", Zona Kadastrale 2105, Nr pasurie 1249/6, Kashar.

The capital of the company is 6.000.000 LEK and VBT Yazılım A.Ş. has 100% share of VBT Albania Sh.P.K. The mentioned subsidiary is newly established and as of 31.12.2021, no capital commitment payment has been made yet.

d. VBT Software UK Limited

The company was established under the name of "VBT Software UK Limited" and the establishment procedures were completed as of 24.9.2021.

The main field of activity of the Company is to develop business and domestic software, to carry out information technology consultancy activities, and to data processing and storage activities.

The address and the main activity center of the Company is 205 Pentax House South Hill Avenue, Harrow, United Kingdom.

The capital of the company is 50.000 GBP (590.955 TL) and VBT Yazılım A.Ş. has 100% share of VBT Software UK Limited. The mentioned subsidiary is consolidated according to the full consolidation method with VBT Yazılım A.Ş.



VB T YAZILIM A.Ş.**FOOTNOTES REGARDING CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022**

(All amounts are expressed in Turkish Lira ("TL"))

e. Phexum Yazılım A.Ş.

The company was established under the name of "Phexum Yazılım Limited Şirketi". With the General Assembly Decision dated October 4, 2021, the title of the company was changed to Phexum Yazılım A.Ş. The relevant amendment was announced and registered in the Turkish Trade Registry Gazette on 1 December 2021. The company is registered with the Istanbul Trade Registry Office with the registration number 69601-5.

The company is active in developing, buying, selling and giving franchises of all kinds of computer software and technologies, primarily to carry out software activities and to provide consultancy on these software. In addition, it provides services on issues such as collecting order organizations of all products related to its subject, leasing, distributorship and import and export marketing, registered electronic service provider, time stamp, electronic and certificate service provider.

The address and the main activity center of the Company is içerenköy Road. Bodur İş Merkezi No: 8/11 Ataşehir - İstanbul.

The capital of the company was increased from 10.000 TL to 50.000 TL with the General Assembly Decision dated October 4, 2021 and the relevant change was announced and registered in the Turkish Trade Registry Gazette on December 1, 2021. Phexum Yazılım A.Ş 's capital is divided into 50,000 shares, each worth TL 1, with a total value of TL 50,000.

As of December 31, 2021, VBT Yazılım A.Ş. participates in Phexum Yazılım A.Ş. for an amount of 15.000 TL with 15.000 shares, each of which is 1 TL.

VBT Yazılım A.Ş. has 30% share of Phexum Yazılım A.Ş. and has been consolidated using the equity method.

f. Buz İletişim Hizmetleri Sanayi ve Ticaret A.Ş.

The company was established on February 3, 2009 as "Buz İletişim Hizmetleri Sanayi ve Ticaret Ltd.Şti." With the General Assembly Decision dated 29 November 2019, the title of the company was changed to Buz İletişim Hizmetleri Sanayi ve Ticaret A.Ş. The relevant amendment was registered in the Turkish Trade Registry Gazette on 30 December 2019. The company is registered with Bursa Trade Registry Office with registry number 80281.

The main field of activity of the company is to carry out engineering research, development, repair, installation, assembly, testing and consultancy activities related to domestic and international telecommunication networks.

The address and the main activity center of the Company is Alaaddin Bey Mah.642 st. No:2/1 Nilüfer Bursa.

The capital of the company was increased from 16.000.000 TL to 20.000.000 TL with the General Assembly Decision dated 16 June 2022 and the related change was registered in the Turkish Trade Registry Gazette on 23 June 2022. The capital of Buz İletişim Hizmetleri Sanayi ve Ticaret A.Ş is divided into 20.000.000 shares, each of which is worth 1 TL, and its total value is 20.000.000 TL. As of 30 June 2022, VBT Yazılım A.Ş. participates in Buz İletişim Hizmetleri Sanayi ve Ticaret A.Ş for an amount of 10.000.000 TL with 10.000.000 shares, each of which is 1 TL.

VBT Yazılım A.Ş. has 50% share of Buz İletişim Hizmetleri Sanayi ve Ticaret A.Ş and has been consolidated using the equity method.

g. Datamind Bilişim A.Ş.

The company was established on February 20, 2008 under the name of "PD Anadolu Araştırma Danışmanlık Eğitim ve Bilişim Hizmetleri Ticaret Ltd.Şti.". With the General Assembly Decision dated March 16, 2021, the title of the company was changed to PD Anadolu Araştırma Danışmanlık Eğitim ve Bilişim Hizmetleri Ticaret A.Ş. The relevant amendment was registered in the Turkish Trade Registry Gazette on March 17, 2021. Later, the Company changed its title on 22 June 2022 and its new title was Datamind Bilişim A.Ş. The relevant amendment was announced and registered in the Turkish Trade Registry Gazette on 22 June 2022. The company is registered with the Ankara Trade Registry Office with the registration number 249534.

The main field of activity of the company is to carry out all kinds of software, hardware, digitization document management studies, software sales and activities.



VB T YAZILIM A.Ş.**FOOTNOTES REGARDING CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022**

(All amounts are expressed in Turkish Lira ("TL"))

The company's address and main activity center is Kavaklıdere Mah. Bestekar Cad.No:42 Inner Door No:3 İÇankaya/Ankara.

The capital of the company was increased from TL 1.500.000 to TL 5.500.000 with the General Assembly Decision dated 17 June 2022 and the related change was registered in the Turkish Trade Registry Gazette on 22 June 2022. The capital of Datamind Bilişim A.Ş is divided into 5.500.000 shares, each worth 1 TL, and its total value is 5.500.000 TL. as of 30 June 2022, VBT Yazılım A.Ş. participates in Datamind Bilişim A.Ş with 2.816.000 shares, each of which is 1 TL nominal.

VBT Yazılım A.Ş. has 51,20% share of Datamind Bilişim A.Ş and has been consolidated according to the full consolidation method with VBT Yazılım A.Ş.

1.3 Capital Structure;

The Company's issued capital structure as of 30 June 2022 and 31 December 2021 is as follows:

Shareholders	June 30, 2022		December 31, 2021	
	Share Ratio %	Share Amount	Share Ratio %	Share Amount
Bırol Bařaran	46,91%	12.200.000	46,91%	12.200.000
İpek Canan Bařaran	7,69%	2.000.000	7,69%	2.000.000
Tayfun Yurdađul	3,08%	800.000	3,08%	800.000
Osman aylı	2,31%	600.000	2,31%	600.000
Mümin Sürer	2,31%	600.000	2,31%	600.000
Zahide Koyiđit	2,31%	600.000	2,31%	600.000
Ünal Kırıkı	1,54%	400.000	1,54%	400.000
Metin Faruk Tufan	1,54%	400.000	1,54%	400.000
Abdülkadir Aydođan	1,54%	400.000	1,54%	400.000
Shares Under Public Offering	30,77%	8.000.000	30,77%	8.000.000
Paid-in Capital	100%	26.000.000	100%	26.000.000

NOTE 2-GUIDELINES ON SUBMISSION OF FINANCIAL STATEMENTS**2.1. Basic Guidelines on Submission of Financial Statements and Declaration of Conformity to the Turkish Accounting Standard**

The Company keeps and prepares its statutory books and financial statements in accordance with the Turkish Trade Law and Uniform Account Plan and principles issued by Ministry of Finance of Turkey.

The accompanying financial statements are prepared in accordance with the Taxonomy of TAS in 2016 and the provision "Notice on Guidelines for Financial Reporting In Capital Market" ("Notice"), Seri II, No.14.1 of the Capital Market Board ("CMB") as published in the copy dated 13.06.2013 and numbered 28676 of the Official Gazette and based on the Turkish Accounting Standards / Turkish Financial Reporting Standards ("TAS"/TFRS"), which are put into force by the Public Oversight Accounting and Auditing Standards Authority ("POA") pursuant to article 5 of the Notice, and its relevant appendices and comments.

The financial statements and notes of the Group are presented in accordance with the formats announced by the CMB with the announcement dated June 7, 2013 and by including the required information.

The financial statements of the Group are presented in accordance with the TAS taxonomy published by the POA with the decision number 30 on June 2, 2016 and subsequently announced to the public on April 15, 2019 together with the changes in TFRS-15 Revenue from Customer Contracts and TFRS-16 Leasing standards.

The Group's financial statements prepared in accordance with the TAS/TFRS accepted by the Public Oversight Agency were approved by the Board of Directors on 17 February 2022. The General Assembly has the power to change the financial statements after the publication.

Reporting Currency

The financial statements of the Group are presented in the currency (functional currency) that is valid in the basic economic environment in which its. The financial position of the Group and the results of its operations are expressed in TL, which is the functional currency of the Group and the presentation currency for the financial statements.



Adjustment of Financial Statements in High Inflation Periods

According to TAS 29 Financial Reporting in Hyperinflationary Economies, entities whose functional currency is the currency of a hyperinflationary economy report their consolidated financial statements according to the purchasing power of money at the end of the reporting period. TAS 29 identifies features that may indicate an economy is a hyperinflationary economy, and it is recommended that businesses start implementing the Standard at the same time. In the statement made by the Public Oversight Accounting and Standards Authority (POASA) on January 20, 2022, it was stated that businesses do not need to make any adjustments in their consolidated financial statements for 2021 within the scope of TAS 29. However, in the consolidated financial statements for the accounting period ending on 30 June 2022, no statement has been made whether or not to make adjustments to the financial statements within the scope of TAS 29. In this context, since there is no consensus on the implementation of inflation accounting across the country and the POA is expected to postpone the application of TAS 29, no inflation adjustment was made according to TAS 29 while preparing the consolidated financial statements dated 30 June 2022 in order to ensure comparability.

Comparative Information

In order to make financial condition and performance trends eligible to determine, the financial statements of the company are prepared comparatively with the previous period. Comparative information are reclassified, if deemed necessary, in order to ensure compliance with the presentation of financial statements of current period.

Transactions in Foreign Currency

The Group considers the relevant exchange rates valid at the transaction date, while it converts any transactions conducted in foreign currency, and their balances to Turkish Lira. Monetary assets and liabilities in foreign currency are assessed in exchange rate announced by the Turkish Central Bank at the balance sheet date. Any exchange difference incomes and expenses arisen from conversion of any transactions in foreign currency to Turkish Lira or expression of monetary items are reflected to the income/ (expense) statement in the respective period.

Offsetting – Deduction

The financial assets and liabilities are shown as net values, where any necessary legal rights are available, and it is intended to assess such assets and liabilities as net values, or the assets and liabilities are obtained and fulfilled simultaneously.

Assumption on Going Concern

The financial statements are prepared on the going concern basis by assuming that the company shall get benefit from assets and perform its obligations within next year and in the ordinary course of its business activities.

2.2. Changes in Accounting Policies

Accounting policy changes resulting from the first application of a new standard are applied retrospectively or prospectively in accordance with the transition provisions, if any. Changes without any transition requirement, optional significant changes in accounting policies or detected accounting errors are applied retrospectively and the financial statements of the previous period are restated. The accounting policies applied in the comparative financial statements of the Group are the same.

In order to comply with the presentation of the current period condensed consolidated financial statements, comparative information is reclassified when necessary and significant differences are disclosed.

2.3. Changes and Errors in Accounting Estimates

Accounting estimates are based on reliable information and reasonable estimation methods. However, estimates are revised in case of changes in circumstances of estimation, obtaining new information or additional developments. If the impact of the change in accounting estimate is related to only one period, it is reflected in the financial statements in the current period in which the change is made, if it is related to the future periods, it is reflected prospectively in the financial statements both in the period in which the change is made in consideration of determining the period profit or loss.

Detected significant accounting errors are applied retrospectively and previous period financial statements are restated. An error is corrected by restating the comparative amounts for prior periods when it occurs, or by restating the retained earnings account for the period in question prior to the next reporting period. If the reorganization of the information causes an excessive cost, the comparative information of the previous periods is not reorganised and the accumulated profit account of the following period is rearranged by the cumulative effect of the error before the beginning of the period in question.



2.4. Summary of Significant Accounting Policies

2.4.1 Consolidation principles

Consolidated financial statements include the financial statements of VBT Yazılım A.Ş. (Company) and the financial statements of the said Company's subsidiaries. During the preparation of the financial statements of the companies included in the scope of consolidation, necessary adjustments and reclassifications have been made in order to comply with the TAS / TFRS and the accounting policies and presentation formats applied by the Group.

The principles for preparing consolidated financial statements is as follows;

- The consolidated financial statements include the financial statements of the Company and its subsidiaries.
- Subsidiaries represent the entities in which the parent company has more than 50% of the shares, voting rights or the majority of the management or the right to elect the majority of the management through capital and management relations, either directly or through other subsidiaries or participations. The controlling power is defined as the parent company's power to manage the financial and operating policies of its subsidiaries and to provide benefits from the activities.
- Subsidiaries are included in the scope of consolidation as of the date control over their activities is transferred to the Group, and will be excluded from consolidation at the date when control is abolished. Accounting policies applied by the subsidiaries have been aligned with the accounting policies applied by the Group in order to ensure consistency.
- The financial statements of the subsidiaries are consolidated using the full consolidated method. In this context, the carrying value of the subsidiaries and the shareholders' equity is netted off, the carrying amount of the shares held by the Company and the dividends arising from them are netted from related equity and income statement accounts.
- The receivables and payables of each of the subsidiaries within the scope of consolidation and the sales of goods and services to each other and the revenue and expense items arising from transactions with each other are mutually offset.
- Amounts corresponding to minority interests excluding the interests of parent company and subsidiaries are deducted from all equity accounts group items, including the paid-in capital/issued capital, of the subsidiaries within the scope of consolidation, and shown under the name "Non-controlling interests" in the equity account group of financial statement.

Subsidiaries and Participations

The partnership ratios of subsidiaries and participations are as follows:

June 30, 2022					
	Equity of Subs.	Subsidiary Rate (%)	Total Voting rights (%)	Number of Subsidiary Shares	Amount of Subs.(nominal)
VB T Akademi Eğitim A.Ş.(*)	50.000 TL	100%	100%	50.000	50.000 TL
VB T Europe AG	100.000 CHF	51%	51%	51.000	51.000 CHF
VB T Albania Sh.P.K	6.000.000 LEK	100%	100%	6.000.000	6.000.000 LEK
VB T Software UK Limited	50.000 GBP	100%	100%	100	50.000 GBP
	Equity of Particip.	Particip. Rate (%)	Total Voting rights (%)	Number of Participation Shares	Amount of Particip.
Phexum Yazılım A.Ş.	50.000 TL	30%	30%	15.000	15.000 TL
Buz İletişim Hizmetleri Sanayi ve Ticaret A.Ş.	20.000.000 TL	50%	50%	10.000.000	10.000.000 TL
Datamind Bilişim A.Ş.	5.500.000 TL	51,20%	51,20%	5.500.000	5.500.000 TL

December 31, 2021					
	Equity of Subs.	Subsidiary Rate (%)	Total Voting rights (%)	Number of Subsidiary Shares	Amount of Subs.
VB T Akademi Eğitim A.Ş.(*)	50.000 TL	100%	100%	50.000	50.000 TL
VB T Europe AG	100.000 CHF	51%	51%	51.000	51.000 CHF
VB T Albania Sh.P.K	6.000.000 LEK	100%	100%	6.000.000	6.000.000 LEK
VB T Software UK Limited	50.000 GBP	100%	100%	100	50.000 GBP
	Equity of Particip.	Particip. Rate (%)	Total Voting rights (%)	Number of Participation Shares	Amount of Particip.
Phexum Yazılım A.Ş.	50.000 TL	30%	30%	15.000	15.000 TL
Buz İletişim Hizmetleri Sanayi ve Ticaret A.Ş.	16.000.000 TL	50%	50%	8.000.000	8.000.000 TL



VB T YAZILIM A.Ş.

