

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

FINANCIAL STATEMENTS FOR THE YEAR ENDED  
DECEMBER 31, 2021  
TOGETHER WITH AUDITOR' S REPORT

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

**FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
JANUARY 01, 2020 – DECEMBER 31, 2020  
INDEPENDENT AUDIT'S REPORT**

**To the Board of Directors of  
Link Bilgisayar Sistemleri Yazılımı Ve Donanımı Sanayi Ve Ticaret A.Ş.**

**Opinion**

We have audited the financial statements of Link Bilgisayar Sistemleri Yazılımı Ve Donanımı Sanayi Ve Ticaret A.Ş. (the Company), which comprise the statement of financial position as of December 31, 2020, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with the Turkish Accounting Standards (TAS) and IAS.

**Basis for Opinion**

We conducted our audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and Independent Auditing Standards (ISA) (of Turkey) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

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

### - Revenue Recognition

In the period between 1 January - 31 December 2020, the Company has generated domestic sales revenue of TRY 19.571.433. As stated in the summary of "Significant Accounting Policies"; sales revenues are recognized on an accrual basis at the fair value of the consideration received or receivable upon the issuance of the good, the amount of revenue to be measured reliably and the probability that the economic benefits associated with the transaction will be acquired by the Company.

### How the issue is addressed in the audit

During our audit, the following audit procedures were applied for the recognition of revenue.

- The design and implementation of controls related to the revenue process were evaluated. The company's sales and delivery procedures were analysed.
- In order to test whether the sales selected by the sampling method were recorded in the correct period, the terms of shipment, delivery and delivery documents and sales invoices of the sales contracts on customer basis were compared.
- In order to evaluate the collectability of the receivables from related sales, the customers were tested for their payments in the year and their open balances at the end of the period were confirmed by external verification.
- Focusing on the records of revenue transactions at the right time, which includes the testing of accounting records and the risk of the management violating the controls, is focused on the records.

### Capitalized Development Costs

The Company capitalizes R&D costs for developing the software. The R&D costs detailed in Note 14, it is determined as significant for our audit due to the share of the related costs in the accompanying financial statements as of December 31, 2020 and variety of nature of costs and management judgments involved in the capitalization process.

### **How the issue is addressed in the audit**

The Company has been granted an R&D Centre Certificate to be valid since 16.11.2016 by the Ministry of Science, Industry and Technology. In this context, the Company can benefit from the supports provided by Law No. 5746 on Supporting Research, Development and Design Activities. In our audit, project-based expense details related to the costs activated are checked with the movement table of intangible assets. Since the expenditures are predominantly composed of personnel costs, the personnel costs associated with the projects have been tested and verified with personnel payrolls and timelines.

### **Responsibilities of Management and Those Charged with Governance**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

In an independent audit, our responsibilities as the auditors are: Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with standards on auditing as issued by the ISA will always detect a material misstatement when it exists. Inaccuracies may be caused by error or trick. Misstatements can arise from fraud or error and are material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with standards on auditing as issued by the ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is enough and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company ability to continue as a going concern. If we that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

## Report on Other Legal and Regulatory Requirements

- 1) Auditors' report on Risk Management and Risk Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on 25, February 2021.
- 2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January – 31 December 2020 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.
- 3) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

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

İstanbul, February 25, 2021

HSY Danışmanlık ve Bağımsız Denetim Anonim Şirketi

**Member, Crowe Global**

Özkan Cengiz

Partner, CPA

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**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ****THE AUDITED OF STATEMENT FINANCIAL POSITION AS OF DECEMBER 31, 2020**

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

		<b>Current Period 31.12.2020</b>	<b>Prior Period 31.12.2019</b>
	<b>Notes</b>	<b>TRY</b>	<b>TRY</b>
<b>ASSETS</b>		<b>51.392.882</b>	<b>40.421.992</b>
<b>CURRENT ASSETS</b>		<b>39.953.728</b>	<b>31.091.224</b>
Cash and Cash Equivalents	51	33.818.360	23.785.106
Trade Receivables	7	6.065.700	7.169.715
- Other Trade Receivables	7	6.065.700	7.169.715
Other Receivables	9	19.047	37.267
- Other Receivables	9	19.047	37.267
Inventories	10	5.347	17.169
Prepaid Expenses	12	45.274	51.948
- Other Prepaid Expenses	12	45.274	51.948
Other Current Assets	29	--	30.019
<b>Subtotal</b>		<b>39.953.728</b>	<b>31.091.224</b>
<b>TOTAL CURRENT ASSETS</b>		<b>39.953.728</b>	<b>31.091.224</b>
<b>NON-CURRENT ASSETS</b>		<b>11.439.154</b>	<b>9.330.768</b>
Other Receivables	9	344	344
- Other Receivables	9	344	344
Investment Properties	13	3.992.000	2.750.000
Tangible Assets	14	501.451	115.233
Intangible Assets	17	6.942.412	6.461.994
- Other Intangible Assets	17	6.942.412	6.461.994
Prepaid Expenses	12	2.947	3.197
- Other Prepaid Expenses	12	2.947	3.197
<b>TOTAL NON-CURRENT ASSETS</b>		<b>11.439.154</b>	<b>9.330.768</b>
<b>TOTAL ASSETS</b>		<b>51.392.882</b>	<b>40.421.992</b>

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



**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**THE AUDITED OF STATEMENT FINANCIAL POSITION AS OF DECEMBER 31, 2020**  
(Amounts expressed in Turkish Lira (\*TRY\*) unless otherwise indicated).

	Notes	Current Period 31.12.2020 TRY	Prior Period 31.12.2019 TRY
<b>LIABILITIES</b>		<b>51.392.882</b>	<b>40.421.992</b>
Short-Term Liabilities		<b>3.163.558</b>	<b>3.400.282</b>
Trade Payables	7	446.163	511.261
- Other Trade Payables	7	446.163	511.261
Liabilities Under Employee Benefits	27	1.439.679	957.143
Other Payables	9	521.148	849.615
- Other Payables	9	521.148	849.615
Deferred Income	12	162.128	165.801
- Other Deferred Income	12	162.128	165.801
Tax liabilities for The Period Profit	38	594.440	916.462
<b>Subtotal</b>		<b>3.163.558</b>	<b>3.400.282</b>
<b>Total Short-Term Liabilities</b>		<b>3.163.558</b>	<b>3.400.282</b>
<b>Long-Term Liabilities</b>		<b>2.722.693</b>	<b>2.313.120</b>
Long-Term Provisions	25	2.559.073	2.286.208
- Long-Term Provisions for Employee Benefits	25	2.559.073	2.286.208
Deferred Tax Liabilities	38	163.620	26.912
<b>Total Long-Term Liabilities</b>		<b>2.722.693</b>	<b>2.313.120</b>
<b>EQUITY</b>		<b>45.506.631</b>	<b>34.708.590</b>
<b>Parent Company Shareholder's Equity</b>		<b>45.506.631</b>	<b>34.708.590</b>
Paid in Capital	30	11.000.000	5.500.000
Differences in Capital Adjustment	30	--	4.178.483
Accumulated Other Comprehensive Income/(Expenses) That Will Not Be Reclassified in Profit or Loss Statement	30	722.629	668.074
- Revaluation and Measurement Gains (Losses)	30	722.629	668.074
- Revaluation of Intangible Assets (Impairment)	30	1.728.151	1.728.151
- Defined Benefit Plans Re-Measurement Gains (Losses)	30	(1.005.522)	(1.060.077)
Reserves on Retained Earnings	30	892.011	892.011
Accumulated Profit/Losses	30	20.790.393	16.023.679
Net Profit/Loss for The Period	39	12.101.598	7.446.343
<b>Total Equity</b>		<b>45.506.631</b>	<b>34.708.590</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>51.392.882</b>	<b>40.421.992</b>

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

**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**AUDITED INCOME STATEMENT FOR THE PERIOD BETWEEN JANUARY 01 – DECEMBER 31, 2020**

