

Integrated Annual Report 2022



LOGO



Logo

Content

About the report	06		
Chairman’s message	08		
Vice Chairman and Logo Group CEO’s message	10		
General overview			
Corporate profile	14		
Vision, mission, and principles	15		
Logo’s milestones	16		
Future outlook	18		
Industry outlook	20		
2022 in numbers	21		
Solutions family	24		
Products and services	26		
ERP	26		
Wings solutions	26		
Functional solutions	27		
Human resources management	27		
Business analytics	28		
Workflow management	28		
Warehouse management system	28		
Customer relationship management	28		
LEM	29		
eLogo: e-Service platform	29		
Banking and financial services	29		
Online account statement application	30		
Cash flow management applications	30		
Fintech solutions	30		
Retail solutions	31		
Digital transformation services	31		
Ecosystem solutions approved by Logo	32		
Cloud services	32		
Logo İşbaşı: Logo’s brand that carries micro-SMEs to the cloud	33		
Logo’s cloud-based HR services	34		
Logo Cloud HR	34		
Peoplise solutions	34		
Logo Cloud document management	34		
Logo Cloud support team	34		
Responsible products and services	35		
Logo’s awards and distinctions	36		
Value creation focused approach			
ESG management	42		
Material issues	44		
Contribution to the software ecosystem and digitalization of the economy	46		
Logo’s business model and value creation	50		
Contribution to Sustainable Development Goals	52		
Financial performance and Corporate governance approach			
Board of Directors	56		
Executive Management	57		
Capital and shareholding structure	58		
Financial performance	59		
Business ethics and transparency	60		
Risk Management	60		
Innovation focused approach			
R&D, innovation, and digital transformation	64		
		LAPIS	67
		Agile projects	68
		Digital infrastructure in information technologies and business processes	69
		Data and information security	70
		Customer experience and ecosystem focused approach	
		Customer experience	74
		Customer privacy and data security	78
		Logo ecosystem: Türkiye's most extensive enterprise application software network with more than 900 business partners	79
		Communication and cooperation with stakeholders	82
		Employee experience focused approach	86
		Talent management	87
		Employee satisfaction and engagement	94
		Diversity and equal opportunity	98
		Gender equality and women empowerment	99
		Occupational health and safety	101
		Social impact focused approach	
		Supporting entrepreneurship	104
		Community Investment Programs	106
		Environmental impact focused approach	112
		Climate crisis and energy	113
		Waste management	115
		Water management	115
		International overview	
		Logo Total Soft in Romania	118
		Logo Infosoft in India	122
		Corporate overview	
		Board of directors	126
		Executive Management	129
		Statement of responsibility	134
		Corporate governance	136
		Additional information on our operations	164
		Dividend distribution policy	165
		Financial overview	
		Independent auditor's report	170
		Financial tables	177
		- Consolidated statement of financial position	178
		- Consolidated statements of profit and loss	180
		- Consolidated statements of other comprehensive income	181
		- Consolidated statements of changes in equity	182
		- Consolidated statements of cash flows	183
		- Notes to the consolidated financial statements	184
		Appendices	
		Stakeholder communication	254
		Corporate memberships	255
		Management systems	256
		Environmental performance indicators	260
		Social performance indicators	261
		GRI content index	262
		Imprint	266

About the report

Logo is pleased to share its first Integrated Annual Report with its stakeholders, which includes the financial and non-financial performance of its operations in Türkiye and abroad between 1 January and 31 December 2022.

Since 2017, Logo has regularly reported its Environmental, Social, and Governance (ESG) figures through sustainability reports and developed Logo Integrated Value Creation model in 2020 and presented its ESG performance with an integrated thinking approach in the following years. With "Logo 2022 Integrated Annual Report," prepared in accordance with the Integrated Reporting Framework of the Value Reporting Foundation, Logo continues its journey of reporting the financial and non-financial value it creates for its stakeholders, and it is among the leading companies in Türkiye in its sector with this reporting approach.

Logo 2022 Integrated Annual Report aims to communicate Logo's activities during the reporting year, the capital classification in line with integrated thinking principles, financial and non-financial performance, corporate governance, and risk management strategy transparently and understandably. The report's content was developed in accordance with strategic focus areas, stakeholders, and material issues of Logo, as well as approaches established in response to global and local risks and opportunities.

The information shared in the relevant sections of the report has been prepared in accordance with the GRI Standards Core option and meets the requirements of the signatory status of Logo, which has been a signatory of UNGC (United Nations Global Compact) and UN WEPs (Women Empowerment Principles) since 2020. Accordingly, the GRI Content Index is included in the "Appendices" section of the report. The performance indicators in the report are presented in accordance with "GRI Standards".

The auditor's report on Logo 2022 Integrated Annual Report expresses an opinion on whether the financial information and analyses on the state of the business included in the annual report are consistent with the audited full set of consolidated financial statements and the information obtained during the independent audit, and whether they reflect the truth. The financial information in the annual report has been audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited). The non-financial information in the annual report has not been audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited). The Integrated Annual Report was prepared in consultancy with PwC Türkiye Sustainability Team.

Chairman's message



Distinguished stakeholders,

Another year of rapid change in the world and in our country has passed. Technology and digitalization continued to drive transformation in the business community. The need to gain a competitive advantage for companies in almost all sectors, and thus gaining insight and adapting to change quickly, has grown even more. Demand for digital solutions that enable this has continued to increase, justifying expectations, and our industry has continued its growth trend.

When we look at how our company performed in 2022, I am pleased to see that we have once again met our targets, and I would like to thank all of our stakeholders who contributed to this success. As Türkiye's largest publicly traded local software company, we maintained our sustainable and profitable growth with 101% increase in sales revenues and 57% increase in net profit in 2022.

We continued our R&D investments to become a cloud technology company that offers end-to-end services as part of our servitization strategy. We have provided significant benefits, and empowered enterprises by combining our ERP products with cloud technology. We continued our search for new overseas markets in various business segments as part of our internationalization plan.

Our Corporate Venture Capital Investment Fund Logo Ventures II, founded in 2021 with a total resource commitment of 12.6 million dollars, continued its start-up investments in 2022 as part of Logo's innovation strategy.

It has always been our priority at Logo ecosystem, including over 900 business partners, to demonstrate advanced ESG (Environmental-Social-Corporate Governance) performance while contributing to the software sector and the digitalization of the economy. As a pioneering company in its industry, we have adopted the principles of fairness, transparency, accountability, and responsibility of Corporate Governance since the day of our establishment. We have been a member of the BIST Corporate Governance Index since 2009, and our score has continuously increased year after year. We are pleased to report that we raised our score to 9.4 out of 10 in 2022. Furthermore, we completed our sixth year in the BIST Sustainability Index, of which we are proud to be a part, and we were one of the first businesses to be included in the Sustainability 25 list, which was calculated for the first time with the contribution of our high ESG score.

Corporate social responsibility projects continued to be among our priorities in 2022. We continued expanding our 'Dream Coders' project across Türkiye, which we started to help children, our country's future, become a generation that develops technology. We are proud to have supported over 2,000 students in various areas of Türkiye in their education and to have extended our social impact through this project, which has been running since 2019.

A company must generate value for all of its stakeholders and be valued by them to provide long-term value to its shareholders. Effective stakeholder capitalism makes it possible to allocate capital efficiently, achieve profitable and sustainable growth as well as create and maintain value over the long run. Stakeholder capitalism is a system based on mutually beneficial relationships among all stakeholders – employees, customers, business partners, suppliers, and the society – on whom the company relies on to thrive. This system transforms businesses based on the principle that they must go beyond merely earning profit from the world's finite resources and generate a positive impact for their stakeholders in every way possible through corporate culture, values, prudence, and ownership.

At Logo, we embrace this inclusive and transformative system and are working hard to spread it throughout our organization. In today's world, where inequalities in education, income, gender, and basic living conditions are increasing and natural resources are rapidly depleting, we see our value creation focused approach as an essential component of our business strategy, because we are a company that can act with innovative approach in managing uncertainties and risk, expand corporate capacity to meet the needs and expectations of our stakeholders, and create more added value for them.

This year, we went beyond in reporting our business performance in 2022 to better explain the value we create as Logo ecosystem, our impact on our stakeholders, and our contribution to the Sustainable Development Goals. In line with our mission to provide transparent, comparable, and reliable information to our shareholders and all stakeholders, we present our financial, operational, and ESG performance, our outlook, and our efforts based on integrated thinking in this integrated report by highlighting six capital elements. We are pleased to publish our Integrated Annual Report, the first of its kind in Turkish software industry, which demonstrates our contribution by harnessing the power of our ecosystem, understanding your expectations as our stakeholders, and working for you.

Yours sincerely,
M. Tuğrul Tekbulut
Chairman of the Board

Vice Chairman and Logo Group CEO's Message



Valuable shareholders, business partners, and employees of Logo,

Change continued to play a prominent role in 2022, and businesses in almost every industry had to rely on their foresight and adaptability skills. Companies prioritized providing seamless customer experience, and meeting customers' needs and expectations quickly in the most challenging circumstances, and therefore, set the course for new software solutions. This year, our industry kept growing as digital transformation remained among one of the most important factors shaping the business world of the future.

Despite all the uncertainties experienced on a macro scale, at Logo, we continued our strategic investments in 2022 and achieved our goals. In 2022, we successfully completed the year by increasing our consolidated revenues by 101% and consolidated EBITDA by 72% compared to the previous year.

Our end-to-end service approach, which we implemented to help our customers build a digital and sustainable future, continues to have positive results and expand with new products. In 2022, we launched Cloud ERP and Cloud HR solutions. We continued R&D investments with our innovation focused approach. In 2022, the ratio of R&D spending to invoiced revenues was 29%. We continue to help our customers stay ahead of the competition by providing speed, convenience, and efficiency in their operations through our ecosystem of over 900 business partners. We have an ecosystem that offers end-to-end services to all sectors with integrated solutions developed by our solution development partners.

We were named one of the ten brands with the highest value increase in 2022, which reflects our determination to keep our leadership in our industry and provide the best solutions to our customers. According to the Brand Finance Türkiye's Most Valuable Brands 2022 survey, we are happy to be among the 10 brands that increased their value the most. We would like to thank our employees, business partners, investors, and all our stakeholders who contributed to this success.

We were awarded the "Great Place to Work" certificate as a consequence of the initiatives we have put in place for our employees, who are the designers of Logo culture. Without a question, this certificate offered a chance to shed light on the organization's experience and trust culture among Logo employees. While we achieved 83% employee engagement, we received feedback through surveys that enabled our employees to clearly communicate their expectations from

us. In keeping with our focus on the employee experience, we will continue to strive to provide a work environment where all our employees are happy and committed to their work by prioritizing equal opportunity and diversity.

Corporate social responsibility projects that we conduct in accordance with our social impact focused approach remained one of our top priorities at Logo. We continued our efforts to extend our 'Dream Coders' project, which inspired hundreds of children across Türkiye to become future IT professionals.

According to the World Economic Forum's 2022 Global Risks Report, Climate change and environmental risks are the two most serious threats confronting the world in the coming years. On the other hand, businesses in Türkiye continued their activities to keep their carbon emissions under control to reduce their impact on climate change. Accordingly, the first step for businesses and the business world to manage climate change risks is digitalization and harnessing the power of innovation. As a software company we inherently support companies to transform in this context. We will continue to provide the business world with the dynamics that will allow them to have a positive environmental impact while maximizing operational efficiency.

Logo has an impact on a broad stakeholder ecosystem, including customers, business partners, employees, investors, and society. We contribute to the SDGs through the value we generate in our ecosystem as a consequence of our operations and social investments. We plan our actions in accordance with the United Nations Global Compact (UNGC) and the United Nations Women's Empowerment Principles (UNWEPS), which serve as guides and tools to accomplish Sustainable Development Goals. We consider environmental, social, and corporate governance dimensions as an integral part of our strategy and operations.

By shedding light on advancement and innovation in the fields in which we operate, we will continue to contribute to the growth of the software ecosystem and the digitalization of the business world and economy over the short, medium, and long-term period. With our strengths in R&D and innovation, we'll keep improving our competitiveness by carefully monitoring emerging technologies and developing innovative, responsible, and highly efficient products and services.

In this report, we are presenting to you the six capital elements that we have shaped using integrated thinking approach, our focus areas associated with these elements, projections for the future, and inputs and outputs in terms of the value we create for our stakeholders. We are pleased to present our first Integrated Annual Report to our stakeholders, in which we explain our financial, operational, and sustainability performance using our value creation model. I would like to thank our stakeholders, shareholders, customers, employees, and business partners for their unwavering support in a year characterized by uncertainties.

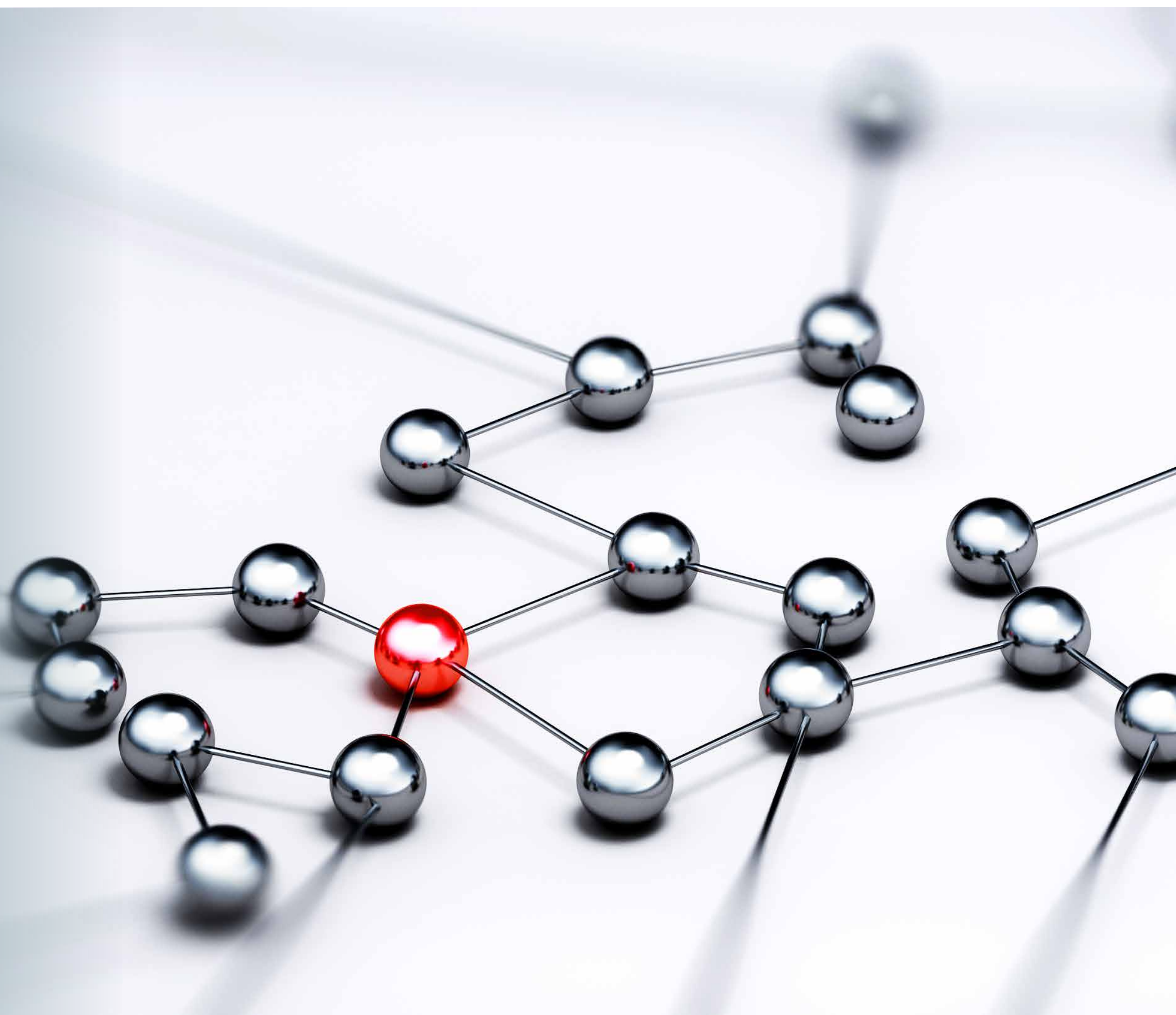
Yours sincerely,

M. Buğra Koyuncu

Vice Chairman and Logo Group CEO

A handwritten signature in black ink, appearing to read 'M. Buğra Koyuncu', written in a cursive style.

General overview



Corporate profile

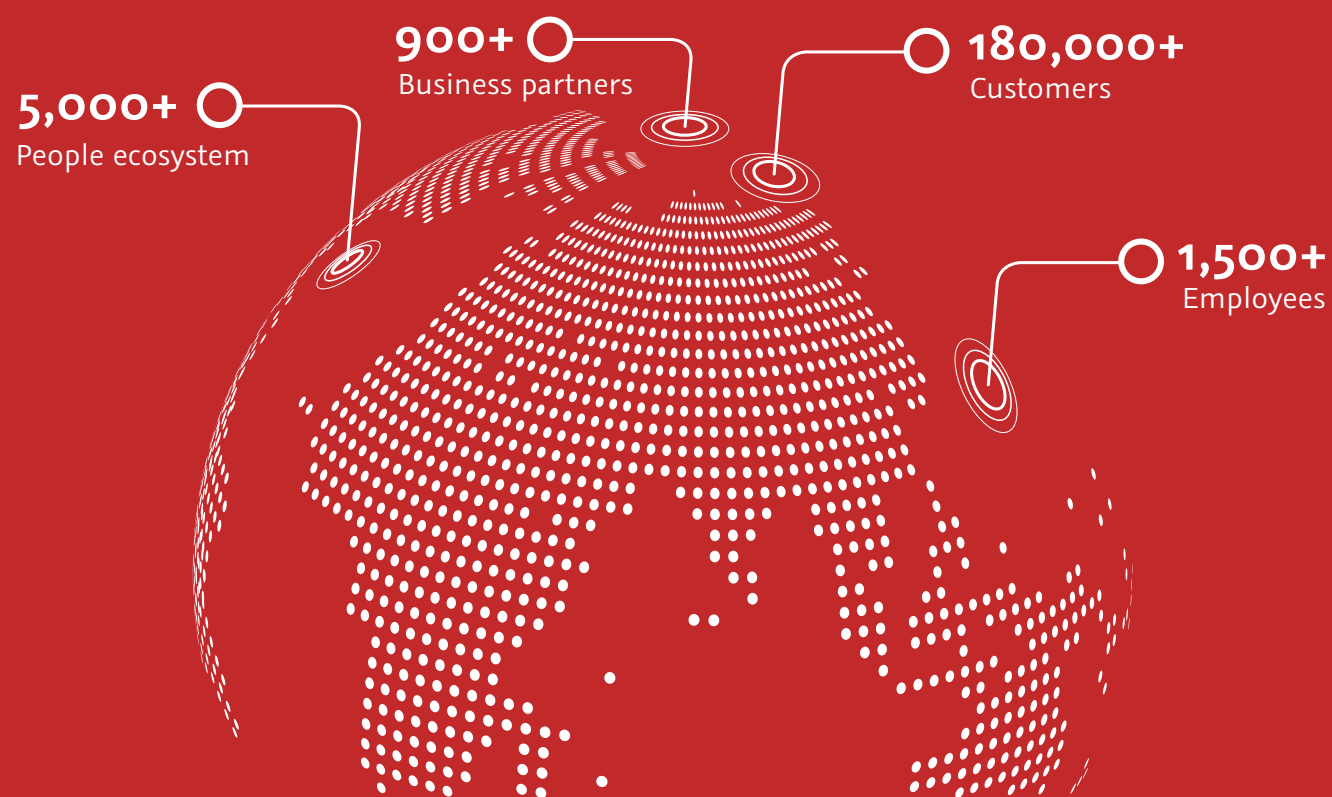
Logo is coding the future with its customers, business partners, employees, investors, and other stakeholders as a company that contributes to its clients' long-term success. Logo creates value together with its customers with passion and agility.

Logo, Türkiye's largest publicly held software company and the largest local enterprise software company, has been a market leader since its establishment in 1984. Logo Software offers enterprise application software solutions for businesses of all sizes, from micro-enterprises to large corporations. With over 1,500 employees and over 900 business partners at 7 different locations in 4 different countries, Logo, which increases innovation and creativity in its products and services, lays the groundwork for long-term success by accompanying the growth journey of many companies in more than 44 countries. Today, in addition to its operations in Türkiye, Logo is a globally competitive software company with investments in Romania and India. With its subsidiary Logo Total Soft in Romania, the company aims to expand its footprint in the Romanian domestic market and the European market. Product development, promotion, and marketing efforts for the Indian market are carried out as part of the investment in India.

In addition to Enterprise Resource Planning solutions, the solution cluster includes many complementary solutions such as Customer Relationship Management, Payroll and Human Resources Management, Workflow Management, Warehouse Management Systems, Business Analytics Solutions, Field Sales Management, Document Management, Retail, and e-Solutions. Logo also provides digital transformation consultancy and special project management services. Logo Software, which has long led the ERP sector in terms of customer number, has a wide and vibrant ecosystem that includes business partners, Logo users, researchers, students, and industry experts. With the support of this ecosystem, Logo conducts its activities with the goal of co-coding Türkiye's future with its clients by believing in their ambitions, sharing their goals, and working ceaselessly toward the same goal.

Logo Software has been the sector's innovation leader since its establishment, with the innovations it has brought to the software industry through its products, services, and business processes, as well as the additional value it has provided in digital transformation. Logo has achieved significant breakthroughs and revenue growth in recent years as a result of organic and inorganic growth by investing in various businesses and technology. Logo, which employs a fair and transparent management approach, has a 66% free float and was the first information technology company to go public in 2000.