FOOTNOTES REGARDING CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

(All amounts are expressed in Turkish Lira ("TL"))

VB T Yazılım A.Ş. has 100% (31 December 2021-100%) share of VB T Akademi Eğitim A.Ş. The mentioned subsidiary was included in the scope of consolidation for the first time as of 31 December 2019 and was consolidated according to the full consolidation method.

(*)Subsidiaries and Participations of VB T Akademi Eğitim A.Ş.

The capital of the company is 50.000 TL and VB T Akademi Eğitim A.Ş. has 100% share of Sothis Yazılım Danışmanlık ve Ticaret Ltd. Şti. As of 31.12.2021, the mentioned subsidiary is consolidated by using the full consolidation method with VB T Akademi Eğitim A.Ş.

The capital of the company is 200.000 TL and VB T Akademi Eğitim A.Ş. has 20% share of Stoneity Yazılım A.Ş. The mentioned subsidiary is consolidated by using equity method with VB T Akademi Eğitim A.Ş.

VB T Yazılım A.Ş. has 51% share of VB T Europe AG. As of 31.03.2022, the mentioned subsidiary has not been included in the consolidation since it has not yet produced cash, and has been shown in the "Investments in Affiliates, Joint Ventures and Subsidiaries" item in the statement of financial position with its cost value.

VB T Yazılım A.Ş. has 100% share of VB T Albania Sh.P.K. The mentioned subsidiary is newly established and as of 31.03.2022 no capital commitment payment has been made yet.

VB T Yazılım A.Ş. has 100% share of VB T Software UK Limited. The said subsidiary was included in the scope of consolidation for the first time as of was consolidated according to the full consolidation method.

VB T Yazılım A.Ş. has 30% share of Phexum Yazılım A.Ş. The said subsidiary was included in the scope of consolidation for the first time as of was consolidated according to the equity method.

VB T Yazılım A.Ş. has 50% share of Buz İletişim Hizmetleri Sanayi ve Ticaret A.Ş. The mentioned subsidiary is consolidated by using equity method.

VB T Yazılım A.Ş. has 51,20% share of Datamind Bilişim A.Ş and has been consolidated according to the full consolidation method with VB T Yazılım A.Ş.

2.4.2 Cash and Cash Equivalents

Cash states cash and drawing accounts in the enterprise. Cash equivalents state any assets held for any short-term cash obligations and not used for investment or other purposes. It is essential that its value may be converted certainly to a cash value and the risk to change its value is negligible for any asset to be accepted as a cash equivalent.

Cash and cash equivalents are integral part of the cash management of the enterprise. Any financial instruments to be included in the scope of cash equivalents consist of cheques (current type), liquid funds, short-term bonds and drafts, receivables from reverse-repo transactions, deposit accounts with a term shorter than 3 months (any deposit account longer than 3 months is shown among financial investments), and government bonds and treasury bonds with remaining due date shorter than 3 months on acquisition date, or any other liquid debt instruments, and any receivables from money market.

Cash and cash equivalents in the financial statements of the Group as cash in hand as of the balance sheet date and the demand deposits are reported.

2.4.3. Financial Instruments:

TAS 32 Financial Instruments: of the financial assets defined in the Submission Standard and TAS 39 (in TFRS 9 for early appliers), any financial assets held for investment purpose, and cash and cash equivalents, any receivables from activities in the finance sector, trade and other receivables, and ones remaining out of investments assessed by the equity method are shown in this item.

Any financial assets classified in the "current assets includes ones held for purposes of evaluating any inactive funds, obtaining direct interests, dividend incomes, trading profits, etc., or protecting against any damage other than performing any obligations.

Of the financial asserts, any ones with remaining due dates shorter than 12 months since the reporting day, and although their due date is longer, ones intended to be sold within 12 months are shown in the item "Financial Investments." Any ones with remaining due date longer than 12 months and any ones intended to be held for a period longer than 12 months are shown in the item "Financial Investments" in the non-current assets.

2.4.4. Derivative Financial Instruments

Any derivative financial instruments, which are appropriate the definition "financial asset or financial obligation" in TAS 32, are calculated in accordance with the provisions of the TAS 39 (TFRS 9), and submitted furthermore in the financial statement.

The Group does not have any derivative instruments as of the balance sheet date.



2.4.5. Receivables from Financial Sector Activities

Any receivables other than cash and cash equivalents and resulted from the financial sector are shown here.

As of the balance sheet date, the Group does not have any receivables from finance sector activities.

2.4.6. Trade Receivables / Related Parties

They are receivables from customers taken to the financial statements for all or part of a revenue.

In accordance with TFRS 15 Revenue from Customer Contracts, commercial receivables arise when the entity's unconditional right to charge the customer is expected to be collected. The right to receive the price is unconditional, but only if the collection of the price depends on a term.

Therefore, in order for a receivable to be a commercial receivable, the invoice must be issued or in a similar manner to be agreed in a binding manner with the customer. In cases where the enterprise has performed its performance by transferring its goods or services to the customer before the right to receive the price unconditionally, no commercial receivable will arise, the related asset is shown in the "Contractual Assets" item.

The part of trade receivables from related parties is shown in a separate sub-item. Deposits and guarantees given are shown in other receivables, not under this item.

If any, late interests, interests, etc. of the trade receivables are shown not in the provisions for revenue, but in the provisions for interest incomes, exchange differences, etc. in the financial statements, and these amounts are also shown in the trade receivables and the relevant statements are made in the footnotes. Such interest incomes, exchange differences, etc. are also shown in the other real operating income in Profit or Loss and Other Comprehensive Income Statement.

Even if the time elapsed for foreclosure of the trade receivables is longer than 12 months, it is essential that such receivables must be classified in the current assets in the regular course of business of the enterprise.

Related Parties

The Group's related parties include entities that can directly or indirectly control or significantly affect the counterparty through shareholder, contractual right, family relationship or similar means. In the accompanying financial statements, the shareholders of the Group and the companies owned by such shareholders, their key management personnel and other companies known to be related are identified as related parties.

2.4.7 Contract Assets

It is used in tracking assets defined as contract assets in TFRS 15. According to TFRS 15, contract assets are the right of the enterprise to receive the price that is subject to another condition (for example, the future performance of the enterprise), except for the expiration of time, in return for the goods or services transferred to the customer. The total amount of contract assets is shown separately in the statement of financial position.

2.4.8 Other Receivables

Receivables excluding trade receivables and financial investments. Deposits and guarantees given, other receivables from related parties, receivables from public administrations other than assets related to current period tax and other various receivables can be shown as examples. The part of these receivables from related parties is shown in a separate sub-item in accordance with the sample format.

2.4.9. Inventories

It is an item, in which any assets that are available as substances and materials held to sell, manufactured to sell, and to be used during manufacturing process or service delivery in the regular course of business of the enterprise, are shown. The advances given for purchase orders have not a nature of inventories, and are shown in the "Prepaid Expenses," until the inventory accounting is conducted.

2.4.10. Alive Assets

If the current assets included in the TAS 41, and any agricultural products collected during harvest relate to the agricultural activities, they are shown in this item. This item is used by the enterprises, which deal with agricultural activities only.

The Group does not have any biological assets as of the date of financial statement.

2.4.11. Prepaid Expenses

All amounts paid usually to the suppliers and to be transferred to the expense and cost accounts in a subsequent period (or period) are shown in this item. If the item is negligible, such amounts are submitted in the other current/non-current assets.



2.4.12. Assets Related To the Current Period

Pursuant to the Income Tax Standard TAS 12, any assets such as various taxes and funds related to the current period tax payable over revenue prepaid and possibly subject to discount are shown in this item.

2.4.13. Other Current/Non-Current Assets

The current/non-current assets such as transferred VAT, VAT discount, other VAT, counting and acceptance points are shown in this item.

2.4.14. Non-current Assets Classified For Sales Purpose

Pursuant to the Standard on Non-Current Assets and Discounted Operations TFRS 5, any non-current assets classified for sales purpose, because their book value shall be recovered by means of the sales procedure rather than use, and all assets to be sold are shown in this item.

Furthermore, pursuant to the TFRS 5, any non-current assets classified for purpose of distributing them to the shareholders and all other assets to be sold are also shown in this item since it is committed to distribute them to the shareholders. In this case, this item is called so as to state these assets.

The Group does not have any non-current assets classified as held for sale as of the date of financial statement.

2.4.15. Investments Assessed By Equity Method

Pursuant to the Standard on Investments in Subsidiaries and Business Associates TAS 28, any subsidiaries and business associates assessed by equity method are shown in this item.

The Group has no affiliates and business associates assessed by equity method as of the financial statement period.

2.4.16. Investment Property

Pursuant to the Investment Property Standard TAS 40, any real properties (lands, buildings part of a building) acquired (by their landlord or tenant according to the financial leasing agreements for purposes of obtaining a rental income or capital gains income or both of them) are shown in this item. If the real property is subject to the financial leasing, the details specified in three Standards on Leasing Operations TAS 17 are added.

If it is included in the definition of investment property and the tenant uses the fair value method, it is possible that a right for a real property held by the tenant under the operating lease is shown as an investment property in this item.

The Group does not have any investment property.

2.4.17. Tangible and Intangible Fixed Assets

Tangible Assets:

Tangible assets are stated at cost value by deducting accumulated depreciation and accrued depreciation, if any.

The cost value, purchase price, import duties and non-refundable purchase taxes of the tangible assets are the costs incurred to make the tangible asset ready for use. Maintenance and repair costs are recognized in profit or loss in the period in which they are incurred.

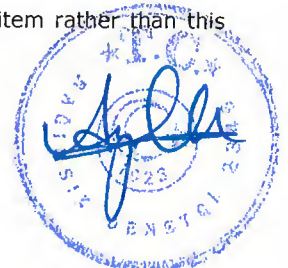
Depreciation of tangible fixed assets is determined by using the straight-line method based on the useful lives of the assets. The expected useful life is reviewed annually for the possible effects of the changes in the depreciation method and the estimates and is accounted for prospectively if there is a change in the estimates.

The estimated useful lives of tangible assets are as follows:

	<u>Useful Life</u>
- Buildings	50 Years
-Vehicles	4-5 Years
- Plant, Machinery and Equipment	5 Year
-Furniture and fixtures	3-4-5-10-15 Years
-Special Cost	5 Years

When a tangible asset is sold, or if no future economic benefits are expected from its use or sale, it is excluded from the statement of financial position. The gain or loss arising on the sale or retirement of a tangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

The advances given for the purchases of tangible assets are shown under "Prepaid Expenses" item rather than this item until the relevant asset is capitalized.



-Right of Use Assets

According to TFRS 16 Leases, the lessee is required to present right-of-use assets separately from other assets in the statement of financial position or in the notes. Businesses that prefer to show their right of use assets separately in the statement of financial position show these assets in this item.

-Intangible Assets:

a.Intangible assets acquired

Intangible assets are stated at cost value by deducting accumulated amortization and depletion expenses and depreciations.

Expected useful life, residual value and depreciation method are reviewed every year for the possible effects of the changes in the estimations and they are accounted for prospectively if there is a change in the estimates.

b.Internally generated intangible assets-research and development expenses

i) Research activities expenses are recognized in profit or loss in the period in which they are incurred.

ii) Expenses within the scope of development activities:

- Capitalized Development Costs

Intangible assets that are created internally as a result of the development of a project that is ordered or initiated with a new idea in the company are capitalized and registered only when all the following conditions are met:

- It is technically possible to complete the intangible asset to be ready for use or ready for sale,
- The intention to complete, use or sell the intangible asset,
- The intangible asset can be used or sold,
- It is known that the asset has a kind of possible economic benefit for the future.
- Having appropriate technical, financial and other resources to

complete the development of the intangible asset, use or sell the asset in question, and

- The cost of developing the asset can be measured reliably during the development process.

During the period, the Group management re-examined the existence of possible economic benefits of internally generated intangible assets created internally. The Group management believes that the projects will continue as expected and anticipates that the projects will create economic benefits upon analysis. The management is sure that even if the economic benefit decreases, it is possible to recover the registered values of the assets. This situation is closely monitored by the Group management and management will make adjustments in cases where future market activities require adjustment.

-Special software project expenses:

Special software project expenses, which are specially developed for the customer and cannot be sold to another customer, are recorded as expenses depending on the realization of the revenue as of the date of completion. In special software projects that extend to more than one period; Project expenses, which are determined by matching the revenue amount accrued in connection with the invoice issued within the scope of partial deliveries and the expenses corresponding to the completed part of the project, are recorded as expense in the period of partial delivery. Development expenses related to such special software projects are not capitalized.

The amount of intangible assets created internally is the total amount of expenses incurred from the moment the intangible asset meets the above-mentioned accounting conditions. When intangible assets created internally cannot meet the conditions stated above, development expenditures are recorded as an expense in the period they occur.

After initial recognition, internally created intangible assets are shown over the amount after the accumulated amortization and accumulated impairment losses are deducted from their cost values, just like intangible fixed assets purchased separately.

c. Derecognition of intangible assets

An intangible asset is derecognised when the intangible asset is sold or if no future economic benefit is expected from its use or sale. Any gain or loss arising from the sale of an intangible asset is calculated as the difference between the net proceeds from sale of assets and the book values, if any. This difference is recognized in profit or loss when the related asset is excluded from the balance sheet.



The company's intangible assets item; It includes the acquired rights and computer programs as well as development costs and other identifiable rights related to computer software and programs created within the enterprise. Development costs consist of the wages of the personnel directly involved in the creation of the asset and the costs directly attributable to the creation of the intangible asset. Government incentives associated with development costs are recorded in parallel to the redemption period of intangible assets.

The rates determined by taking into account the useful lives of Intangible Fixed Assets are as follows:

	<u>Useful Life</u>
-Licenses	5 Years
-Capitalized Development Costs	7-12 Years

2.4.18. Deferred Tax Assets

The deferred tax assets include any amounts to be recovered in next periods for any taxes collected upon revenue due to any deductible temporary differences, and any non-used financial losses transferred to next periods, and any non-used tax advantages transferred to next periods.

The item "Deferred tax assets" is not used for any (permanent) amounts, which are not impossible to deduct under the tax legislation.

2.4.19. Short-Term / Long-Term Obligations

The obligations include ones, which shall cause exit of any assets that arise from any events occurred in the past, and if they are paid/executed, shall contain a financial benefit from the enterprise. This definition states basic characteristics of the obligations, and identifies the basic criteria that such obligations must meet to take place in the Financial Statement. Therefore, since the obligation definition meets any criteria to show in financial statements, it also contains any obligations not specified in the Financial Statement.

Pursuant to paragraphs 69-76 of the TAS 1, any obligations having any one of the following characteristics are classified as short-term obligations:

- (a) It is expected that they shall be paid in the regular course of business;
- (b) They are held primarily for commercial purposes;
- (c) They shall be paid within two months following the reporting period (balance sheet date); or
- (d) The enterprise has no unconditional right to defer payment of its obligations for a period of at least two months following the end of the reporting period (balance sheet date). The provisions that the obligation shall be paid by issuing an equity instrument at the counter party's never restrict such obligation.

Entity/establishment classifies all the other liabilities as being long-term.

2.4.20. Borrowings

Of the financial obligations defined in the TAS 32, any borrowings from financial markets such as amortized bank loans, issued bonds, bills and debentures, which have a nature of borrowing, and in other words, which are calculated by the efficient interest method after first accounting, and capital instalments and interests of their long-term type, debts from financial leasing transactions, etc.

Of the financial borrowings, ones, which have the characteristics listed above for short-term obligations, are classified as short-term obligations, and others are classified as long-term obligations.

Pursuant to the Standards on Financial Instruments and Details TFRS 7, any relevant details are given in footnotes.

Leasing Transactions

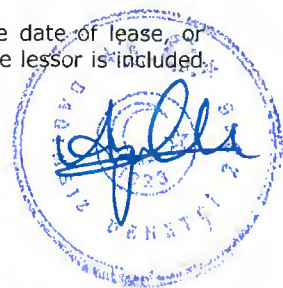
The leasing transaction, in which the lessee assumes a great portion of risks and acquisitions related the ownership, is classified as financial leasing. Other leases are classified as operating leases.