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

	Notes	Current Period 01.01.2020 31.12.2020 TRY	Prior Period 01.01.2019 31.12.2019 TRY
Revenue	31	19.571.433	15.672.440
Cost of Sales (-)	31	(3.134.234)	(2.366.178)
<b>GROSS PROFIT/LOSS FROM COMMERCIAL ACTIVITIES</b>		<b>16.437.199</b>	<b>13.306.262</b>
<b>GROSS PROFIT/LOSS</b>		<b>16.437.199</b>	<b>13.306.262</b>
General Administrative Expenses (-)	28	(3.725.354)	(3.679.830)
Marketing Expenses (-)	28	(2.722.512)	(2.655.227)
Research and Development Expenses (-)	28	(2.375.270)	(1.940.482)
Other Income from Operations	34	226.591	248.508
Other Expenses from Operations (-)	34	(143.013)	(145.118)
<b>OPERATING PROFIT/LOSS</b>		<b>7.697.641</b>	<b>5.134.113</b>
Income from Investing Activities	35	1.724.733	969.263
Expenses from Investing Activities	35	--	(391.175)
<b>OPERATING PROFIT/LOSS BEFORE FINANCIAL INCOME/EXPENSES</b>		<b>9.422.374</b>	<b>5.712.201</b>
Financial Income	36	7.509.210	4.105.531
Financial Expenses (-)	36	(2.377.972)	(1.452.808)
<b>PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>14.553.612</b>	<b>8.364.924</b>
Continuing Operations Tax Income/(Expense)	38	(2.452.014)	(918.581)
- Tax Income/(Expense) for The Period	38	(2.329.294)	(1.133.820)
- Deferred Tax Income/(Expense)	38	(122.720)	215.239
<b>PROFIT/(LOSS) CONTINUING OPERATIONS FOR THE PERIOD</b>		<b>12.101.598</b>	<b>7.446.343</b>
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>12.101.598</b>	<b>7.446.343</b>
<b>Profit (Loss) for The Period Distribution</b>		<b>12.101.598</b>	<b>7.446.343</b>
-Parent Company Shares		12.101.598	7.446.343
<b>Earnings Per Share (Loss)</b>	39	<b>1,10</b>	<b>1,35</b>
- Earnings (Loss) Per Share for Continuing Operations	39	1,10	1,35
<b>Diluted Earnings Per Share (Loss)</b>	39	<b>2,03</b>	<b>1,35</b>
- Earnings (Loss) Per Share for Continuing Operations	39	2,03	1,35
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>12.101.598</b>	<b>7.446.343</b>
<b>OTHER COMPREHENSIVE INCOME</b>	37	<b>54.555</b>	<b>(79.348)</b>
<b>Items that will not be reclassified subsequently to profit or loss</b>		<b>54.555</b>	<b>(79.348)</b>
Defined Benefit Plans Re-Measurement Gains (Losses)	37	69.942	(101.728)
Taxes Which Will Not Be Reclassified in Profit or Loss, Related to Other Comprehensive Income	37	(15.387)	22.380
- Deferred Tax Expense/Income	37	(15.387)	22.380
<b>OTHER COMPREHENSIVE INCOME</b>		<b>54.555</b>	<b>(79.348)</b>
<b>TOTAL COMPREHENSIVE INCOME (EXPENSES)</b>		<b>12.156.153</b>	<b>7.366.995</b>

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

**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**AUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD BETWEEN JANUARY 01 – DECEMBER 31, 2020**  
(Amounts expressed in Turkish Lira (\*TRY\*) unless otherwise indicated).

	Notes	Accumulated Other Comprehensive Income/(Expenses) That Will Not Be Reclassified in Profit or Loss Statement					Accumulated Profit				Total Equity
		Paid in Capital	Capital Adjustment Differences	Revaluation and Measurement Gains (Losses)		Restricted Reserves	Retained Earnings	Net Profit/Loss for The Period	Parent Shareholders' Equity		
				Tangible Assets Revaluation (Losses)	Defined Benefit Plans Re-Measurement Gains (Losses)						
<b>CURRENT PERIOD</b>											
January 1, 2020 (Beginning of The Period)	30	5.500.000	4.178.483	1.728.151	(1.060.077)	892.011	16.023.679	7.446.343	34.708.590	34.708.590	
Balance After Adjustments	30	5.500.000	4.178.483	1.728.151	(1.060.077)	892.011	16.023.679	7.446.343	34.708.590	34.708.590	
Transfers		--	--	--	--	--	7.446.343	(7.446.343)	--	--	
Total Comprehensive Income (Expense)		--	--	--	54.555	--	--	12.101.598	12.156.153	12.156.153	
- Profit/(Loss) For the Period	39	--	--	--	--	--	--	12.101.598	12.101.598	12.101.598	
- Other Comprehensive Income (Expense)	37	--	--	--	54.555	--	--	--	54.555	54.555	
Capital Increase		5.500.000	(4.178.483)	--	--	--	(1.321.517)	--	--	--	
Dividends		--	--	--	--	--	(1.358.112)	--	(1.358.112)	(1.358.112)	
December 31, 2020 (Ending of The Period)	30	11.000.000	--	1.728.151	(1.005.522)	892.011	20.790.393	12.101.598	45.506.631	45.506.631	
<b>PRIOR PERIOD</b>											
January 1, 2019 (Beginning of The Period)	30	5.500.000	4.178.483	1.728.151	(980.729)	546.021	9.698.091	7.321.578	27.991.595	27.991.595	
Changes in Accounting Policies		--	--	--	--	--	--	--	--	--	
Balance After Adjustments	30	5.500.000	4.178.483	1.728.151	(980.729)	546.021	9.698.091	7.321.578	27.991.595	27.991.595	
Transfers		--	--	--	--	345.990	6.975.588	(7.321.578)	--	--	
Total Comprehensive Income (Expense)		--	--	--	(79.348)	--	--	7.446.343	7.366.995	7.366.995	
- Profit/(Loss) For the Period	39	--	--	--	--	--	--	7.446.343	7.446.343	7.446.343	
- Other Comprehensive Income (Expense)	37	--	--	--	(79.348)	--	--	--	(79.348)	(79.348)	
Dividends		--	--	--	--	--	(650.000)	--	(650.000)	(650.000)	
December 31, 2019 (Ending of The Period)	30	5.500.000	4.178.483	1.728.151	(1.060.077)	892.011	16.023.679	7.446.343	34.708.590	34.708.590	

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

**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**AUDITED STATEMENT OF CASH FLOWS FOR THE PERIOD BETWEEN JANUARY 01 – DECEMBER 31, 2020**

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

		Current Period 01.01.2020 31.12.2020 TRY	Prior Period 01.01.2019 31.12.2019 TRY
	Notes		
<b>A. CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</b>		<b>14.071.288</b>	<b>8.014.988</b>
<b>Profits (Losses) for The Period (+/-)</b>		<b>12.101.598</b>	<b>7.446.343</b>
- Profit (Loss) from Continuing Operations	39	12.101.598	7.446.343
<b>Net Profit (Loss) Reconciliation Related Adjustments</b>		<b>1.059.414</b>	<b>1.061.979</b>
Adjustments for Depreciation and Amortization	13-17	2.386.409	1.913.890
Adjustments for Impairment (Reversal) (+/-)	7	(571)	12.311
- Adjustments for Impairment (Reversal) on Receivables	7	(571)	12.311
Adjustments for Provisions (+/-)	25	40.861	284.505
- Adjustments for Provisions for Employee Benefits (Reversal)	25	40.861	284.505
Adjustments for Interest Income and Expenses (+/-)	36	(261.993)	(655.221)
- Adjustments for Interest Income	36	(573.123)	(691.465)
- Adjustments for Interest expenses	36	286.559	83.249
- Deferred Financing Costs Arising from The Term Purchase	34	139.921	106.299
- Unearned Finance Income Arising from Forward Sales	34	(115.350)	(153.305)
Adjustments for Fair value gains/losses (+/-)	35	(1.242.000)	(250.000)
- Adjustment for fair value losses(gains) of investment properties	35	(1.242.000)	(250.000)
Adjustments for Tax Revenue/Expenditure	38	136.708	(237.621)
Adjustments for Losses (Earnings) Arising from Disposal of Fixed Assets	13-17	-	(5.885)
- Adjustments for Losses (Earnings) Arising from Disposal of Intangible Assets	13-17	-	(5.885)
<b>Changes in Working Capital</b>		<b>1.232.298</b>	<b>(1.245.962)</b>
Adjustments for Increase/Decrease in Trade Receivables	7	964.665	(2.406.986)
- Increase/Decrease in Other Trade Receivables	7	964.665	(2.406.986)
Adjustments for Increase/Decrease in Other Receivables Related with Activities	9	18.220	18.254
- Increase/Decrease in Other Receivables Related with Activities from Other Parties	9	18.220	18.254
Adjustments for Increase/Decrease in Inventories	10	11.822	(7.606)
Increase/Decrease in Prepaid Expenses	12	6.924	(1.740)
Adjustments for Increase/Decrease in Trade Payables	7	50.252	491.310
- Increase/Decrease in Trade Payables to Other Parties	7	50.252	491.310
Increase/Decrease in Payables as Part of Employee Benefits	27	482.536	477.543
Adjustments for Increase/Decrease in Other Payables Related with Activities	9	(328.467)	164.205
- Increase/Decrease in Other Payables Related with Activities to Other Parties	9	(328.467)	164.205
Increase/Decrease in Deferred Income	12	(3.673)	40.967
Adjustments on Other Increase/Decrease in Realized Working Capital	29	30.019	(21.909)
- Increase/Decrease in Other Assets Related with Activities	29	30.019	(21.909)
<b>The Cash Flow Generated from Operations (+/-)</b>		<b>14.393.310</b>	<b>7.262.360</b>
Tax Refunds (Payments)	38	(322.022)	752.628
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(3.253.045)</b>	<b>(3.028.487)</b>
Cash Outflows for Purchasing Tangible and Intangible Assets	13-17	(3.253.045)	(3.028.486)
- Cash Outflows for Purchasing Tangible Assets	13	(476.920)	(81.604)
- Cash Outflows for Purchasing Intangible Assets	17	(2.776.125)	(2.946.882)
<b>C. CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>		<b>(779.047)</b>	<b>(66.412)</b>
Dividends Paid		(1.358.112)	(650.000)
Interest Paid		-	(83.249)
Interest Received		579.065	666.837
<b>NET INCREASE/(DECREASE) CASH AND CASH EQUIVALENTS BEFORE FOREIGN CURRENCY</b>		<b>10.039.196</b>	<b>4.920.089</b>
<b>NET INCREASE/(DECREASE) CASH AND CASH EQUIVALENTS (A+B+C+D)</b>		<b>10.039.196</b>	<b>4.920.089</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	51	<b>23.760.478</b>	<b>18.840.389</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (A+B+C+D+E)</b>	51	<b>33.799.674</b>	<b>23.760.478</b>