Logo, one of the sector's leading companies with a 38-year history, is on its way to becoming a regional power as a result of strategic investments made with the goal of exporting its know-how and expertise earned in Türkiye. It continues its steady development with an average annual revenue growth of 42% in the last decade



Vision, mission, and principles

Vision

Coding the future together

Mission

We create value for our customers with passion and agility.

Principles

Productivity

Logo's products and services focus on improving the productivity of customers' organizations. The company offers information technology tools, solutions, and services to ensure and increase the efficiency and profitability of the companies taking into account company-specific features and modern management techniques.

Customer satisfaction

Logo's priority is absolute customer satisfaction. It is of utmost importance for Logo that its products and services are of high quality. Committed to Total Quality Management as a management philosophy Logo's main principle is to determine its policies according to market preferences and standards while keeping close contact with its customers.

Research and development

Logo believes that efficient research and development is the main component of being competitive in today's ever-changing business environment. Logo allocates the largest part of its resources to research and development to create new products, improve the capacity of its existing products and incorporate the ever-changing technology and platforms.

Profitability

Logo perceives being a profitable and productive company and using its resources efficiently as an integral part of its responsibilities towards its employees, customers, and society.

Social responsibility

Logo advocates the idea that technology should be developed while respecting humans and the environment. Logo's actions are infused with a sense of responsibility towards society and the world and maintain a constructive approach to social problems.

Business ethics

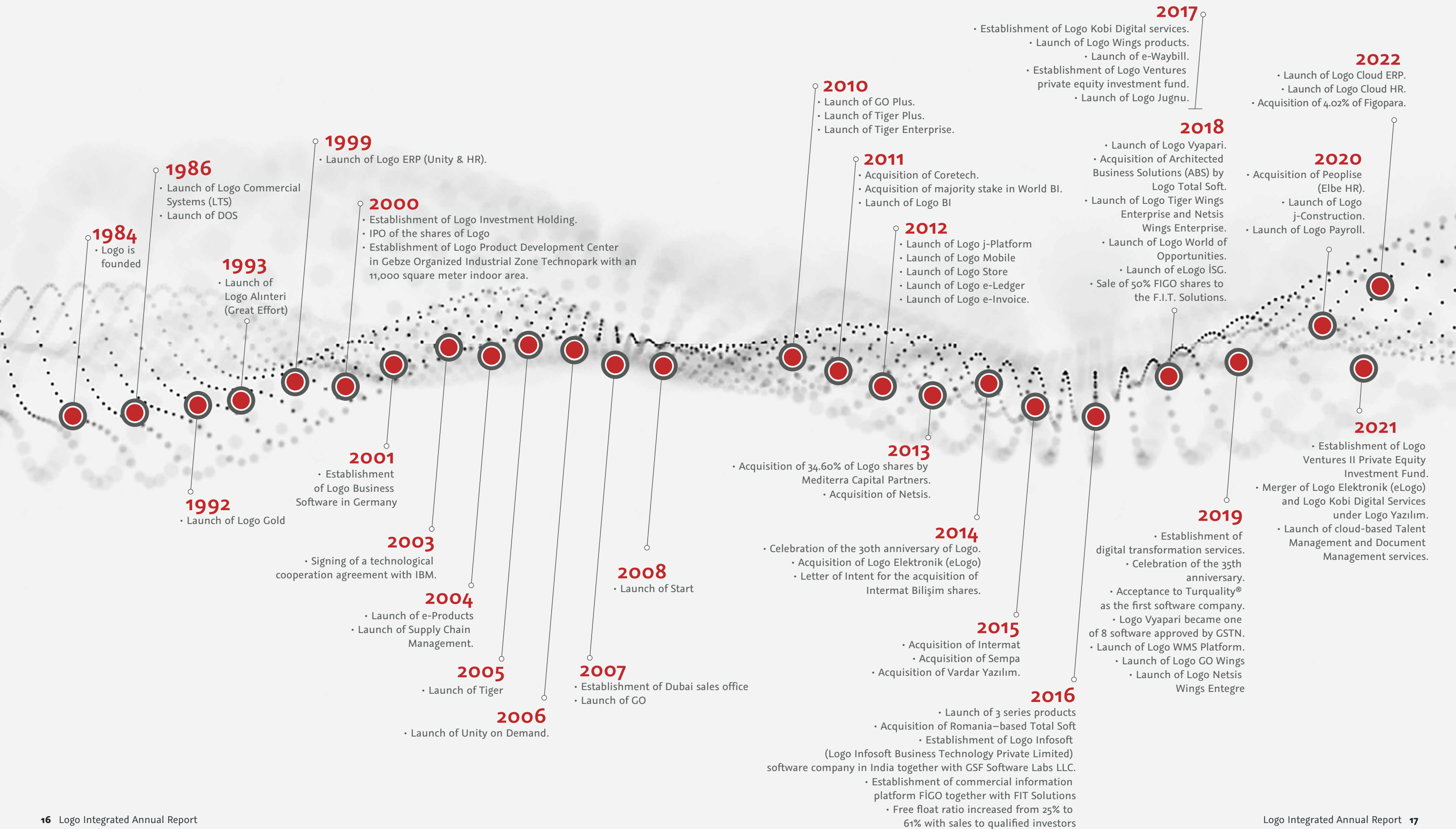
Logo believes in the principles of market economy and acts accordingly. The company is committed to the principles of fairness, integrity, transparency, and consistency in its relationship with its customers, business partners and competitors and complies with the law and business ethics in all its dealings.

Employee happiness

Logo believes that products and services of good quality can only be produced by qualified and happy employees. Therefore, Logo places great importance on the continuous training of its employees. The Company aims to have happy, productive, and socially beneficial employees by providing them with a good income level, a high-class work environment, occupational safety and health, and participatory management.

Equal opportunity

Logo is committed to the principles of equal opportunity in recruitment and evaluates candidates based solely on their knowledge and experience. Logo assesses performance only in terms of productivity in line with company objectives.



Future outlook

While the necessity for digitization and digital transformation in the business world grows during the pandemic, Logo, the leading independent software firm in Türkiye, continues to reinforce the nation's digitalization reflex with its steady investments each year.

Logo seeks to convey a vision for technology and the future of Türkiye, from Elazığ to Trabzon, from İzmir to Ankara, and bring people closer to technology. Logo, as one of the companies that reach the largest number of SMEs, maintains its activities as a dependable solution partner for all of its customers, from SMEs to major enterprises, on their digital transformation path, as well as an opinion leader in the technology and information age.

In light of global trends, Logo has defined its strategy for 2022 as **servitization**, **verticalization**, and **internationalization** to assure the continuation of sustainable and profitable growth in the transformation of the business world and the sustainability of its impact on the stakeholder ecosystem. This strategy incorporates **company culture** and **customer experience**, which are essential for its implementation.

Servitization: Since technology and digitalization infiltrate all aspects of life, businesses are now digitizing and adapting their business models, goods, services, and business processes to keep up with changing customer behavior. With this transformation, the software business is shifting from a product-oriented to a service-oriented mindset that necessitates continuity. This approach is manifested in technology in the form of cloud computing. Factors such as cloud infrastructure and applications, and software transform ERP and enterprise application software from a one-off investment to a continuous service such as electricity and water. Logo aims



to make it easier for all Logo stakeholders to benefit from the constant technological developments and change by expanding its SaaS solution portfolio and offering sales models such as membership, subscription, and rental.



Verticalization, i.e. specialization in sectors or functional areas. Logo aims to position its solutions as the global leader in selected areas. Industrial verticalization is one of the main components of this strategy. In addition to the long-standing verticalization in the retail industry and e-services, Logo j-Construction, developed for the construction industry, is included in the solution portfolio. Sector-specific solutions and service developments are also in progress. Another verticalization opportunity is related to functional areas. A significant action related to the functional verticalization strategy was the acquisition of Peoplise in April 2020. This acquisition was made for the human resources functional area. Peoplise is an integrated and video-enabled digital human resources management platform designed for all recruitment needs of companies.



Internationalization: Today, Logo is a globally competitive software company with investments in Romania and India. With its subsidiary Logo Total Soft in Romania, the company aims to expand its footprint in the Romanian domestic market and the European market. Product development, promotion, and marketing efforts for the Indian market are carried out as part of the investment in India. Furthermore, one of Logo's focus areas is expanding abroad with different models for business segments, and increasing exports.

Corporate culture and **customer experience** play a critical role in servitization, verticalization, and internationalization. The corporate culture includes aligning Logo's existing talent and new talent to join the team with the strategy, integrating the strategy into the company goals and performance system, continuously updating the Logo ecosystem's learning and development needs, and managing internal and external communication. Customer experience, on the other hand, is carried out as a separate company-wide project. The project aims to better anticipate customer needs in all processes by improving the customer experience focus, which defines the quality and nature of interaction with customers.

Logo also focuses on improving the quality and efficiency of all its processes to ensure the continuity of its sustainable competitive advantage. Operational and process efficiency studies are carried out to achieve continuous improvement.

Logo Ventures, a corporate venture fund in Türkiye, constitutes one of Logo's future-oriented investment initiatives in addition to its strategy and investments in the core business. **Logo Ventures Fund I** was founded with a 20% partnership of Logo and an investment target of TL 10 million in the second half of 2017. Investments were made in Vispera in 2017 and V-Count in 2018.



Logo Ventures II fund was established in the first half of 2021 with Logo's 88.63% ownership stake and a total funding commitment of USD 12.6 million. The second Venture Capital Investment Fund reflects Logo's innovation focus. In line with the business-to-business (B2B), servitization (SaaS), verticalization, and internationalization strategy, Fund II focuses on local and international technology ventures with high growth potential through debt and/or capital investment and similar vehicles. The goal is to create long-term value by providing strategic support to these companies and helping them to reach their growth targets. In 2021, the fund invested in SportsERP, Wask, Inooster, and Evreka, and in 2022 in Quin, Kamion, Avane Cloud Kitchens, and Flowla.

Logo Ventures will continue to support entrepreneurs to realize and strengthen different ideas.

Industry outlook

In the new world order, information technology (IT) is no longer a cost center, but a model that shapes the future of companies creates new sources of income, and has a strategic position in companies.

Despite its vast young population and large GDP, Türkiye falls short of its potential in terms of IT spending. Companies in Türkiye need to invest more in IT when compared to Poland and South Africa, two countries with similar dynamics across diverse geographies. (IDC Blackbook Live, 2021 V3). A country-by-country comparison of IT expenditures by organizations finds that GDP per capita and IT expenditures are directly proportional. The higher the level of economic development of countries, the more IT expenditure increases. In parallel, there is a strong correlation between software expenditure and GDP. In this regard, Türkiye needs to spend more on IT and software if its economy is to grow significantly (IDC 2020).

According to IDC, the global enterprise applications software (EAS) market, which includes enterprise resource management (ERM), customer relationship management (CRM), supply chain management (SCM), and manufacturing, is expected to reach \$385 billion by 2026, growing at an 8.0% compound annual growth rate (CAGR) (IDC Worldwide EAS Forecast 2022-2026).

According to IDC Türkiye EAS Market Shares 2021, EAS spending in Türkiye was 331 million dollars in 2021. This segment is projected to grow to \$450 million with a CAGR of 6.4% between 2021-2026 (IDC Türkiye EAS Market Forecast 2021-2026). The prominent trends in this segment are the increase in digital transformation initiatives with COVID-19, currency fluctuations, big data investments, and the transition to cloud technology applications (IDC Türkiye EAS Market 2020-2024 Forecast and 2019 Vendor Shares).

Companies conduct digital transformation programs to improve customer experience and minimize operating

costs. These projects increase the adoption of cloud, artificial intelligence, and business analytics technologies, which improve the agility of applications like ERM and CRM. All of these organizational requirements are projected to boost the prominence of Türkiye's EAS market (IDC).

Cloud transformation in Türkiye and the World

According to IDC Worldwide Whole Cloud Forecast, 2022-2026, the public cloud services (PCS) market, which was worth \$439 billion in 2021, is expected to grow to \$1,131.4 billion between 2021 and 2026, at a CAGR of 20.83%. In terms of deployment model, SaaS (Software-as-a-Service) has the largest share in cloud services. SaaS is followed by IaaS (Infrastructure-as-a-Service) and PaaS (Platform-as-a-Service), and growth of 16-29% is expected across all deployment models in 5 years. The biggest growth is expected to be in PaaS.

The cloud services market in Türkiye is expected to reach USD 1,057 million between 2021 and 2026, at a CAGR of 22.9% (Türkiye PCS Market Forecast 2021-2026, IDC 2022) In Türkiye, as in the rest of the world, SaaS, IaaS and PaaS are the leading deployment models, with PaaS predicted to grow the most. Digital transformation and data-driven investments, more diversity in 'cloud native' solutions, and cost reduction are the drivers of spending on public cloud services in Türkiye.

Sustainability is regarded as having the potential to become the next pillar of enterprise software adoption. Currently, just a minority of organizations consider that measuring and controlling environmental consequences is a critical requirement; but, with fast-changing expectations and demands, digitized sustainability solutions are likely to become the "new normal" (Türkiye EAS Market Forecast 2021-2026). The top three areas of sustainability and ESG software investment, according to IDC's "Saas Pathway to 2022" research include supply chain, financial applications, and enterprise resource planning, and this trend is projected to have a direct impact on EAS market performance in the coming years.

2022 in numbers

Financial summary

(Million TL)	2022	2021
Net sales	1,541.5	766.8
Gross profit	1,178.8	624.0
Operating profit	375.3	211.8
Income before tax	454.1	300.1
Net income	415.7	264.6
Earnings per share (1,000 shares at 0.01 TL nominal value)	4.31	2.74

(Million TL)	2022	2021
Total assets	2,666.9	1,807.5
Current assets	1,084.7	796.3
Fixed assets	1,582.1	1,011.2
Current liabilities	1,185.5	742.2
Long-Term liabilities	282.5	231.8
Equity	1,198.8	833.5
Paid-in capital	100.0	100.0
Current ratio	0.9	1.1
Total liabilities / Equity	1.2	1.2
Equity / Total assets	0.5	0.5

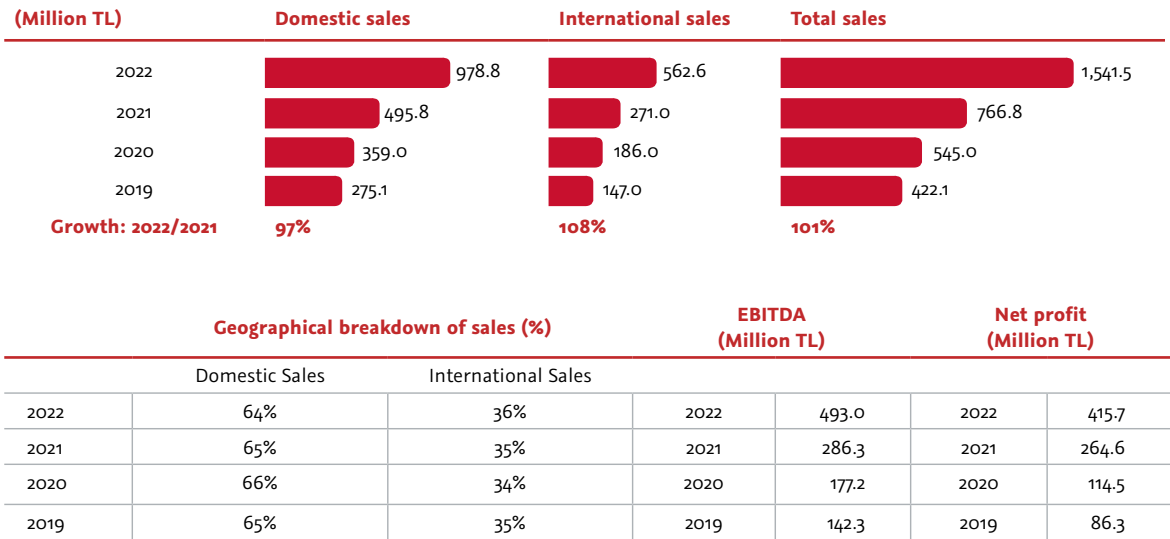
Sales revenue
1,541.5 million TL

Operating profit
margin 24.3%

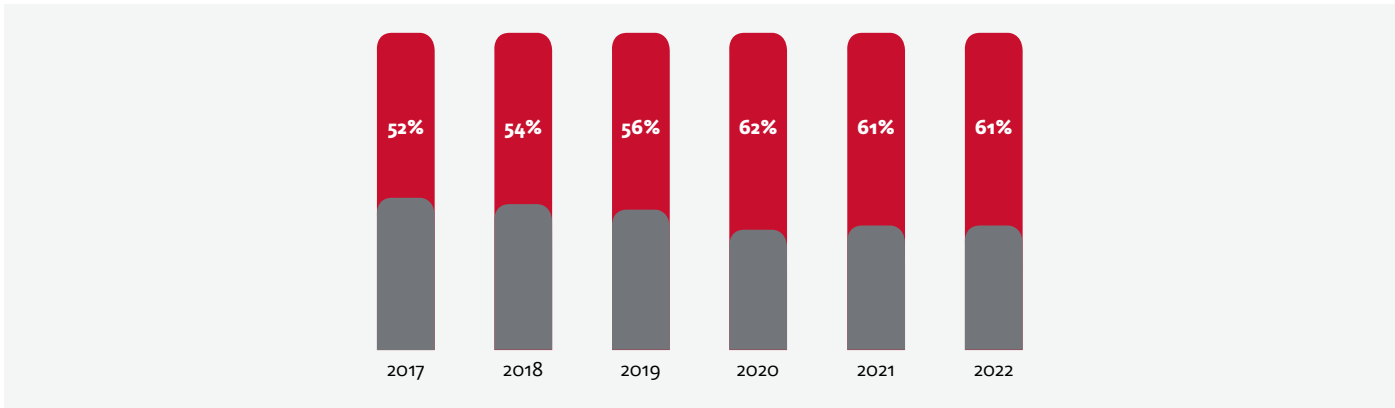
EBITDA 493
million TL

EBITDA margin
32%

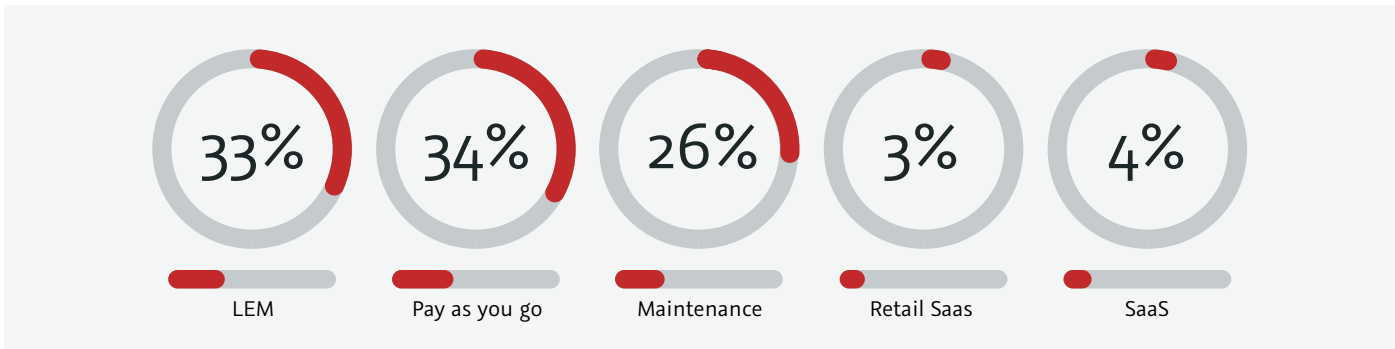
Financial indicators



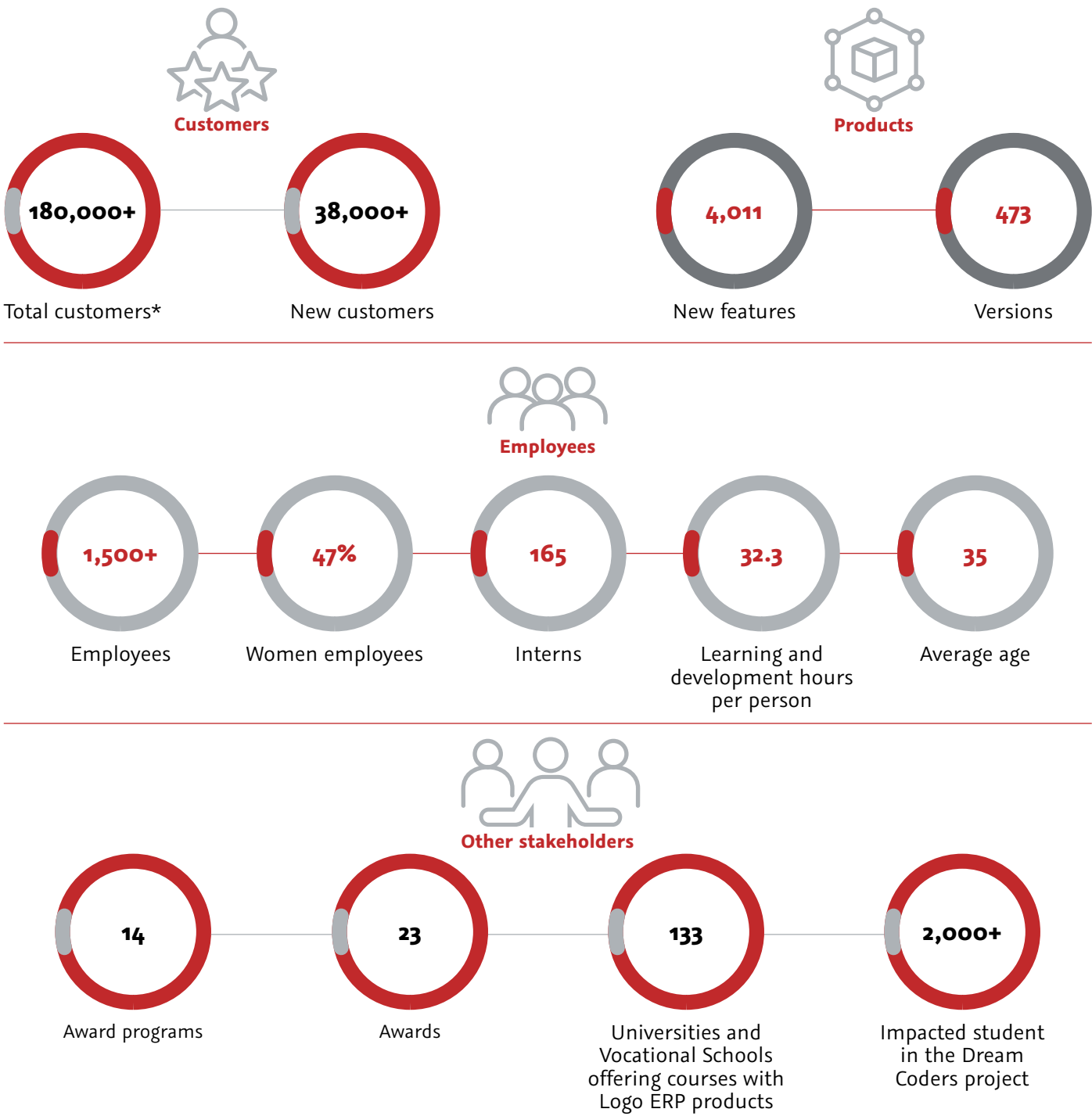
Recurring revenues / Invoice revenues



Recurring revenues breakdown (2022)



2022 overview



*39% of total customers and 70% of new customers belong to microSME segment.