Leasing- leasing company

Rental income from operating leases is recognized on a straight-line basis over the period of the relevant lease. Direct initial costs incurred in the realization of the lease and negotiation are included in the cost of the leased asset and amortized on a straight-line basis over the lease term.

Leasing- company as leaseholder

Assets acquired through financial leasing are capitalized using the fair value of the asset on the date of lease, or capitalized using the lower of the present value of the minimum lease payments. The liability to the lessor is included in the balance sheet as a finance lease obligation.



Lease payments are allocated as the finance expense and the principal payment that provides for the decrease in the finance lease obligation and thus the interest rate on the remaining principal amount of the debt at a fixed rate is calculated. Financial expenses are recorded in the profit or loss statement except the capitalized portion of the financial expenses in the scope of the general borrowing policy detailed above. Contingent rents are recognized as an expense in the period in which they are incurred.

Payments made for operating leases (incentives received or to be received in order to be able to perform leasing from the lessor are recorded in the profit or loss statement on a straight-line basis over the period of the lease) are recognized in the statement of profit or loss on a straight-line basis over the period of the lease. Contingent rents under operating leases are recognized as an expense in the period in which they are incurred.

Sales and lease back transactions

A sale and leaseback transaction involve the sale of an asset and the leaseback of the same asset. Lease payments and the sale price are usually interdependent, as they are negotiated as a whole. The accounting method of a sale and leaseback depends on the type of leasing transaction involved. In the event that a sale and leaseback result in a financial lease, the portion of the sales revenue above the carrying amount is not recognized as immediate income by the seller-lessor. Instead, the said income is deferred and amortized over the term of the lease. If the leaseback is a financial leasing, the transaction is a tool that the lessor provides financing to the lessee, provided that the leased asset is the guarantee of the transaction. Therefore, it is not right that sales revenues exceeding the carrying amount of the related asset are considered as income. Such excess amounts are deferred and amortized over the lease term.

2.4.21. Short-Term Parts of Long-Term Obligations

This item shows short-term parts of the long-term obligations. If short-term parts of the long-term obligations are negligible, they are shown together with "Short-Term Obligations" under the item "Financial Obligations."

2.4.22. Other Financial Obligations

Of the financial obligations defined in the TAS 32, any obligations, which have not a nature borrowing, and in other words, which arise from the derivative financial instruments not measured from the amortized costs calculated by the efficient interest method after first accounting, and any financial obligations such as financial warranty agreements are shown in this item.

2.4.23. Obligations from Financial Sector Activities

Any obligations arisen from such activities of any corporations, which enter into consolidation and operate in the financial sector, are shown in this item. In the footnote, details are given a sector basis. Their examples include any obligations from banking activities (deposit accounts, participation accounts, etc.), obligations from insurance activities (obligations from insurances and reinsurance activities, deposits, obligation from retirement activities, etc.), obligations from financial leasing activities, etc.

The Group has no Obligations from Financial Sector Activities as of the financial statement period.

2.4.24. Trade Payables

They are obligations owed to third parties in capacity of suppliers.

It is essential that its invoice must be issued or similarly the supplier (customer) and parties agree upon stringently for a debt (receivable) to become a trade debt (receivable) pursuant to paragraph 11 of the Standard TAS 37 Provisions, Contingent Obligations and Contingent Assets. Any debts (receivables), which meet the criteria to include them to the financial statements as of the reporting date, but not agreed upon so yet, are classified as accruals. However, such accruals are shown in the items "Trade Receivables" and "Trade Debts" in the Financial Statements to ensure compliance to any practices in our company.

The received deposits and guarantees are not expressed under this item but under other payables.

If any, late interests, interests, etc. of the trade receivables are shown not in the provisions for revenue, but in the provisions for interest incomes, exchange differences, etc. in the financial statements, and these amounts are also shown in the trade receivables and the relevant statements are made in the footnotes. Such interest incomes, exchange differences, etc. are also shown in the other real operating income in Profit or Loss and Other Comprehensive Income Statement.

Even if the time elapsed for foreclosure of the trade receivables is longer than 12 months, it is essential that such receivables must be classified in the current assets in the regular course of business of the enterprise.

2.4.25 Obligations for Employee Benefits

Any amounts such as pays, salaries, social security contributions, etc. borrowed due to benefits provided to the employees within the respective period are shown in this item. It may also be called alternatively as "Pay Accruals of Employees," etc., provided that it shows its contents. If the item is negligible, such amount is shown in the item "Trade Payables."



2.4.26. Other Payables

They include any obligations, which keep out of the trade payables and arise from any financial activities. Their examples include obligations owed to the related parties, who have not capacity of suppliers or customers, deposits and guarantees received, obligations from public authorities and other miscellaneous obligations.

Any borrowings made from financial instruments for purpose of obtaining finance from the related parties are shown not in this item, but in the short-term or long-term borrowings by their term. If such amounts are negligible, further items are opened for these amounts.

2.4.27 Contractual Obligations

It is used in monitoring the obligations defined as contractual obligations in TFRS 15. According to TFRS 15, the contractual obligation is the obligation of the enterprise to transfer the goods or services to the customer in return for the amount collected (or entitled to collection) from the customer.

A contractual obligation arises if the customer pays the compensation or the entity has the unconditional right (ie a receivable) before a good or service is transferred to the customer. The total amount of contract liabilities is shown separately in the statement of financial position.

2.4.28. Government Incentives and Grants

Pursuant to the TAS 20, if any alternative option is selected for submission of incentives related to assets, any amounts shown as deferred revenue are shown in this item.

2.4.29. Deferred Incomes (Excluding Contractual Obligations)

They are any obligations related to incomes, which are collected completely or partially from customers and other persons or accrued as receivables in that period under the sales agreements and for other reasons, but belong to next periods. If the deferred incomes are negligible, such amount is shown in the other short-term / long-term obligations.

2.4.30. Period Profit Tax Obligation

Part of any taxes collected on any incomes under the TAS 12 as expected to pay to the tax office is shown in this item. Any prepaid taxes of the period profit are deducted from such amount and shown in the item "Assets for the Current Period Taxes."

Tax calculated on basis of the company's earnings

Any tax obligation on profits or losses for the period includes the current period tax and deferred tax.

Current period tax

The current period tax obligation includes any tax obligation entries calculated on part of the taxable profit at tax rates, which are valid and legitimated as of the financial statement date, under the current tax legislation.

Deferred tax

The deferred tax is calculated upon any temporary differences between values of the assets and liabilities entered in the financial statement. Tax values of the assets and liabilities state any amounts to affect tax assessment of such assets and liabilities in next periods under the tax legislation. The deferred tax is calculated on tax rates as expected to apply in the period, when tax asset shall realize or the obligation shall be executed by considering tax rates that are current of become into force as of the financial statement date.

The deferred tax asset or obligation shall be reflected to the financial statements at increase and reduction rates as estimated to be done on any tax amounts payable in any periods, when such temporary differences shall be eliminated. The deferred tax asset is added to the financial statements, provided that any deductible temporary differences are most likely to be utilized to obtain a taxable profit in the future, while the deferred tax obligation is calculated for all taxable temporary differences. The registered value of the deferred tax asset is reduced to the extent that it is not possible to obtain a financial profit to enable to provide part or all of the deferred tax asset.

Deferred tax assets and deferred tax liabilities are mutually deducted from each other, provided that they are subject to the tax legislation of the same country and there is a legally enforceable right to offset current tax assets from current tax liabilities.

Period current and deferred tax

Current tax and deferred tax for the period, other than those associated with items that are directly accounted as receivable or debt in equity (in which case the deferred tax related to the relevant items is also accounted directly in equity) or arising from the initial registration of business combinations, are accounted as expense or income in the income statement.



2.4.31. Provisions

Provisions include obligations with indefinite time and amount and are calculated according to most realistic estimate made by the company's management. Provisions for the employee benefits under the Employee Benefit Standard TAS 19 include any provisions for financial sector activities, and other provisions showing any provisions allocated under the TAS 37 such as possible compensation, penalties and damages, reconstruction provisions, provisions allocated for financially disadvantageous agreements, etc.

Employee Benefits

The accrued liabilities (or provisions) needed to be shown in the financial statements under the UMS 19 "Employee benefits" are given in this item.

In case of severance pay, pension or dismiss, they are paid in accordance with the legislation in force in Turkey and the provisions of the collective labour agreement. Pursuant to the updated Employee Benefit Standard UMS 19 ("UMS 19"), such payments are defined as the identified pension benefit plans.

Under the legislation in force in Turkey, it is compulsory that a severance pay must be paid to employees, who complete their annual tenure of office and are dismissed without any reasonable reason, and are called for military service, deceased, and complete a tenure of office of 25 years for men or of 20 years for women, or get to the pension age. The severance pays are calculated upon a gross salary of 30 days per office year. The calculation involves real discount rates and the current values of the severance pay payable in the future as of the balance sheet date.

Any amendments made in the TAS 19 change the identified benefit plans and severance pat accounting. Most important amendment involves accounting of the identified benefit obligations and plan assets. If any amendments are made in realistic values of the identified benefit obligations and plan assets, such amendments must be entered and thus this eliminates the "corridor method" allowed in the previous version of the TAS 19, and facilitates entry of the past service costs.

Such amendments require calculating all actual losses and incomes immediately as other comprehensive incomes to show actual value of plan gap or surplus of the net pension asset or liability in the financial statement. Additionally, a 'net interest' amount calculated as a result of the discount rate applied to the identified net benefit liability or asset is used instead of any interest expenses for any estimated returns obtained the plan assets described in the previous version of the TAS 19. The amendments made in the TAS 19 are applied retrospectively.

According to the Group Personnel, actuarial profit / loss in the defined benefit plans is calculated and are presented in the financial statements.

Pension plans

The Group has no pension benefit plants.

2.4.32. Liabilities regarding Current Period Tax

Within the scope of TAS 12, the part of the taxes collected on income and expected to be paid to the tax administration in the periods following the subsequent period are presented under this item.

2.4.33. Deferred Tax Liability

This kind of tax refers to the income taxes to be paid in the following periods based on taxable temporary differences. "Deferred tax liability" item may not be used for non-taxable (continuous) amounts in terms of tax legislation.

The Group has no deferred tax liability as of the financial statement period.

2.4.34. Other Short-term/Long-term Liabilities

Short-term/ long-term liabilities, which are not shown under the abovementioned items such as inventory overages, other miscellaneous obligations and liabilities are given under this item.

2.4.35. Liabilities Regarding Group of Assets Held for Sale

Liabilities regarding the groups to be disposed, which will be recovered by means of selling rather than sustained use of carrying amount, are presented under this item within the scope of TFRS 5.

Besides, liabilities regarding the groups to be disposed, which are classified with intent to distributed to the shareholders as per TFRS, are also presented under this item hereby as of the date distribution to shareholders is committed. In this case, the name of the item may be given in a manner to refer to these obligations.

The Group has no liability for the asset groups held for sale as of the financial statement period.



2.4.36. Equities

Equities are the shares which are left behind after any and all obligations of the enterprise are deducted from the corporate assets. Contributed capital, share premiums, positive distinction from share capital adjustment, reserves on retained earnings, prior years' profits and losses and profit or loss for the financial year are presented under this item.

2.4.37. Positive Distinction from Share Capital Adjustment

As of the financial statement period, there is no positive difference in capital adjustment of the Group.

2.4.38. Repurchased Shares (-)

Within the scope of the paragraph 33 of the TAS 32, if a company purchases its own shares, purchase price of the said shares are deducted from equity and presented under "Repurchased Share (-)" item. In the case that shares are purchased by other parties under consolidation, purchased shares are still presented under this item but such amounts are presented under "capital adjustments due to cross-ownership" item as per TAS 32. Differences arising as a result of buying and selling of repurchased shares are not presented under profit or loss item.

2.4.39. Capital Adjustments due to Cross-ownership (-)

This item is used with intent to assure that the paid-in capital of the company is presented by the amount registered in the legal records and for the purpose of adjusting the amount of paid-in capital under an item other than the paid-in capital in the event that the shares of the company are purchased by the parties under consolidation.

The Group does not have any capital adjustments due to cross-ownership as of the financial statement period.

2.4.40. Share premiums /discounts

In this item, amounts, which arise from capital movements such as share premiums, nullified equity interests, profits of share sales of controlling partners and deemed to be a part of the capital are presented.

Negative differences occurring due to the difference between nominal value of shares issued under nominal value and issue price are presented separately in the disclosures.

2.4.41. Other Accumulated Comprehensive Income and Expenses which cannot be reclassified under Profit or Loss

This item involves revaluation and measurement gains/losses (increases/decreases in tangible fixed assets revaluation, increases/decreases in intangible fixed assets revaluation, gains/losses on defined benefit plans re-measurement), which are defined as an item of other comprehensive income and reported directly as an item of equity in the period it appears and any circumstances as well as income items such as other gains and losses.

The Group has accumulated other comprehensive income/expenses arising from severance pay actuarial gains and losses not be reclassified to profit or loss.

2.4.42. Other Accumulated Comprehensive Income and Expenses which can be reclassified under profit or Loss

This item involves foreign currency conversion differences, revaluation and classification gains/losses (revaluation and/or classification gains/losses of available-for-sale financial assets, shares to be classified under profit/loss out of the profit of other comprehensive income of investments valued by equity method), which is defined as an item of other comprehensive income (expenses) and reported directly as an item of equity in the period it appears and can be written-down to profit or loss later, hedging gains and losses (gains and losses for hedging against cash-flow and investment risk regarding companies located abroad), and comprehensive income (expense) items such as other gains/losses.

The Group does not have any other comprehensive income or expenses to be reclassified to profit or loss as of the financial statement period.

2.4.43. Reserves on Retained Earnings (Non-distributable reserves)

These are the kind of reserves, which are retained due to obligations arising from the law and agreements or for certain purposes other than profit distribution (for example, in order to obtain tax advantage from earnings gained from sale of a subsidiary). These reserves shall be presented based on their amounts as specified in the legal records and differences occurring as a result of valuations conducted under TAS are associated with the profit/losses of the previous years.

2.4.44. Previous years' Profit/Loss

Profit/loss accumulated except for net profit for the year are offset and presented under this item. Extraordinary reserves, which are accumulated profit/loss by nature, thus not constrained are considered as profit and presented under this item.



2.4.45. Cash Flow Statement

The Group draws up cash flow statements in order to inform financial statement users about the changes that occur in the assets of the company, its financial structure and its ability to direct the amount and timing of cash flows according to the changing conditions. In a cash flow statement, cash flows related to a period are classified and reported based on operation, investment and financing activities.

Cash flows from operating activities show the cash flows which arise from the core activities of the Group. Cash flows related with investment activities show the cash flows which are used and obtained by the Group in its investment activities (tangible asset investments and financial investments). Cash flows related to financial activities show the resources used by the Group in its financial activities and the repayments related to such resources. Cash and cash equivalents consist of cash and checking account as well as short-term high-liquidity investments with a term of 3 months or less which can be easily cashed in.

2.4.46. Operating Activities

Operating activities provide core earnings/proceeds for a company. Activities which are defined below and not under the scope of the investment and financial activities are also evaluated as core activities.

Recording of Revenue / Proceeds

Revenue are reflected in the financial statements over an amount which reflects the cost that the Group expects to qualify for the transfer of the goods or services it commits to its customers within scope "TAS 15 Revenue from Customer Contracts" standards.

For this purpose, a 5-step process is applied in the recognition of revenue in accordance with TFRS 15 provisions.

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

When the Group fulfills the performance obligations committed in the customer contracts in accordance with TFRS 15, in other words, when the control of the goods and services is transferred to the customer, the proceeds are taken to the financial statements. The Group records its performance obligations over time or at a certain time.

If the timing of the payments agreed by the parties of the contract provides an important financial benefit, when the transaction cost is determined, the adjustment is made according to the effect of the time value of the money.

In case the Group foresees that the period between the date of the transfer of the goods or services committed to the customer at the beginning of the contract and the date on which the customer pays the price of such goods or services will be one year or less, it doesn't make any adjustment for the effect of a significant financing component by choosing the facilitating practice.