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

**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ****NOTES TO AUDITED FINANCIAL STATEMENTS, FOR THE PERIOD ENDED WITH DECEMBER 31,2020**

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

**NOTE 1– ORGANIZATION AND NATURE OF OPERATIONS****a) General Information**

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

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

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

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

As of 31 December 2020, the number of staff working in the Company is 45. (December 31, 2019: 45)

**b) The Structure of Capital**

As of 31.12.2020, the capital of the company was increased by 5.500.000 to 11.000.000 TRY. All of the increased TRY 5.500.000 was covered by internal sources. Company's shares are divided into a total of 1.100.000.000 bearer shares which are 137.280.750 Group A shares, 214.532.000 Group B shares and 748.187.250 Group C shares with a nominal value of 0.01 TRY each. (31.12.2019: 5.500.000 shares with a nominal value of 0.01 TRY each.)

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

<b>Shareholders</b>	<b>Share ratio (%)</b>	<b>31.12.2020</b>		<b>31.12.2019</b>	
		<b>TRY</b>	<b>Share ratio (%)</b>	<b>TRY</b>	<b>TRY</b>
Murat Kasaroğlu	45,04%	4.954.347	46,22%	2.542.174	
Hayguyi Antikacıoğlu	18,31%	2.013.711	19,41%	1.067.691	
Public	33,28%	3.661.150	31,00%	1.704.737	
Other	3,37%	370.792	3,37%	185.398	
<b>Total</b>	<b>100%</b>	<b>11.000.000</b>	<b>100%</b>	<b>5.500.000</b>	
Capital adjustment difference		--		4.178.483	
<b>Total</b>		<b>11.000.000</b>		<b>9.678.483</b>	

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

## NOTES TO AUDITED FINANCIAL STATEMENTS, FOR THE PERIOD ENDED WITH DECEMBER 31,2020

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

### NOT 1 – ORGANIZATION AND NATURE OF OPERATIONS (Cont.)

#### b) The Structure of Capital (Cont.)

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

<b>Shareholders</b>	<b>31.12.2020 Voting Rate</b>	<b>31.12.2019 Voting Rate</b>
Murat Kasaroğlu	64,57%	64,88%
Hayguyi Antikacıoğlu	22,53%	22,81%
Public	8,58%	7,99%
Other	4,32%	4,32%
<b>Total</b>	<b>100%</b>	<b>100%</b>

### NOT 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

#### 2.1) Basis of Presentation

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

Approval of financial statements :

The Company's financial statements for the period ended 31 December 2020 and ended at this date were approved by the Board of Directors on 25 February 2021. The General Assembly has the power to change the financial statements after the publication of the financial statements.

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

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

#### 2.1.3) Going concern assumption

The financial statements have been prepared on the basis of the continuity of the business under the assumption that the Company will benefit from its assets and fulfil its obligations in the next year and in the natural flow of its activities.

## **NOT 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Cont.)**

### **2.1.4) Functional and reporting currency**

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

### **2.2) Changes in Turkey Financial Reporting Standards**

The accounting policies adopted in preparation of the interim condensed financial statements as of December 31, 2020 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of January 1, 2020. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

- **The new standards, amendments and interpretations which are effective as of 1 January 2020 are as follows**

#### **Definition of a Business (Amendments to TFRS 3)**

In May 2019, the POA issued amendments to the definition of a business in TFRS 3 Business Combinations. The amendments are intended to assist entities to determine whether an acquired set of activities assets is a business or not.

The amendments:

- clarify the minimum requirements for a business;
- remove the assessment of whether market participants are capable of replacing any missing elements;
- add guidance to help entities assess whether an acquired process is substantive;
- narrow the definitions of a business and of outputs; and
- introduce an optional fair value concentration test.

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

#### **(Amendments to TFRS 9, TAS 39 and TFRS 7) Interest Rate Benchmark Reform**

The amendments issued to TFRS 9 and TAS 39 which are effective for periods beginning on or after 1 January 2020 provide reliefs which enable hedge accounting to continue. For these reliefs, it is assumed that the benchmark on which the cash flows of hedged risk or item are based and/or, the benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of IBOR reform, in connection with interest rate benchmark reform.

Reliefs used as a result of amendments in TFRS 9 and TAS 39 is aimed to be disclosed in financial statements based on the amendments made in TFRS 7.

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

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

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

**Definition of Material (Amendments to TAS 1 and TAS 8)**

In June 2019, the POA issued amendments to TAS 1 Presentation of Financial Statements and TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating, or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

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

**Amendments to TFRS 16 – Covid-19 Rent Related Concessions**

In June 2020, the POA issued amendments to TFRS 16 Leases to provide relief to lessees from applying TFRS 16 guidance on lease modifications to rent concessions arising a direct consequence of the Covid-19 pandemic. A lessee that makes this election accounts for any change in lease payments related rent concession the same way it would account for the change under the standard if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of the Covid-19 pandemic and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021
- There is no substantive change to other terms and conditions of the lease.

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

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

The new standards, comments and amendments that have been published as of the date of approval of the financial statements but have not yet entered into force for the current reporting period and have not started to be applied early by the Company are as follows. Unless otherwise specified, the company will make the necessary changes that will affect the consolidated financial statements and footnotes after the new standards and interpretations become effective.



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

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

- **Standards issued but not yet effective and not early adopted (Cont.)**

**TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)**

In December 2017, the POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. The Company will wait until the final amendment to assess the impacts of the changes.

**TFRS 17 - The new Standard for insurance contracts**

The POA issued TFRS 17, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation, and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted. The Company is in the process of assessing the impact of the standard on financial position or performance of the Company.

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

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

12 March 2020, the POA issued amendments to TAS 1 Presentation of Financial Statements. The amendments issued to TAS 1 which are effective for periods beginning on or after 1 January 2023, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted.

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

- **New and revised standards and comments published by the International Accounting Standards Authority (IASB) but not published by the POA**

The new standards, comments, and changes to the existing IFRS standards listed below have been published by the IASB but have not yet been put into effect for the current reporting period. However, these new standards, comments and amendments have not yet been adapted / published by POA and therefore they are not part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the new standards and interpretations are issued and become effective under TFRS.

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

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

- **New and revised standards and comments published by the International Accounting Standards Authority (IASB) but not published by the POA (Cont.)**

**Amendments to IFRS 3 – Reference to the Conceptual Framework**

In May 2020, the IASB issued amendments to IFRS 3 Business combinations. The amendments are intended to replace to a reference to a previous version of the IASB’s Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing requirements of IFRS 3. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments issued to IFRS 3 which are effective for periods beginning on or after 1 January 2022 and must be applied retrospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in IFRS standards (March 2018).

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

**Amendments to IAS 16 – Proceeds before intended use**

In May 2020, the IASB issued amendments to IAS 16 Property, plant, and equipment. The amendment prohibits entities from deducting from the cost of an item of property, plant, and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and costs of producing those items, in profit or loss. The amendments issued to IAS 16 which are effective for periods beginning on or after 1 January 2022. Amendments must be applied prospectively only to items of PP&E made available for use on or after beginning of the earliest period presented when the entity first applies the amendment.