Solutions family



Cloud solutions

- Logo j-Platform
- Logo Tiger Wings Enterprise
- Logo Tiger 3 Enterprise
- Logo Tiger Wings
- Logo Tiger 3
- Logo Netsis Wings Enterprise
- Logo Netsis 3 Enterprise
- Logo Netsis Wings
- Logo Netsis 3 Standard
- Logo Cloud ERP

Business analytics solutions

- Logo Mind Insight
- Logo Mind Navigator
- Logo Mind Budget

Retail solutions*

- Logo Diva Retail
- Logo Diva Service
- Logo Diva Channel
- Logo Diva Shop

Customer relationship management solutions

- Logo CRM

Workflow management solutions

- Logo Flow

Warehouse management system solutions

- Logo WMS Platform
- Logo WMS

Field sales management solutions

- Logo Mobile Sales

Document management solutions

- Logo Cloud Document Management

Project solutions

- Logo Treasury Wizard
- Logo B2B
- Data Collection and Integration Solution

SME solutions

- Logo İşbaşı
- Logo Start 3
- Logo GO Wings
- Logo GO 3
- Logo Netsis Wings Entegre
- Logo Netsis 3 Entegre
- Logo Financial Advisor 3
- Logo Cloud ERP

Digital transformation services

- Digital transformation consultancy
- Project management
- Project implementation
- Custom software development
- Customization and integration
- Post-Project support service
- System management

e-Solutions

- e-Invoice
- e-Archive invoice
- e-Ledger
- e-Ledger storage
- e-Dispatch
- e-Producer Receipt
- e-Self-employment Receipt
- e-Tab
- Revenue Administration e-Archive invoice
- e-Reconciliation
- e-Extract
- Connect Banka
- Connect B2b
- eLogo e-Collection
- Online Account Statement application
- Cheque and invoice discount application
- Banking application in ERP
- Social security incentive
- e-Commerce portal
- Pharmacy portal
- Private integrator portal
- Supplier financing Gulam's

Payroll and human resources management solutions

- Logo j-HR
- Logo Tiger HR
- Logo Payroll Plus
- Logo Netsis HR
- Logo Netsis 3 Payroll
- Logo Cloud HR

Occupational health and safety

- eLogo İSG

Peoplise solutions

- Socialise
- Analyse
- Harmonise
- Casebot
- Realise

Ecosystem solutions approved by Logo

Logo Total Soft products

- Logo Charisma ERP
- Logo Charisma HCM
- Logo Charisma Analyzer
- Logo Charisma Medical Software
- Logo Charisma Leasing

Logo Infosoft products

- Logo j-Platform DMS
- Logo CaptainBiz

• Can be used as cloud or on-prem.
Logo Cloud Service based solutions

Products and services

Logo is the leading domestic business software developer in Türkiye with solutions and services that provide companies with a competitive edge in the local and global markets. Logo offers end-to-end solutions to companies of all sizes, from micro-SMEs to large enterprises, to manage all their processes.

ERP

Enterprise Resource Planning (ERP) enables all operations and tasks to be automated and managed centrally in enterprises. This eliminates human mistakes, saves time and money, and allows for effective end-to-end control of all enterprise resources and operations.

Logo ERP systems ensure that businesses, business units, and processes of various sizes and sectors are integrated, allowing for effective management and control at all levels. This structure provides enterprises with agility and ease in all their steps. Logo ERP improves efficiency and customer satisfaction by providing visibility, full control, compliance, and data reliability in all processes, from production to purchasing, from foreign commerce to sales. ERP, which automates operational processes, significantly reduces the workload and saves time and costs. In 2022, Logo's ERP solutions continued to evolve in response to changing user habits and needs, with the addition of features such as AI, IoT Hub, the use of the Python library in demand forecasting, the U-ETDS marketplace, Electronic Supervision System integrations, and partial check bill collection.

Wings solutions



As the value of speed grows for organizations today, it is becoming increasingly important to be able to plan and control business processes independent of time and space in order to maintain high

customer satisfaction and make a difference in growth and competition. Logo ERP solutions make it easier, more practical, and more effective to manage business processes from start to finish, while the ability to use Logo Wings solutions through the web fits the needs of the digitalized world in terms of process control, management, and coordination.

Logo Wings solutions, which are tailored to the demands of businesses of various sizes, enable all operations, from accounting to finance, production to sales, to be carried out centrally and simply from anywhere at any time, saving time and money.

Logo Wings solutions, which provide ERP users with more independence and freedom and are designed to meet the general demands of enterprises, may be customized, developed, and enhanced with Widgets and Apps to meet the needs of companies. Thus, all businesses may construct the best Logo Wings solution package that combines professional ERP functions with an attractive appearance. In addition, because Logo Wings solutions are licensed on a subscription model, users may choose between a monthly or annual membership with flexible pricing, giving them the chance to use them in a way that is always up-to-date and compliant with the legislation.

Functional solutions

In addition to ERP, Logo Software provides end-to-end support to businesses with functional solutions including Payroll and Human Resources Management, Customer Relationship Management, Warehouse Management Systems, Business Analytics and Reporting, Workflow Management, Document Management, and Field Sales Management solutions.

Human resources management



Businesses require physical resources (raw materials, machinery), financial resources (capital, profit), and human resources to meet their objectives and succeed. While all of these resources are vital, human resources are the most likely to create a competitive edge. Human resources play a key role in organizational management.

Logo Human Resources (HR) solutions provide consumers

with a simple management opportunity by combining all human resource-related activities in a single software. This helps businesses to save on costs and time. Human resource management solutions make it simple to monitor all employees on issues such as employee compliance with corporate culture, effective management of recruitment processes, performance measurement and management, and monitoring of basic processes such as employee rights and leave periods.

Business analytics



Business analytics allows for the analysis and reporting of data, which is critical for understanding customer behavior and evaluating corporate performance. Businesses benefit from increased flexibility as a result of more accurate information and the capacity to respond swiftly. A Business Analytics solution that processes data from dozens of various sources quickly and thoroughly boosts decision-making mechanisms by providing important information in real-time.

Logo's Business Analytics portfolio enables visualization, analysis, and reporting of all data collected by businesses. These solutions, which can be accessed through a web or mobile application, give companies more assurance when making future plans.

Additionally, this portfolio offers budgeting process automation, enhancing financial performance and budget dependability. Businesses are looking to the future with a lot more confidence now that they are harnessing the power of automation and business analytics.

The reports that come with the Logo j-Platform, j-HR, and Logo Mind Budget integrations in Logo Mind Insight have been updated to reflect the increased functional and visual capabilities of the application as a result of the developments made in 2022. In Logo Mind Navigator; the function sets of the integrated Logo ERP solutions were aligned by enabling the reports generated in Logo Netsis ERP solutions to be used on the Logo Mind Navigator Web and Mobile module. There have also been added functional advancements, like the capability to save the user filter in reports that are published online.



Workflow management



Improving business processes is a critical component of enhancing productivity and thus profitability in companies. Workflow Management provides enterprise-wide workflow reengineering and standardization, expediting business processes and enhancing management quality. As the workflow becomes leaner and more systematic, all employees' duties and responsibilities become clearer, and the work to be done is performed in a timely manner. This saves time and cost.

Workflows can be handled more effectively with the Logo Workflow Management system by employing workflow diagrams that are easily viewed and reported. The process tracking program Logo Flow also brings advantages such as ease of authorization, automatic job and personnel assignment, and centralized management. With Logo Flow, process management is made totally in a digital environment, which in turn minimizes paper and ink expenditures. Thanks to digitalized business processes, approval tracking and management can also be easily ensured.

In 2022, the program will continue to provide functional benefits to users by adding features such as KPI reports, maintenance mode, and low code process design.

Warehouse management system



Warehouse Management System (WMS) is a software application that supports the daily operations in a warehouse. Logo's warehouse management system solutions assist in resolving numerous issues commonly experienced by enterprises in the wholesale and retail sectors, as well as manufacturers and distributors. It enables centralized management of tasks such as tracking stock levels and locations. WMS also runs in an integrated manner with all Logo ERP solutions. Thus, all processes across the enterprise become interconnected, smooth, and streamlined.

Customer relationship management



Customer Relationship Management (CRM) aims to reach potential customers, gain new customers, and retain the existing customer base. CRM software manages customer relations, sales, marketing, and other operational processes in businesses. CRM ensures efficiency and effectiveness, as companies understand the needs of their customers and develop products through an appropriate sales strategy.

Logo CRM facilitates the organization of interrelated teams' appointments, interviews, sales, proposals, operational processes, and after-sales operations, including sales, marketing, and customer relations. Thanks to its structure that can work integrated with different Logo solutions, it brings various data under a single roof.

LEM

Software, technology, and related business processes are all continually evolving in the world today. Only by regularly updating the software and introducing new capabilities can businesses obtain a high return on software investment over the long term. This increases the demand for assistance equipped with current business and process models to assist organizations in meeting today's financial and managerial standards. Logo Software offers LEM (Logo

Enterprise Membership) system to meet the needs of the users based on mutual and long-term trust.

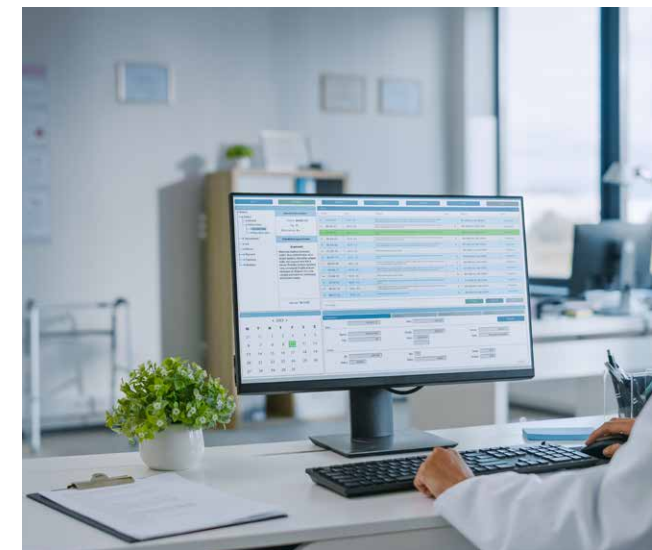
LEM is a subscription system that provides current Logo product users with free access for one year to newly developed features and changes that are not marketed as individual modules. Thanks to LEM, users access the most up-to-date versions, recently added features and performance improvements.

eLogo: e-Service platform

eLogo, which began its journey as an integrator, is now an e-Service platform that provides sectoral solutions that meet the needs of the market and its customers. While pioneering the digitalization processes of institutions, Türkiye's most favored private integrator eLogo offers end-to-end digital solutions to its customers with the power of Logo Software's 38 years of experience in the industry. These solutions allow companies to reduce paper, printing, archiving, labor and distribution costs, reduce their operational workload, accelerate financial processes, and ensure the security of their data in the digital transformation. It monitors its clients' experiences throughout the process, thanks to its unique and customer-oriented approach.

Always on the field, eLogo strengthens its dynamism and innovative energy with the help of Logo's experience. Logo solidifies its leadership by providing training and support with its competent team and boosting the rate of its preference. eLogo, which offers Revenue Administration GİB-approved e-Invoice, e-Archive, e-Ledger, e-Dispatch, and Custody Services, provides these services not just to companies utilizing Logo's corporate solutions, but also to companies using other enterprise software. These services are enhanced by e-Transformation services such as e-Tab and Revenue Administration e-Archive Invoice, as well as value-added services such as e-Reconciliation, e-Commerce portal, e-Producer Receipt, Occupational Health and Safety solution, and SSI (Social Security Institution) Incentive Application.

eLogo developed value-added banking and financial innovations in 2022 while keeping its market leadership in e-Government solutions. Aiming to offer end-to-end financial solutions to users with its products and services developed to respond to customer needs, eLogo regularly provided information on communiqués and legislative amendments and carried out various communication activities using different media such as TV, radio and digital media to raise awareness on this issue. Increased the number of customers by 42% to 135 thousand by encouraging a voluntary transition to e-Document products and conducting mass transition projects.



Banking and financial services



The digitalization process has long given FinTechs with new opportunities to address the growing demand for financial solutions. This reinforces the concept of "competitiveness" by allowing the development of many industries within the FinTech ecosystem and its global expansion. FinTech Cube (F-CUBE) concept is frequently cited recently with the strengthening of competitive cooperation. In 2021, the "Union makes strength" approach proved that many gains could be offered together with the cooperation of each party in the ecosystem. In 2022, eLogo implemented many innovative projects in Banking and Financial e-services.

Online account statement application



In 2022, eLogo Online Account Statement Application launched in 2021 consolidates a unique FinTech solution that consolidates accounts in banks and allows tracking from a single platform, decreasing operational workload and transaction process, added value to enterprises with additional features. Banks, branches, and account-based balances are shown on a single platform in the currency of choice thanks to the application developed in-house by eLogo, and account movements of the connected banks may be readily tracked on the same site. The application's direct integration with the Logo ERP system enables real-time transfer of account activities, accounting of the transactions, and debt-credit management. The Online Account Statement application allows monitoring check-bill and credit card payment transactions and enables businesses to manage their cash flow with detailed data tables. By the end of the year, the application was integrated with 14 different banks, including Türkiye's largest private and public banks. The users of Logo solutions that support app technology can use this application.

Furthermore, eLogo continues to provide its customers with the Connect Banking Application/e-Statement and the Akbank Banking Application, which reduce operational burden. Developed as part of a strategic partnership with Akbank and compatible with the popular Akbank Banking Application, Logo ERP helps users speed up their banking transactions. Users can perform primary banking transactions such as electronic funds transfer/money order on the banking application within the Logo ERP product and automatically account for electronic bank statement records in Logo ERP products with a single click. In addition, thanks to a new dashboard, users can easily access information, including account details and exchange rates, on the main page of the application without the need for a different platform.

Cash flow management applications



eLogo payment and collection infrastructures help improve the cash flow and are offered in different solutions in the ecosystem with e-Collection, Secure Financial Application/SoftPOS, and Check/Invoice Discount applications. The strategic cooperation between eLogo & Figopara allows e-invoice users to reach various financial institutions on the same platform. Thus e-Invoices for sales on credit can be quickly cashed at special rates. eLogo e-Invoice users can request instant financing by transferring their e-Invoices to the Figopara platform with a single click. This integration minimizes the operational process, where eLogo e-Invoice users access different financial institutions from a single platform and cash their invoices for sales on credit within 24 hours at favorable rates.

eLogo continues its activities in banking and financial services without interruption. In addition, it also aims to contribute to the financial solutions ecosystem with e-Document transfer projects (e-Invoice/e-Ledger) and built-in ERP loan proposal schemes. Through innovative financial e-services, eLogo aims to transfer commercial documents approved by the Revenue Administration, such as e-Invoice/e-Ledger to the relevant financial institution for a credit application subject to the customer's consent. Logo is also working on projects to anticipate the timing businesses need additional debt according to their Accounts Payable & Account Receivable balances to initiate financing processes proactively through the 'Get Credit' feature based on ERP solutions.

Fintech solutions



Logo continues to provide its customers with solutions that expedite, facilitate, and improve the speed, ease, and efficiency of their financial processes. eLogo, which continues to contribute value to the FinTech sector thanks to the deep knowledge and support it receives from Logo brand, maintains the highest security requirements and improves transaction capacity by continuing to invest in the infrastructure without interruption.

Retail solutions

Retail businesses want efficient, high-performance, and versatile solutions to provide a good shopping experience wherever their customers are. Technology is critical to make customers' shopping experiences more convenient and comfortable. Logo offers quick and effective solutions coupled with cutting-edge technology to meet the retail industry's evolving needs and diversifying expectations. Logo Retail solutions are tailored to all sizes of retail businesses, whether single-store or multi-branch. Its powerful features enable real-time management of a wide range of cloud-based processes. These solutions, designed specifically for the retail industry, encompass all end-to-end processes and are focused on enhancing customer satisfaction and hence profitability. There is no need for investments in terminals, servers, security software, backup, database installation, maintenance support services, and other software licensing while using cloud technology. Logo Retail solutions, when combined with Enterprise Resource Planning (ERP) and Customer Relationship Control (CRM) solutions, as well as various payment and campaign systems, form an ecosystem that provides both a stronger database and effective management of all processes. Logo enables the most efficient management of central or multiple service networks by providing a specific solution for retail after-sales support activities.

With its advanced features, the Diva Retail Mobile Sales application, Türkiye's first cloud mobile solution, provides customers with a unique customer experience across all sales channels by enabling real-time control of many different processes over the cloud. It improves the customer experience by allowing customers to make mobile purchases in or out of the business using a physical credit card rather than paying at the cash register. Customers can obtain their purchases quickly and pay for them with their credit cards both inside and outside the store. This platform also enables new payment methods such as QR payment, link payment, and device payment, allowing "digital customers" who are familiar with digital apps to have a quick and innovative experience.



Digital transformation services

Competition is intensifying due to rapid globalization and structural transformation. In this extremely competitive market, businesses must cultivate various talents and qualities and efficiently manage them. One of the primary concerns of digital transformation is to maintain high levels of profitability and efficiency by managing sales and distribution networks. It is critical for businesses that wish to stay up with the pace of digital transformation to fulfill their current and projected needs, as well as the sector's requirements in line with societal needs.

With the advice and support services they provide, Logo's expert project teams ensure that solutions are customized and built to meet needs. They also provide integration development services.

One of the leading digital transformation projects is the digitalization of Türk Traktör's ecosystem, which consists of dealers and authorized technical services and is the largest

company in agricultural mechanization in Türkiye, Similar projects are underway with leading companies in the food, supply chain, communications, chemicals, technology, energy, and construction industries.

Ecosystem solutions approved by Logo

Logo-approved ecosystem solutions are a family of solutions built by solution development partners that are diversified based on the individual needs of organizations and that have Logo approval, resulting in enhanced efficiency and time savings in business processes. Solution development partners can achieve full integration with Logo products thanks to Logo-approved ecosystem solutions. Furthermore, the produced items are published on www.logo.com.tr, and they benefit from being a Logo business partner spanning the entire Türkiye.

These Logo Software-licensed products can be utilized on-premise, on the cloud, or as a subscription model, with Logo Software support. In 2022, cloud-based "Payer Marketplace Integration" was added to the family of Logo-approved ecosystem solutions. Payer Marketplace Integration seamlessly links with popular marketplaces, bringing products and sales channels together and providing effective sales process management by controlling stocks.

There are 13 Logo-approved ecosystem solutions developed specifically to meet all these needs, including data backup, cafe and restaurant management, bank account management, data transfer between companies, warehouse process management, technical service, e-commerce and marketplace integration, document management, fuel stations, and retail sales management.



Cloud services

Logo has been growing its cloud solution family continuously as a result of its R&D efforts for many years. Logo cloud services provide users with simple and unlimited access, as well as cost savings. They offer quick solutions for business demands and successfully ensure data security thanks to the cloud-based user infrastructure.

With the ease of use and accessibility of cloud services, solutions are now provided as a service that can be accessed at any time and from any location. Logo's cloud services are simple to subscribe to, can be used immediately after membership begins, and can be accessed at any time and from any location. Logo Cloud service solutions meet users in a cloud environment that, due to its cost advantage, does not require any system or installation expenditure, and Logo covers server and security costs. The cloud solutions system can be used continually up-to-date with Logo's cloud computing infrastructure, eliminating the need for time-consuming version transitions. Businesses can thus rapidly respond to essential adjustments and upgrades without interruption.

Data is protected within the scope of Logo's cloud service and data security is provided against hostile attempts.

Data loss is avoided, and applications continue to run uninterrupted thanks to disaster recovery scenarios established as a safeguard against unexpected events.

Each package in cloud services that respond rapidly to needs can be supplemented with additional capabilities, and the number of users can be selected based on the needs. Likewise, Logo cloud service may be tailored to meet the performance requirements of enterprises, and the system automatically boosts its performance when the workload increases.

The beta version of the cloud-based ERP solution was introduced in 2021 and it was launched to the market in the first half of 2022. Logo Cloud ERP service provides advantages such as effective inventory and cost tracking, ease of purchasing and ordering processes, instant accounting, comprehensive payment and collection methods, tracking the balance of income and expenditure in company operations, efficient management of fixed assets, effective management and analysis capability in budgets, advanced finance transactions, fast production, and tracking of foreign trade transactions. In addition, e-transformation applications can be integrated with Logo Cloud ERP service.