Additional explanations are given below for some important income groups

Revenues from Licence Sales

The Group can sell licenses by making simultaneous contracts with the license provider and the customer. The Group is not directly responsible for the fulfillment of the license performance obligation in such agreements (for example, updating the license), but it has discretion in determining the license price and bears all the risks related to collection in case the license price is not paid. For this reason, the Group has considered itself as the principal in these agreements. Revenues related to the license performance obligation are recognized in the financial statements "at a certain point in time" and "gross" when the control passes to the customer.

Revenues from Hardware Sales

Hardware consists of the products that the Group sells by supplying its performance obligation from other manufacturers. Hardware integration can be an integral part of the time-consuming installation or can be sold to the customer alone.

Internally generated Software and Technology Revenues

The Group's software development services consist of man-hourly services provided by providing human resources to the customer or projected software development services. The control of software development services passes to the customer as the service is provided, and the customer receives and consumes the benefit from this act at the same time.



The completion stage of the contract is determined based on the time spent and As working hours and direct expenses occur, Income from contracts are recognized on contract fees. Revenues from such services are recorded as income on an accrual basis over the hours of service provided in accordance with the contractual principles, in accordance with the periodicity principle.

For the short-term and one-time services, the Group recognizes the income "at a certain point in time" when the control is passed to the customer.

Special software Project Revenues

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

Private Integrator Service Revenues

The Company, which is a Private Integrator Service provider that has received a special integration permit from the Revenue Administration, provides its customers with e-transformation services such as e-invoice, e-archive, e-waybill, e-ticket, through its own data processing system. Private integrator service is in the form of credit sales, and income is recorded depending on the credit usage.

Maintenance Service Revenues

The Group sells maintenance and repair services for the products and software it produces. Offered maintenance, repair and service prices are determined separately from the products sold and are considered as a different service promised within the contract. For this reason, the service to be provided within the scope of maintenance and repair is accounted for as a separate performance obligation.

For each performance obligation, the Company determines at the beginning of the contract whether it has fulfilled its performance obligation over time or whether it has fulfilled its performance obligation at a certain point in time. The Group transfers the control of the service in maintenance and repair sales over time and thus fulfills its performance obligations over time and measures the progress towards the full fulfillment of this performance obligation and recognizes the revenue over time.

The Group can sell the license and hardware as well as the maintenance support packages of the party that provides the license. In the said maintenance support packages, the Company has considered itself as the principal in the contracts for which it is responsible for the performance of the performance. The company recognizes the amount paid to the service provider as a cost in its financial statements, and the provision for the maintenance service provided to the customer as income, as it fulfills the obligation in the contracts it is principal.

While determining the stand-alone sales prices of maintenance services sold together with other performance obligations in the contracts, the management estimated the stand-alone sale price of the maintenance service using the cost plus profit margin method, taking into account the past experience and the observable price in similar contracts. In contracts where discount is in question, it is reflected to all performance obligations at the discount rate.

Revenues from sales of outsourcing and support services

The Group provides staffing, support and consultancy services in line with the expectations of its customers. The control of staffing and some support services passes as the service is provided to the customer, and the customer receives and consumes the benefit obtained from this act at the same time. For this reason, it is included in the financial statements on a "over time" basis.

2.4.47. General Administrative Expenses, Marketing Expenses, Research and Development Expenses

Administrative expenses, marketing, sales and distribution expenses and research and development expenses, which are directly related with profit or loss within the scope of TAS 38- Intangible Fixed-Assets Standard are presented separately. The said expenses include depreciation and amortization costs as well as employee benefits.

(*) The Group associates research expenses directly with the statement of profit or loss in the period in which they are incurred. According to the findings of the research, the expenditures made within the scope of a project to produce a new product, software or program are defined as development and the development expenditures are capitalized by moving to the future periods when the future realizable value is assured. In this context, while the other costs and the costs incurred for the personnel who are directly involved in the creation of the Project are capitalized, it is taken into account how much time each staff takes in research and development activities. The cost of personnel related to research activities is recorded as expense when realized.

2.4.48. Other Main Operating Income/Expenses

Although not arising from core activities and excluded from income and expenses related to core activities, other real operating income/Expenses are earnings other than proceeds, losses unrelated to cost of sales, income and expenses related to the activities which are evaluated within the scope of core activities as not evaluated under scope of investment and financial activities.



2.4.49. Investment Activities

Investment activities are related to acquisition and disposal of other investments, which are not presented under long-term assets and cash equivalents. The activities deemed to be under scope of investment activities are assessed under TAS 7.

Investing activities profit/loss are determined by means of deducting the income and expenses related to the same. Profit shares or loss shares, if any, related to the investments valued by equity method are either added to or deducted from the respective item.

In the case that investments valued by equity method are a part of the reporting entity, such item is reported under "Operating Activities Section".

2.4.50. Financial Income/ Financial Expenses

Financing activities change the structure and amount of shareholders' equity and foreign funds. Activities under scope of financing activities are evaluated within framework of TAS 7.

In the event that outstanding interest accrues before acquisition of a security with interest; later- collected interest is classified under periods of pre-acquisition and post-acquisition and only shown in financial statements as income under post-acquisition.

Interests, which are charged to overdraft accounts and short-term and long-term borrowings, in case of foreign currency borrowings, provided these are considered as adjustments to interest costs, currency differences thereof shall be presented under financial expenses item.

2.4.51. Earnings per Share

Net earnings per share are calculated by dividing the main shareholder's earnings or loss (numerator) the ordinary shareholders into the weighted average of number of ordinary shares (denominator) of the relevant period. In order to calculate the diluted earnings per share, the group adjusts the main shareholder's earnings or loss of the ordinary shareholders and number of weighted average shares based on the impacts of the dilutive potential ordinary shares

2.4.52. Effects of Changes in Foreign Exchange Rates

Foreign exchange transactions are carried out by converting foreign currency into TL based on the foreign currency rate on the date of transaction. Foreign currencies, monetary assets and liabilities are converted into TL at the end of the period based on the currency rate which is valid on balance sheet date. The foreign exchange differences resulting from these types of operations are presented in the income statement/balance sheet.

Exchange rate details used by the group at the end of the period are as follows;

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
USD	16,6614	13,3290
Euro	17,3701	15,0867
GBP	20,1752	17,9667

2.4.53. Post-balance-sheet Events

Even though the post-balance sheet events emerge after the disclosure of any announcement regarding profit or other disclosure of other selected financial information, it covers all events between the date of the balance sheet and the authorization date for the publishing of the balance sheet. In the event that certain events require correction following the balance sheet date, the Group shall correct the amounts represented in the financial statements in accordance with the then current situation.

2.5. Important Accounting Evaluation, Estimation and Assumptions

The preparation of the financial statements requires using the estimates and assumptions which may affect the measurement of assets and liabilities reported as of the statement of financial position, disclosure of contingent assets and liabilities and income and expenses reported during the accounting period. Although these estimates and assumptions are based on the Group management's best knowledge of current events and transactions, actual results may differ from the assumptions.

2.6 New and Revised Turkish Financial Reporting Standards

The accounting policies used in the preparation of the consolidated financial statements for the accounting period ending on 30 June 2022 are with those used in the previous year, except for the new and amended Turkish Accounting Standards ("TAS")/IFRS and TMS/IFRS interpretations valid as of 1 January 2022, which are summarized below has been applied consistently. The effects of these standards and interpretations on the Group's financial position and performance are explained in the relevant paragraphs.



As of 30 June 2022, the new standards in force and the amendments and interpretations to the existing previous standards:

TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 (Amendments) Benchmark Rate Reform – Phase 2

Benchmark Interest Rate Reform including amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 –

The Phase 2 changes provide a practical solution to the changes required by the reform and clarify whether hedge accounting needs to be discontinued under the Benchmark Rate Reform with respect to the provisions of hedge accounting and the nature and extent of the entity's exposure to risks arising from financial instruments that are subject to the Benchmark Rate Reform, and how the entity manages those risks, and the progress the entity has made in completing the transition to alternative benchmark interest rates, and how the entity manages that transition. These amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 are applied for annual accounting periods beginning on or after 1 January 2021. Early application is permitted. The Group management has evaluated that these changes do not have any impact on the consolidated financial statements of the Group.

References to TFRS 3 (Amendments) Conceptual Framework

This amendment updates a reference to the Conceptual Framework for Financial Reporting in TFRS 3 without materially changing the provisions of the standard. These amendments are valid for annual accounting periods beginning on or after 1 January 2022. Early implementation is permitted by applying it in conjunction with other reference updates to the Conceptual Framework so far. The Group management has evaluated that these changes do not have any impact on the consolidated financial statements of the Group.

TAS 16 (Amendments) Property, Plant and Equipment – Intended Earnings Before Use

These amendments do not allow the revenues from the sale of the items produced to be deducted from the cost of the related asset while the related property, plant and equipment is brought to the required location and condition so that it can operate under the conditions intended by the management, and requires such sales revenues and related costs to be recognized in profit or loss. These changes are applied for annual accounting periods beginning on or after January 1, 2022. Early application is permitted. The Group management has evaluated that these changes do not have any impact on the consolidated financial statements of the Group.

TAS 37 (Amendments) Economically Disadvantaged Contracts – Cost of Fulfillment

With the amendment made in TAS 37, it is stipulated that the estimated costs of fulfilling the contract in order to determine whether the contract is an economically disadvantageous contract consist of both the variable costs incurred to fulfill the contract and the amounts distributed from other costs directly related to fulfilling the contract. This amendment is applicable for annual accounting periods beginning on or after 1 January 2022. Early application is permitted. The Group management has evaluated that these changes do not have any impact on the consolidated financial statements of the Group.

Standards and amendments published but not yet effective as of 30 June 2022:

The Group has not yet implemented the following standards, which have not yet entered into force, and the following amendments and interpretations to existing previous standards:

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current coverage value and provides a more streamlined measurement and presentation approach for all insurance contracts. These requirements are designed to achieve consistent, principles-based accounting for insurance contracts. TFRS 17 will replace TFRS 4 Insurance Contracts as of 1 January 2023.

TAS 1 (Amendments) Classification of Liabilities as Short or Long Term

The purpose of these amendments is to ensure the consistent application of the requirements of the standard by assisting the decision-making process of companies regarding whether debts and other liabilities that do not have a definite maturity and are included in the consolidated statement of financial position should be classified as short-term (expected to be paid within one year) or long-term.

These amendments made in TAS 1 will be postponed for one year and will be applied in the annual accounting periods beginning on or after January 1, 2023, but early application is also allowed.

Annual Improvements to TFRSs 2018 – 2020

Amendment to the First Implementation of TFRS 1 Turkish Financial Reporting Standards

With the amendment made in TFRS 1, the subsidiary that started to apply TFRSs at a later date than its parent in paragraph D16(a) of the standard, included cumulative translation differences in the scope of the exemption for the



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measurement of its assets and liabilities, and to apply TFRSs for the first time. implementation costs for startups are reduced.

Amendment to TFRS 9 Financial Instruments

This amendment clarifies the fees considered in the assessment of derecognition of a financial liability. The debtor includes fees paid or received between the debtor and the creditor, including fees paid or received by the debtor or creditor on behalf of others.

Amendment to TAS 41 Agricultural Activities

With this amendment, the provision in paragraph 22 of TAS 41, which requires that cash flows arising from taxation not be included in the calculation in determining the fair value, has been removed. The amendment harmonizes the relevant provisions of the standard with the provisions of TFRS 13.

Amendments to TFRS 1, TFRS 9 and TAS 41 are applied for annual accounting periods beginning on or after 1 January 2022. Early application is permitted.

TFRS 4 (Amendments) Extension of the Temporary Exemption Period for the Application of TFRS 9

With the postponement of the effective date of TFRS 17 to 1 January 2023, the expiry date of the temporary exemption period for the application of TFRS 9 provided to insurers has also been revised to 1 January 2023.

TFRS 16 (Amendments) Continuing Concessions on Rent Payments Related to COVID-19 After 30 June 2021

The Public Oversight Accounting and Auditing Standards Authority ("POA"), published in June 2020, extending the exemption for tenants from determining whether certain concessions granted due to COVID-19 in rental payments due to COVID-19 have not been determined by a change in the lease for one more year. Continuing Concessions in Payments After 30 June 2021 - Amendments to TFRS 16.

When the change was first published, the facilitating practice only applied if any reduction in lease payments would affect payments that would normally be due on or before June 30, 2021. As lessors continue to offer rental concessions related to COVID-19 to tenants, and the impact of the COVID-19 pandemic continues and is significant, POA has extended the period of use of the facilitator by one year. This new change will be applied by tenants for annual accounting periods beginning on or after April 1, 2021, but early application is permitted.

TAS 1 (Amendments) Disclosure of Accounting Policies

This amendment requires businesses to take materiality as a basis in explaining their accounting policies. Although this amendment made in TAS 1 will be applied in annual accounting periods beginning on or after January 1, 2023, early application is allowed.

TAS 8 (Amendments) Definition of Accounting Estimates

With this amendment, the definition of "accounting estimation" was included instead of the definition of "change in accounting estimates", and sample and explanatory paragraphs regarding the estimates were added, furthermore, the issues of applying the estimates prospectively and correcting the errors retrospectively and the differences between these concepts were clarified. These amendments made in TAS 8 will be applied in annual accounting periods beginning on or after January 1, 2023, but early application is also permitted.

TAS 12 (Amendments) Deferred Tax on Assets and Liabilities Arising from a Single Transaction

With these amendments, it has been clarified that the exemption regarding the first recognition of an asset or liability in the financial statements does not apply to transactions in which equal amounts of taxable and deductible temporary differences occur when the asset and liability are first recorded. These amendments made in TAS 12 will be applied in annual accounting periods beginning on or after January 1, 2023, but early application is also permitted.

The possible effects of the said standards, amendments and improvements on the consolidated financial position and performance of the Group are being evaluated.

NOTE 3 -BUSINESS COMBINATIONS

The Group purchased 51,20 % of Datamind Bilişim A.Ş. on April 18, 2022 and this transaction was accounted for using the purchase method. Within the scope of the purchase method accounting, the purchase price and the fair value of the purchased asset should be compared and the amount exceeding the fair value amount should be defined as goodwill. However, in cases where such purchasing method stages cannot be completed by the end of the reporting date at which the acquisition takes place, the Group reports temporary amounts for items for which the accounting transaction cannot be completed. These temporary reported amounts are adjusted for the measurement period of 1 year from the date of acquisition, or an additional asset or liability is recognized to reflect new information about events and circumstances that occurred at that date that may have an impact on the amounts recognized at the acquisition date.



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(All amounts are expressed in Turkish Lira ("TL"))

The management used Datamind's financial statements prepared as of 31 March 2022, which is the closest reporting period to the date of the acquisition, and applied acquisition accounting by reporting the temporary amounts.

a. The main items regarding the assets acquired and liabilities assumed as of the date of purchase are as follows.

Cash and Cash Equivalents	3.985.980
Trade and Other Receivables	6.465.077
Tangible and Intangible Assets	10.929.221
Other Assets	504.940
Total Assets	21.885.218
Financial Borrowings	1.146.717
Commercial and Other Payables	4.951.752
Payables within the Scope of Employee Benefits	950.113
Obligations Arising from Customer Contracts	100.668
Provisions for Employee Benefits	872.196
Other Liability	1.049.730
TOTAL LIABILITIES	9.071.176
Net Assets	12.814.042

The identifiable assets, liabilities and post-acquisition goodwill amount related to the acquisition of Datamind are reported on a temporary basis.

b. Goodwill arising at the time of purchase

Total amount to be transferred	20.932.000
Non-Controlling Shares	6.253.252
Minus: The temporary value of the net assets of the acquired company	(12.814.042)
Goodwill	14.371.210

c. Impact of the acquisition on Group results

Datamind is included in the scope of consolidation as of 31 March 2022. If Datamind had been included in the consolidation as of January 1, 2022, the effect on sales income and net profit for the period would have been TL 19.247.947 and TL 216.365, respectively, in the consolidated statement of profit or loss.