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

**Amendments to IAS 37 – Onerous contracts – Costs of Fulfilling a Contract**

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent assets. The amendments issued to IAS 37 which are effective for periods beginning on or after 1 January 2022, to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and also apply a “directly related cost approach”. Amendments must be applied retrospectively to contracts for which an entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed.

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

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

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

**Annual Improvements – 2018–2020 Cycle**

In May 2020, the IASB issued Annual Improvements to IFRS Standards 2018–2020 Cycle, amending the followings:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter: The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by the parent. The amendment is also applied to an associate or joint venture.
- IFRS 9 Financial Instruments – Fees in the “10 per cent test” for derecognition of financial liabilities: The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either borrower or lender on the other’s behalf.
- IAS 41 Agriculture – Taxation in fair value measurements: The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring fair value of assets within the scope of IAS 41.
- Illustrative Examples accompanying IFRS 16 Leases – Lease incentives: The amendment removes the illustration of payments from the lessor relating to leasehold improvements in illustrative Example 13 accompanying IFRS 16 and also removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

Improvements are effective for annual reporting periods beginning on or after 1 January 2022 except the changes in IFRS 16 Leases (became effective date of issue). Earlier application is permitted for all.

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

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

Changes in accounting estimates are applied in the current period if the change is related to only one period, and if they are related to future periods, they are applied both in the period in which the change is made and in the future periods, prospectively. Significant estimates used in the preparation of financial statements for the period ended December 31, 2020 are consistent with the estimates used during the preparation of financial statements for the period ended December 31, 2019. Significant accounting errors detected are applied retrospectively and the financial statements of the previous period are rearranged.

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

**2.4) Summary of significant accounting policies**

**Cash and cash equivalents**

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

**Trade Receivables**

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

**Trade payables**

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

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

**Investment properties**

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

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

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

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

**Tangible assets**

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

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

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

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

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

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

**Intangible assets**

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

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

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

**Impairment of assets**

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

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

**Research and development expenditures**

Research expenses are recognized as expense on the date it is realized. Development expenses related to a project can be carried forward to the next periods when it is sure its future realizable value. Any expenditure carried is depreciated over the period of expected future sales of the project to which it relates. The Company directly associates research expenses with the income statement in the period it occurs. The total development expense capitalized in the period is TRY 2.776.125 (31.12.2019: TRY 2.948.185).

**Government Incentives**

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

The Ministry of Science, Industry and Technology has issued an R&D Center Certificate to the Company, effective from 16.11.2016. In this context, the Company has benefited from the support provided by the Law No.5746 on Supporting Research, Development and Design Activities, but the incentives we have provided by the Evaluation and Audit Commission within the scope of the Law No.5746 within the scope of the audits conducted by the Ministry of Industry and Technology General Directorate of R&D Incentives in 2019. It was decided to suspend the exemptions for 3 months as of 18.12.2020. In line with this decision, incentives and exemptions were not utilized as of the date specified, however Research and Development activities continue and Development Expenses for the relevant period were capitalized detailed information on Government Incentives and Grants is included in Note: 23.

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

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

**Leasing Transactions**

Financial Leasing: There are no financial leasing transactions.

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

The company and Ak İnşaat Mermercilik ve Gayrimenkul Yatırım Ticaret A.Ş. According to the lease agreement signed on 15.06.2011, TRY 630.000 per year (rent increase based on PPI average for each year) will be paid for the building used as head office. In addition, the Company has a lease agreement as a tenant to use as an office in Ankara in order to carry out its marketing activities. As of December 31, 2020, the lease expense of the Company is TRY 649.744. As distribution of this amount, TRY 177.366 was accounted for within the development expenses and TRY 472.378 was accounted for under operating expenses. As of December 31, 2019, the rental expense is TRY 639.625 and TRY 173.845 of this amount has been accounted for within the development expenses and TRY 465.779 has been accounted for within the operating expenses.

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

**Revenue recognition**

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

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

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

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

**Revenue recognition (Cont.)**

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

Additional explanations for some important income classifications are given below.

**Package Program Sales (License Sales)**

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

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

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

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

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

**License Renewal Agreement Sales (LRA)**

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



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

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

**Revenue recognition (Cont.)**

**After Sales Support Income**

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

**Special Project Revenues**

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

**Credit Sales**

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

**Interest Income**

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

**Current and deferred tax**

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

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

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

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

**Current and deferred tax (Cont.)**

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

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

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

**Employment termination benefits**

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

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

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

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

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

**Employment termination benefits (Cont.)**

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

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

**Provisions**

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

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

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

**Offsetting**

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

**Foreign currency transactions**

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

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

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

**Related parties**

Parties are considered related to the Company if (Note 27);

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

**Investment, research, and development incentives**

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

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

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight- line basis over the expected lives of the related assets.

Investment and research and development incentives are recognized when incentive applications of the Company are approved by fiscal authorities.

**Subsequent Events**

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

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

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

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

**Cash flow statement**

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

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

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

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

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

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

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

- a) The cost of defined benefit plans is determined using actuarial valuations which involve making assumptions about discount rates, future salary increases and employee turnover. Due to the long- term nature of these plans, such estimates are subject to significant uncertainty.
- b) The Company assesses whether there is any impairment indicator in investment properties and compares carrying values of the investment property with the fair determined in the valuation report obtained by a property appraiser company licensed by CMB.
- c) Company management has made assumptions based on the experience of the technical staff in determining the useful life of tangible and intangible assets.

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

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

- d) Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit. In determination of deferred tax asset to be recognized, there are certain assumptions and judgments made about future taxable income to be recognized in the future.
- e) The company capitalizes ongoing development expenditures and assesses whether the related asset has an impact on the assets that will increase or decrease the cost of the Company during the useful life of the asset in the subsequent periods and whether there is an impairment of the year. As of December 31, 2020, and December 31, 2019, no impairment was determined for the development expenses that were capitalized.
- d) Covid-19 outbreak will continue for how long the effects of the world and in Turkey cannot be estimated as yet unclear. As the severity and duration of the effects become clearer, it will be possible to make a more specific and healthy evaluation for the medium and long term. While preparing its financial statements dated December 31, 2020, the company evaluated the possible effects of the Covid 19 outbreak on the financial statements and reviewed the estimates and assumptions used in the preparation of the financial statements. In this context, possible impairment losses that may occur in the financial statements dated December 31, 2020 were evaluated and no significant impact was detected.

**NOT 3 – BUSINESS COMBINATIONS**

None. ( As of 31.12.2019, the company has taken over all assets and liabilities of Link Holding A.Ş. , in accordance with the merger report dated 18 November 2019 and the merger agreement dated November 18, 2019. Since the partners of Link Holding A.Ş are the same as the partners of Link Bilgisayar A.Ş., the “Decision to Accounting Business Combinations subject to 2018-1 Joint Control” published by the Public Oversight Accounting and Auditing Standards Authority (“POA”). the merger transactions accounted in accordance resolution published by POA.

The shares owned by Link Holding A.Ş. in Link Bilgisayar A.Ş. have been transferred to other shareholders of Link Bilgisayar A.Ş., and the existing privileges before the merger are still held.)

**NOTE 4 – SHARES IN OTHER COMPANIES**

None. (December 31, 2019: None).

**NOTE 5 – SEGMENT REPORTING**

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

**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ****NOTES TO AUDITED FINANCIAL STATEMENTS, FOR THE PERIOD ENDED WITH DECEMBER 31,2020**

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

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

The details of wages and similar benefits provided to senior executives for the fiscal period that ended on 01.01.2020-31.12.2020 and 01.01.2019-31.12.2019 are as follows:

	<b>01.01.2020- 31.12.2020</b>	<b>01.01.2019- 31.12.2019</b>
Fees and other short-term benefits	3.010.554	2.627.660
	<b>3.010.554</b>	<b>2.627.660</b>

Benefits provided to senior executives arise from salary payments.

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

The details of short-term trade receivables as of 31.12.2020 and 31.12.2019 are as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
Trade receivables	5.188.531	5.448.290
Notes receivables	100.734	505.304
Rediscount of receivables (-)	(132.227)	(104.401)
Credit card receivables (*)	908.662	1.320.522
Doubtful trade receivables (-)	82.554	83.125
Provisions for doubtful receivables (-)	(82.554)	(83.125)
	<b>6.065.700</b>	<b>7.169.715</b>

(\*) 908.662 TL (31 December 2019: 1.320.522 TL) consists of the receivables from the sales made by credit card.