Another cloud-based service launched in 2022 was Logo Cloud HR. Logo Cloud HR offers businesses the convenience of managing their core human resources processes end-to-end in the cloud in the most efficient way. Its cloud-based framework gives HR teams and managers flexibility and speed by offering access to payroll and core HR procedures anytime, anywhere.

Logo İşbaşı: Logo's brand that carries micro-SMEs to the cloud

Logo İşbaşı, founded in 2017 as a start-up project within Logo to contribute to the digital transformation of micro-enterprises, provides bookkeeping and e-Invoicing solutions built with cloud technology as a SaaS service. Micro businesses may quickly and simply issue invoices/e-Invoices from anywhere with internet connectivity and send them to their clients instantaneously using Logo İşbaşı. It enables users to manage their bookkeeping via the web or mobile, including purchase-sale invoice monitoring, debt-credit tracking, inventory tracking, cash-bank tracking, and so on. The number of companies trying Logo İşbaşı, which is preferred by entrepreneurs from almost every sector, has

exceeded 200,000. Logo İşbaşı, which is recommended by 9 out of 10 users, can be tried for 14 days for free at www.isbasi.com and through the Logo İşbaşı mobile application.

With Logo İşbaşı's free e-Transformation consultancy, tens of thousands of entrepreneurs may easily complete their e-invoice transitions in only 15 minutes. One of the first solutions that comes to mind in both bookkeeping and e-Transformation solutions (e-Invoice / e-Archive / e-SMM) is Logo İşbaşı, which develops integrations to make life easier for businesses. In addition to Banking Integration, Smart Invoice Scanning Integration, and Financial Advisor Panel Integration, it continues to offer value-added services to its customers with free integrations added in 2022. It is intended to improve the digital transformation of enterprises with seamless customer experience through e-Commerce Integration, CRM Integration, Online Collection Integration, Online Order Integration, and Service Tracking Integration.



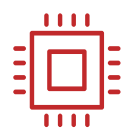
Logo's cloud-based HR services

Logo Cloud HR



Logo Cloud HR offers businesses the convenience of managing their core human resources processes end-to-end in the cloud in the most efficient way. Its cloud-based framework gives HR teams and managers flexibility and speed by offering anytime, anywhere access to payroll and core HR procedures. Logo Cloud HR can be put into use very easily and quickly, without any installation and investment costs. The service can be customized and scaled according to needs. Users can access the system from anywhere and at any time. The server and security costs of the system are covered by Logo and the data is always securely protected. Thanks to cloud technology, Logo Cloud HR is always up-to-date, so businesses can instantly adapt to the necessary changes and innovations.

Peoplise solutions



All end-to-end HR department needs can be handled with Peoplise, an integrated and video-enabled digital human resources management platform built for all recruitment needs of corporate enterprises, which joined Logo in 2020. Peoplise saves time by digitizing all human resources recruitment processes, allowing it to focus on employees rather than processes. Peoplise improves candidate experience by tracking social media campaigns, pre-screening processes, tests, online interviews, and onboarding processes on a single platform, hence expediting recruiting processes.

Peoplise transforms application tracking systems (ATS) into mobile-friendly platforms that include social media-driven recruitment, digital assessment and branding tools. Peoplise is a human resources recruitment process management system that contains information such as the results of all kinds of tests, candidate answers, interview records, etc. related to a position to be filled with a human resources recruitment process management system and a candidate in that position, and facilitates and accelerates the evaluation of the candidate with automation.

In 2022, the Talent Management service was renamed Realise and became part of Peoplise's Socialise, Analyse, Harmonise and Casebot solutions. In the coming period,

Realise will continue to manage human resources processes such as training management, performance management, survey management and career management.

Realise assists human resource departments with its people and talent-focused methods, as well as bringing HR activities like as training management, performance management, and survey management to the cloud on a single platform. Realise stands out with features such as target and competency-oriented talent management, end-to-end design of employees' learning journey, learning agility and full adaptation to learning organization cultures, and process-based performance management. Thus, Realise, a system designed according to employees' internal customer experience and their own skills, provides mutual benefits.

Logo Cloud document management

In 2022, numerous features were added to Logo cloud document management, allowing for the management, archiving, and tracking of all information, documents, and visual assets of the company through specific channels. These features included desktop applications and external sharing capabilities.

Logo Cloud support team

Customers who use Logo products can take advantage of the Logo Support Line Service for inquiries, requests for assistance, or requests for information. A dedicated support line service has been created for Logo cloud service subscriptions. Special service packages are offered to users who benefit from Logo cloud services in new service purchases or upgrades.

Responsible products and services

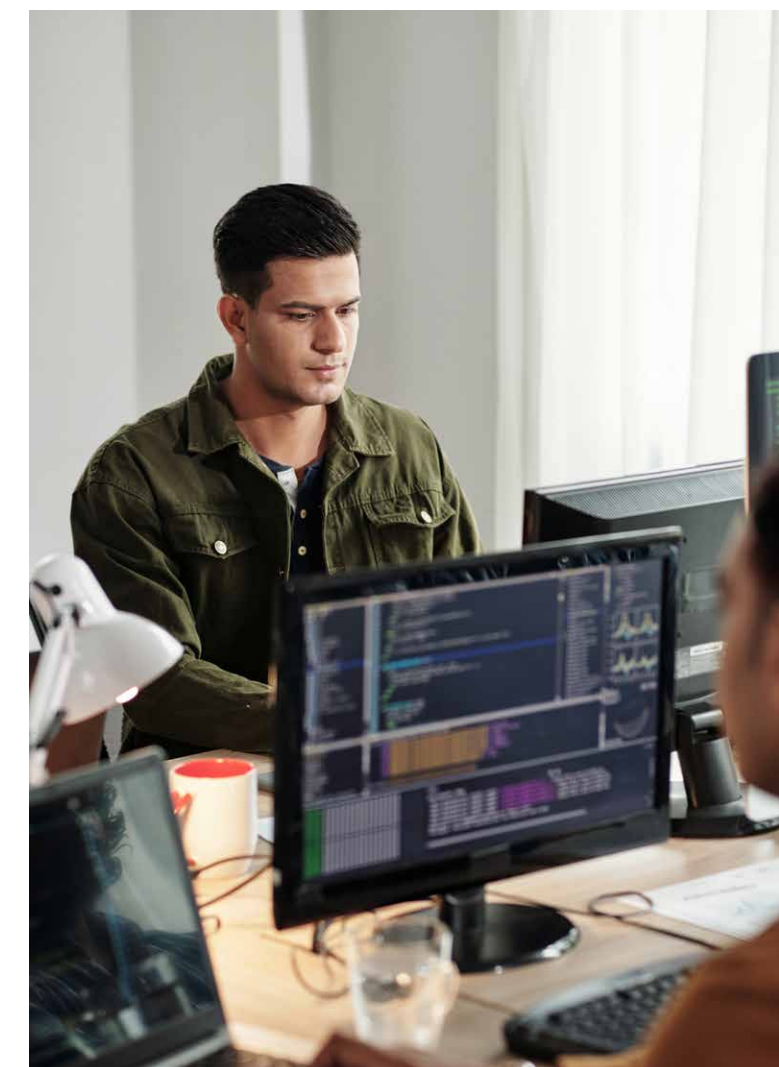
With the technologies it creates and the solutions it provides, Logo has a responsibility to conduct a sustainable business process that reduces the environmental impact of its customers. In this regard, Logo solutions give customers operating flexibility and efficiency while assisting in reducing environmental impact, from carbon footprint to natural resource consumption. In companies that use enterprise software, the single point of entry of data allows for more effective control and management of resources and processes. It also facilitates rapid decision-making based on data, traceability, transparency, and internal and external audit processes.

By influencing the entire stakeholder ecosystem with its technology solutions, Logo provides a variety of opportunities to address environmental issues, which is one of its most significant contributions to the environmental dimension of sustainability. Logo Flow, which converts paper-based workflow applications into electronic workflow applications, reduces paper waste, whereas e-Solutions such as e-Invoice, e-Archive, and e-Ledger, which range from banking solutions to artificial intelligence-based innovative products, allow saving on printer consumables and paper invoice submission while also saving thousands of trees by producing more than 1 billion e-documents annually. Designed for storage, inventory, and workforce management, WMS Warehouse Management System reduces waste and optimizes resource use in storage systems.

Every year, Logo adds new features to the Netsis ERP product group to increase its function as a facilitator in monitoring and reporting companies' environmental sustainability performance. In addition to the carbon footprint calculation widget feature that was added in 2021 particularly for companies operating in the manufacturing sector, the features added in 2022 include log tracking for printing works; e-waste tracking for fixture cards; matching the Recycling Contribution Fee (GEKAP) code and stocks; analysis of error types and their effects analysis; risky material management, personal protective equipment

(PPE) management and key performance indicator (KPI) management. Further developments are planned for 2023.

Logo takes its customers one step further in energy and resource efficiency with its cloud-based solution set, which has been in its solution portfolio since 2011 and enhanced with new products every year. In addition, Logo develops its software with code blocks that use caching and run faster. Logo maintains and manages the software developments with micro-service architecture as much as possible. Thus, it avoids the consumption of excessive energy.



Logo's awards and distinctions

During the past 38 years, Logo has remained committed to the goal of offering products that improve customer experience and help them work more efficiently. **In 2022, Logo won 23 awards in 14 different award programs** with its activities in the industry.

Türkiye's 100 Most Valuable Brands - Türkiye 100

Logo has been selected as one of the pioneers in IT category in the "Türkiye's 100 Most Valuable Brands - Türkiye 100" list prepared by Brand Finance, an independent international brand evaluation organization. Logo, one of the ten brands with the highest value increases according to Brand Finance Türkiye's Most Valuable Brands analysis, moved up nine positions in 2022, from 76th to 67th.

IT 500 Plus

Türkiye's Top 500 IT Companies Research Logo maintained its tradition of success, as it has in the past 5 years, in Türkiye's Top 500 IT Companies Research held every year by BT Haber, and ranked first among the developers based in Türkiye in the following categories: 'ERP Software of the Year', 'e-invoice, e-ledger, e-archive Service of the Year', 'Human Resources Software of the Year' and 'Kocaeli Companies.

IT 500 Plus Special Awards for Contribution to the Turkish Economy

Logo also received the first prize in the category of "R&D Investment of the Year" at the IT 500 Plus Special Awards for Contribution to the Turkish Economy.

TOP 100 Talent Program

Logo ranked 3rd in the Technology & Software category with its LOG-in Internship program. In the TOP 100 Talent Program 2022, which is organized annually by toptalent.co to increase the recognition of talent programs such as New Graduate, Young Talent, Internship.

Next 2022: CTO Technology Leaders by Fortune Türkiye - Technology Leaders Shaping the Future

Logo Group CTO İsmail Duran was included in the "Next 2022: CTO Technology Leaders by Fortune Türkiye - Technology Leaders Shaping the Future" list for the second time, which has existed for 11 years now globally, and published in 2021 in Türkiye for the first time. The list focuses on the achievements of companies in Türkiye in the field of digital transformation during and after the pandemic and recognizes prominent CTOs, CDOs and CIOs as "Technology Leaders".

Fortune 50 CMO

Fortune Türkiye has been announcing Fortune 50 CMO List since 2016 in the marketing section of its series of research on Türkiye's largest 500 companies to draw attention to the rising value of the CMO function, and Logo Group CMO Begüm Arş Türk was included in this list.

Fast Company Türkiye Digital CMO 50 List

Logo Group CMO Begüm Arş Türk was included for the second time in the Fast Company Türkiye Digital CMO 50 List, issued to announce the new generation of marketing leaders in Türkiye, share their achievements, and bring them together on a platform.

Informatics Association of Türkiye (TBD) Prof. Dr. Aydın Köksal Awards

Logo Yazılım was awarded in the “Software Foreign Sales” category by the Informatics Association of Türkiye (TBD) in the honor of Prof. Dr. Aydın Köksal, who worked hard to transform Turkish society into a modern information society, established TBD in 1971 and dedicated his life to make Turkish a science language.

The Hammers Awards

At The Hammers Awards, the first and only award ceremony that measures the success of marketing teams in Türkiye, the Logo Marketing team was awarded in the "Best Marketing Team in the Information and Technology Sector" category.

PERYÖN Value for People Awards

Logo Software was awarded the Wellbeing program in the area of Practices Supporting Quality of Life at the PERYÖN Turkish People Management Association’s Value for People Awards.

Fast Company Türkiye Digital 100

In the Digital 100 list published by Fast Company Magazine, which includes digital industry leaders who make a difference in Türkiye, Mr. M. Tuğrul Tekbulut, Chairman of the Board of Logo Group rose 2 places and ranked 12th.

BMI Business School İstanbul and Data Expert Top 50 Most Effective CMO

Logo Group CMO Begüm Arş Türk is selected to the Top 50 Most Effective CMO List created by BMI Business School İstanbul and Data Expert.

Türkiye's 50 most innovative companies

Logo was among "Türkiye's 50 most innovative companies" in a survey organized by Fast Company Magazine.

OSB Stars Research

Logo ranked 1st in the Highest R&D spending category within all the companies located in all of the organized industrial zones of Türkiye in the OSB Stars Research organized by Organized Industrial Zones Supervisory Organisation (OSBÜK).

Great Place to Work

In the program carried out by Great Place to Work Türkiye, where employees' experiences regarding corporate culture are evaluated, Logo was awarded the "Great Place to Work" certification by meeting the criteria of a workplace with a high trust culture.

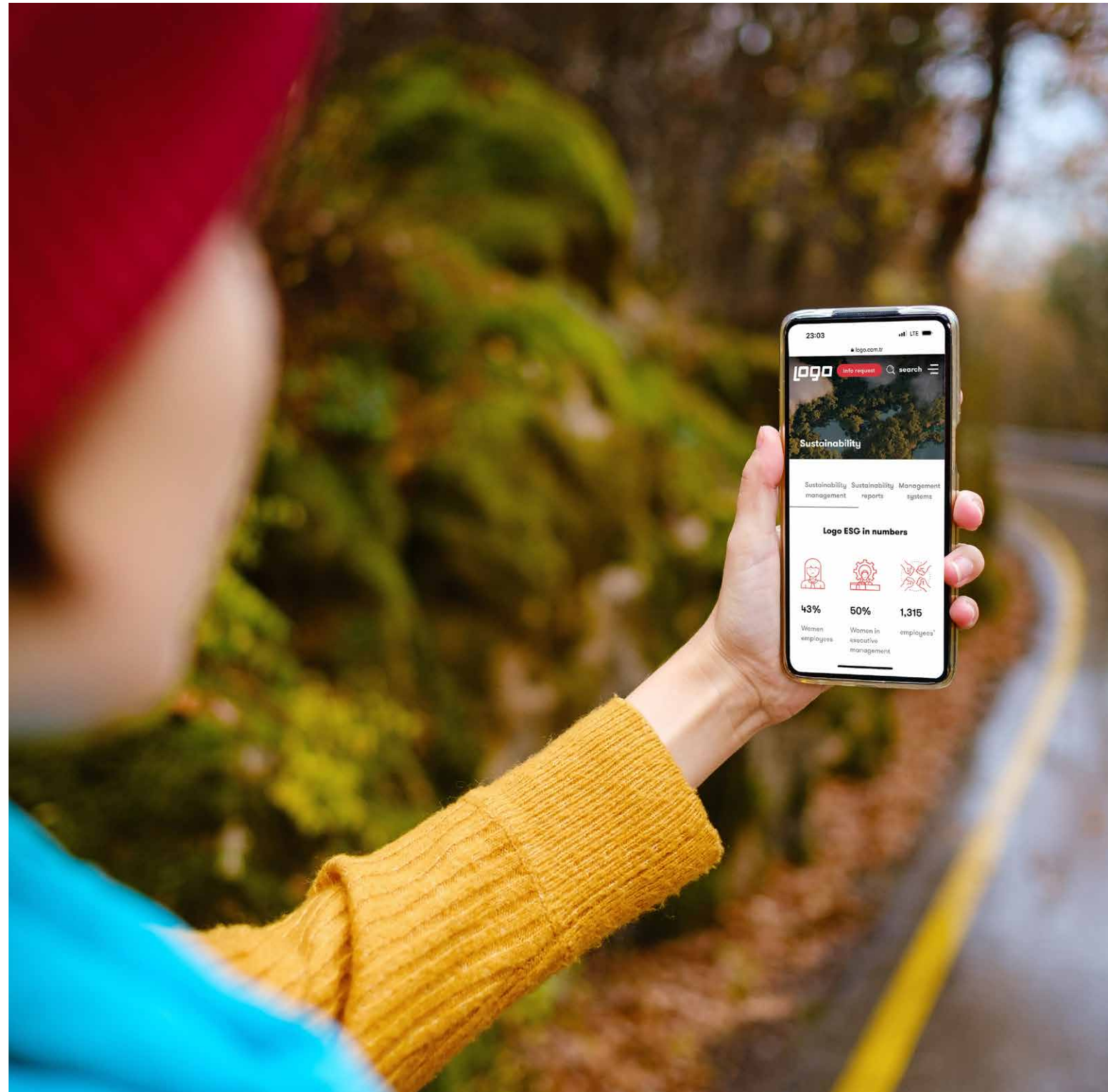
Value creation focused approach



ESG management

At Logo, ESG issues are managed by the Sustainability Committee. The Sustainability Committee is responsible for assessing ESG risks & opportunities, following and analyzing sectoral ESG agendas, determining and developing the company's ESG strategy, setting ESG targets, carrying out projects for their implementation, and monitoring the communication and audit of ESG performance. The Sustainability Committee is led by the CFO. The Committee includes CIO, CMO, Logo Türkiye General Manager, People and Organisational Development Director, and Agile Projects Director.

The Working Group, consisting of team members from Investor Relations, Marketing-Corporate Brand and Communications, People and Organizational Development, and Information Technologies and Business Processes, supports the Committee in the implementation of ESG-related decisions. ESG activities are reported to the Board of Directors at least once a year.



In 2022, a Sustainability Unit was established to coordinate ESG topics within the Company. The Audit Committee develops reports on the findings and suggestions regarding the compliance of the Company's activities with the legislation and internal regulations, and it also reports to the Board of Directors on ESG issues. Logo Group Committee presents matters requiring the knowledge or approval of the Board of Directors, and actions authorized by the Board of Directors are completed within the scope of defined powers and duties. All of these responsibilities are carried out in accordance with the rules governing the delegation of authority and the management of processes in occupational health and safety, business ethics, and environmental issues.

Logo discloses its environmental, social, and corporate governance information on Refinitiv ESG and S&P's CSA platforms. Logo has been included in the Borsa Istanbul (BIST) Sustainability Index for six years as a result of its ESG performance, which it voluntarily joined in 2017. Logo's score based on 2021 data was 82.73 (A-) according to the findings of the Refinitiv assessment, the new assessment methodology adopted by BIST in 2021.

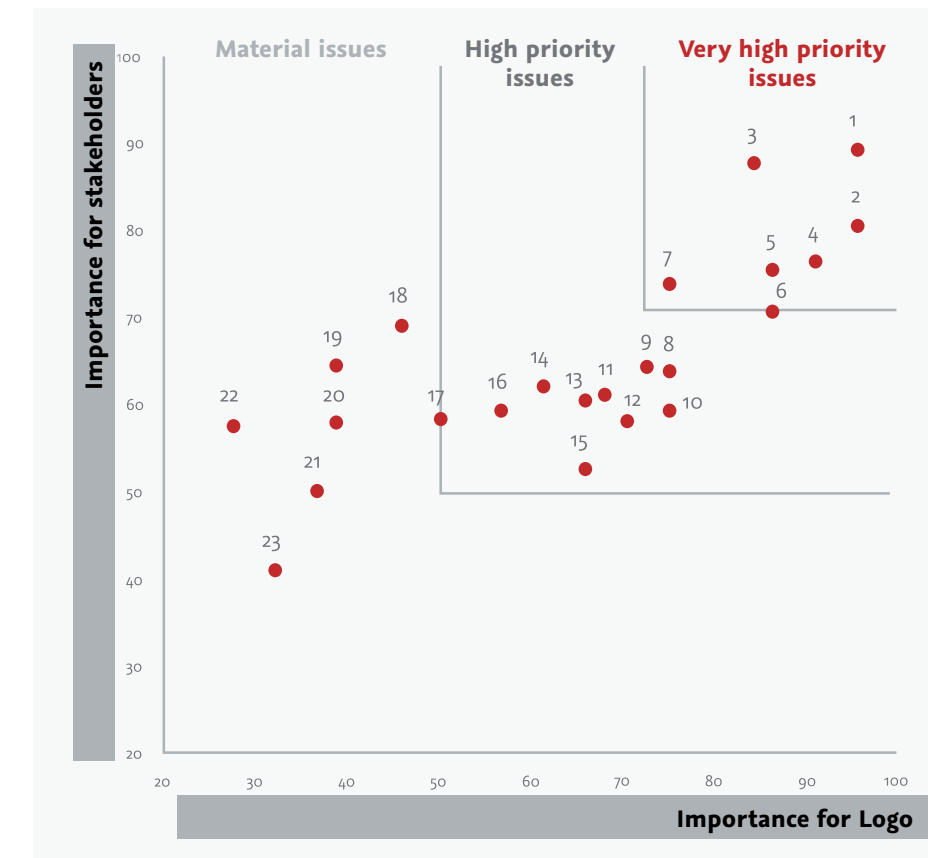
Material issues

A Materiality Assessment was conducted in 2019 to identify Logo's material issues and to build its sustainability strategy. The first step of the Materiality Assessment was to review and analyze the assessments set for the sector by organizations such as the United Nations Sustainable Development Goals, Sustainability Accounting Board Standards Board (SASB), Digital Europe, and the World Economic Forum (WEF). Later, the list derived from the findings of the literature review was evaluated and a list of material issues for Logo was developed. A materiality survey was conducted in line with the AA1000 Stakeholder Engagement Standard, to collect input from the Logo stakeholders to prioritize the issues in this list. A total of 437 responses were collected in the survey conducted for 9 main stakeholder groups including employees, shareholders, customers, analysts, business partners, suppliers, non-governmental organizations, universities, and media. Due to the scope of this report, the survey was also sent to employees in Logo's overseas operations. The collected responses were evaluated by the Logo Sustainability Committee and a materiality matrix was developed.