NOTE 4-SHARES IN OTHER ENTERPRISES AND BUSINESS PARTNERSHIPS

The Group does not have any business partnerships. (December 31, 2021-None)

NOTE 5 – FINANCIAL INVESTMENTS

Details of short and long term financial investments as of June 30, 2022 and 31 December 2021 are as follows:

a) Short Term Financial Investments

	June 30, 2022	December 31, 2021
Financial assets at fair value through profit or loss	10.888.960	-
- Stock exchange securities (*)	10.888.960	-

(*)The financial investments of the Group, whose fair value differences are reflected in profit / loss, consist of companies stock exchange securities, and the fair value was determined by evaluating with the best pending BIST purchase price on the balance sheet date.

b)Long Term Financial Investments

The Group does not have any long term financial investment as of the date of balance sheet. (December 31, 2021-None)



NOTE 6-RELATED PARTY DISCLOSURES

Transactions carried out within the Period with Related Parties

A- Receivables and Payables

Receivables

a- Trade Receivables/Short term

The Group does not have short and long term trade receivables from related parties. (December 31, 2021-None.)

b. Other Receivables

-Short Receivables

Name-Surname/Title	Type of Partnership	June 30, 2022	December 31, 2021
Hakan Tarhan	Shareholder	260.000	-

-Long Receivables

Name-Surname/Title	Type of Partnership	June 30, 2022	December 31, 2021
Serrec AG		755.630	-
VB T Software DE GmbH		1.699.143	-
English Guru LLC		1.723.430	-
Buz İletişim Hizmetleri San.ve Tic.A.Ş.	Participation	-	2.000.000
A Soft Yazılım	Related Company	-	25.092
Total		4.178.203	2.025.092

c. Prepaid Expenses / Short Term

Name-Surname/Title	Type of Partnership	June 30, 2022	December 31, 2021
Employee Advances	Related Person	408.801	233.634

d- Prepaid Expenses / Long Term

The Group has no long-term prepaid expenses to related parties. (December 31, 2021-None.)

Payables

a- Trade Payables/ Short –Long Term

The Group does not have any short / long term trade payables from related parties. (December 31, 2021- None.)

b- Other Payables / Short –Long Term

- Short Payables

Name-Surname/Title	Type of Partnership	June 30, 2022	December 31, 2021
Other Shareholder		10.980.000	-
Biröl Başaran	Shareholder	3.963.298	146.805
Total		14.943.298	146.805

- Long Payables

As of the balance sheet date, the Group does not have other long-term debts to related parties. (December 31, 2021-None.)



B- Related party purchases and sales**-Service Sales**

Name-Surname/Title	Type of Partnership	January 1, 2022 June 30, 2022	January 1, 2021 December 31, 2021
Phexum Yaz. A.Ş.	Participation	-	190.000

-Service Purchases

Name-Surname/Title	Type of Partnership	January 1, 2022 June 30, 2022	January 1, 2021 December 31, 2021
Phexum Yaz. A.Ş.	Participation	210.000	50.000
Stoneity Yazılım A.Ş.	Participation	336.000	264.000
Total		546.000	314.000

C-Information on Mortgages, Guarantees, Commitments and Guarantees Granted to / Received by Related Persons- Organisations

For the loans used by the Group, there is a mortgage amounting to TL 750.000 given by the Company partner, Birol Başaran, in favor of the Company. (December 31, 2021-750.000 TL mortgage)

Buz İletişim Hizmetleri Sanayi ve Ticaret A.Ş., which is a subsidiary of the Group, has given a surety of 10.000.000 TL and 2.000.000 USD on 27.05.2022 for all debts that have arisen or will arise from the General and Non-Cash loan agreement.

D- Remuneration and Similar Benefits to the Chairman of board, Members of the board, General Manager and Deputy managers

The Group's senior management team consists of the members of the board of directors and the Chairman of board of Directors, as well as the executives at the level of the General Manager. Benefits provided to senior executives include benefits such as remuneration and premiums. The benefits provided to senior executives during the period are as follows:

	January 1, 2022 June 30, 2022	January 1, 2021 June 30, 2021
Chairman and Members of the Board of Directors	2.095.211	1.466.042

E-Collateralized Receivables and Payables from Related Parties and conditions of maturity

There are no receivables and payables related to mortgages and collaterals from related parties. (December 31, 2021- None)

F-Doubtful Provision Amounts reserved Due to Receivables from Related Organisations

There is no doubtful provision reserved due to receivables from related organisations. (December 31, 2021- None)

NOTE 7-CASH AND CASH EQUIVALENTS

	June 30, 2022	December 31, 2021
Cash	10.300	11.023
Banks	71.452.412	224.808.813
- Term Deposit(*)	13.632.058	114.484.396
- Demand deposits	57.886.968	110.324.417
Total	71.529.326	224.819.836



* The breakdown of time deposits with a maturity of less than 3 months is as follows;

June 30, 2022		
Currency	Currency Amount	TL Equivalent
TL	11.962.646	11.962.646
USD	100.196	1.669.412
Total		13.632.058

December 31, 2021		
Currency	Currency Amount	TL Equivalent
TL	107.898.684	107.898.684
USD	494.089	6.585.712
Total		114.484.396

NOTE 8 – FINANCIAL INVESTMENTS

The Group has no financial investments as of the balance sheet date. (31 December 2021- None.)

NOTE 9- FINANCIAL LIABILITIES

a) Short-Term Borrowings from Unrelated Parties

As of June 30, 2022 the Group does not have short-term borrowings from unrelated parties. (December 31, 2021- None)

b) Short Term Portions of Long Term Borrowings from Unrelated Parties

Banka Kredileri	Currency	Interest rate	TL Amount	Accued Interest	Total
June 30, 2022	TL	7,76-34,10	2.572.739	15.075	2.587.814
December 31, 2021	TL	7,5-19,20	2.379.969	36.267	2.416.236

Lease Payables

	June 30, 2022	December 31, 2021
Short Term Lease Obligation From Unrelated Parties	723.412	44.884

c) Long Term Borrowings from Unrelated Parties

	Currency	Interest rate	TL Amount
Banks Credits			
June 30, 2022	TL	7,76 - 34,10	2.788.246
December 31, 2021	TL	7,5 - 19,20	2.007.963

Lease Payables

	June 30, 2022	December 31, 2021
Long Term Lease Obligation From Unrelated Parties	2.886.213	343.313

As of June 30, 2022 and 31 December 2021 the maturity of debts arising from bank credits are as follows:

Bank Credits and Lease Obligations	June 30, 2022	December 31, 2021
0-3 month	1.221.591	736.866
4-12 month	2.089.636	1.724.254
1-5 year	5.674.458	2.351.276
Total	8.985.685	4.812.396

d) Other Financial Liabilities

	June 30, 2022	December 31, 2021
Credit Card Debts	261.150	139.987



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(All amounts are expressed in Turkish Lira ("TL"))

(*) Contract Assets Arising from Sales of Goods and Services consist of uninvoiced but delivered licenses within the scope of the license sales and maintenance-support contract signed by the Group with its customers.

b- Long Term Receivables Arising From Customer Contracts

The Group has no receivables arising from long-term customer contracts as of the balance sheet date. (December 31, 2021 - None.)

c- Short Term Liabilities Arising From Customer Contracts	June 30, 2022	December 31, 2021
Contract Obligations Arising from Sales of Goods and Services (**)	37.475.065	44.857.011

d- Long Term Liabilities Arising From Customer Contracts	June 30, 2022	December 31, 2021
Contract Obligations Arising from Sales of Goods and Services (**)	10.607.009	387.276

(**) Contractual Obligations Arising from the Sale of Goods and Services consist of the income that the Group will earn from the transactions that have been invoiced to the customer within the scope of the customer contracts but the service will take place in the following periods.

NOTE 12-PAYABLES/RECEIVABLES FROM FINANCIAL SECTOR ACTIVITIES

The Group has no receivables or payables attributable to finance sector activities. (December 31, 2021 - None.)

NOTE 13-OTHER RECEIVABLES AND PAYABLES

a- Short term Other Receivables	June 30, 2022	December 31, 2021
Deposits and Guarantees Given	82.356	6.219
Other Receivables	261.868	15.558
Receivables from Related Parties (Note: 6)	260.000	-
Total	604.224	21.777

b-Long-term Other Receivables	June 30, 2022	December 31, 2021
Deposits and Guarantees Given	2.500	2.500
Receivables from Related Parties (Note: 6)	4.178.203	2.025.092
Total	4.180.703	2.027.592

c- Other Payables (Short Term)	June 30, 2022	December 31, 2021
Receivables from Related Parties (Note: 6)	14.943.298	146.805
Other Miscellaneous Payables	136.831	81.584
Taxes and Funds Payables	3.149.836	6.669.986
Total	18.229.965	6.898.375

d- Long Term Other Payables

The Group does not have any long- term liabilities as of the balance sheet date. (31 December 2021- None.)

NOTE 14-LIABILITIES REGARDING EMPLOYEE BENEFITS

	June 30, 2022	December 31, 2021
Payables to Employee	975.123	50.078
Withholding and Stamp taxes payable	528.509	461.040
Social Security Premiums Payable	1.749.241	1.019.990
Total	3.252.873	1.531.108

NOTE 15-DERIVATIVE INSTRUMENTS

The Group has no derivative instrument. (December 31, 2021- None.)

NOTE 16- INVENTORIES

	June 30, 2022	December 31, 2021
Trade Goods (*)	7.864.918	16.404.957
Provision for Inventory Impairment (-)	(2.366.869)	(74.706)
Total	5.498.049	16.330.251



(*) Consists of the license and software costs received for sale to customers.

NOTE 17-ALIVE ASSETS

Alive assets are not a part of the Group's main area of activity. (December 31, 2021- None)

NOTE 18-PREPAID EXPENSES

	June 30, 2022	December 31, 2021
Advances Given	599.825	304.297
Expenses for Future Months (*)	30.054.660	29.513.043
Business Advances	40.691	1.040
Personnel Advances	408.801	233.634
Total	31.103.977	30.052.014

(*) As of June 30, 2022, 30.054.660 TL, reported in the expenses for future months, consists of the costs of the maintenance services received to be given to the customers in the future. (31 December 2021: 29.513.043 TL.)

	June 30, 2022	December 31, 2021
Expenses for Future Years (*)	6.225.803	2.932.267

(*) As of June 30, 2022, 6.225.803 TL, reported in the expenses for future years, consists of the costs of the maintenance services received to be given to the customers in the future. (31 December 2021: 2.932.267 TL.)

NOTE 19 – GOVERNMENT INCENTIVES AND GRANTS

Short-Term Government Incentives and Grants	June 30, 2022	December 31, 2021
Government Incentives and Grants (*)	202.458	44.148
Long-Term Government Incentives and Grants	30.06.2022	31.12.2021
Government Incentives and Grants(*)	439.405	154.518

The Group receives incentives for its TUBITAK (Scientific and Technological Research Council of Turkey) projects related to R & D activities. The incentive to be received is not recorded as income in the first accounting records and is recorded as income in proportion to the amortisation of the R & D investment. R&D incentives, which will be recorded as income in the following periods, are reported in the short and long term "Government Incentives and Grants" account items in the balance sheet accounts.

The Group benefits from the incentives and exemptions provided within the framework of the Law No. 5746 on Supporting Research, Development and Design Activities.

In this context, the Company has been entitled to corporate tax deduction arising from R&D incentives amounting to TL 12.655.649 as of June 30, 2022 and has used all of it as of June 30, 2022

(Along with the R&D incentive transferred as of 31 December 2021, the Company was entitled to a corporate tax deduction arising from the R&D incentive amounting to a total of 14.466.553 TL, and has used all of it as of 31 December 2021.)

The amounts, which are benefitted by the Group, related to the Social Security Institution, income tax in relation to the personnel, stamp tax incentives are demonstrated in the chart, by years.

Social Security Institution (SSI)	June 30, 2022	December 31, 2021
Incentive benefitted as per law no. 5510	1.134.062	1.458.263
Incentive benefitted as per law no. 4857	4.654	6.655
Incentive benefitted as per law no. 6111	206.013	109.701
Incentive benefitted as per law no. 6661	-	280.955
Incentive benefitted as per law no. 17103	710.879	-
Incentive benefitted as per law no. 1687	-	-
Incentive benefitted as per law no. 7252	-	2.640
Incentive benefitted as per law no. 5746	876.846	1.109.026
Total	2.932.454	2.967.240

Income Tax Incentives	June 30, 2022	December 31, 2021
Amount of Withholding Made on Wage Payments As Per the Law No. 5746	1.707.908	2.645.734



NOTE 20 – PERIOD PROFIT TAX LIABILITY

	June 30, 2022	December 31, 2021
Current Period Legal Tax Provision	5.220.874	5.123.752
Prepaid Taxes (-)	(1.147.305)	(1.206.187)
Total net tax payable	4.073.569	3.917.565

NOTE 21-ASSETS RELATED TO CURRENT PERIOD TAX

As of June 30, 2022, the Group has no assets related to current tax. (31 December 2021-None.)

NOTE 22-OTHER CURRENT/NON-CURRENT ASSETS

As of June 30, 2022, the Group has 3.741.658 TL Deferred VAT amount reported in other current assets. (31 December 2021-5.819 TL)

As of June 30, 2022, the Group has no other non-current assets. (31 December 2021- None.)

NOTE 23-OTHER LIABILITIES

As of June 30, 2022, the Group has no other short-term liabilities. (31 December 2021- None.)

NOTE 24-PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a.Collaterals, pledges and mortgages acquired by the Group

For the loans used by the Company, there is a mortgage amounting to 750.000 TL given in favor of the Company by the Company partner, Birol Bařaran. (31 December 2021-750.000 TL)

b.Collaterals, pledges and mortgages given by the Company

	June 30, 2022	December 31, 2021
A. CPM Given On Behalf of Its Own Legal Entity	46.763.653	36.086.307
Letters of Guarantee	46.763.653	36.086.307
Pledge	-	-
Mortgage	-	-
Cash Collaterals	-	-
B. Total amount of "CPM" Given to the Benefit of Subsidiaries Included Within the Full Consolidation	-	-
C. Total amount of "CPM" Given for the Purpose of Covering the Debt of other 3 rd party people in order to Execute Regular Trade Activities	-	-
D. Total of Other CPM's	-	-
Total	46.763.653	36.086.307

NOTE 25-INVESTMENT VALUED BY EQUITY METHOD

	June 30, 2022	December 31, 2021
Investment Valued By Equity Method	9.477.397	8.371.052
- Phexum Yazılım A.Ş.	154.872	53.887
- Stoneity Yazılım A.Ş.	31.085	23.069
- Buz İletişim Hizmetleri San.ve Tic. A.Ş.	9.291.440	8.294.096

- Phexum Yazılım A.Ş.

The Group consolidates its financial statements with its participation Phexum Yazılım A.Ş through equity method. The capital of the said affiliate is 50.000 TL, and the cost of participation in VBT Yazılım A.Ş. is 15.000 TL.

After the valuation using the equity method, the balance sheet value of this participation as of June 30, 2022 is 154.872 TL.



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(All amounts are expressed in Turkish Lira ("TL"))

As of June 30, 2022, summary financial information regarding the valuation using the equity method is as follows:

	June 30, 2022	December 31, 2021
Current Assets	358.753	118.456
Non-Current Assets	347.977	113.079
Total Assets	706.730	231.535
Short Term Liabilities	190.488	51.916
Long-Term Liabilities	-	-
Total Liabilities	190.488	51.916
Net Assets	516.242	179.619
Ownership Ratio of the Group	30%	30%
Net Asset Share of the Group	154.872	53.886

- Stoneity Yazılım A.Ş.

VB T Akademi Eğitim A.Ş. consolidates its financial statements with its participation Stoneity Yazılım A.Ş. through equity method. The capital of the said affiliate is 200.000 TL, and the cost of participation in VB T Akademi Eğitim A.Ş is 40.000 TL.