Average maturity of trade receivables is 23 days. (31.12.2019: 23 days)

**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ****NOTES TO AUDITED FINANCIAL STATEMENTS, FOR THE PERIOD ENDED WITH DECEMBER 31,2020**

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

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

The movements of the provision for doubtful trade receivables for the accounting periods ending on 31.12.2020 and 31.12.2019 are as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
Opening balance	(83.125)	(95.087)
Provision for the current period	--	(3.795)
Cancellation of provision	571	15.757
<b>Ending balance</b>	<b>(82.554)</b>	<b>(83.125)</b>

**b) Short Term Trade Payables**

The details of short-term trade payables as of 31.12.2020 and 31.12.2019 are as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
Suppliers	457.112	518.955
Rediscount on suppliers (-)	(10.949)	(7.694)
	<b>446.163</b>	<b>511.261</b>

Average maturity of trade payables is 55 days. (31.12.2019: 56 days)

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

None. (December 31, 2019: None).

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

The details of other short-term receivables as of 31.12.2020 and 31.12.2019 are as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
Receivables from personnel	15.000	15.000
Receivables from tax-office	--	18.420
Deposits and guarantees given	4.047	3.847
	<b>19.047</b>	<b>37.267</b>



**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ****NOTES TO AUDITED FINANCIAL STATEMENTS, FOR THE PERIOD ENDED WITH DECEMBER 31,2020**

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

**NOTE 9 – OTHER RECEIVABLES AND PAYABLES (Cont.)****a) Other Long-Term Receivables**

The details of other long-term receivables as of 31.12.2020 and 31.12.2019 are as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
Deposits and guarantees given	344	344
	<b>344</b>	<b>344</b>

**a) Other Short-Term Payables**

The details of other short-term payables as of 31.12.2020 and 31.12.2019 are as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
Taxes and funds payable	519.086	849.569
Other payables	2.062	46
	<b>521.148</b>	<b>849.615</b>

**NOTE 10 – INVENTORIES**

The details of the inventories as of 31.12.2020 and 31.12.2019 are as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
Trade goods	5.347	17.169
	<b>5.347</b>	<b>17.169</b>

**NOTE 11 – BIOLOGICAL ASSETS**

None. (December 31, 2019: None).

**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ****NOTES TO AUDITED FINANCIAL STATEMENTS, FOR THE PERIOD ENDED WITH DECEMBER 31,2020**

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

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

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

	<b>31.12.2020</b>	<b>31.12.2019</b>
Advances given	2.724	11.229
Prepaid expenses for future months	32.793	35.502
Job advances	9.757	5.217
	<b>45.274</b>	<b>51.948</b>

**b) Long-Term Prepaid Expenses**

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

	<b>31.12.2020</b>	<b>31.12.2019</b>
Expenses for the following years	2.947	3.197
	<b>2.947</b>	<b>3.197</b>

**c) Short-Term Deferred Income**

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

	<b>31.12.2020</b>	<b>31.12.2019</b>
Income for following months	100.806	99.793
Advances taken	61.322	66.008
	<b>162.128</b>	<b>165.801</b>

**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ****NOTES TO AUDITED FINANCIAL STATEMENTS, FOR THE PERIOD ENDED WITH DECEMBER 31,2020**

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

**NOTE 13 – INVESTMENT PROPERTIES**

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

<b>Real Estate Type</b>	<b>31.12.2018</b>	<b>Fair Value Difference</b>	<b>31.12.2019</b>	<b>Fair Value Difference</b>	<b>31.12.2020</b>
Lands	2.500.000	250.000	2.750.000	1.242.000	3.992.000
<b>Total</b>	<b>2.500.000</b>	<b>250.000</b>	<b>2.750.000</b>	<b>1.242.000</b>	<b>3.992.000</b>

As of 31 December 2020, the fair value of the Company's investment properties was determined by Reel Gayrimenkul Değerleme A.Ş. Reel Gayrimenkul Değerleme A.Ş is authorized by CMB and provided real estate valuation services in accordance with the capital market legislation. The Company has enough qualification and experience about measuring the fair value of real estates. The fair value of owned lands is determined according to market comparison approach / other methods which reflect current transactions cost of other. The fair value of investment properties of the Company, without making any adjustments on observable market, market comparable method which is based on the current market cost was used. The fair value of the previous year has increased by approximately 45% due to the fact that it is within the scope of both the İstanbul Yenişehir Reserve Building Area (The İstanbul Canal) dated 29.06.2020 and the 1/1000 scale plan approved by the Ministry of Environment and Urbanization. (December 31, 2019 : The fair value of the investment properties of the Company is determined by Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş., an independent valuation company from the Company. determined by. Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş. Authorized by the CMB, it provides real estate valuation services in accordance with the capital market legislation and has sufficient experience and quality in measuring the fair value of properties in the relevant regions. The fair value of the land owned was determined according to the market comparative approach / other methods reflecting the current transaction prices for similar properties.

The fair value of the investment properties of the Company is determined by using the comparable market method based on the latest market prices without any significant adjustment on observable market data.)

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

**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ****NOTES TO AUDITED FINANCIAL STATEMENTS, FOR THE PERIOD ENDED WITH DECEMBER 31,2020**

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

**NOTE 14 – TANGIBLE ASSETS**

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

<b>Cost</b>	<b>31.12.2018</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfer</b>	<b>31.12.2019</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfer</b>	<b>31.12.2020</b>
Vehicles	538.389	--	(121.996)	--	416.393	293.957	(81.642)	--	628.708
Furniture and fixture	407.316	86.185	(74.809)	--	418.692	182.961	--	--	601.653
Special cost	133.012	--	--	--	133.012	--	--	--	133.012
<b>Total</b>	<b>1.078.717</b>	<b>86.185</b>	<b>(196.805)</b>	<b>--</b>	<b>968.097</b>	<b>476.918</b>	<b>(81.642)</b>	<b>--</b>	<b>1.363.373</b>
<b>Accumulated Depreciation (-)</b>									
Vehicles	(515.683)	(11.352)	121.996	--	(405.039)	(48.904)	81.642	--	(372.301)
Furniture and fixture	(353.490)	(36.132)	74.809	--	(314.813)	(41.796)	--	--	(356.609)
Special cost	(133.012)	--	--	--	(133.012)	--	--	--	(133.012)
<b>Total</b>	<b>(1.002.185)</b>	<b>(47.484)</b>	<b>196.805</b>	<b>--</b>	<b>(852.864)</b>	<b>(90.700)</b>	<b>81.642</b>	<b>--</b>	<b>(861.922)</b>
<b>Net book value</b>	<b>76.532</b>				<b>115.233</b>				<b>501.451</b>

There is no mortgage or pledge on the Company's tangible assets. Tangible assets are protected by insurance coverage of TRY 1.575.359. (31.12.2019: 1.466.791 TRY)

**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ****NOTES TO AUDITED FINANCIAL STATEMENTS, FOR THE PERIOD ENDED WITH DECEMBER 31,2020**

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

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

None. (December 31, 2019: None).

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

None. (December 31, 2019: None).

**NOTE 17 – INTANGIBLE ASSETS**

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

<b>Cost</b>	<b>31.12.2018</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfer</b>	<b>31.12.2019</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfer</b>	<b>31.12.2020</b>
Rights	85	--	--	--	85	--	--	--	85
Development Costs	13.170.103	2.948.185	--	--	16.118.288	2.776.125	--	--	18.894.413
Other Intangible Assets	95.493	--	--	--	95.493	--	--	--	95.493
<b>Total</b>	<b>13.265.681</b>	<b>2.948.185</b>	<b>--</b>	<b>--</b>	<b>16.213.866</b>	<b>2.776.125</b>	<b>--</b>	<b>--</b>	<b>18.989.991</b>
<b>Accumulated Depreciation(-)</b>									
Rights	(69)	(16)	--	--	(85)	--	--	--	(85)
Development Costs	(7.797.868)	(1.862.281)	--	--	(9.660.149)	(2.292.902)	--	--	(11.953.051)
Other Intangible Assets	(87.530)	(4.108)	--	--	(91.638)	(2.805)	--	--	(94.443)
<b>Total</b>	<b>(7.885.467)</b>	<b>(1.866.405)</b>	<b>--</b>	<b>--</b>	<b>(9.751.872)</b>	<b>(2.295.707)</b>	<b>--</b>	<b>--</b>	<b>(12.047.579)</b>
<b>Net Book Value</b>	<b>5.380.214</b>				<b>6.461.994</b>				<b>6.942.412</b>

**NOTE 18 – GOODWILL**

None. (December 31, 2019: None).

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

None. (December 31, 2019: None).

**NOTE 20 – RENT OPERATIONS**

**a) Rental in Terms of Tenant**

The total amount of future minimum lease payments within the framework of the Company's operational leases that cannot be cancelled as of the balance sheet date are as follows;

	<b>01.01.2020- 31.12.2020</b>	<b>01.01.2019- 31.12.2019</b>
Less than 1 year	649.744	639.625
<b>End of the Period</b>	<b>649.744</b>	<b>639.625</b>

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

**NOTE 21 – PRIVILEGE SERVICE ARRANGEMENTS**

None. (December 31, 2019: None).