Logo Yazılım manages material issues in order to create the highest impact for its stakeholders and activities in terms of economic, environmental, social and corporate governance. Material issues were identified in connection with the company's strategy and risk management.

Materiality matrix



Very high-priority issues

- 1- Technology and R&D
- 2- Digital transformation
- 3- Customer privacy and data security
- 4- Customer orientation
- 5- Talent management
- 6- Responsible Products and Services
- 7- Intellectual property

High priority issues

- 8- Business ethics
- 9- Financial profitability
- 10- Transparency
- 11- Employee satisfaction and engagement
- 12- Supporting entrepreneurship
- 13- Community investment programs
- 14- Risk Management
- 15- Occupational health and safety
- 16- Communication with stakeholders and collaborations
- 17- Gender equality and women's empowerment

Material Issues

- 18- Climate change and energy
- 19- Diversity and equal opportunity
- 20- Contribution to the local economy
- 21- Waste management
- 22- Sustainability in the value chain
- 23- Water management

Contribution to the software ecosystem and digitalization of the economy

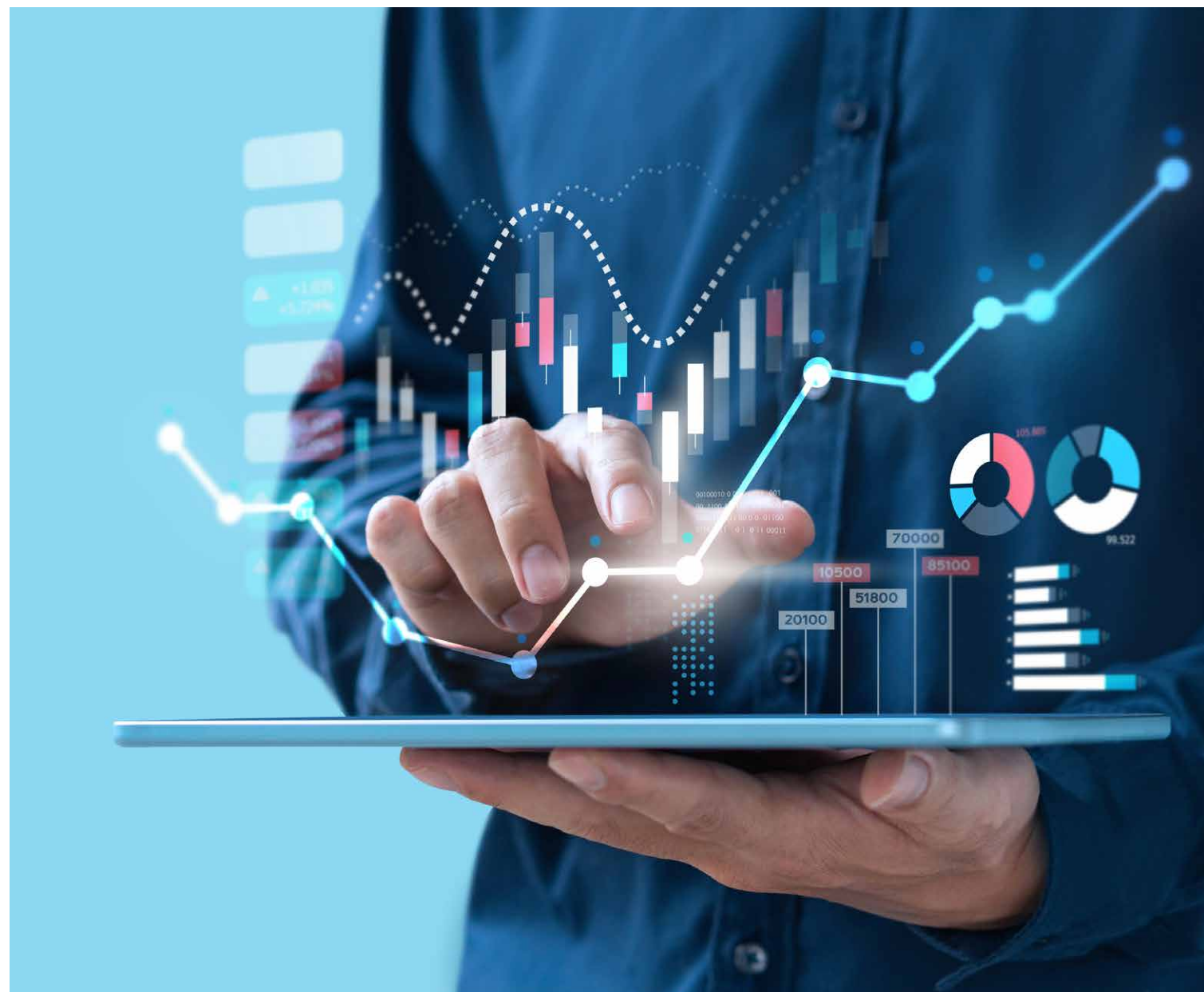
As economic, social, and environmental vulnerabilities have grown in recent years, creating a global impact in the current conjuncture is possible through collaborations at the level of micro-ecosystems. Logo prioritizes the sustainability of the sector for the development of the software ecosystem.

Logo has an impact on a broad stakeholder ecosystem, including customers, business partners, employees, investors, and society; it supports local talent in line with digital transformation trends; and it contributes to the development of innovative and unique technologies. While leading the digital economy by pioneering the industry with its projects and best practices, it also plays a crucial part in strengthening businesses' digitalization reflex.

It creates added value for the ecosystem it impacts by developing powerful and scalable digital products. It develops enterprise solutions for businesses of all sizes, from micro-companies to large corporations, taking into consideration the unique dynamics of each structure as well as modern management techniques. Focusing on the high productivity and profitability of businesses, these digital solutions aim to transform value chains and create new market-oriented channels.

At the same time, regular annual brand and sectoral perception surveys show that the benefits of both software companies and enterprise software are relatively unknown, and that awareness that operations can be managed more easily, quickly, and in a variety of ways in the digital environment is extremely low. Therefore, Logo guides digital transformation and works to raise society's understanding of informatics. With its projects and studies, Logo aims to contribute to the digital economy and lead the sustainable transformation of its ecosystem, making the value it generates sustainable thanks to its stakeholders.

Logo contributes to the digitalization of the software ecosystem and the economy by creating value for all stakeholders in all of its activities. Logo defines value creation through six focus areas identified with an integrated approach.



Financial performance and corporate governance approach: Financial Capital

Logo aims to use its financial capital effectively to maximize the value it creates. Combining its operations and ecosystem with its strong financial structure and prudent approach, Logo contributes to sustainable and profitable growth. Accordingly, as Turkey's largest publicly traded domestic software company, the Company maintained its strong performance in 2022 with an 101% increase in consolidated sales revenues, and 57% increase in consolidated net profit, and completed the year by increasing consolidated EBITDA by 72%. As regards to economic value distributed to stakeholders; dividends paid to shareholders amounted to TL 90,000,000, while cash donations amounted to TL 990,204. The degree of compliance with Corporate Governance Principles was 9.4/10.0 as a result of Logo's fair, responsible, transparent, and accountable management approach at all stages of its operations and activities.

Innovation focused approach: Intellectual capital

Because of its robust technology infrastructure, R&D facilities, and industry knowledge, Logo has the capacity to develop products that meet the needs of its customers. It also continuously creates innovative, sustainable products and services that give customers speed, convenience, and efficiency while allowing them to outperform the competition. Accordingly, development work on PaaS continued, the number of cloud-based microservices offered was increased to 32, and innovative technologies such as artificial intelligence and blockchain were utilized in internal processes. In addition, 4,011 new features were added to the products in 2022. In its ecosystem of more than 900 business partners, Logo can provide end-to-end services to all sectors with integrated solutions developed by its business partners. As Turkey's largest independent domestic software company, Logo's intellectual property rights are an integral part of its strong value-creation approach.

Customer experience and ecosystem focused approach: Manufactured capital

Logo designs its products and processes with its customers in mind, placing over 180,000 customers at the center of all its activities. It builds long-term relationships with its customers in an adaptable model by constantly improving the technological infrastructure it employs to provide a satisfaction-oriented, uninterrupted customer experience. Logo maintains open, transparent, responsible, and strong stakeholder relations in its complete ecosystem by listening to its customers' needs through various channels and keeping on developing appropriate solutions with its competencies that can respond to customer expectations.

Net Promoter Score (NPS), measured in the light of customer feedback, increased to 53.4 for Logo Türkiye business segment and 41.0 for eLogo. The satisfaction score for the services of Logo Türkiye support teams was 4.4/5.0. In addition, more than 38,000 new customers were acquired in 2022 on a consolidated basis.

Adopting an ecosystem focused approach, Logo prioritizes data and information security issues and continues to work to minimize the risks that may arise from this issue in the solutions it develops for its customers.

Employee experience focused approach: Human capital

Logo aims to build and manage a team of employees with a high level of competence and commitment. Logo adopts a people focused approach on all its human resources practices and is committed to creating a work culture that employees will be happy and proud to be a part of, and a fair and transparent working environment where equal opportunity and diversity prevail, focusing on development. The rate of female employees at Logo is 47%, while the rate of women in executive management is 50%. Logo is committed to improving its human resources and attracting a new generation of employees in order to lead the digital transformation of the business world. It invests in the future of its employees and the sector's young talent as part of the digital transformation. In 2022, Logo provided a total of 31,410 hours of training and 32 hours per employee. The number of full-time and part-time employees recruited through internship programs organized to attract young talents to the IT sector was 22 and 48, respectively. As a result of its employee focused initiatives, Logo Türkiye's employee engagement score was 83% in 2022. The scores of sub-indices such as employee engagement, EVP, and well-being were also above 85%.



Social impact focused approach: Social capital

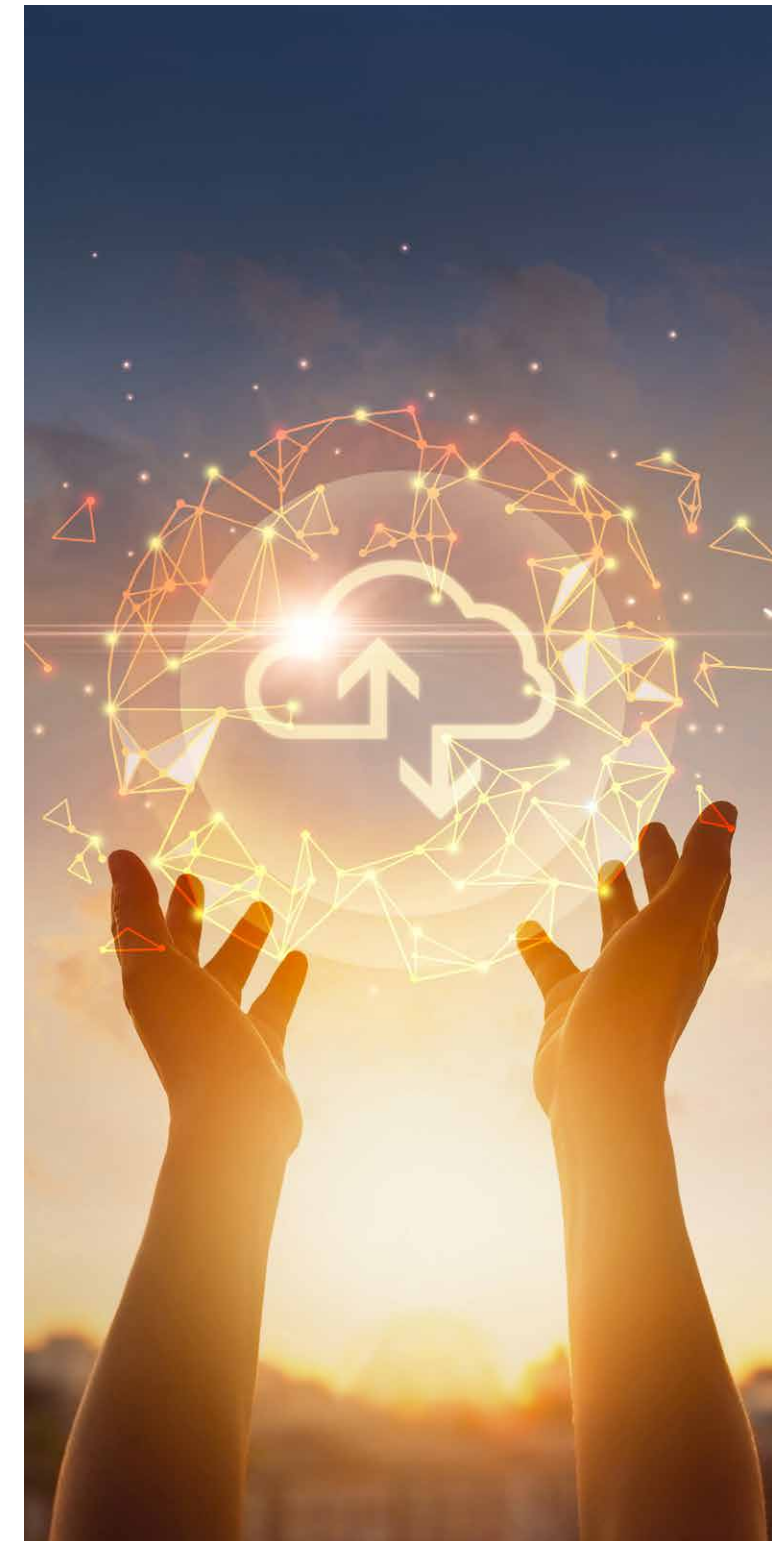
Logo has been contributing directly and indirectly to sustainable development with its impact focused perspective. Logo adds value to society through volunteering, investments in entrepreneurship and innovation, and corporate social responsibility initiatives. It has supported over 2,000 students since 2019 through the 'Dream Coders' project, which was introduced to help children, our country's future, become a generation that develops technology. Logo works on education to provide equitable opportunities to disadvantaged groups, which is one of the most effective ways to address income disparity in the digital age. Logo continues to see good outcomes in terms of brand reputation and awareness research outputs through these social projects year after year.

Environmental impact focused approach: Natural capital

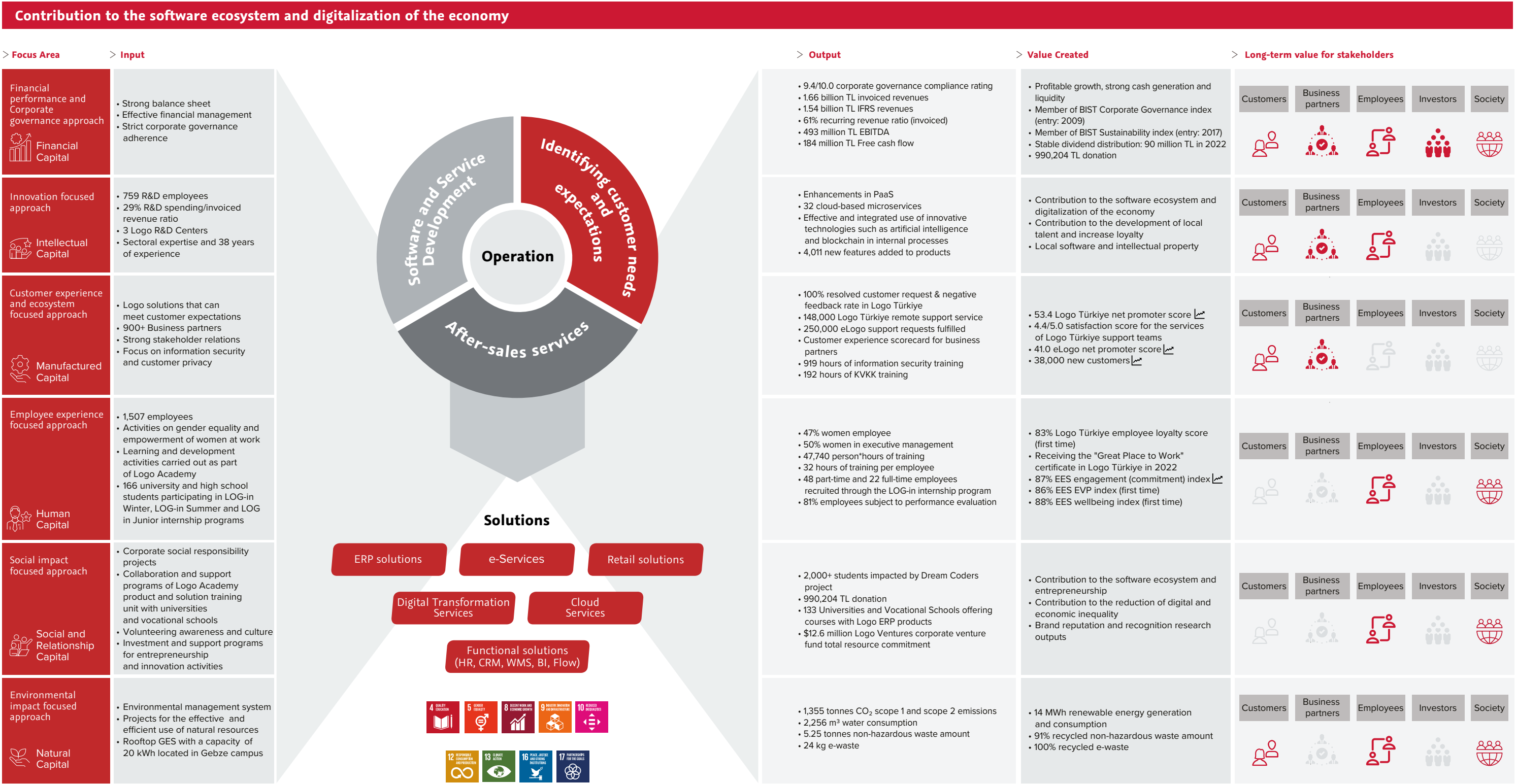
Logo assists customers in conducting their business sustainably and efficiently, and it provides products and services to meet the needs of the business world to accelerate the transition to a low-carbon economy. It manages the environmental impact of its activities through environmental management systems, and projects that use natural resources responsibly.

Logo creates added value for all its stakeholders in all of its activities with its responsible business approach and integrated thinking.

The added value created for the stakeholders by this integrated thinking approach is reflected to the integrated value creation model that incorporates six capital elements and their associated focus areas and material issues with the perspective of Logo's contribution to the software ecosystem and digitalization of the economy.