After the valuation using the equity method, the balance sheet value of this subsidiary as of June 30, 2022 is TL 31.085.

As of June 30, 2022, summary financial information regarding the valuation using the equity method is as follows:

	June 30, 2022	December 31, 2021
Current Assets	207.749	139.408
Non-Current Assets	30.589	-
Total Assets	238.338	139.408
Short Term Liabilities	82.919	24.062
Long-Term Liabilities	-	-
Total Liabilities	82.919	24.062
Net Assets	155.419	115.346
Ownership Ratio of the Group	20%	20%
Net Asset Share of the Group	31.085	23.069

- Buz İletişim Hizmetleri San. Ve Tic. A.Ş.

VB T Yazılım A.Ş. is consolidated by means of equity with Buz İletişim Sanayi ve Ticaret A.Ş., which has a total capital of TL 20.000.000, consisting of 20.000.000 shares with a nominal value of TL 1 each. The capital of the said affiliate is 20.000.000 TL, and the cost of VB T Yazılım A.Ş. is 10.000.000 TL.

After the valuation using the equity method, the balance sheet value of this participation as of June 30, 2022 is TL 9.291.440.

As of June 30, 2022, summary financial information regarding the valuation using the equity method is as follows:

	June 30, 2022	December 31, 2021
Current Assets	42.169.407	52.929.202
Non-Current Assets	3.662.069	3.993.342
Total Assets	45.831.476	56.922.544
Short Term Liabilities	24.418.893	37.315.673
Long-Term Liabilities	2.829.703	3.018.679
Total Liabilities	27.248.596	40.334.352
Net Assets	18.582.880	16.588.192
Ownership Ratio of the Group	0,5	0,5
Net Asset Share of the Group	9.291.440	8.294.096

NOTE 26-INVESTMENT PROPERTY

The Group does have investment properties.(December 31, 2021 - None.)



NOTE 27-TANGIBLE FIXED ASSETS

As of June 30, 2022 Movements of Tangible Fixed Assets are As Follows:

Cost Value	December 31, 2021	Purchases	Impact of Subsidiary Acquisition	Sales	June 30, 2022
Buildings	4.496.200	-	-	-	4.496.200
Vehicles	1.946.555	999.963	718.627	(194.534)	3.470.611
Plant Machinery And Equip.	8.326.256	-	-	-	8.326.256
Furniture And Fixtures	3.927.685	2.239.082	1.319.006	-	7.485.773
Special Costs	2.487.166	443.871	22.432	-	2.953.469
Total	21.183.862	3.682.916	2.06.065	(194.534)	26.732.309

Accumulated Depr.Value	December 31, 2021	Period expense	Impact of Subsidiary Acquisition	Sales	June 30, 2022
Buildings	46.900	44.962	-	-	91.862
Vehicles	721.173	172.170	310.217	(51.876)	1.151.684
Plant Machinery And Equip.	416.313	832.625	-	-	1.248.938
Furniture And Fixtures	2.222.736	497.495	747.372	-	3.467.603
Special Costs	426.389	248.701	-	-	675.090
Total	3.833.511	1.795.953	1.057.589	(51.876)	6.635.177

Net Book Value	December 31, 2021	June 30, 2022
Buildings	4.449.300	4.404.338
Vehicles	1.225.382	2.318.927
Plant Machinery And Equip.	7.909.943	7.077.318
Furniture And Fixtures	1.704.949	4.018.170
Special Costs	2.060.777	2.278.379
Total	17.350.351	20.097.132

As of December 31, 2021 Movements Of Tangible Fixed Assets are As Follows:

Cost Value	December 31, 2020	Purchases	Transfers	Sales	December 31, 2021
Buildings	296.200	4.200.000	-	-	4.496.200
Vehicles	1.101.360	845.195	-	-	1.946.555
Plant Machinery And Equip.	0	8.326.256	-	-	8.326.256
Furniture And Fixtures	2.556.455	1.371.231	-	-	3.927.686
Special Costs	249.409	2.237.756	-	-	2.487.165
Total	4.203.424	16.980.438	-	-	21.183.862

Accumulated Depr.Value	December 31, 2020	Period expense	Transfers	Sales	December 31, 2021
Buildings	5.976	40.924	-	-	46.900
Vehicles	458.555	262.618	-	-	721.173
Plant Machinery And Equip.	-	416.313	-	-	416.313
Furniture And Fixtures	1.760.181	462.555	-	-	2.222.736
Special Costs	164.353	262.036	-	-	426.389
Total	2.389.065	1.444.446	-	-	3.833.511

Net Book Value	December 31, 2020	December 31, 2021
Buildings	290.224	4.449.300
Vehicles	642.805	1.225.382
Plant Machinery And Equip.	-	7.909.943
Furniture And Fixtures	796.274	1.704.950
Special Costs	85.056	2.060.776
Total	1.814.359	17.350.351



Pledges and Mortgages on Assets

There are no pledges and mortgages on the tangible assets detailed above. (December 31, 2021: None)

Depreciation periods for tangible assets are as follows:

	Useful Life
Buildings	50 Year
Vehicles	4-5 Year
Plant Machinery And Equipment	5 Year
Furniture And Fixtures	3-4-5-10-15 Year
Special Costs	5 Year

As of June 30, 2022, of the total depreciation expense of 3.332.805 TL calculated for tangible and intangible assets and right-of-use assets, 1.532.522 TL belongs to the cost of sales, 1.506.641 TL belongs to research and development expenses and 293.642 TL belongs to general administrative expenses. .

As of December 31, 2021, Of the total depreciation expense of 3.535.224 TL calculated for tangible and intangible assets and right-of-use assets, 1.370.403 TL belongs to the cost of sales, 2.045.021 TL belongs to research and development expenses and 119.800 TL belongs to general administrative expenses. .

NOTE 28 – INTANGIBLE ASSETS

-Goodwill

As a result of the Group's acquisition of Datamind in 2022, there is a goodwill amount of 14.371.210 TL.

In the current period, on April 18, 2022, VBT signed a contract to purchase 51.20% of Datamind's shares for TL 22.980.000, TL 12.000.000 was paid in cash/capital increase, and the remaining amount will be paid in the future. The remaining amount in question has been shown in the "Other Payables" item. The aforementioned purchase has been evaluated within the scope of TFRS 3, and since the distribution of the purchase price is ongoing, goodwill amounting to TL 14,371,210 has been temporarily accounted for in accordance with the provisions of TFRS - 3 Measurement Period as of 30 June 2022. The final amounts related to the merger will be completed within one year from the merger.

As of June 30, 2022 Movements of Intangible Assets are as follows:

Cost Value	December 31, 2021	Purchase	Impact of Subsidiary Acquisition	June 30, 2022
Licenses	381.782	-	-	381.782
Capitalized Dev. Costs	22.116.157	1.911.460	17.208.227	41.235.844
<i>Completed projects</i>	19.024.407	-	11.294.679	30.319.086
<i>Ongoing projects</i>	3.091.750	1.911.460	5.913.548	10.916.758
Total	17.566.289	1.911.460	17.208.227	41.617.626

Accumulated Depr.Value	December 31, 2021	Period expense	Impact of Subsidiary Acquisition	June 30, 2022
Licenses	374.917	1.478	-	376.395
Capitalized Dev. Costs	2.848.266	1.084.080	5.377.616	9.309.962
<i>Completed projects</i>	2.848.266	1.084.080	5.377.616	9.309.962
<i>Ongoing projects</i>	-	-	-	-
Total	3.223.183	1.085.558	5.377.616	9.686.357

Net Book Value	December 31, 2021	June 30, 2022
Licenses	6.865	5.387
Capitalized Dev. Costs	19.267.891	31.925.882
<i>Completed projects</i>	16.176.141	21.009.124
<i>Ongoing projects</i>	3.091.750	10.916.758
Total	19.274.756	31.931.269



VB T YAZILIM A.Ş.**FOOTNOTES REGARDING CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022**

(All amounts are expressed in Turkish Lira ("TL"))

As of December 31, 2021 Movements of Other Intangible Assets are as follows:

Cost Value	December 31, 2020	Purchases	Transfers	December 31, 2021
Licenses	381.782	-	-	381.782
Capitalized Dev. Costs	17.184.507	4.931.650	-	22.116.157
<i>Completed projects</i>	14.202.821	-	4.821.586	19.024.407
<i>Ongoing projects</i>	2.981.686	4.931.650	(4.821.586)	3.091.750
Total	17.566.289	4.931.650	-	22.497.939

Accumulated Depr.Value	December 31, 2020	Period expense	Transfers	December 31, 2021
Licenses	371.960	2.957	-	374.917
Capitalized Dev. Costs	1.077.277	1.770.989	-	2.848.266
<i>Completed projects</i>	1.077.277	1.770.989	-	2.848.266
Total	1.449.237	1.773.946	-	3.223.183

Net Book Value	December 31, 2020	December 31, 2021
Licenses	9.822	6.865
Capitalized Dev. Costs	16.107.230	19.267.891
<i>Completed projects</i>	13.125.544	16.176.141
<i>Ongoing projects</i>	2.981.686	3.091.750
Total	16.117.052	19.274.756

Useful lives related to intangible fixed assets are as follows:

	Useful Life
Licenses	5 Year
Capitalized Dev. Costs	7-12 Year

NOTE 29 – RIGHT-OF-USE ASSETS

The balance of the right of use assets as of June 30, 2022 and December 31, 2021 the depreciation and amortization expenses for the relevant period are as follows;

Net Value	January 1, 2022	Corrections(*)	Purchase	Depreciation(-)	June 30, 2022
Building Rent	279.082	-	3.406.177	(451.294)	3.233.965

Net Value	January 1, 2021	Corrections (*)	Purchase	Depreciation(-)	December 31, 2021
Building Rent	587.732	8.182	-	(316.832)	279.082

* It arises from changes in Right of Use Assets.

NOTE 30-SHORT/LONG-TERM PROVISIONS

	June 30, 2022	December 31, 2021
Short-Term Provisions for Employee Benefits(*)	3.208.500	1.545.843
- Provisions for unused leave	3.208.500	1.545.843
Other Short Term Provisions (**)	336.158	7.592.905
- Provision for cost expense	336.158	7.592.905
Provision as of 31 December	3.544.658	9.138.748

(*)As of June 30, 2022, the Group has allocated TL 3.208.500 as a result of unused leave. (December 31, 2021:1.545.843 TL)

(**)It is related to the license costs that have been sold but not invoiced as of the balance sheet date.



The movements of unused leave fees are as follows:

	June 30, 2022	December 31, 2021
Opening Balance January 1	1.545.843	865.854
Impact of Subsidiary Acquisition	264.863	-
Increase in Current Year(+)	1.397.794	679.989
Provision as of December 31	3.208.500	1.545.843

Seniority Incentive Bonus

As of June 30, 2022 , there is no liability amount related to seniority incentive bonus. (31 December 2021- None)

Other

The Company does not have any provision for social aid raise payments and tax risks (December 31, 2021 - None).

B- Long- term provisions (Long-term Provisions Regarding Employee Benefits)

-Provision for Severance Pay

As per the rules of the Labour Law in effect, it is obliged to pay the legally deserved severance payments to the employees whose labor contracts have expired provided that they have become entitled to acquire severance payment. In addition, according to the current Social Security Law's No.506/dated March 6, 1981, No.2422/dated August 25, 1999, No.4447, as well as its amended Article No.60, the legal severance payments have to be paid to the employees who became entitled to acquire severance payment in case they leave.

Severance payments are calculated based on one month salary per annum. As of the date of the balance sheet, severance payment to be paid is subjected to a ceiling amount of 15.371 TL (December 31, 2021-10.849 TL).

Severance payment liability is calculated based on the estimation for the present value of the future potential obligations of the Company arising from the retirements of its employees. IAS 19 "Employee Benefits" (amended) sets forth actuarial valuation methods for the calculation of company's liabilities within the scope of defined benefit plans. Accordingly, actuarial assumptions used in the calculation of total liabilities are indicated below.

Main assumption is an increase in maximum liability for each service year in parallel to inflation rate. Therefore, the discount rate being applied implies the anticipated real interest rate after the adjustment of inflation effects in future. The liabilities in the attached financial statements as of the dates December 31, 2021 are calculated through the estimation of the present value for the potential liabilities in future arising from the retirements of the employees.

The provisions at the balance sheet date have been calculated assuming an annual inflation rate of 12,95 %(December 31, 2021 - %12,95) and interest rate of 15,75 %(December 31, 2021 - %15,75), resulting in a real discount rate of approximately 2,80%(31 December, 2021- %2,80).

In the calculation of provision for severance pay, the significant estimates are inflation, discount rate and the possibility willingly to leave the work.

	June 30, 2022	December 31, 2021
Provision for severance pay	5.477.635	3.274.259
	June 30, 2022	December 31, 2021
Opening Balance	3.274.259	2.499.646
Impact of Subsidiary Acquisition	949.710	-
Service Costs	1.287.935	537.510
Revaluation gains(losses) in defined benefit plans	271.814	(18.944)
Interest Cost	208.793	330.079
Payment (-)	(514.876)	(74.032)
End of the Period	5.477.635	3.274.259



NOTE 31- EQUITY

A-Paid-in Capital

With the permission of CMB, 8.000.000 shares was publicized in July 6-7, 2021, which consists of Birol Bařaran's shares with nominal value of 2.000.000 TL and nominal value of issued 6.000.000 TL shares after increment of capital from 20.000.000 TL to 26.000.000 TL. The capital structure of the company after public offering is as follows.

Shareholders	June 30, 2022		December 31, 2021	
	Share Ratio %	Share Amount	Share Ratio %	Share Amount
Birol Bařaran	46,91%	12.200.000	46,91%	12.200.000
İpek Canan Bařaran	7,69%	2.000.000	7,69%	2.000.000
Tayfun Yurdađul	3,08%	800.000	3,08%	800.000
Osman aylı	2,31%	600.000	2,31%	600.000
Mümin Sürer	2,31%	600.000	2,31%	600.000
Zahide Koyüđit	2,31%	600.000	2,31%	600.000
Ünal Kırıkı	1,54%	400.000	1,54%	400.000
Metin Faruk Tufan	1,54%	400.000	1,54%	400.000
Abdülkadir Aydođan	1,54%	400.000	1,54%	400.000
Shares Under Public Offering	30,77%	8.000.000	30,77%	8.000.000
Paid-in Capital	100%	26.000.000	100%	26.000.000

b. Gains (Losses) on Remeasurement of Defined Benefit Actuarial Gain (Loss) Fund

Within this framework, the Group has calculated the actuarial gains/losses in the defined benefit plans regarding its employees and presented them in the financial statements.

	June 30, 2022	December 31, 2021
Opening Balance	(297.659)	(313.192)
Actuarial Gain/Loss	(271.814)	18.943
Deferred Tax Asset	48.927	(3.410)
Impact of Subsidiary Acquisition	(25.628)	-
Net Actuarial Gains / Losses	(546.174)	(297.659)

c-Share Premiums (Discounts)

	June 30, 2022	December 31, 2021
Premiums on Shares (Discounts)	65.190.632	65.190.632

d- Restrained Reserves from Profit

According to the Turkish Commercial Code, legal reserves are divided into two groups as primary legal reserves and secondary legal reserves. Primary legal reserves are allocated as 5% of the legal net profit until 20% of the paid capital of company is achieved. As for the secondary legal reserves, they are 10% of the profit distributed which exceeds the 5% of the paid capital. According to the Turkish Commercial Code, if the general legal reserve does not exceed half of the capital or the issued capital, it may be used only to close the losses, to continue the business when the work is not going well or to prevent unemployment and to take measures to mitigate the results. Otherwise it is not possible to use it in any way.