**NOTE 22 – IMPAIRMENT ON ASSETS**

The movements of the doubtful receivable provision are as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
Opening balance	(83.125)	(95.087)
Expenses for the period	--	(3.795)
Cancellation of provision	571	15.757
<b>Ending balance</b>	<b>(82.554)</b>	<b>(83.125)</b>

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

### NOTES TO AUDITED FINANCIAL STATEMENTS, FOR THE PERIOD ENDED WITH DECEMBER 31,2020

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

#### NOTE 23 – GOVERNMENT INCENTIVES

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

The Ministry of Science, Industry and Technology has issued an R&D Center Certificate to the Company, effective from 16.11.2016. In this context, the Company has benefited from others with the Law No. 5746 on Supporting Research, Development and Design Activities, and the activities of the Ministry of Industry and Technology, General Directorate of R&D Incentives are audited by our company. It was decided to stop the incentives and exemptions provided by the Law No. 5746 on Supporting Research, Development and Design Activities for 3 months on 18.12.2020. This decision was developed to the extent that the purchased name was purchased. The rights of the other company protected by Law No. 5746 are as follows.

- At least 100% of Research and Development expenses are deducted from the corporate tax base ("R&D Discount")
- The Treasury will cover 80-95% of the income tax calculated on the wages of R&D personnel and 10% support personnel,
- The wages of R&D personnel and support personnel up to 10% are exempted from Stamp Tax,
- The Treasury compensates 50% of the Social Security Institution Employer's Share for the wages of R&D personnel and 10% support personnel.

#### NOTE 24 – BORROWING COSTS

For the period ended at December 31, 2020, there is no borrowing cost added to the cost of assets directly related to the assets. (31 December 2019 - None) Borrowing costs are included in the statement of profit or loss.

#### NOTE 25 – CONTINGENT ASSETS AND LIABILITIES

There is no lawsuit filed against the company. (31 December 2019 - None)

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

	31.12.2020	31.12.2019
Severance payment	2.559.073	2.286.208
	<b>2.559.073</b>	<b>2.286.208</b>

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

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

The company's severance payment reserve has been calculated as explained in Note 2. On 31.12.2019, the provision is calculated over a 30-day fee, with a maximum of TRY 7.117 for each year of service and using the rates at the retirement or departure date. (31.12.2019: TRY 6.379)

The Company has reflected the retirement pay liability calculated on the financial statements for the periods ending on 31.12.2020 and 31.12.2019, calculated on the basis of the foregoing principles, by reducing the expected inflation rate and the real rediscount rate to the balance sheet day.

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

	31.12.2020	31.12.2019
Interest rate	12,50%	10,00%
Inflation rate	9,50%	8,00%
Discount rate	2,74%	1,85%

The movement of Severance payment is as follow:

	31.12.2020	31.12.2019
Opening balance	2.286.208	1.829.596
Service costs	56.248	859.055
Interest cost	286.559	32.671
Payment in the period	--	(320.752)
Loss Due to Dismissal	--	(216.090)
Actuarial difference	(69.942)	101.728
<b>Ending balance</b>	<b>2.559.073</b>	<b>2.286.208</b>

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

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

Guarantee Type	31.12.2020		31.12.2019	
	Original Amount	TRY	Original Amount	TRY
Guarantee Check TRY	360.000	360.000	360.000	360.000
Guarantee Notes TRY	1.575.000	1.575.000	1.575.000	1.575.000
Guarantee Check USD	39.000	286.280	39.000	231.668
Guarantee Notes USD	385.012	2.826.181	385.012	2.287.048
<b>Total</b>		<b>5.047.460</b>		<b>4.453.716</b>



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

**NOTE 27 – PAYABLES FOR EMPLOYEE BENEFITS**

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

	<b>31.12.2020</b>	<b>31.12.2019</b>
Social security premiums payable	817.314	--
Due to personnel	622.365	957.143
	<b>1.439.679</b>	<b>957.143</b>

**NOTE 28 – EXPENSES ACCORDING TO QUALIFICATIONS****a) General and administrative expenses**

The details of general and administrative expenses are as follows:

	<b>01.01.2020</b>	<b>01.01.2019</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
Personnel expenses	(1.688.834)	(1.680.111)
Travel expense	(85.247)	(98.875)
Communication expenses	(61.892)	(38.715)
Building expenses	(307.717)	(701.151)
Rent expenses	(450.920)	(482.359)
Consulting expenses	(480.805)	(376.759)
Taxes, duties, fees, and subscriptions	(278.769)	(123.360)
Amortization expenses	(88.047)	(47.605)
Other	(283.123)	(130.895)
	<b>(3.725.354)</b>	<b>(3.679.830)</b>

**b) Marketing Expenses**

The details of marketing expenses are as follows.

	<b>01.01.2020</b>	<b>01.01.2019</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
Personnel expenses	(2.689.661)	(2.597.500)
Rent expenses	(21.458)	(22.125)
Other	(11.393)	(35.602)
	<b>(2.722.512)</b>	<b>(2.655.227)</b>

**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ****NOTES TO AUDITED FINANCIAL STATEMENTS, FOR THE PERIOD ENDED WITH DECEMBER 31,2020**

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

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

The details of research and development expenses are as follows:

	<b>01.01.2020</b>	<b>01.01.2019</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
Amortization expenses	(2.298.362)	(1.866.389)
Personnel expenses	(76.908)	(74.093)
	<b>(2.375.270)</b>	<b>(1.940.482)</b>

**NOTE 29 – OTHER ASSETS AND LIABILITIES****a) Other Current Assets**

The details of other current assets as of the balance sheet date of the company are as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
Deferred V.A.T.	--	30.019
	<b>--</b>	<b>30.019</b>

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

As of 31.12.2020, the capital of the company was increased by 5.500.000 and reached 11.000.000 TRY. All of the increased 5.500.000 TRY was covered by internal resources. The capital of the company is divided into a total of 1.100.000.000 bearer shares, including 137.280.750 Group A shares, 214.532.000 Group B shares, 748.187.250 Group C shares, each with a nominal value of 0.01 TRY. (31 December 2019: 550.000.000 units each with a nominal value of 0.01 TRY.)

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

<b>Shareholders</b>	<b>Share Ratio (%)</b>	<b>31.12.2020</b>		<b>31.12.2019</b>	
		<b>TRY</b>	<b>Share Ratio (%)</b>	<b>TRY</b>	
Murat Kasaroğlu	45,04%	4.954.347	46,22%	2.542.174	
Hayguyi Antikacıoğlu	18,31%	2.013.711	19,41%	1.067.691	
Public	33,28%	3.661.150	31,00%	1.704.737	
Other	3,37%	370.792	3,37%	185.398	
<b>Total</b>	<b>100%</b>	<b>11.000.000</b>	<b>100%</b>	<b>5.500.000</b>	
Capital adjustment difference		--		4.178.483	
<b>Total</b>		<b>11.000.000</b>		<b>9.678.483</b>	

**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ****NOTES TO AUDITED FINANCIAL STATEMENTS, FOR THE PERIOD ENDED WITH DECEMBER 31,2020**

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

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

The distribution of votes by balance sheet is as follows:

	31.12.2020	31.12.2019
Shareholders	Voting Rate	Voting Rate
Murat Kasaroğlu	64,57%	64,88%
Hayguyi Antikacıoğlu	22,53%	22,81%
Public	8,58%	7,99%
Other	4,32%	4,32%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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

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

	31.12.2020	31.12.2019
Tangible assets revaluation increase / decrease (*)	1.728.151	1.728.151
Gains / (losses) on re-measurements of defined benefit plans (**)	(1.005.522)	(1.060.077)
	<b>722.629</b>	<b>668.074</b>

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

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

**c) Restricted Reserves**

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

	31.12.2020	31.12.2019
Restricted reserves	892.011	892.011
	<b>892.011</b>	<b>892.011</b>

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

**NOTE 30 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Cont.)****d) Retained Earnings**

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

	<b>31.12.2020</b>	<b>31.12.2019</b>
Accumulated profits / (losses)	20.790.393	16.023.679
	<b>20.790.393</b>	<b>16.023.679</b>

**NOTE 31 – SALES**

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

	<b>01.01.2020</b>	<b>01.01.2019</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
Domestic sales	20.153.295	16.236.484
Export sales	357.842	140.039
Sales returns (-)	(162.440)	(101.770)
Sales discounts (-)	(777.264)	(602.313)
<b>Net Sales</b>	<b>19.571.433</b>	<b>15.672.440</b>
Cost of trade goods sold (-)	(1.203.973)	(866.341)
Cost of services sold (-)	(1.930.261)	(1.499.837)
<b>Trade Activity Gross Profit / (Loss)</b>	<b>16.437.199</b>	<b>13.306.262</b>

**NOTE 32 – CONSTRUCTION CONTRACTS**

None. (December 31, 2019: None).