Logo's business model and value creation



Contribution to the Sustainable Development Goals

Sustainable Development Goal	Logo's contribution
 4.4 4.5	<p>As part of its corporate social responsibility investments, Logo has been providing robotic coding training to more than 2,000 students since 2019. The workshops, which aim to empower children with 21st-century competencies, to provide opportunities for children to develop their imagination and mechanical, and analytical skills. Girls and boys are equally distributed in these training courses, which are specifically aimed at children from disadvantaged regions.</p> <p>Logo also aims to fill vacant positions with internship programs and projects that support young talents in joining Logo.</p>
 5.1 5.5	<p>Diversity and equal opportunity are significant components of Logo's human resources strategy. Logo, which fosters diversity and differences in order to establish a strong and creative workforce, encourages equality at work and in all aspects of life, including gender equality.</p> <p>Increasing the representation of women among employees and managers is one of Logo's focus areas . As of the end of 2022, 47% of employees, 36% of managers and 50% of Logo Group executive management are women. In addition, 33% of Logo Board of Directors is women.</p>
 8.2 8.3 8.5	<p>Logo, Türkiye's largest publicly traded local software company, provides high-value products and services through its ecosystem. It contributes to the digitalization and sustainability of companies in many different sectors, including manufacturing, textiles, chemistry, metal products, and agriculture, and it supports the digital transformation of SMEs, which are the foundation of the economy, through the solutions it provides.</p> <p>Logo Ventures, a corporate venture fund, was also created as part of it's the Company's strategy to support entrepreneurship and innovation. Logo Ventures invests in local and international technology start-ups to contribute to long-term value generation.</p> <p>Logo is committed to improving its human resources and attracting a new generation of employees in order to lead the digital transformation of industries. It invests in the future of its employees and the sector's young talent as part of the digital transformation.</p> <p>By keeping diversity and equal opportunity at the forefront, Logo offers a work environment where employees can work happily and in a dedicated manner. Logo prioritizes ensuring full compliance with laws and regulations pertaining to employee and human rights in its activities by providing an equitable, fair, safe, and healthy working environment for all employees.</p> <p>The physical, social, emotional, and financial well-being of Logo employees is of the utmost significance in the company's employee focused culture. To this end, flexible working has been in place since 2020. The "well-being" program "Logo Well," which debuted in 2021, got first place in the "Applications Supporting Quality of Life" category at PERYÖN's Value for People Awards in November 2022.</p>
 9.2 9.5	<p>Logo contributes to the digitalization and sustainability of companies in many different sectors, including manufacturing, textiles, chemistry, metal products, and agriculture.</p> <p>Logo spends approximately 30% of its revenues annually on R&D activities . The primary pillar of the company's strategy is based on servitization in line with the developments in the sector. Logo continues to develop Logo PaaS (Platform as a Service), which was launched in 2015 and enables the development of a software ecosystem platform for cloud-based ERP (Enterprise Resource Planning) applications. Furthermore, Logo accelerated its R&D investments to improve service quality by internalizing topics such as blockchain, machine learning, big data, and artificial intelligence.</p> <p>Also, as a part of its innovation strategy Logo aims to contribute to long-term value creation by investing in both local and international technology start-ups through Logo Ventures, which is a corporate venture fund.</p>







Sustainable Development Goal	Logo's contribution
 10.2 10.3	<p>Logo works on education to provide equitable opportunities to disadvantaged groups, which is one of the most effective ways to address income disparity in the digital age.</p> <p>As part of its corporate social responsibility investments, Logo has been providing robotic coding training to more than 2,000 students since 2019. The workshops, which aim to empower children with 21st-century competencies, provide opportunities for children to develop their imagination and mechanical, and analytical skills. Girls and boys are equally distributed in these training courses, which are specifically aimed at children from disadvantaged regions.</p> <p>Furthermore, diversity and equal opportunity are significant components of Logo's human resource strategy. Logo, which fosters diversity and differences to establish a strong and creative workforce, encourages equality at work and in all aspects of life, including gender equality.</p>
 12.6	<p>Logo solutions give customers operating flexibility and efficiency while reducing environmental impact, from carbon footprint to natural resource consumption. In companies that use enterprise software, the single point of entry of data allows for more effective control and management of resources and processes.</p> <p>Every year, Logo adds new features to its Netsis ERP product group to increase its function as a facilitator in monitoring and reporting environmental sustainability performance. In addition to the carbon footprint calculation widget feature, log tracking for printing works; e-waste tracking for fixed asset cards; matching the Recycling Contribution Fee (GEKAP) code and stocks that were added in 2021 especially for manufacturing companies , the features added in 2022 include analysis of error types and effects; risky material management, personal protective equipment (PPE) management and key performance indicator (KPI) management.</p>
 13.3	<p>With its innovative technologies, digital solutions, and services, Logo helps to reduce the environmental impact of its customers' resource use.</p> <p>Logo also develops its software with code blocks that use caching and run faster. Logo avoids excessive energy use by maintaining and managing the software developments with micro-service architecture as much as possible.</p> <p>Solar panels with a capacity of 20 kWh generate electricity at Logo's Gebze campus, which falls under the category of renewable energy sources.</p>
 16.5 16.6	<p>Since its establishment, Logo has adhered to the principles of Corporate Governance, including fairness, transparency, accountability, and responsibility. Logo has received a corporate governance rating since 2009, and as of 2022, Logo's rating is 9.4 out of 10. Logo also complies with the majority of the voluntary principles in the CMB's 2020 Sustainability Principles Compliance Framework.</p> <p>Logo Code of Ethics is the foundation for the ethical business conduct approach, an essential component of Logo's corporate governance approach. The Code of Ethics regulates relations with employees, suppliers, customers, shareholders, other stakeholders, and the public, and internal stakeholders can report non-compliant behavior through the Ethics Hotline. Processes and policies are available on the employee platform, which is accessible to all employees, and incoming notifications are handled by the Ethics Committee.</p>
 17.17	<p>Logo forms collaborations with leading organizations, including various national and international non-governmental organizations, to develop the software sector ecosystem. Logo is a member of the Service Exporters' Association's Software Committee and works on projects with the goal of contributing to Türkiye's software exports. Logo takes place in every possible area to contribute to Türkiye's development through its executives serving on the boards of various non-governmental organizations, including TÜBSAD, TOBB, TAYSAD, TOSYV, Informatics Foundation of Turkey, Informatics Association of Turkey, and YASAD; and it supports SMEs that want to smoothly run and grow their operations with digital technologies and methodologies by participating in TOBB's 'Smart SME' project. Thanks to the Smart SME digital platform, it supports the digitalization processes of SMEs and offers tips to make their work easier.</p>

Financial performance and Corporate governance approach



Board of Directors

Logo has adopted the principles of fairness, transparency, accountability and responsibility of Corporate Governance since the day it was founded. 50% (3) of the Board of Directors, the highest governing body of the company, consists of independent members. The duties of Chairman of the Board of Directors and Chief Executive Officer (Group CEO) are carried out by different individuals. Audit Committee, Corporate Governance Committee, Early Detection of Risk Committee, Remuneration Committee and Nomination Committee operate under the Board of Directors. Logo complies with the mandatory provisions of the Capital Markets Board (CMB) Corporate Governance Principles Communiqué and takes a meticulous approach to comply with the non-mandatory principles to the maximum extent. The company has also complied with most of the principles specified in the non-mandatory “Sustainability Principles Compliance Framework” prepared by the Capital Markets Board (CMB) with the “comply or explain” approach. Detailed information on corporate governance can be found in the “Corporate overview” section of this report.

		Position	Audit Committee	Committee for Early Detection of Risks	Corporate Governance Committee*	Remuneration Committee	Nomination Committee
	M. Tuğrul Tekbulut	Chairman			Member	Member	Member
	M. Buğra Koyuncu	Vice Chairman					
	Söz Ar	Member		Member			Member
	M. Berkay Mollamustafaoğlu	Independent Member		President		President	President
	Nezahat Gültekin	Independent Member	President		President		
	Lale Gözübüyük	Independent Member	Member		Member	Member	

*Investor Relations Director is a member of the Corporate Governance Committee.

Executive Management



M. Buğra Koyuncu
Logo Group CEO



İsmail Duran
Logo Group Chief Technology Officer, CTO



Begüm Arş Türk
Logo Group Chief Marketing Officer, CMO



Arslan Arslan
Logo Retail Solutions General Manager



Süheyla Özgül
General Manager of Logo Digital Transformation



Nebahat Kesgin
Logo Group People and Organizational Development Director



Gülnur Anlaş
Logo Group Chief Financial Officer, CFO



Uğur Nuri Sipahi
Logo Group Chief Information Officer, CIO



Akın Sertcan
Logo Türkiye General Manager



Başak Kural
eLogo General Manager



M. Bora Buluş
Logo Group Director, Agile Transformation

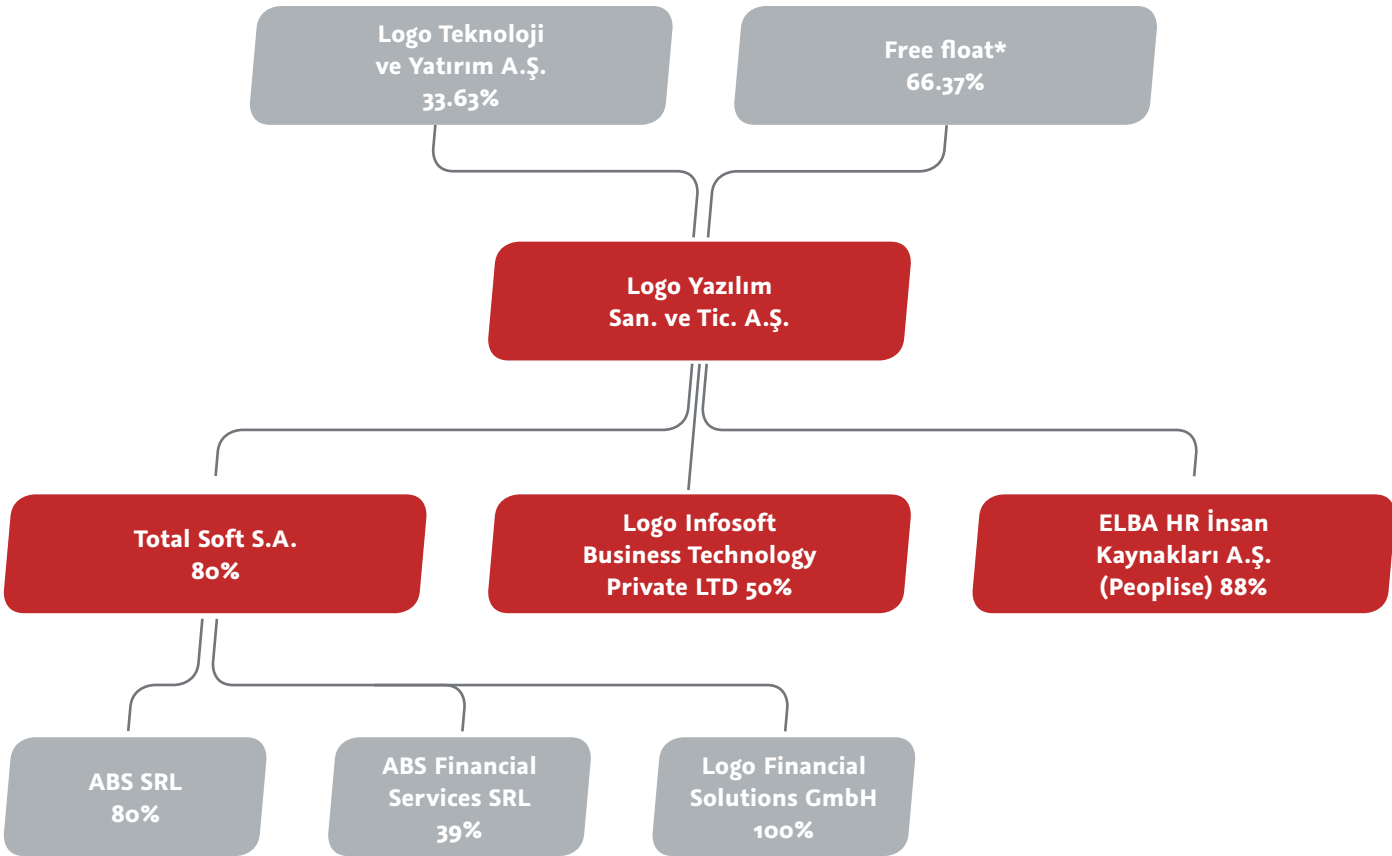


Özlem Gemici
Logo Group Strategy Director

Capital and shareholding structure

Logo's paid-in capital of 100 million TL is divided into 10 billion units of shares with a value of 1 kuruş each. As of December 31, 2022, capital of the company consists of 13,200,000 units of Group A registered shares corresponding to 132,000 TL and 9,986,800,000 units of Group B bearer shares corresponding to 99,868,000 TL. Half of the board members and the chairperson of the board shall be elected from among the candidates nominated by the Group A shareholders. Breakdown of the company's capital of 100 million TL is as follows:

Share class	Registered/Bearer	Units
A	Registered	132,000
B	Bearer	99,868,000



*Includes 3.61% treasury shares.

Financial performance

(Million TL)	2022	2021
Net sales	1,541.5	766.8
Gross profit	1,178.8	624.0
Operating profit	375.3	211.8
Income before tax	454.1	300.1
Net income	415.7	264.6
Earnings per share (1,000 shares at 0.01 TL nominal value)	4.31	2.74

(Million TL)	2022	2021
Total assets	2,666.9	1,807.5
Current assets	1,084.7	796.3
Fixed assets	1,582.1	1,011.2
Current liabilities	1,185.5	742.2
Long-Term liabilities	282.5	231.8
Equity	1,198.8	833.5
Paid-in capital	100.0	100.0
Current ratio	0.9	1.1
Total liabilities / Equity	1.2	1.2
Equity / Total assets	0.5	0.5

Business ethics and transparency

Logo regards commitment to ethical values as a prerequisite in all of its activities, and business ethics is one of the pillars of its corporate culture. Logo Code of Ethics forms the basis of Logo's ethical business conduct. The code of ethics applies to the relations with employees, suppliers, customers, shareholders, other stakeholders, and the public. Logo Board of Directors is responsible for the implementation, audit, and review of the code of ethics. Code of Ethics can be reached [here](#).

Logo's internal stakeholders can report behaviors that do not comply with the Code of Ethics directly, by phone, ordinary mail, e-mail, or fax via the Ethics Hotline. Ethics Committee addresses incidents reported to Ethics Hotline, and in case a violation is determined, action is taken according to the Disciplinary Regulation. In 2022, there were no reports received by the Ethics Hotline. Ethics Committee Terms of Reference can be reached [here](#).

Processes and policies regarding the code of ethics are available to all employees on the employee platform. In the coming period, it is planned to provide training to employees related to the Code of Ethics and Ethics Hotline

Risk management

Risk analyses are performed using the Octave methodology and the ISO 27005 Information Technology Risk Management and ISO 31000 Enterprise Risk Management System standards when new processes are added or when business practices change, or at least once a year. Risk analyses are conducted based on the risk assessments of information assets related to processes. The risk analysis identifies the information assets of each process and evaluates the threats that will impact these information assets in terms of confidentiality, integrity, and accessibility. In this context, risks and/or vulnerabilities for all processes are identified, and controls are specified and implemented.

Major financial and operational risks such as technological

change, competition, capital risk, debt and collection management, currency risk, market risk, credit risk management, liquidity risk management, and interest rate risk are monitored as part of the corporate risk analysis. All assets, from software licenses to real estate, are evaluated in the context of risk analysis for information assets based on environmental risks, hardware risks, intentional or unintentional human threats, malicious code, message or information leakage, process planning, third parties, and software-originated threats, and the necessary actions are taken based on the results of this analysis.

Risks monitored include environmental and occupational health and safety (OHS) risks. Risks related to business continuity, one of the key risk areas, are managed in accordance with ISO 22301 Business Continuity Management System.

A Risk Processing Plan is prepared for the risks identified in the risk analysis. The identified risks are analyzed, and their probability of occurrence and potential impacts are classified, and a risk level is determined for each risk. All identified risks are evaluated in the risk table according to their probability, impact, and risk values. Risks are reviewed every year at Management Review Meetings and updated when necessary.

Logo recognizes that it is exposed to risks associated with inventory management, debt management, technological change, competition, collection, and exchange rate changes within the scope of corporate risks and has created the necessary control mechanisms to mitigate the effects of these risks.

Capital risk The company aims to safeguard its ability to continue as a going concern while maintaining an optimal capital structure and matching cash and commercial receivables that are generated from operations with its financial and commercial liabilities. The cost of capital and the risks associated with each asset class are assessed by the executive management and those that are subject to the decision of the Board of Directors are submitted

to the Board of Directors for its consideration. Based on the assessments of the executive team and the Board of Directors, the capital structure is intended to be stabilized through dividend payments, new share issues, as well as through the acquisition of new debt or the repayment of existing debt.

Debt, collection management, and currency risk Logo's foreign currency-denominated assets exceed its foreign currency-denominated liabilities. Therefore, Logo does not have a significant foreign currency risk. In response to the risk of non-collection of receivables, the management and responsibilities of the collections unit and sales and marketing unit are separated. Debt limits are established and controlled by taking into account the payment performance of the debtors in previous years as well as their financial data.

Market risk As a result of financial instruments among the assets, the company carries the risk of non-performance by the other party. The risks faced at the company level are measured on the basis of sensitivity analysis. In the current year, there has been no change in Logo's exposure to market risks or in the way the Company handles or measures these risks compared to the previous year.

Credit risk management Ownership of financial assets entails the risk that may be unable to meet the terms of their agreements. Logo management covers these risks by limiting aggregate risk from any individual counterparty (excluding the related parties) and obtaining sufficient collateral where necessary. Credit risk is assessed in accordance with the Company's policies and procedures and is presented net in the balance sheet after provision for doubtful receivables.

Liquidity risk management Logo manages the liquidity risk by regularly monitoring the cash flow, matching maturities of financial assets and liabilities, and sustaining sufficient funds and credit reserves. The management monitors the liquidity reserves of the company based on the estimated cash flow. In order to manage liquidity

risk, the management holds sufficient cash and loan commitments to meet the short-term cash outflow.

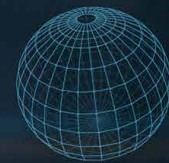
Interest rate risk Logo manages interest rate risk by balancing the maturities of interest rate-sensitive assets and liabilities and uses short-term investment instruments for interest-bearing assets.

Risk of error and fraud The organization structure and the field of operations do not bear any risk of error or fraud in relation to the activities of the company staff.

Other risks All fixed assets and movable assets of Logo are insured against all kinds of material damages. Current assets (cash and check portfolio) are audited monthly by financial controllers through monthly physical inventory and bank reconciliations. Furthermore, the financial affairs department and relevant department managers perform reporting, audit, and control activities on the Logo j-Platform Enterprise Resource Management program to avoid any potential misconduct or error in sales prices and profitability attributable to employees.

ESG risks At Logo, managing ESG risks is part of the corporate risk management approach. Logo has reviewed the risks it may be exposed to in environmental, social, and corporate governance issues in 2022. In this respect, the regulations that may be issued during the transition to a low-carbon economy are among the environmental compliance risks that are highly important for Logo operations. In the social domain, the risk associated with attracting and retaining talent is among the risks with a high level of materiality. Logo prioritizes corporate governance risks and information security risks that are associated with technology and reputation risks, as well as risks related to changing customer expectations.

Innovation focused approach



19.28

86.73

35.21



R&D, innovation, and digital transformation

The COVID-19 pandemic has increased demand for technological solutions on a global basis, and Logo ecosystem is directly influenced by this transition. By closely monitoring global trends and harnessing the leverage effect of new technological advancements, Logo, which strives to transform its ecosystem, develops solutions that respond to different needs.

Logo believes that R&D and innovation are crucial for closely monitoring technological advancements in order to offer innovative and sustainable products and services to meet customer demands.

In 2022, Logo continued to develop **Logo PaaS** (Platform as a Service), which was launched in 2015 and enables the development of a software ecosystem platform for cloud-based ERP (Enterprise Resource Planning) applications. Furthermore, Logo continued to invest in R&D to improve service quality by internalizing innovative technologies such as block chain, machine learning, big data, and artificial intelligence. Logo supports its customers' digital transformation with investments that are the cornerstone of business continuity and competitiveness and influences the future of the business world by redefining the way they do business.

The Company's R&D operations and budget are managed in the short, medium, and long term under the scope of "**Vision Horizon**" projects, which are classified as Horizon-1, Horizon-2, and Horizon-3.

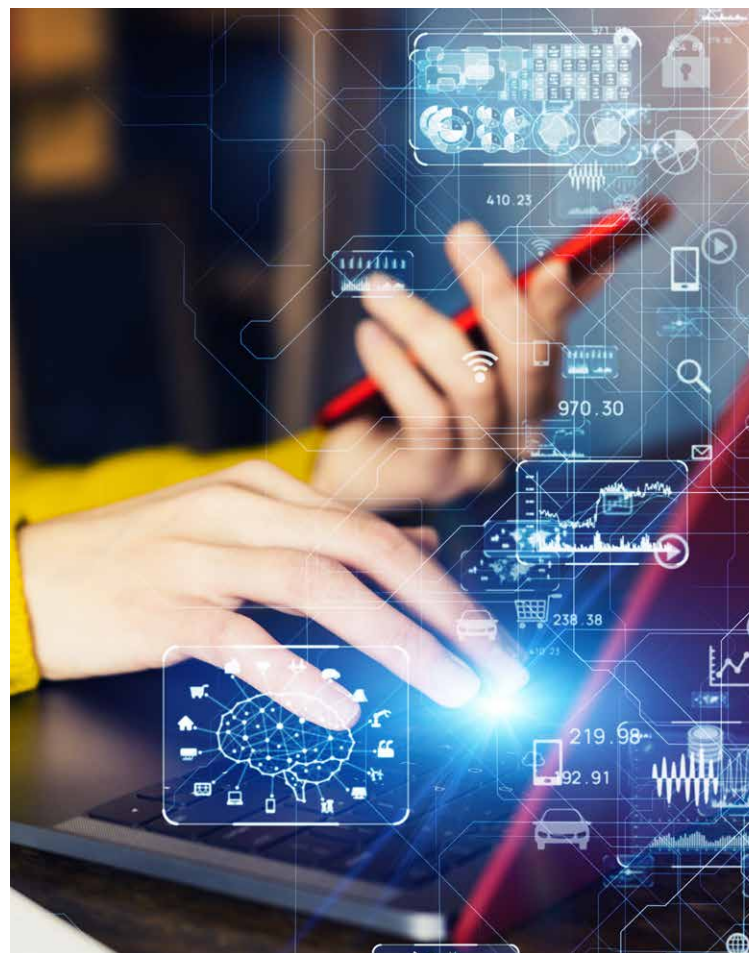
Horizon 1 projects, which make up 60% of the R&D budget, include developments and improvements deemed necessary in existing products based on feedback received from customers, business partners, and within the company. At the same time, the infrastructure and architectural developments that mature in Horizon 2 and later in Horizon 3 are reflected in existing products in this category.

The company's R&D activities for the medium and long term are carried out under Horizon 2 and Horizon 3

categories. These categories correspond to approximately 30% and 10% of the R&D budget, respectively. Horizon 2 includes developments in new products and products for sectoral needs covering 1.5-2 years. Whereas Horizon 3 consists of innovation and R&D about cloud, big data, and machine learning, which form the focus of digital transformation.

Motivated by an innovation focused approach, TL 474 million allocated to R&D expenditures in 2022 accounted for 29% of total revenues. The budget for R&D and innovation grew by 104% compared to 2021, while the number of personnel working in these areas climbed by 5% to 759.