	June 30, 2022	December 31, 2021
Legal Reserves	4.676.001	1.774.852
Reserves for Repurchased Shares (*)	9.955.039	9.955.039
Venture Capital Fund	289.331	-
Total	14.920.371	11.729.891

(*)Reserves for repurchased shares are reserved in accordance with Article 520 of the TCC and the "Communiqué on Repurchased Shares" of the CMB.



e-Previous Year Profits / Losses

Retained earnings other than the net profit for the period and accumulated losses are shown in this item. The extraordinary reserves that are retained by the nature of their accumulated profit and are therefore not restricted, are also recognized as retained earnings.

	June 30, 2022	December 31, 2021
Previous Years' Profits	30.978.319	12.281.894

Dividend Distribution

The companies whose shares are traded in BIST are subject to the dividend requirement brought by the CMB as follows:

According to Article 19 of the Capital Markets Law No. 6362 entered into force on December 30, 2012 and the Communiqué on Dividends numbered II-19.1, which entered into force on 1 February 2014, the publicly-traded companies distribute profits in scope of the profit distribution policies to be determined by their general assembly, and as per the provisions of the relevant legislation. The Board may set different principles on the profit distribution policies of publicly traded companies on the basis of similar partnerships.

Unless reserve is set up as per TCC or the dividend determined for the shareholders under the main contract or under the dividend distribution policy, it is not possible to decide to distribute any other reserve fund, transfer the profit to the following year and distribute the dividend from the profit to the owners of bonus shares, the members of the board of directors, the employees of the partnership and the persons other than the shareholder.

As of the date of dividend distribution, it is distributed equally to all existing shares, regardless of their issuance and acquisition dates.

The distribution method and time of the profit that is decided to be distributed is decided by the general assembly upon the proposal of the board of directors. The Company may decide to distribute dividends in accordance with the Turkish Commercial Code and Capital Markets legislation. For this purpose, it may authorize the board of directors with the decision of the general assembly, limited to the relevant accounting period.

f- Repurchased Shares

	June 30, 2022	December 31, 2021
Repurchased Shares (*)	9.955.039	9.955.039

As of June 30, 2022, the Group's repurchased shares accounted for in equity is TL 9.955.039. The nominal amount of the shares subject to the transaction is 485.500 TL, and its ratio to the capital is 1,8670%.

g- Currency Translation Adjustment

	December 31, 2021	
Currency Translation Adjustment	417.805	286.829

NOTE 32-REVENUE AND COST OF SALES

	January 1, 2022 June 30, 2022	January 1, 2021 June 30, 2021	April 1, 2022 June 30, 2022	April 1, 2021 June 30, 2021
Domestic Sales	206.551.479	56.718.071	138.587.853	24.373.033
Overseas Sales	2.753.140	-	2.646.507	-
Other income	546.087	158.840	546.087	158.840
Returned Sales (-)	(1.353.173)	(166.899)	(926.515)	(125.362)
Net Sales (*)	208.497.533	56.710.012	140.853.932	24.406.511
Cost of Merchandise Sold(-) (*)	(89.802.771)	(14.146.096)	(67.458.024)	(3.948.621)
Cost of Service Sold(-)(**)	(74.080.024)	(27.161.760)	(47.044.921)	(10.844.613)
Cost of Sales (-)	(163.882.795)	(41.307.856)	(114.502.945)	(14.793.234)
Gross Profit / (Loss)	44.614.738	15.402.156	26.350.987	9.613.277

(**) It is the cost of licenses sold by the Company to its customers.

(***) The details of cost of sold services are given below.



Details of Cost of Service Sold	January 1,2022 June 30, 2022	January 1,2021 June 30, 2021	April 1, 2022 June 30, 2022	April 1, 2021 June 30, 2021
Staff Wages Expenses	(17.308.235)	(9.050.502)	(8.593.607)	(4.118.835)
Stamp Tax Expenses	(1.043.080)	(211.413)	(82.509)	(80.732)
Depreciation Expenses	(1.532.522)	(396.846)	(798.003)	(223.353)
License Maintenance and Repair Expenses	(23.870.905)	(4.794.680)	(14.347.395)	(2.111.727)
Software and Development Expenses	(810.078)	(89.264)	(810.078)	(51.314)
Other expenses	(1.465.193)	(189.995)	(842.046)	(122.907)
Total	(74.080.024)	(27.161.760)	(47.044.921)	(10.844.613)

NOTE 33-GENERAL ADMINISTRATIVE EXPENSES, MARKETING, SALES and DISTRIBUTION EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

	January 1,2022 June 30, 2022	January 1,2021 June 30, 2021	April 1, 2022 June 30, 2022	April 1, 2021 June 30, 2021
General administrative expenses (-)	(6.972.559)	(2.477.332)	(4.163.369)	(1.403.181)
Marketing Expenses (-)	(228.366)	(362.354)	(64.085)	(144.536)
Research and Development Expenses (-)	(15.047.353)	(7.184.108)	(8.504.214)	(3.474.318)
Total	(22.248.278)	(10.023.794)	(12.731.668)	(5.022.035)

a- Details of General Management Expenses	January 1,2022 June 30, 2022	January 1,2021 June 30, 2021	April 1, 2022 June 30, 2022	April 1, 2021 June 30, 2021
Staff Wages Expenses	(3.106.730)	(1.162.933)	(1.900.945)	(675.055)
Depreciation Expenses	(293.642)	(45.099)	(126.726)	66.851
Taxes, Duties and Charges	(271.706)	(110.336)	(19.445)	(79.935)
Consultancy Expenses	(107.402)	(100.400)	(26.987)	(75.140)
Representation Hospitality Expenses	(212.319)	(12.338)	(87.126)	(1.567)
Attendance Fee	(398.046)	(285.268)	(218.906)	(230.495)
Travel, Accommodation, Food Expenses	(167.299)	(19.822)	(97.267)	(8.326)
Business Expenses	(424.378)	(163.674)	(220.219)	(55.204)
Vehicle and Fuel Expenses	(279.502)	(161.876)	(181.497)	(72.103)
Subscription and Membership Expenses	(433.211)	-	(433.211)	-
Other expenses	(1.278.324)	(415.586)	(851.040)	(272.207)
Total	(6.972.559)	(2.477.332)	(4.163.369)	(1.403.181)

b- Marketing Expenses	January 1,2022 June 30, 2022	January 1,2021 June 30, 2021	April 1, 2022 June 30, 2022	April 1, 2021 June 30, 2021
Staff Wages Expenses	(91.526)	(122.141)	-	(55.611)
Representation Hospitality Expenses	(9.745)	(8.588)	-	-
Advertising and Promotion Expenses	(94.093)	(228.840)	(31.083)	(86.152)
Transportation Expenses	(33.002)	(2.785)	(33.002)	(2.773)
Total	(228.366)	(362.354)	(64.085)	(144.536)

c- Details of Research and Development Expenses	January 1,2022 June 30, 2022	January 1,2021 June 30, 2021	April 1, 2022 June 30, 2022	April 1, 2021 June 30, 2021
Staff Expenses	(12.290.159)	(6.173.436)	(6.513.253)	(2.964.339)
Depreciation Expenses	(1.506.641)	(965.081)	(779.477)	(481.533)
Software and Consultancy Expenses for R&D Project	(210.000)	-	(210.000)	-
Other expenses	(1.040.353)	(45.591)	(1.001.484)	(28.446)
Total	(15.047.353)	(7.184.108)	(8.504.214)	(3.474.318)



NOTE 34-EXPENSES CLASSIFIED ACCORDING TO ASSORTMENT

	January 1,2022 June 30, 2022	January 1,2021 June 30, 2021	April 1, 2022 June 30, 2022	April 1, 2021 June 30, 2021
a-Depreciation and Amortization Expen. (-)				
Service Costs	(1.532.522)	(396.846)	(798.003)	(223.353)
Research and Development Expenses	(1.506.641)	(965.081)	(782.643)	(481.533)
General and administrative expenses	(293.642)	(45.099)	(126.726)	66.851
Total	(3.332.805)	(1.407.026)	(1.707.372)	(638.035)

	January 1,2022 June 30, 2022	January 1,2021 June 30, 2021	April 1, 2022 June 30, 2022	April 1, 2021 June 30, 2021
b-Staff Expenses (-)				
Service Cost	(17.308.235)	(9.050.502)	(8.593.607)	(4.118.835)
Research and Development Expenses	(12.290.159)	(6.173.436)	(6.513.253)	(2.964.339)
General and Administrative Expenses	(3.106.730)	(1.162.933)	(1.900.945)	(675.055)
Marketing Expenses	(91.526)	(122.141)	-	(55.611)
Total	(32.796.650)	(16.509.012)	(17.007.805)	(7.813.840)

NOTE 35-OTHER OPERATING INCOME/EXPENSES

	January 1,2022 June 30, 2022	January 1,2021 June 30, 2021	April 1, 2022 June 30, 2022	April 1, 2021 June 30, 2021
a- Other Operating Income				
Exchange Rate Difference Income from Operations	9.012.913	1.662.650	7.511.987	1.025.370
Provisions No Longer Required	353.887	261.111	122.933	66.122
Other Extraordinary Income and Profits	545.411	239.187	527.977	71.584
Total	9.912.211	2.162.948	8.162.897	1.163.076

	January 1,2022 June 30, 2022	January 1,2021 June 30, 2021	April 1, 2022 June 30, 2022	April 1, 2021 June 30, 2021
b- Other Operating Expenses				
Exchange Rate Difference Expense from Operations	(14.110.136)	(3.402.346)	(10.147.531)	(1.150.103)
Provision Expenses	(1.206.570)	(35.221)	(729.820)	39.438
Other Expenses	(1.309.518)	(95.245)	(1.242.030)	89.533
Total	(16.626.224)	(3.532.812)	(12.119.381)	(1.021.132)

NOTE 36-INCOME FROM INVESTING ACTIVITIES

	January 1,2022 June 30, 2022	January 1,2021 June 30, 2021	April 1, 2022 June 30, 2022	April 1, 2021 June 30, 2021
Financial Investments Valuation Difference	903.037	-	903.037	-
Fixed Asset Sales Revenue	250.212	-	250.212	-
Total	1.153.249	-	1.153.249	-

NOTE 37- EXPENSES DUE TO INVESTING ACTIVITIES

The Group does not have any expenses from investment activities as of the balance sheet date. (June 30, 2021-None.)

NOTE 38-FINANCIAL INCOME

	January 1,2022 June 30, 2022	January 1,2021 June 30, 2021	April 1, 2022 June 30, 2022	April 1, 2021 June 30, 2021
Interest income	5.498.491	662.956	1.406.893	185.360
Exchange Difference Revenue	11.856.312	4.257.353	8.312.284	746.432
Total	17.354.803	4.920.309	9.719.177	931.792



NOTE 39- FINANCIAL EXPENSES

	January 1,2022 June 30, 2022	January 1,2021 June 30, 2021	April 1, 2022 June 30, 2022	April 1, 2021 June 30, 2021
Exchange Difference Expense	(732.324)	(102.830)	(544.643)	(101.968)
Interest income	(1.452.626)	(840.318)	(892.609)	(354.207)
Total	(2.184.950)	(943.148)	(1.437.252)	(456.175)

NOTE 40-ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

As of the balance sheet date, the Company does not have any assets held for sale or discontinued operations. (June 30, 2021-None.)

NOTE 41-ANALYSIS OF OTHER COMPREHENSIVE INCOME ITEMS

Revaluation gains(losses) in defined benefit plans

	June 30, 2022	December 31,2021
Opening Balance	(297.659)	(313.192)
Actuarial Gain/Loss	(271.814)	18.943
Deferred Tax Asset	48.927	(3.410)
Impact of Subsidiary Acquisition	(25.628)	-
Net Actuarial Gains / Losses	(546.174)	(297.659)

NOTE 42- TAX PROVISIONS AND LIABILITIES (DEFERRED TAX ASSETS AND LIABILITIES INCLUDED)

	June 30, 2022	December 31,2021
Current Period Legal Tax Provision	5.220.874	5.123.752
Prepaid Taxes (-)	(1.147.305)	(1.206.187)
Total Net Tax Payable	4.073.569	3.917.565

	January 1,2022 June 30, 2022	January 1,2021 June 30, 2021	April 1, 2022 June 30, 2022	April 1, 2021 June 30, 2021
Tax Expense in Profit or Loss Statement				
Current Period Legal Tax Provision (-)	(5.220.874)	(61.319)	(4.129.043)	316.704
Impact of Subsidiary Acquisition	280.018		280.018	
Deferred Tax Income/(Expense)	206.804	(329.133)	803.813	(1.005.346)
Total Tax Expense	(4.734.052)	(390.452)	(3.045.212)	(688.642)

A.Period Income Tax Liability

The Group is subject to corporation tax applicable in Turkey. Provision is made in the accompanying financial statements for estimated tax liabilities related to the Group 's operating results for the current period.

Corporation tax; It is applied to the tax base to be determined as a result of adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations, deducting the exceptions (such as the participation earnings exception) and deductions (such as the R&D discount) in the tax laws. Past years' losses deducted from the corporate tax base can be carried forward for a maximum of 5 years, to be deducted from the taxable profit to be generated in the coming years. However, the losses incurred cannot be deducted retrospectively from the profits of previous years. In addition, provisional tax is calculated and accrued at the corporate tax rate on a quarterly basis

According to the Corporate Tax Law No. 5520, the corporate tax and temporary tax rate was applied as 20% until January 1, 2018, and as 22% for the years 2018, 2019 and 2020 as of January 1, 2018. Starting from the declarations that must be submitted as of July 1, 2021, based on the Law on the Collection of Public Claims dated April 15, 2021 and numbered 7316 and Articles 11 and 14 of the Law on Amending Certain Laws, and to be effective as of January 1, 2021, the Corporate Tax rate has been set as 25% for the corporate earnings for the 2021 accounting period and 23% for the 2022 accounting period earnings.

With the 6th paragraph added to the 32nd article of the Corporate Tax Law with the Law No. 7256, the corporations belonging to 5 accounting periods, starting from the accounting period in which the shares of the corporations offered to the public at a rate of at least 20% are offered to the public for the first time in the Borsa Istanbul Equity Market. The corporate tax rate is reduced by 2 points to their earnings.



VBT YAZILIM A.Ş.**FOOTNOTES REGARDING CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022**

(All amounts are expressed in Turkish Lira ("TL"))

In the deferred tax calculation after the reduced corporate tax (2 points corporate tax deduction), short-term transactions and 18% for transactions related to the following periods.

There is no firm reconciliation procedure as to tax assessment in Turkey. Companies draw up their tax statements between April 1st -30th of the following year which is subsequent to the account settlement period of the relevant year. The said tax statements and accounting records that form basis for these statements may be amended by Tax Office within 5 years.

B. Deferred tax Asset and Liability

The Group accounts for the deferred tax assets and liabilities for the temporary timing discrepancies arising from the differences between the legal financial statements on which the tax is based and the financial tables which have been prepared in accordance with the Turkish Accounting Standards (TAS). The said differences usually originate from the fact that tax base amounts of some income and expense items have been presented in the different periods for the financial statements prepared according to the TAS, and the said differences are stated below.

Items on which deferred tax and corporate tax are based are shown below:

	June 30, 2022	December 31, 2021
Deferred Tax Assets / Liabilities:		
a- Prepaid Expenses	(6.834.810)	(5.753.652)
b- Right of Use Assets	319.283	238.050
c- Provision for severance pay	1.004.969	589.367
d- Adjustments Related to Tangible and Intangible Fixed Assets	-	(336.958)
e- Trade Receivables-Payables	667.578	102.418
f- Adjustments Related to Tangible and Intangible Fixed Assets	(1.489.690)	(1.403.873)
g- Adjustments Related to Contract Obligations for Goods and Services Sales	7.467.176	5.385.132
h- Payables from Leasing Transactions	(294.429)	(254.272)
ı- Allowances	679.082	324.627
j- Adjustments related to expense provisions	(1.623.644)	-
k-Other	(265.358)	(23.519)
Total	(369.843)	(1.132.680)

NOTE 43-EARNINGS PER SHARE

As of the current and previous period, company's number of shares and profit/loss calculations per unit share are as follows.