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

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

	<b>01.01.2020</b>	<b>01.01.2019</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
General and administrative expenses (-)	(3.725.354)	(3.679.830)
Marketing expenses (-)	(2.722.512)	(2.655.227)
Research and development expenses (-)	(2.375.270)	(1.940.482)
	<b>(8.823.136)</b>	<b>(8.275.539)</b>

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

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

	<b>01.01.2020</b>	<b>01.01.2019</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
Rediscount income	115.350	153.305
Commission income	47.020	61.662
Other revenues	64.221	33.541
	<b>226.591</b>	<b>248.508</b>

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

	<b>01.01.2020</b>	<b>01.01.2019</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
Rediscount expenses	(139.921)	(106.299)
Provision for doubtful receivables	--	(15.811)
Other	(3.092)	(23.008)
	<b>(143.013)</b>	<b>(145.118)</b>

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

Details of income from investment activities are as follows:

	<b>01.01.2020</b>	<b>01.01.2019</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
Liquid fund sales profits	347.832	638.285
Investment property value increases	1.242.000	250.000
Fixed asset sales profits	134.901	80.978
<b>Total</b>	<b>1.724.733</b>	<b>969.263</b>

The details of expenses from investment activities are as follows:

	<b>01.01.2020</b>	<b>01.01.2019</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
Consultancy costs	--	(391.175)
<b>Total</b>	<b>--</b>	<b>(391.175)</b>

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

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

	<b>01.01.2020</b>	<b>01.01.2019</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
Foreign exchange income	6.930.145	3.323.826
Interest income	579.065	781.705
	<b>7.509.210</b>	<b>4.105.531</b>

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

	<b>01.01.2020</b>	<b>01.01.2019</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
Foreign exchange expenses	(2.024.381)	(1.336.886)
Interest expense in severance pay provision	(286.559)	(83.249)
Other	(67.032)	(32.673)
	<b>(2.377.972)</b>	<b>(1.452.808)</b>

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

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

	<b>01.01.2020</b>	<b>01.01.2019</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
Defined benefit plans re-measurement gains / losses	69.942	(101.728)
Deferred tax expense / income	(15.387)	22.380
<b>Income that not to be Reclassified in Profit or Loss - Total</b>	<b>54.555</b>	<b>(79.348)</b>

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

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

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

Deferred tax is calculated by %20. (2019: %20).

	31.12.2020		31.12.2019	
	Total Temporary Differences	Deferred Tax Assets/liabilities	Total Temporary Differences	Deferred tax Assets/liabilities
<b>Deferred Tax Assets</b>				
Provision for severance pay	2.559.073	511.815	2.286.208	457.241
Rediscount on trade receivables	138.937	27.787	104.401	20.880
Doubtful receivable provision	--	--	24.273	4.855
<b>Deferred Tax Assets</b>	<b>2.698.010</b>	<b>539.602</b>	<b>2.414.882</b>	<b>482.976</b>
<b>Deferred Tax Liabilities</b>				
Tangible and intangible assets net difference between registered values and tax base	(1.541.564)	(308.313)	(1.199.151)	(239.830)
Investment properties	(3.927.190)	(392.719)	(2.685.190)	(268.519)
Rediscount on trade payables	(10.949)	(2.190)	(7.694)	(1.539)
<b>Deferred Tax Liabilities</b>	<b>(5.479.702)</b>	<b>(703.222)</b>	<b>(3.892.035)</b>	<b>(509.888)</b>
<b>Deferred tax assets/(Liabilities), Net</b>		<b>(163.620)</b>		<b>(26.912)</b>

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

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

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

The effective tax rate applied in 2020 is 22%. (31.12.2019: 22%)

Provisional tax in Turkey is calculated as three-month period and are accrued. The advance tax rate that needs to be calculated over the corporate earnings at the taxation stage of 2020 corporate earnings as of temporary tax periods is 22%. (31.12.2019: 22%)

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

Details of the company's current tax assets as of 31.12.2020 and 31.12.2019 are as follows:

	<b>01.01.2020</b>	<b>01.01.2019</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
Current period corporate tax	(2.329.294)	(1.133.820)
Deferred tax income / (expense)	(122.720)	215.239
<b>Total</b>	<b>(2.452.014)</b>	<b>(918.581)</b>

The company's tax expenses are as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
Corporate tax provision	2.329.294	1.133.820
Prepaid corporate tax (-)	(1.734.854)	(217.358)
<b>Corporate tax that (to be paid)/to be returned</b>	<b>594.440</b>	<b>916.462</b>

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

*Deductible Financial Losses*

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



**NOTE 38 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (CONT.)****a) Corporate Tax (Cont.)***Real Estate and Participation Stock Sales Gain Exemption*

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

*Income Tax Withholding*

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

**NOTE 39 – EARNINGS PER SHARE**

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

	<b>01.01.2020</b>	<b>01.01.2019</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
Net profit / (loss) for the period	12.101.598	7.446.343
Total number of shares	11.000.000	5.500.000
<b>Simple and divided earnings / (loss) per share (TRY)</b>	<b>1,10</b>	<b>1,35</b>

The company's Diluted earnings((loss) calculation is as follows:

	<b>01.01.2020</b>	<b>01.01.2019</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
Average number of shares available during the year	5.958.333	5.500.000
Last period profit of the parent company	12.101.598	7.446.343
<b>Diluted Earnings (Loss) Per Share</b>	<b>2,03</b>	<b>1,35</b>

**NOTE 40 – SHARE-BASED PAYMENTS**

None. (December 31, 2019: None).

**NOTE 41 – INSURANCE CONTRACTS**

None. (December 31, 2019: None).

**NOTE 42 – THE EFFECTS OF CHANGES IN FOREIGNEXCHANGE RATES**

The foreign exchange risk of the company as of 31 December 2020 is shown in the table in Note: 47, as of the accounting period ending on 31 December 2020, foreign exchange income and foreign exchange difference expense are included in other income / expenses and financial income / expenses in the financial statements.

**NOTE 43 – HYPERINFLATIONARY ECONOMY REPORTING**

None. (December 31, 2019: None).

**NOTE 44 – DERIVATIVE FINANCIAL INSTRUMENTS**

None. (December 31, 2019: None).

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

None. (December 31, 2019: None).

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

**a) Financial Instruments Interest Rate Risk**

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

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

	<b>Book Value</b>	<b>Book Value</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>Fixed interest instruments</b>		
Financial assets	33.349.794	19.548.231
<b>Total</b>	<b>33.349.794</b>	<b>19.548.231</b>
<b>Variable interest instruments</b>		
Financial assets	439.901	1.219.606
<b>Total</b>	<b>439.901</b>	<b>1.219.606</b>

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

NOTES TO AUDITED FINANCIAL STATEMENTS, FOR THE PERIOD ENDED WITH DECEMBER 31,2020

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

**NOTE 46 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONT.)****a) Financial Instruments Credit Risk**

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

**LİNK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET ANONİM ŞİRKETİ****NOTES TO AUDITED FINANCIAL STATEMENTS, FOR THE PERIOD ENDED WITH DECEMBER 31,2020**

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

**NOTE 46 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONT.)****b) Financial Instruments Credit Risk (Cont.)**

<b>Prior Period</b>	<b>Receivables</b>				
	<b>Trade Receivables</b>		<b>Other Receivables</b>		<b>Trade Receivables</b>
	<b>Related Parties</b>	<b>Other</b>	<b>Related Parties</b>	<b>Other</b>	<b>Related Parties</b>
Maximum credit risk exposed as of the reporting date	--	7.169.715	--	37.611	23.783.222
- The portion of the maximum risk secured by collateral	--	4.453.716	--	--	--
A- not overdue or impaired net book value of financial assets	--	7.169.715	--	37.611	23.783.222
B- Book value of financial assets whose conditions have been renegotiated, which would otherwise be deemed to be overdue or impaired	--	--	--	--	--
C- Overdue but not impaired net book value of assets	--	--	--	--	--
D- Net book values of impaired assets					
-overdue	--	83.125	--	--	--
- impairment	--	(83.125)	--	--	--
E- Items that include off-balance credit risk	--	--	--	--	--