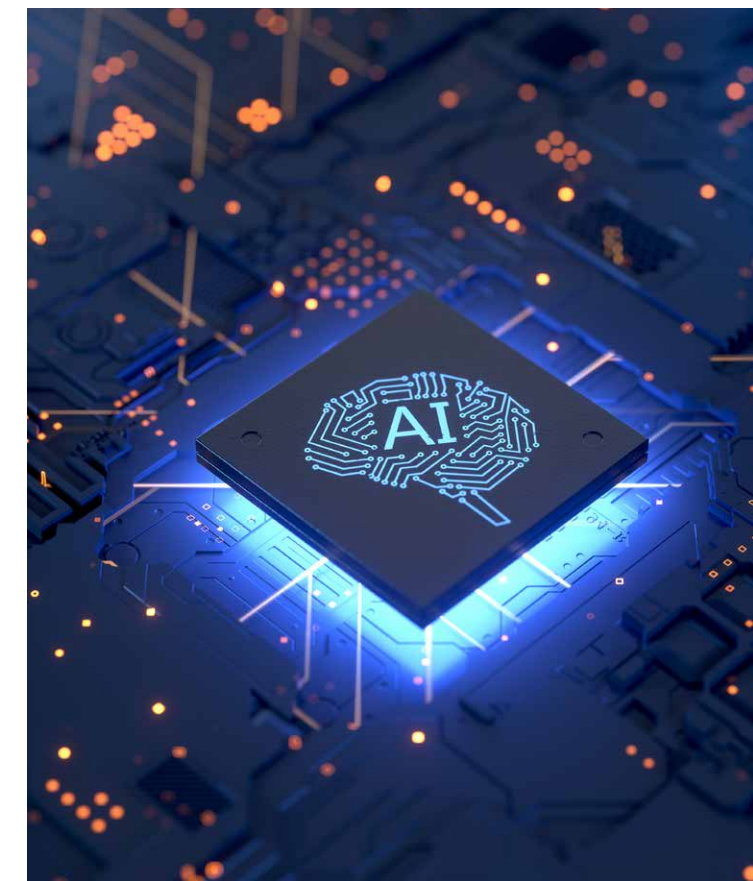
In 2022, the Group continued to support both corporate culture and innovation, inter alia in machine learning, blockchain, and development and operations (Dev-Ops), with teams established from different companies and business units within the Group, focused on a single business and called the Technology Guild in order to create a culture of collaboration, product development, and progress toward a single common goal.



Significant R&D and innovation developments in 2022

- The "**Smart Convert**" **infrastructure** was implemented to make cloud conversion easier. To support SaaS (Software-as-a-Service) ERP product proposition, Logo j-Platform SaaS ERP transformation was completed, and Cloud ERP was launched in 2021. In 2022, Cloud ERP was launched, incorporating improvements made as a result of the feedback received during the beta phase. This year also saw the beta launch of Cloud HR services.
- **Logo LowCode/NoCode** platform aims to simplify software development processes for itself and its ecosystem, making them faster and more efficient. It distinguishes itself from other platforms due to the domain-specific (ERP) LowCode platform's ability to develop cloud-based solutions that complement ERP processes through a single source code for both web and mobile, and because it is integrated with Logo PaaS, it seamlessly integrates very powerful analytical/reporting functions into the developed solution. Internal beta processes of the LowCode platform started in December 2022.
- **Mariana Intelligent Resource Management project (AIOps)**: A machine learning-supported intelligent operating platform has been introduced in order to scale the operating procedures and improve the quality. The Mariana project's main objective is to streamline IT operations management and employ artificial intelligence (AI) technology to automate and expedite problem solutions as well as to automate complex operations processes utilizing modern technologies. Thus, it aims to manage root cause analysis and case management more efficiently with data-based decision support systems. Furthermore, predictive resource planning is employed to make cloud services more profitable by improving the planning of hardware needs such as CPU and RAM that services will require.

- The first phase of the **machine learning-supported information platform** project was completed and integrated with the SaaS ERP product and made available to users in the beta phase. The first phase of the project includes the transfer of product user and support documents to the machine learning platform in order to improve the quality and efficiency of support processes. Thus, it is aimed that first-level support services can be provided by intelligent chatbots integrated into the product. The first phase of the project stands out for its innovative work, such as developing and launching a natural language processing infrastructure suitable for ERP jargon. In the coming period, it is envisaged that the first level support service for all products will be provided through the corporate central information platform that is being developed. Thus, it is aimed to increase the user satisfaction rate and ensure cost optimization.





- The construction of a **machine learning-supported domain-specific translation service** was completed and integrated into software development processes in order to accelerate and simplify the process of launching Logo products in the international markets. This not only saves time and cost in multilingual support but also improves quality. By generating source files suitable for software development languages, the project creates innovative solutions and provides domain-specific jargon-supported machine learning services as well as multilingual support.
- With the introduction of the **Logo document management** service, another step has been taken in the digitalization of document processes. A machine learning-supported Turkish OCR (optical character recognition) service has been developed as a complementary service, and it is now in the beta stage.
- In contrast to traditional programming, the **"Low Code"** platform, developed to facilitate digital transformation and used in our ecosystem, enables rapid application development with visual modeling and drag-and-drop structure. This approach enables the development of faster and more reliable apps without or with limited coding. By using "Low Code", domain experts can focus directly on development without spending time on infrastructure, systems, and applications. In 2022, Logo continued to integrate this platform with the products.
- In 2022, activities regarding the use of **blockchain** technology in internal processes continued. Today, it is possible to track and trade tangible and intangible assets on the blockchain network, and the license system in business software can also be configured as a blockchain-

based structure. A digital wallet is used for license tracking and control. Thus, in addition to the ease of use and security of the licensing infrastructure, it is also possible to measure the use and quality of the services in the field. Furthermore, the immutability of user tracking records in ERP and HR solutions is an essential issue that blockchain technology can address. The activities in this area are ongoing.

- In 2022, Logo also continued to work on **Logo central identity authentication**. Logo continued working on building infrastructure to enable access to both cloud services and on-prem solutions through a single account. As a result of the integration of solutions with centralized identity control, it will be possible to switch between solutions with the "Single Sign On" mechanism. In addition, when the on-prem solution integration is completed, customers and end-users will be able to receive support services from the chatbot embedded in the solutions, and access information about license and coin use.

Logo's approach to open source code

Logo believes that knowledge grows when shared, and both the machine-learning models developed by Logo and the components created for mobile development and the middleware codes developed for PaaS are available as open-source products. Logo's Web and Mobile component libraries are available to the ecosystem as open source via elements.logo.com.tr. In addition, LEDS, the Logo UX design language, has been documented in full detail and made available as open source. The support received from the open-source ecosystem is made available to the ecosystem as open-source.

LAPIS: Logo Agile Process Improvement System

Logo has developed Logo Agile Process Improvement System (LAPIS) methodology inspired by lean manufacturing philosophy and agile practices to define and improve software development processes. The software world is similar to the concept of VUCA, which emerged in 1985 and stands for Volatile, Uncertain, Complex, and Ambiguous. LAPIS enabled all stakeholders to adopt systematic work and boost productivity by changing software development work in abstract and uncertain conditions and constantly changing technology systematic into systematic, defined, and continuous improvement focused.

LAPIS is based on the principles of time management, transparency, adaptation, and continuous improvement. Since the principles are supported by the rules and tools in the process, the planning teams can act jointly, and instead of creating a new process, improvement ideas can be presented on LAPIS and thus the process can be developed together with the teams.

In 2014, the first paper describing the methodology was published. In order to accurately identify the improvement points, a measurement method was developed within LAPIS and this method was presented at the National Software Engineering Conference in 2018. The effects of people's emotions on business outcomes are monitored in the machine learning extension of the process. A paper in this field was presented at the Computing Conference in London.

Created in 2008 for software development, the process has been made applicable in all units of the company since 2019 thanks to the "LAPIS for Business" methodology developed for adaptation to processes other than software development.



LAPIS is based on periods of specific duration for each product group, during which a new version is offered for each product. The LAPIS process turns a software project into a product or service, allowing the workflow to run like an assembly line. Therefore, Logo positions itself as a software factory where most of its employees work in R&D, and it constantly inspects and improves its products and services and aims for zero defects. In this software factory, all products and services are considered as a business area. Costs and revenues are planned and future investment plans are made for greater efficiency.

In 2022, there were 473 new version releases, with 4,011 new features developed by the Product Development team alone.

By adopting the philosophy of continuous improvement in all its processes with the LAPIS methodology, Logo became the only company in Türkiye to receive TS ISO IEC 15504 SPICE **Organizational Capability Level 5 Certificate** in 2022.

Agile projects

Agile Projects, which works with Logo's existing internal resources with a "cross-team" approach, reached the first phase targets in the "Logo Digital Consultant" project, built on Logo PaaS platform and Logo products.

This service, which customers may access through existing SME and ERP solutions as well as Logo Cloud products, was launched this year and allows users to access knowledge in the Logo ecosystem with a single click. In addition to traditional text-based search filtering, Logo Digital consultant, which will be included in Logo Portal, is able to answer you're the questions via a chatbot powered by artificial intelligence. This allows users who need help or detailed information to quickly reach a solution without additional effort and saves time.

Logo Digital Consultant, developed by Logo by supporting the Customer and Ecosystem focus area, also benefits from language models and offers personal / customized content in its roadmap. This roadmap meets the key demands for automation and includes next-generation approaches such as proactive customer experience.

Innovative outputs of Agile Projects are valuable not only because they are innovative outputs in their own right, but also because they provide many different additional

benefits such as increasing employee experience thanks to the "Cross-team" approach. The project team, which is made up of volunteers from several departments, is a pioneer in inter-team cohesion and communication, and the fact that members operate in different functions facilitates the transmission of personal knowledge and abilities. Team members convey their work experience obtained from new technology, tools, and methodologies employed within the scope of the project to their departments. This flow accelerates institutional learning and contributes positively to the dissemination of technology.



Digital infrastructure in information technologies and business processes

Logo closely follows technological developments around the globe and reflects these developments in its business operations with a unique and innovative approach, and it successfully continues its journey of sustainable development and digital transformation. Logo also targets operational excellence for itself and its stakeholders, based on information security, high accessibility, and business continuity.

Logo Information Technologies (IT) team works to create a competitive advantage for all Logo business units. For this purpose, it focuses on an innovation-oriented approach, works with state-of-the-art information technologies, provides infrastructures that will ensure the digitalization in business processes as required by the digital age and the market, and ensures that IT services are provided within the framework of ITIL (Information Technology Infrastructure Library) and that this approach is disseminated throughout the company.

The company's data and server platform have the infrastructure to support digital transformation. Logo serves with over 1,000 virtual servers, storage areas, memory, and processors with new technologies in 3 operator and 4 data centers. Logo also uses the most state-of-the-art software and systems to increase operational efficiency through security and continuity infrastructure.

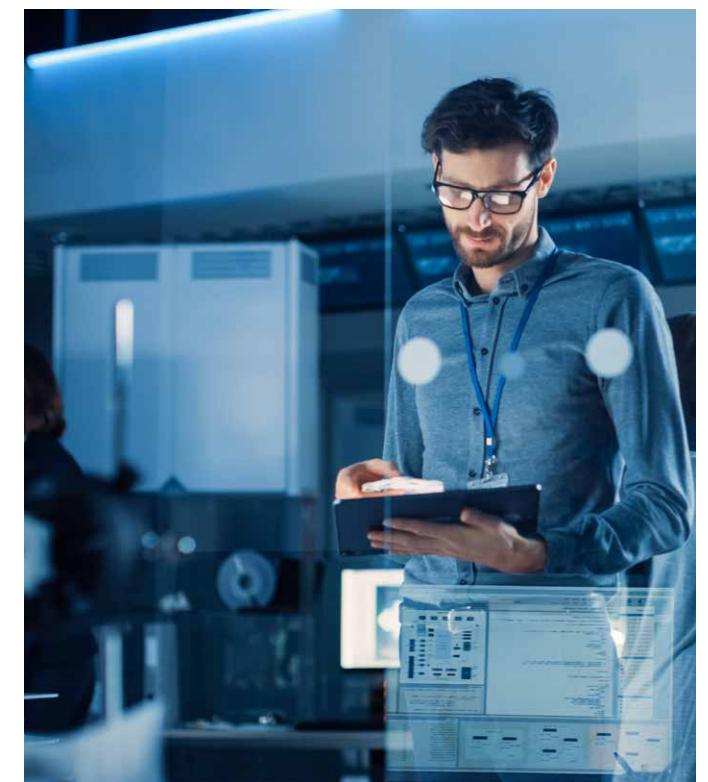
2022 was also a successful year for Logo in terms of business continuity and sustainability. There was no interruption or slowdown in access to Information Technologies services.

Extensive measures and additional precautions have also been adopted in the area of cyber security after switching to remote and hybrid work with COVID-19. In 2022, the Cyber Security Operation Center was commissioned to monitor and respond to all cyber incidents 24/7. It has increased continuous monitoring and security improvement efforts against potential vulnerabilities in Logo's products and online services.

In addition, Logo provides 24/7 service with the help desk named HELPIN in order to provide uninterrupted and faster first-level support services to its employees under ITIL.

Logo Portal, a single platform to reach Logo

Logo Portal is designed for Logo customers and business partners, and it gives them access to all license history, company and contact information, as well as the ability to make support requests and read Logo news, announcements, and campaigns from a single platform. Logo Portal is mobile-friendly and grows in membership every year. Logo Portal, an important step in improving customer experience, can be accessed at portal.logo.com.tr.



Data and information security

Cyber risk elements are increasing with the easier accessibility of the online world, technological developments and the acceleration of digitalization, especially with COVID. Therefore, there is a need to adopt more effective information security management.

As companies digitize and business models shift towards complex, data-driven products and services, issues around data privacy and security are becoming significant drivers of business risk. Widespread collection of personal data presents risks, and it is known that companies in a wide range of sub-sectors are exposed to the cumulative risk of data privacy and security risk. Therefore, companies prioritize data and information security. Logo, with its ecosystem focused approach, continues to work tirelessly to reduce these risks in the solutions it provides for its customers.

Logo invests in R&D and innovation and develops effective applications to protect customers' information and data security. International management systems are used to manage cyber security and business continuity within the company. The first of these is ISO 27001 Information Security Management System. This system aims to ensure continuity, minimize damages and risks arising from security breaches, manage risks against information created, processed, and stored on the technology infrastructure, take measures to protect all physical and electronic information assets, and make continuous improvements.

Moreover, it is important for Logo that the Information Security Management System is part of the overall management structure, and that information security is taken into account when designing processes, information systems, and controls. Logo not only meets the management system's requirements, but it also establishes its information security objectives and activities, and plans, implements, and regulates its actions in compliance according to this standard, and ensures continuous system improvement.

In addition to implementing ISO 27001, it continued its efforts to achieve compliance with the Information and

Communication Security Audit Guidelines issued by the Digital Transformation Office of the Presidency of the Republic of Türkiye and other International Information Security Guidelines. In 2022, the majority of IT investments at Logo were related to Information Security, and the same trend is expected to continue in 2023.

Regular monthly studies to raise awareness of remote end-users, increasing the number of Penetration Tests with a broader scope, integrating information security activities into the product development process, and regular scanning of all cloud services for existing and new security vulnerabilities were among the outcomes of the Information Security projects. In addition to the existing management systems certificates, the preparation for PCI DSS (Payment Card Industry Data Security Standard) Certification continues.



Logo's adoption of the ISO 22301 Business Continuity Management System aims to ensure the safety of employees and visitors in all offices, meet the expectations and needs of customers and investors without interruption, act quickly and accurately in the event of a potential interruption, and prevent financial losses and damage to the company's reputation in the event of any event beyond the Company's control, such as disasters and emergencies.

Intellectual Property

Computer programs are protected and valued as works under intellectual property law. Therefore, Logo is the owner of the intellectual rights of its products, one of its most valuable works. As Türkiye's largest independent local software company, Logo's intellectual property rights are an integral part of its strong value creation and governance approach.

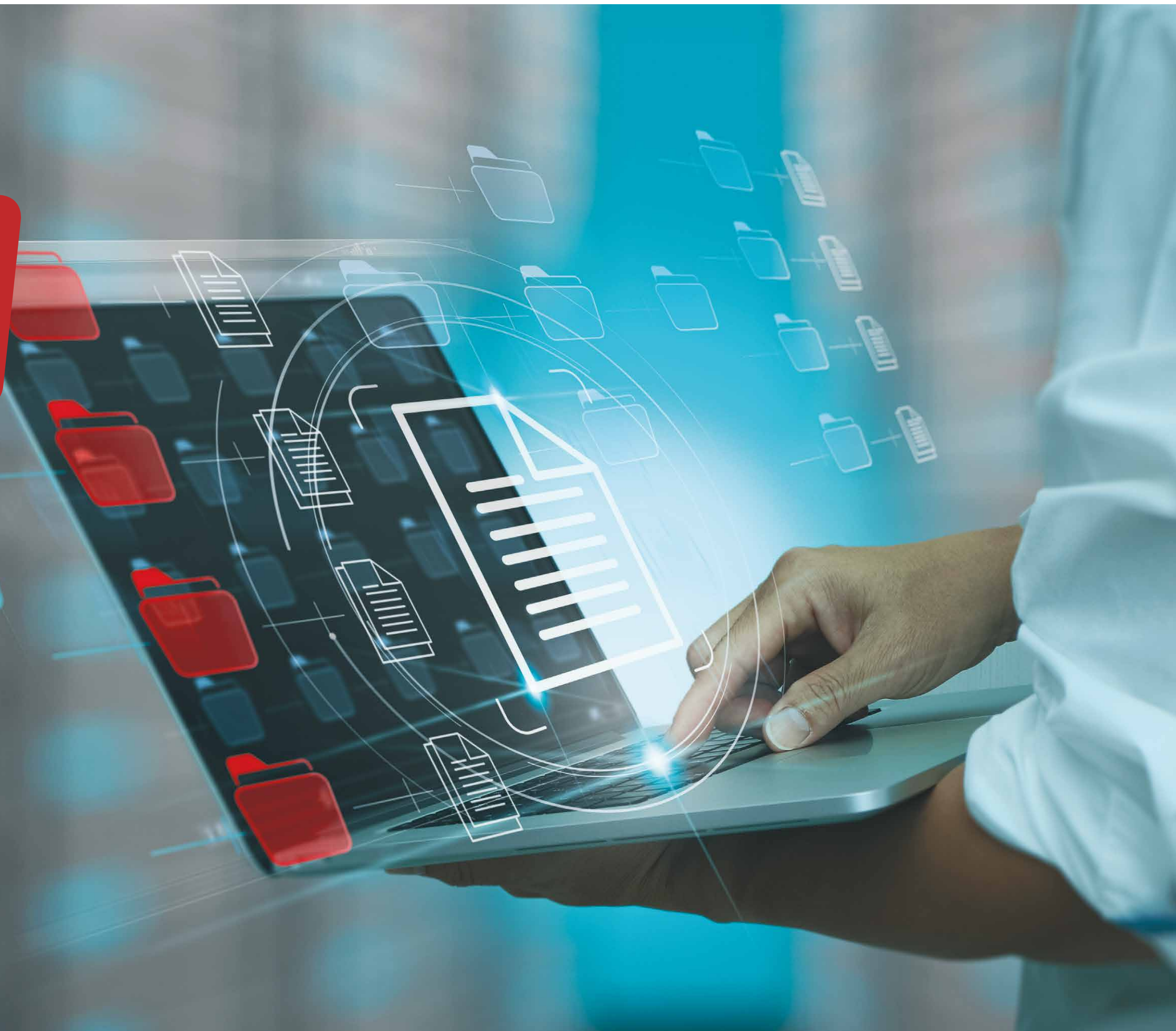
Protection of intellectual property rights is one of the most important fundamental elements of the software service provided that builds trust. Given the scale and potential of the software sector today, it is essential to safeguard the rights of service providers as well as the rights of individuals and organizations who purchase licensing rights.

Logo closely follows the technology trends in the world by allocating resources to R&D investments every year since its establishment, thus both maintaining the currency of its existing products and guaranteeing the launch of new products based on the latest technology in line with the needs of its customers.

Logo recognizes the importance of software technologies in catching up with the information society and boosting its international competitiveness. With this understanding, it undertakes activities to safeguard all intellectual property rights for which it is accountable to its customers and other stakeholders with whom it engages.



Customer experience and Ecosystem focused approach



Customer experience

Digitalization and technology are integrated into Logo's business model, taking software industry dynamics and global trends into consideration. Enhancing customer performance in business processes and competitiveness translates into economic value and reduced environmental impact, and improved social impact.

Providing an uninterrupted digital experience for customers is one of Logo's priorities. A premium experience for clients is provided by continuously refining the technology used and delivering an adaptive model in line with business objectives, resulting in sustainable long-term relationships. In addition to taking into account customer needs, transparency, customer confidentiality, and information and data security are given top priority to maintain customer trust. When designing the customer experience, not only the demands and opinions of customers but also the demands and opinions of the entire ecosystem are taken into account. In addition to customer opinions, the opinions of business partners and employees are also included in process designs and managed from a 360-degree perspective.



With the Customer Experience Project launched in 2021, Logo has taken important steps to improve its focus on "customer experience", which defines the quality and nature of interaction with customers and to better anticipate customer needs in all processes. In this project, customer expectations and Logo customer experience promises were clarified through workshops involving the entire leadership team. In order to make these promises measurable, key performance indicators were identified and targets were set. Customers' expectations from Logo and promises given by Logo for customer experience are defined as follows:

- **Facilitator:** Ensuring that a product or service meets the user's objective.
- **Innovative:** Employing new methods and ideas in business processes.
- **Accessible:** Being easily accessible and approachable as a company.
- **Consistency:** Doing something based on the same principles, acting consistently.
- **Quality:** The ability of a service or product to meet needs.

In-product surveys were launched in 2022 to keep the pulse of customers and help to plan improvements based on customer feedback. In-product surveys are used to identify the stages of the customer's lifecycle, and the data collected from these studies are incorporated into the new product development process. As a result, it is now possible to collect feedback not just from users who make purchasing decisions, but also from all Logo users individually, and to capture insights that can make a difference in the user journey.

Thanks to the digital internal platform that Logo has implemented to resolve the demands from customers faster, the entire process of the customer can be easily monitored end-to-end on a single platform.

"Digital Consultant" is a support channel that can be accessed

through both the corporate website and cloud services. Users can find answers to their questions in the relevant areas whenever they need help with the digital consultant application. The digital consultant application's scope, which covers tens of thousands of questions, is growing by the day.

Customer focus and Customer relations

Customers who use Logo products and services are interviewed regularly, and their product experiences and expectations are received in line with Logo Software's understanding of offering customer-oriented solutions and maintaining customer satisfaction. This information contributes significantly to the development of products and services. It is aimed to win potential customers and increase the loyalty of existing ones by communicating with existing and potential customers.