	June 30, 2022	December 31, 2021
Net Profit / Loss	26.435.049	34.146.203
Number of shares	26.000.000	26.000.000
Profit / loss per share	1,02	1,31

NOTE 44- FEATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Main financial instruments of the group are bank credits, cash and short-term bank deposits. The main reason for using these instruments is to create finance for the activities of the company. The group also possesses the financial instruments such as trade receivables and trade payables arising directly from the activities. Risks associated with the instruments being used are foreign exchange risk, interest risk, credit risk and liquidity risk. The group management handles these risks as follows:

a) Capital risk management:

The objectives of the group in the management of the capital are to provide its shareholders with benefit and to maintain the optimum capital structure for the purpose of reducing capital cost and sustaining the activities of the group.

Capital costs of the group, as well as the risks associated with each type of capital are evaluated by the top management. Based on the assessments of the top management, capital structure is aimed to balance through borrowing new loans or payment of existing loans as well as dividend payments, issuance of new shares.

The group monitors equity capital by using the ratio of liability/total equity capital. This ratio is obtained by the dividing of net liability into total equity capital. Net liability is calculated by the deduction of cash and cash equivalents from the total amount of liability (includes credits and trade payables as shown in the balance sheet).



As of the period-ends, the ratios net liability/total capital is as follows:

	June 30, 2022	December 31, 2021
Total Liabilities	109.477.611	203.199.677
Minus: Cash and Cash Equivalents	71.529.326	224.819.836
Net Liability	37.948.285	(21.620.159)
Total equity Capital	161.511.401	139.382.751
Ratio for Net Liability /Total Capital	0,23	(0,16)

b) Loans and Receivables Risk Management:

Loan risk is a risk where a customer or other party cannot fulfil the requirements in the contract. Receivables risk, on the other hand, involves the possession of financial assets, the risk where other party is unable to fulfil the requirements of the contract, too. Loans and receivables risk of Partnership basically results from trade receivables. Group management offsets those risks by means of limiting the average risk for the other party (except for associative parties) presented at all agreements and getting guarantee if necessary.

Trade receivables are tackled taking into account the past experiences and current economic situation and, if required, shown as net in the balance sheet after the allocation of an appropriate amount of provision for bad debts by top management.

The Group applied the simplified approach specified in TFRS 9 to calculate the expected credit loss provision for trade receivables. This approach allows for the lifetime expected credit loss provision for all trade receivables. In order to measure expected credit losses, the Group has classified its trade receivables in terms of maturity. The expected credit loss ratio for trade receivables is calculated and the expected credit loss provision has been calculated by multiplying the determined rate and trade receivable sum by using past loan loss experiences.

June 30, 2022	Receivables				Bank Deposits	Cash and Cash Equiv
	Trade Receivables		Other Receivables			
	Related Party	Other Party	Related Party	Other Party		
Maximum Credit Risk Sustained as of Reporting Date (A+B+C+D)	-	57.645.666	4.438.203	346.724	71.452.412	10.300
- Part of the maximum risk secured by means of guarantee, etc.	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due or impaired	-	32.238.007	4.438.203	346.724	71.452.412	10.300
B. Net book value of assets overdue but not undergone impairment	-	25.407.659	-	-	-	-
C. Net book value of assets undergone impairment						
- Overdue (Gross Book Value)	-	1.741.627	-	-	-	-
- Impairment (-)	-	(1.741.627)	-	-	-	-
- Undued (Gross book value)		-	-	-	-	-
-Impairment (-)		-	-	-	-	-
-Part of the net value secured by means of guarantee, etc.						



December 31, 2021	Receivables				Bank Deposits	Cash and Cash Equiv
	Trade Receivables		Other Receivables			
	Related Party	Other Party	Related Party	Other Party		
Maximum Credit Risk Sustained as of Reporting Date (A+B+C+D)	-	18.735.970	2.025.092	24.277	224.808.813	11.023
- Part of the maximum risk secured by means of guarantee, etc.	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due or impaired	-	14.953.682	2.025.092	24.277	224.808.813	11.023
B. Net book value of assets overdue but not undergone impairment	-	3.782.288	-	-	-	-
C. Net book value of assets undergone impairment						
- Overdue (Gross Book Value)	-	202.034	-	-	-	-
- Impairment (-)	-	(202.034)	-	-	-	-
- Undued (Gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
-Part of the net value secured by means of guarantee, etc.						

Table regarding maturities of assets which have been overdue but not undergone impairment is as follows:

June 30, 2022	Receivables	
	Trade Receivables	Other Receivables
Overdue 1-30 days	21.496.977	-
Overdue 1-3 months	1.656.126	-
Overdue 3-12 months	2.254.556	-
Overdue 1-5 years	-	-
Overdue more than 5 years	-	-
Total	25.407.659	-

December 31, 2021	Receivables	
	Trade Receivables	Other Receivables
Overdue 1-30 days	3.204.620	-
Overdue 1-3 months	365.578	-
Overdue 3-12 months	212.090	-
Overdue 1-5 years	-	-
Overdue more than 5 years	-	-
Total	3.782.288	-

c) Liquidity Risk Management:

Group is entitled to utilize banks, its sellers and shareholders as funding source. Company continuously assesses liquidity risk determining and following the changes in the conditions of the funding which is required to achieve the targets set according to company strategy.



June 30 ,2022

Terms as per contract	Book value	Sum of Cash Output as per contract (=I+II+III+IV)	Shorter than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)
Non-derivative Fin. Liabilities					
Bank credits	5.376.060	5.729.689	816.981	3.567.324	1.345.384
Payables from Leasing	3.609.625	5.392.403	334.004	972.234	4.086.165
Other Financial Liabilities	261.150	261.150	261.150	-	-
Trade Payables	16.558.296	16.558.296	16.558.296	-	-
Other Payables	18.229.965	18.229.965	18.229.965	-	-
Liab. Under Employee Benefits	3.252.873	3.252.873	3.252.873	-	-
Total Liabilities	47.287.969	49.424.376	39.453.269	4.539.558	5.431.549

December 31, 2021

Terms as per contract	Book value	Sum of Cash Output as per contract (=I+II+III+IV)	Shorter than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)
Non-derivative Fin. Liabilities					
Bank credits	4.424.199	4.876.927	755.627	1.949.769	2.171.531
Payables from Leasing	388.197	388.197	10.170	34.714	343.313
Other Financial Liabilities	139.987	139.987	139.987	-	-
Trade Payables	126.911.606	126.911.606	126.911.606	-	-
Other Payables	6.898.375	6.898.375	6.898.375	-	-
Liab. Under Employee Benefits	1.531.108	1.531.108	1.531.108	-	-
Total Liabilities	140.293.472	140.746.200	136.246.873	1.984.484	2.514.844

d) Management of the Risks Due to Market and Foreign Exchange:

The Group is not sensitive to foreign exchange risk due to the fact that a significant portion of the Group's sales are not indexed to foreign currency and foreign currency and some portion of its trade payables are foreign currency. The costs are determined in Turkish Lira and represent a foreign currency risk conversely. Therefore, currency risk is minimized.

Required price adjustments are made instantly through tracking price changes in the market and market conditions regularly.

There is no change with respect to the last year regarding the market risk undergone by the group in the current year or the way of dealing with the risks encountered or the way of measuring these risks.

Foreign asset and liability of the group, foreign exchange position sheet in terms of original and TL currencies as of June 30, 2022 and December 31, 2021 are as follows:



FOREIGN EXCHANGE POSITION TABLE				
JUNE 30, 2022	TL equivalent (Functional currency)	USD	Euro	GBP
1. Trade Receivables	22.240.463	1.287.743	45.185	-
2a Monetary Financial Assets(Cash, including bank accounts)	55.380.784	506.858	2.112.421	507.695
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. Current Assets(1+2+3)	77.621.247	1.794.601	2.157.606	507.695
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-Current Assets(5+6+7)	-	-	-	-
9. Total Assets(4+8)	77.621.247	1.794.601	2.157.606	507.695
10. Trade Payables	10.837.613	650.456	-	5
11. Financial Liabilities	-	-	-	-
12a. Monetary Other Liabilities	-	-	-	-
12b. Other Non-Monetary Liabilities	-	-	-	-
13. Short-term Liabilities(10+11+12)	10.837.613	650.456	-	5
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16 a. Monetary Other Liabilities	-	-	-	-
16 b. Other Non-Monetary Liabilities	-	-	-	-
17. Long-term Liabilities(14+15+16)	-	-	-	-
18. Total Liabilities(13+17)	10.837.613	650.456	-	5
19. Off the Balance Sheet Net Asset/(Liability) Position of Derivative Instruments in terms of Foreign Exchange(19a-19b)	-	-	-	-
19a. Off the Balance Sheet Amount of Active Derivatives in terms of Foreign Exchange	-	-	-	-
19b. Off the Balance Sheet Amount of Passive Derivatives in terms of Foreign Exchange	-	-	-	-
20. Net Foreign Asset/ (Liability) Position(9-18+19)	66.783.634	1.144.144	2.157.606	507.690
21. Monetary Items Net Foreign Exchange Asset/ (Liability) Position(TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)*	66.783.634	1.144.144	2.157.606	507.690
22. Total Fair Value of Financial Instruments Used for Foreign Exchange Hedge	-	-	-	-
23. Amount of hedged portion of foreign currency assets**	-	-	-	-
24- Amount of hedged portion of foreign currency liabilities	-	-	-	-
25.Export	2.753.140	175.651	-	-
26.Import	31.498.746	2.331.233	-	-

(*) In parallel with the imports of the Group, most of the domestic sales are indexed to foreign currency and these amounts are not included in the export item.



FOREIGN EXCHANGE POSITION TABLE				
DECEMBER 31, 2021	TL equivalent (Functional currency)	USD	Euro	GBP
1. Trade Receivables	7.233.083	419.381	108.914	-
2a Monetary Financial Assets(Cash, including bank accounts)	114.696.428	8.502.574	89.786	615
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. Current Assets(1+2+3)	121.929.511	8.921.955	198.700	615
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-Current Assets(5+6+7)	-	-	-	-
9. Total Assets(4+8)	121.929.511	8.921.955	198.700	615
10. Trade Payables	123.625.533	9.274.936	-	(5)
11. Financial Liabilities	-	-	-	-
12a. Monetary Other Liabilities	-	-	-	-
12b. Other Non-Monetary Liabilities	-	-	-	-
13. Short-term Liabilities(10+11+12)	123.625.533	9.274.936	-	(5)
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16 a. Monetary Other Liabilities	-	-	-	-
16 b. Other Non-Monetary Liabilities	-	-	-	-
17. Long-term Liabilities(14+15+16)	-	-	-	-
18. Total Liabilities(13+17)	123.625.533	9.274.936	-	(5)
19.Off the Balance Sheet Net Asset/(Liability) Position of Derivative Instruments in terms of Foreign Exchange(19a-19b)	-	-	-	-
19a. Off the Balance Sheet Amount of Active Derivatives in terms of Foreign Exchange	-	-	-	-
19b. Off the Balance Sheet Amount of Passive Derivatives in terms of Foreign Exchange	-	-	-	-
20. Net Foreign Asset/ (Liability) Position(9-18+19)	(1.696.022)	(352.981)	198.700	620
21. Monetary Items Net Foreign Exchange Asset/ (Liability) Position(TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)*	(1.696.022)	(352.981)	198.700	620
22. Total Fair Value of Financial Instruments Used for Foreign Exchange Hedge	-	-	-	-
23. Amount of hedged portion of foreign currency assets**	-	-	-	-
24- Amount of hedged portion of foreign currency liabilities	-	-	-	-
25.Export	118.614	14.000	-	-
26.Import	47.257.215	4.526.358	-	-

(*) In parallel with the imports of the Group, most of the domestic sales are indexed to foreign currency and these amounts are not included in the export item.

According to the balance sheet position as of June 30, 2022 and December 31, 2021, based on the assumption that the Turkish Lira will be valued / devalued 10% against the USD, Euro and other currency units, the gross profit as a result of profit on Exchange difference consisting of assets and liabilities in terms of USD and Euro currencies, would be 6.678.362 TL (December 31, 2021- 169.601 TL) high / low as can be seen in the Exchange rate Sensitivity Analysis Chart given below.



Foreign Exchange Sensitivity Analysis Table		
	Current Period	
	Profit/Loss	
	Increase of Foreign Exchange in Value	Decrease of Foreign Exchange in Value
In case US Dollar changes 10% against TL:		
1- US Dollar net asset/liability	1.906.304	(1.906.304)
2- The part secured against US Dollar risk (-)		
3- US Dollar Net Effect(1+2)	1.906.304	(1.906.304)
In case EURO changes 10% against TL:		
4- EURO net asset/liability	3.747.783	(3.747.783)
5- The part secured against EURO risk (-)		
6- Euro Net Effect(4+5)	3.747.783	(3.747.783)
In case GBP changes 10% against TL:		
7- GBP net asset/liability	1.024.275	(1.024.275)
8- The part secured against GBP risk (-)		
9- GBP Net Effect (7+8)	1.024.275	(1.024.275)
TOTAL (3+6+9)	6.678.362	(6.678.362)

Foreign Exchange Sensitivity Analysis Table		
	Previous Period	
	Profit/Loss	
	Increase of Foreign Exchange in Value	Decrease of Foreign Exchange in Value
In case US Dollar changes 10% against TL:		
1- US Dollar net asset/liability	(470.488)	470.488
2- The part secured against US Dollar risk (-)		
3- US Dollar Net Effect(1+2)	(470.488)	470.488
In case EURO changes 10% against TL:		
4- EURO net asset/liability	299.773	(299.773)
5- The part secured against EURO risk (-)		
6- Euro Net Effect(4+5)	299.773	(299.773)
In case GBP changes 10% against TL:		
7- GBP net asset/liability	1.114	(1.114)
8- The part secured against GBP risk (-)		
9- GBP Net Effect (7+8)	1.114	(1.114)
TOTAL (3+6+9)	(169.601)	169.601

e)Interest Rate Risk Management and Interest Rate Sensitivity

Due its assets bringing interest or liabilities interest is paid for, the group is vulnerable to interest rate risk arising from interest rate changes. This risk is handled by means of balancing the amount and terms of assets and liabilities being sensitive to interest rate via some techniques within the balance sheet and using derivative instruments, if necessary.

Within this scope, great importance is attached to the fact that not only the maturities of receivables and payables but also interest renewal periods are similar. In order for the financial liabilities to be affected minimally from the interest rate fluctuations in the market, "fixed interest / variable interest", "short-term / long-term "and TL / foreign currency balance of these debts are structured both within itself and within the framework of the asset structure. Since interest rates of corporate loans will remain constant until maturity, no interest rate risk has been calculated in this period.



VBT YAZILIM A.Ş.

FOOTNOTES REGARDING CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

(All amounts are expressed in Turkish Lira ("TL"))

NOTE 45 - FINANCIAL INSTRUMENTS

The Group does not have any financial instruments other than those explained in NOTE 5-Financial Investments.

NOTE 46-POST BALANCE SHEET EVENTS

VBT has agreed and signed a contract with a Private Bank located in Turkey to purchase "2 IBM Mainframes, 1 CF Machine and 2 IBM Power Servers". 2 Mainframe and 1 CF machine will be given with 2 years warranty and 2 Power servers will be given with 3 years warranty.

The total cost of the contract, including ancillary services, is 10.290.000 USD.

NOTE 47-OTHER MATTERS

A-Financial Statement Disclosures:

-As of June 30, 2022, total insurance amount of asset corresponded to 1.581.080 TL. Vehicles are insured with current value.

-As of December 31, 2021, total insurance amount of asset corresponded to 1.581.080 TL. Vehicles are insured with current value.

b- Classifications Made for Financial Statements of Previous Periods and Their Properties

Comparative information is re-classified, when needed, for the purpose of conformity with the presentation of financial statements of current period.

c- Significant Accounting Policies

Significant accounting policies of the company regarding financial instruments are explained under the note Financial Instruments included in Note 2.