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

**NOTES TO AUDITED FINANCIAL STATEMENTS, FOR THE PERIOD ENDED WITH DECEMBER 31,2020**

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

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

**c) Foreign Currency Management**

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

	31.12.2020			31.12.2019		
	TRY Equivalent	USD Dollar	Euro	TRY Equivalent	USD Dollar	Euro
1. Trade Receivables	--	--	--	--	--	--
2a. Monetary Financial Assets (including cash, banks)	26.211.331	3.289.401	229.297	19.523.603	3.030.805	228.553
2b. Non-monetary financial assets	--	--	--	--	--	--
3. Other	--	--	--	--	--	--
<b>4. Current Assets(1+2+3)</b>	<b>26.211.331</b>	<b>3.289.401</b>	<b>229.297</b>	<b>19.523.603</b>	<b>3.030.805</b>	<b>228.553</b>
5. Trade Receivables	--	--	--	--	--	--
6a. Monetary financial assets	--	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--	--
7. Other	--	--	--	--	--	--
<b>8. Non-Current Assets(5+6+7)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>9. Total Assets(4+8)</b>	<b>26.211.331</b>	<b>3.289.401</b>	<b>229.297</b>	<b>19.523.603</b>	<b>3.030.805</b>	<b>228.553</b>
10. Trade Payables	--	--	--	--	--	--
11. Financial Liabilities	--	--	--	--	--	--
12a. Other monetary financial liabilities	--	--	--	--	--	--
12b. Other non-monetary financial liabilities	--	--	--	--	--	--
<b>13. Current Liabilities(10+11+12)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
14. Trade Payables	--	--	--	--	--	--
15. Financial Liabilities	--	--	--	--	--	--
16 a. Other monetary financial liabilities	--	--	--	--	--	--
16 b. Other non-monetary financial liabilities	--	--	--	--	--	--
<b>17. Non-Current Liabilities(14+15+16)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>18. Total Liabilities(13+17)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>19. Net asset / liability position of off- balance sheet derivative instruments (19a-19b)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
19a. Hedged amount of assets	--	--	--	--	--	--
19b. Hedged amount of liabilities position	--	--	--	--	--	--
<b>20. Net foreign currency position asset / liabilities(9-18+19)</b>	<b>26.211.331</b>	<b>3.289.401</b>	<b>229.297</b>	<b>19.523.603</b>	<b>3.030.805</b>	<b>228.553</b>
<b>21. Net foreign currency asset/liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>26.211.331</b>	<b>3.289.401</b>	<b>229.297</b>	<b>19.523.603</b>	<b>3.030.805</b>	<b>228.553</b>

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

## c) Currency Risk Management (Cont.)

	Profit/Loss		Equity	
	Foreign Currency Appreciation	Foreign Currency Depreciation	Foreign Currency Appreciation	Foreign Currency Depreciation
<b>31.12.2020</b>				
<b>If the USD rate changes by 20%:</b>				
1- USD net asset / liability	4.829.169	(4.829.169)	4.829.169	(4.829.169)
2- Amount hedged for USD risk (-)	--	--	--	--
<b>3- US Dollar Net Effect (1 + 2)</b>	<b>4.829.169</b>	<b>(4.829.169)</b>	<b>4.829.169</b>	<b>(4.829.169)</b>
<b>If the Euro exchange rate changes by 20%:</b>				
4- Euro net asset / liability	413.097	(413.097)	413.097	(413.097)
5- Amount hedged for Euro risk (-)	--	--	--	--
<b>6- Euro Net Effect (4+5)</b>	<b>413.097</b>	<b>(413.097)</b>	<b>413.097</b>	<b>(413.097)</b>
<b>Total (3+6+9)</b>	<b>5.242.266</b>	<b>(5.242.266)</b>	<b>5.242.266</b>	<b>(5.242.266)</b>
<b>31.12.2019</b>				
<b>If the USD rate changes by 20%:</b>				
1- USD net asset / liability	3.605.643	(3.605.643)	3.605.643	(3.605.643)
2- Amount hedged for USD risk (-)	--	--	--	--
<b>3- US Dollar Net Effect (1 + 2)</b>	<b>3.605.643</b>	<b>(3.605.643)</b>	<b>3.605.643</b>	<b>(3.605.643)</b>
<b>If the Euro exchange rate changes by 20%:</b>				
4- Euro net asset / liability	304.003	(304.003)	304.003	(304.003)
5- Amount hedged for Euro risk (-)	--	--	--	--
<b>6- Euro Net Effect (4+5)</b>	<b>304.003</b>	<b>(304.003)</b>	<b>304.003</b>	<b>(304.003)</b>
<b>Total (3+6+9)</b>	<b>3.909.646</b>	<b>(3.909.646)</b>	<b>3.909.646</b>	<b>(3.909.646)</b>

According to the foreign currency position as of 31.12.2020, if the Turkish Lira appreciated / lost 20% against the US Dollar and the Euro and if all other variables remained constant, it was composed of assets and liabilities in the foreign currency in the accounting period ending on the same date. net loss as a result of exchange rate profit / loss would be higher / lower for US Dollar, TRY 4.829.169 and TRY 413.097 for Euro. (31 December 2019: TRY 3.605.643 for US Dollars and TRY 304.003 for Euro).

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

**NOTE 46 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONT.)****d) Financial Instruments Liquidity Risk**

Tables showing the liquidity risk of the company as of 01.01.2020- 31.12.2020 are below;

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

Tables showing the liquidity risk of the Company as of 01.01.2019-31.12.2019 are below;

Prior Period	Book Value	Cash Outflow Per Agreement	Shorter Than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	4-5 Years	5+ Years
<b>Non-derivative financial liabilities:</b>	<b>1.360.876</b>	<b>1.360.876</b>	<b>1.360.876</b>	--	--	--	--
Trade Payables	511.261	511.261	511.261	--	--	--	--
Other Payables	849.615	849.615	849.615	--	--	--	--
<b>Derivative financial liabilities:</b>	--	--	--	--	--	--	--
<b>Total</b>	<b>1.360.876</b>	<b>1.360.876</b>	<b>1.360.876</b>	--	--	--	--

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

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

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

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

Monetary assets whose fair value approaches the book value:

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

**Financial Liabilities**

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

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

**Fair value measurements hierarchy table**

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

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

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

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

<b>31.12.2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Investment properties	--	--	3.992.000
<b>Total</b>	<b>--</b>	<b>--</b>	<b>3.992.000</b>
<b>31.12.2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Investment properties	--	--	2.750.000
<b>Total</b>	<b>--</b>	<b>--</b>	<b>2.750.000</b>



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**NOTE 48 – SUBSEQUENT EVENTS**

The Company complies with the Corporate Governance Principles included in the Capital Markets Board Corporate Governance Communiqué 4.2.8. In accordance with article ALLIANZ SİGORTA A.Ş. has signed a 1-year Manager Liability Insurance policy with a total liability limit of USD 2.000.000 exceeding 25% of the company's capital. (31.12.2019: None.)

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

None. ( 31 December 2019: As of 31.12.2019, the company has taken over all assets and liabilities of Link Holding A.Ş. , in accordance with the merger report dated 18 November 2019 and the merger agreement dated November 18, 2019. Since the partners of Link Holding A.Ş are the same as the partners of Link Bilgisayar A.Ş., the “Decision to Accounting Business Combinations subject to 2018-1 Joint Control” published by the Public Oversight Accounting and Auditing Standards Authority (“POA”). the merger transactions accounted in accordance resolution published by POA.

The shares owned by Link Holding A.Ş. in Link Bilgisayar A.Ş. have been transferred to other shareholders of Link Bilgisayar A.Ş., and the existing privileges before the merger are still continue.

**NOTE 50 – FIRST TRANSITION TO IAS**

None. (31.12.2019: None).

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

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

	<b>31.12.2020</b>	<b>31.12.2019</b>
Cash	397	1.884
Banks	33.378.062	19.583.665
- <i>Time deposits</i>	33.349.794	33.349.794
- <i>Demand deposits</i>	28.268	(13.766.129)
Type B liquid fund (*)	439.901	4.199.557
	<b>33.818.360</b>	<b>23.785.106</b>

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

**NOTE 51 – EXPLANATIONS ON CASH FLOW STATEMENT (CONT.)**

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

	31.12.2020	31.12.2019
Cash and cash equivalents	33.818.360	23.785.106
Interest income accrual (-)	(18.686)	(24.628)
<b>Total</b>	<b>33.799.674</b>	<b>23.760.478</b>

(\*) B type liquid fund amount is TRY 439.901 and it is shown in the balance sheet with its current market value.  
(31.12.2019: TRY 4.199.557)

The details of time deposits are as follows:

Currency	31.12.2020			31.12.2019		
	Amount	Currency Amount	Effective rate of Interest	Amount	Currency Amount	Effective rate of Interest
EURO	2.065.916	229.345	1,05%	1.520.015	228.553	0,28%
USD	24.155.414	3.290.704	2,00%	18.028.217	3.034.951	1,76%
<b>Total</b>	<b>26.221.330</b>			<b>19.548.231</b>		

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

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