Customer complaints, regardless of their issue or importance, are investigated thoroughly, fairly, and impartially, and customer-oriented solutions and/or solution alternatives are presented as a result of the investigation. International certifications are utilized to manage customer relations according to specific standards.

Customer satisfaction is of great importance for Logo's customer focus approach. Therefore, processes are managed effectively with the ISO 10002 Customer Satisfaction Management System. Logo assesses client requests and notifications within the context of this system policy, taking into consideration legal and regulatory obligations, and converts them into customer satisfaction, which it continuously improves by monitoring system effectiveness. To avoid reoccurring dissatisfaction, regular reviews are conducted to identify areas for improvement and to increase efficiency, while assuring the continuity of improvements. Information about customers is protected in accordance with the information security policy. This year, the resolution process and outcome of 49 requests and 137 complaints were monitored in line with the principles of customer satisfaction. Customers in the sample group, selected from customers who use Logo products, are interviewed by phone,

while customers outside the sample receive a questionnaire via e-mail. A total of 1,692 Logo customers were surveyed, including 582 in SME products, 902 in ERP products, 104 in the strategic customer segment, 72 in ecosystem solutions, and 32 in international customers. According to the results of domestic surveys, the Logo brand has a net promoter score (NPS) of 53.4. This represents a 66% increase compared to NPS 31 in 2021.

The focus of the work is always on the customer. In 2022, the in-product survey project and the project to digitize the entire process were completed. This enabled all users to participate in the survey from within the program and made it possible to record, manage, track, and report the data. This year, 2,115 users participated in the surveys as part of the pilot work on the in-product surveys.

Meetings are held with customers who start to use functional solutions. The customer experience is monitored from the start of the project to its completion. This year, project status tracking of 103 functional solutions was completed.

Customers who join the Logo family and start using the products are interviewed. Customers are informed about the services available with the product. This year, 4,619 customers were interviewed.

Customers and businesses in need of enterprise software can reach Logo at 444 56 46 (444 LO GO) and the corporate website.

Special services for strategic customers

By adopting a customer experience focused approach, the Strategic Customer Management team aims to offer customers a distinctive brand experience. It develops actions to increase customer satisfaction, sell Logo products to key customers and new customers, strengthen customer loyalty, and create opportunities for a business model, product, and brand collaborations.

Logo Business Development team offers solutions to meet the needs of customers by entering into agreements with leading manufacturers, associations, or organizations in Türkiye. In this process, the needs of customers are assessed holistically together with Logo Business Partners, Logo Digital Transformation Services Team, or different stakeholders in the Logo ecosystem. After assessing the needs of the customer's entire ecosystem including its suppliers or dealers, projects are developed to provide end-to-end solutions for these needs. As a result, all of Logo's customers' needs are met through an ecosystem focused approach and a digital transformation path.

Support services

Support and Consulting Services unit prioritizes operational excellence for Logo and its stakeholders based on the concepts of information exchange, high accessibility, and business continuity. By adopting a customer experience focused approach to increase customer loyalty and prioritizing customer satisfaction, this unit provides support services to solve the problems encountered by both customers and solution partners in the field as soon as possible.

Logo Portal provides effective communication with business partners and customers. Customers and business partners can use Logo Portal to track the progress of each request or opinion they give to the support team. Customers can thus follow the evaluation steps of their requests or opinions within Logo transparently.

During this time, when communication became more crucial because of the pandemic, webinars, videos, and digital meetings were employed frequently to provide customers and business partners with support applications. In 2022, a total of 148,253 remote support services were provided, 519 of which were provided remotely. 97% of the service requests received by phone were successfully responded to by Logo support teams. The service quality received was rated 4.44 on a five-point scale in a customer survey conducted on the services of Logo support staff.



eService platform eLogo's customer experience and support services

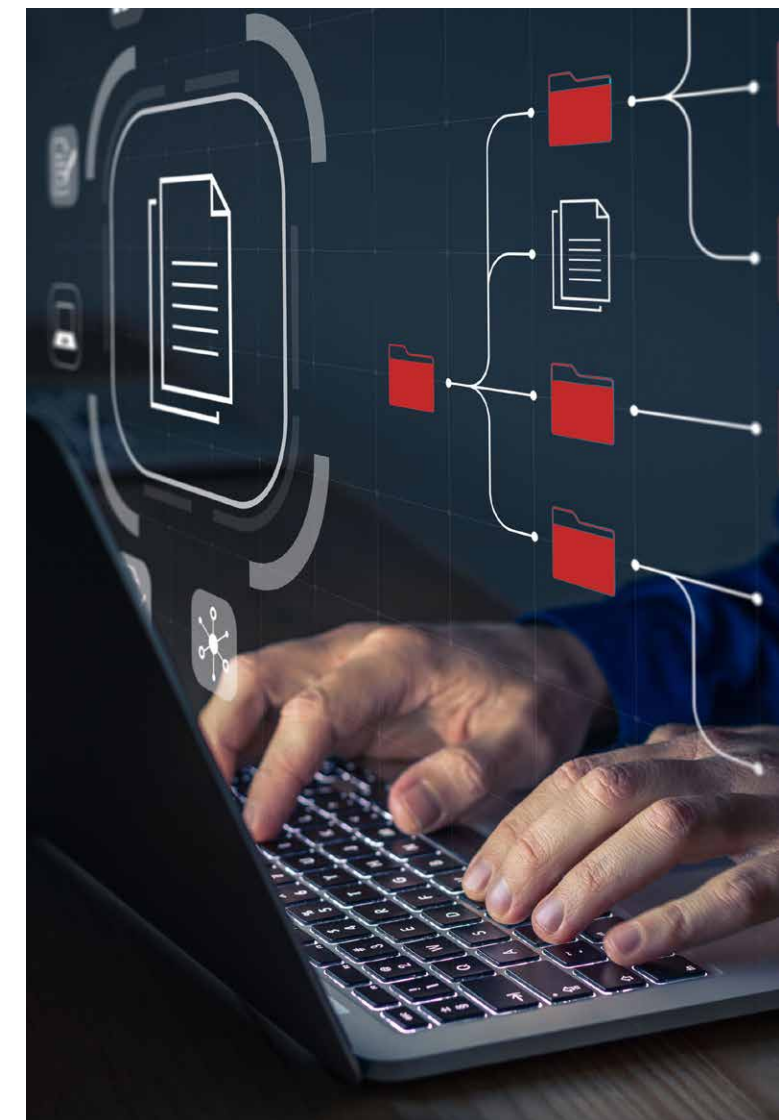
Customer experience and support teams are organized into a single unit at eLogo, Logo's e-Service business unit. Due to the differentiation in the products and services of e-Services, customer experience processes are carried out by a team dedicated to the e-Service business unit. In 2022, processes were updated and redesigned to improve customer experience. By analyzing customer feedback and calls, processes that could be points of improvement were examined end-to-end, and those that could be points of improvement were itemized in terms of product management.

Collecting regular feedback surveys, developing action plans based on this feedback, directing them to the relevant teams, and monitoring them are also among the priorities of customer experience activities. General satisfaction and promoter scores are measured through online surveys and call surveys. According to these surveys, the overall satisfaction score was 82 out of 100 and NPS was 41, an increase of 1% and 2% respectively compared to 2021. Feedback from customers is analyzed and forwarded to product management teams, and where relevant, the customer is informed and systematically reported. In addition, separate satisfaction surveys are conducted for products and services, and necessary actions are taken.

In 2022, alternative support channels were also launched to provide customers with easy access to information. Support was provided through three channels. In this context, a chatbot was integrated into all portals, a smart bot and live support services were offered via Whatsapp, and a robot voice response system for external calls was launched. In addition to these efforts, the efficiency of the call center was increased by improving customer information processes. In particular, the quality of support services has improved, with high rates of viewership of videos added to the YouTube support channel and a high level of participation in online training sessions.

Furthermore, support services were differentiated based on client and product segments, and the overall customer experience was improved across all segments. eLogo offers special services before and after the project for strategic customers with large projects.

Through its activities and innovative works in the field of customer experience, eLogo earned the Best Idea Award in the B2B Customer Experience category of the CX Türkiye Awards, Türkiye's first customer experience awards.



Customer privacy and data security

Logo takes a holistic approach to privacy and security and addresses it end-to-end in all processes. Company's Information Security policies, Data Protection policy, and Personal Data Processing policy cover the security of the data and information of all interested parties, including customers, employees, business partners, and suppliers. These issues are governed in accordance with the sector and management system standards, and relevant certificates are obtained through periodical audits by independent certification firms. In addition, compliance with the applicable legislation and corporate decisions is ensured. Customer privacy and data security are at the forefront of Logo's focus on the transition to cloud products, especially within the scope of its servitization strategy. All processes related to new cloud products comply with legislation and industry best practices related to privacy and security.

Information security at Logo is managed according to ISO 27001 Information Security Management System Standard. Detailed information can be found in the "Digital Infrastructure in Information Technologies and Business Processes" section of the report. In addition, customer privacy and data security at Logo is managed in accordance with the principle of "Protecting information about our customers in accordance with our information security policy" in accordance with the ISO 10002 Customer satisfaction management system.

Training is provided as part of the orientation upon recruitment in order to inform company employees about all these topics. In the following years, periodic training is provided to increase employee awareness and keep relevant information up-to-date.

Logo ecosystem: Türkiye's most extensive business application software network with more than 900 business partners

More than 900 business partners in the Logo ecosystem constitute one of Logo's most important competitive advantages thanks to their expertise and experience. Logo Business Partners create value in all processes from license sales to the execution of software application projects, from specific customizations to support services for customer needs.

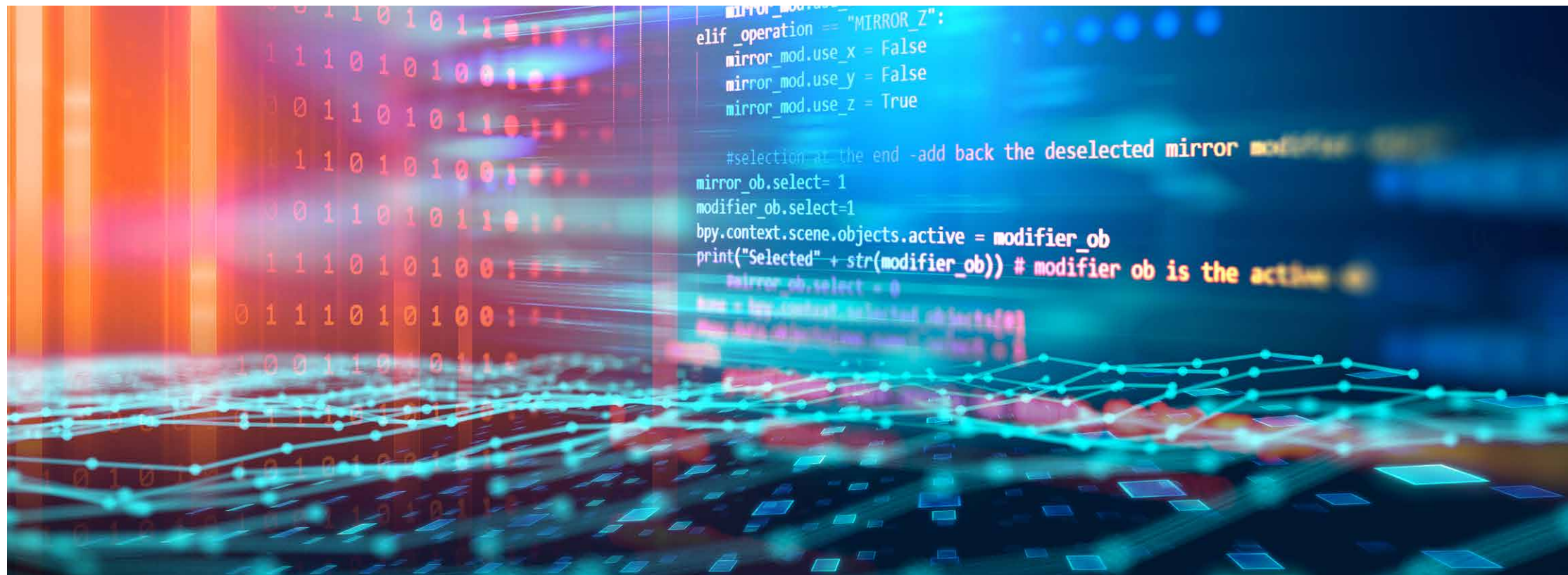
Logo considers its business partners as an integral part of its ecosystem and one of the key stakeholders of its business model. The Company communicates its strategy and medium- and long-term targets to its business partners in annual business partners meetings and thematic meetings organized as needed. Logo thus aligns its ecosystem with sustainable development goals.

In the Logo business partnership model, the status of business partners is determined according to product groups and classified as Logo business partners, SME business partners, and enterprise business partners. In addition, the solution development business partner category includes business partners that develop applications using Logo technologies. SME and enterprise solution development partners have different responsibilities and advantages. Logo business partners in these two groups are categorized according to the time they spent in the previous status, financial status, number of certified employees, physical office conditions, turnover target, and growth potential.

Business partners are assessed and admitted as part of "Channel Development" activities that are managed by Logo's channel development unit. Training provided and various assessment criteria are taken into account when assessing potential business partners. Candidates who are successful in terms of new customer acquisition, achieving turnover targets and customer satisfaction, and compliance with Logo operating principles are included in the ecosystem at the end of this process, which lasts around a year.

Logo solutions are exported, and after-sales support services are provided to foreign customers with business partners and ecosystem collaborations in a wide geography, particularly in Asia, Middle East Arabian Peninsula, North Africa, and Central Europe.

Logo has been continuing its training programs for its business partners for many years. Logo Business Partners and Logo Expert candidates are provided training on Logo solutions and personal development by experienced experts. Logo Academy's product and solution training unit strengthens the competencies of company employees who use Logo products and services and empowers them to make a difference in business processes with the competencies they acquire.



Communication and cooperation with stakeholders

Logo forms collaborations with leading organizations in the sector, including various national and international non-governmental organizations, to develop the software sector ecosystem. Logo is a member of the Service Exporters' Association's Software Committee and works on projects to contribute to Türkiye's software exports. Logo takes place in every possible area to contribute to Türkiye's development through its executives serving on the boards of various non-governmental organizations, including TÜBSAD, TOBB, TAYSAD, TOSYV, Informatics Foundation of Türkiye, Informatics Association of Türkiye, and YASAD, and it supports SMEs that want to smoothly run and grow their operations with digital technologies and methodologies by participating in TOBB's 'Smart SME' project. Thanks to the Smart SME digital platform, Logo supports the digitalization processes of SMEs and offers tips to make their work easier.

Logo its sphere of influence by organizing events and interviews with industry stakeholders about 'Digital Transformation'. Logo participated in dozens of events and interviews in 2022, reaching thousands of people through these activities. It kept its business partners and customers up to speed by hosting webinars on frequently asked issues as well as new product and service innovations.

It intends to raise societal awareness of enterprise application software through "1:o Ahead," a 360-degree integrated communication campaign that began in 2021 and run through 2022. In addition to conventional mediums such as TV, radio, and print, the business sector was reached through digital and social media outlets. The campaign emphasized that enterprise software makes business life easier, empowers individuals and organizations, increases productivity, and puts them 1-o ahead of the competition. A “Digital Consultant” was also offered as part of this project. A chatbot was launched, which quickly answers all questions about digital transformation and provides easily accessible information about business application software and what needs to be done to manage the company efficiently according to legal regulations.



Logo Academy’s products and solutions training

Logo has also contributed significantly to the training of a competent workforce in the software sector since the 1980s. Supporting both local and global technology-oriented competent workforce contributes to the development and efficient growth of Türkiye's technology ecosystem.

Logo provides training to develop digital competencies in society and invests in training experts in digital technologies and software. The goal is to train experts in Logo solutions, raise the competency of company employees in using Logo, and apply the competencies acquired by employees to business processes. Accordingly, training is developed for Logo Business Partners, Logo Expert candidates, and all Logo users who want to improve themselves. Trainees are provided with know-how on Logo's solutions and personal development opportunities with training given by experienced field experts. Logo Academy products and solutions training unit, which was founded in 2012 to deliver competent human resources to the software sector, provides training to university, high school, and vocational school students, as well as Logo business partners and customers. A total of 2,040 people received training in 2022, thus increasing the number of those who have received training at the Academy since its establishment to over 11,000. More than 1,400 students who received training found employment in the software sector, while the number of certified individuals reached 12,440 by 2022.

Collaborations with educational institutions

Logo Academy's products and solutions training unit, which cooperates with universities, vocational schools, and private educational institutions, continues to support the project of the Qualified IT Specialist Training Program of the Turkish Employment Agency (İŞKUR) affiliated with the Ministry of Family, Labor and Social Services of the Republic of Türkiye. The number of universities and vocational schools delivering courses with Logo ERP systems through course centers and academic cooperation increased in 2022. In 2022, Logo cooperated with 8 universities, 3 vocational schools, and 2 private education institutions.

Business Partners - number of training organized: 95
Business Partners - number of trainees: 1,975
Business Partners - number of people certified: 1,323
Number of Authorized Training Centers across Türkiye: 22
Number of trainees at Authorized Training Centers: 600
Number of people placed in jobs with the support of the Turkish Employment Agency: 10
Number of universities and Vocational Schools offering courses with Logo ERP product packages: 133
Number of trainees at training courses for University/Faculty students: 608

Employee experience focused approach



Globally, changes in technology and digitalization are reshaping industries and the requirements for the workforce. It is inevitable that businesses will take proactive measures to mitigate the risk of talent shortages and will resort to human resource methods that integrate existing and new employees in digital transformation. As a result of global trends that affect the future of work, particularly digital transformation, workforce competencies must be redefined, and skills reconfigured to keep up with change.

Logo Software is committed to improving its human resources and attracting a new generation of employees in order to lead the digital transformation of industries. It invests in the future of its employees and the sector's young talent as part of the digital transformation.



While encouraging all Logo employees to realize their full potential, it is underlined at logo that employees themselves are in charge of their own careers. Learning-oriented career development model Logo GROW employs a paradigm with four major dimensions: performance management, career development, learning and development, and succession. This model is intended to allow Logo's employees to define their own career path and take a more active role in it. This model aims to ensure that everyone is in control of their own career path and has equal career and development possibilities.

By keeping diversity and equal opportunity at the forefront, Logo offers a work environment where employees can work happily and in a dedicated manner. The primary goals of diversity and inclusion projects are to ensure that employees of different gender, religion, language, race, sexual orientation, age, disability, experience, and generation collaborate, to develop talented employee profiles, and to create and maintain a work environment that respects diversity and differentiated needs.

Starting with the recruitment and orientation processes, the experience of new Logo employees throughout their employment cycle is important. One of the most critical elements of Logo culture is collaboration and team spirit. The "buddy" system, the welcome package, and the digital "onboarding" executed on Peoplise software, a subsidiary of Logo Software, stand by the Logo employees from the first day in order to help new employees feel like they are a part of the company and adapt quickly.

The physical, social, emotional, and financial well-being of Logo employees is of the utmost significance in the company's employee focused culture. To this end, flexible working has been in place since 2020. The "wellbeing" program "Logo Well," which debuted in 2022, got first place in the "Applications Supporting Quality of Life" category at PERYÖN's Value for People Awards in November 2022.

Talent management

Logo includes all its employees in the digital transformation journey by using the power of technology. Logo equips its employees with digital tools and skills while providing them with new competencies and making them ready for the future. Thus, employees provide creative solutions that respond to the demands and needs of customers and society.

Logo invests in the skills of its employees by using automation, data analysis, artificial intelligence, and other emerging technologies. This ensures the development of existing talents and the recruitment of new talents to Logo. In line with its strategic goals, Logo ensures that its employees gain competencies in line with the requirements of the age by providing personal and professional training during their career journeys. As part of the talent management process, potential assessment studies covering all employees are conducted.

Succession scenarios are developed for all positions, assessing the potential of all employees, discovering talents and creating talent pools, and ensuring that any future vacancies are filled with Logo talent. With risk status monitoring, critical roles and individuals are closely monitored and succession plans are kept up to date. This helps in-house talents to assume any position in the Company that is suitable. In addition, employee-specific action plans are created and closely monitored for retaining talent within the company.

Logo GROW career development model

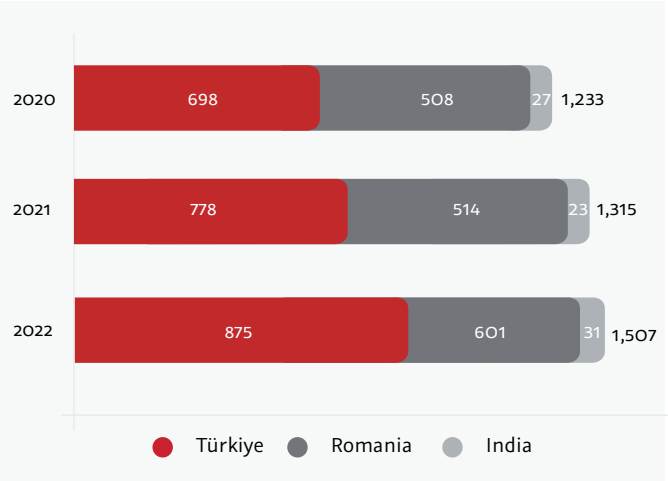
The outputs of the performance and career management processes, which help to understand employees' personal and professional development needs, are input for the Logo GROW Learning-Oriented Career Development Model. Logo GROW has four major dimensions: performance management, career development, learning and development, and succession.

Logo GROW is a learning-oriented career model. This model aims to ensure that everyone is in control of their own career path and has equal career and development possibilities. Subject Matter Expert (SME) pathways have been created for those who desire to advance in their field and assume strong technical advisory positions. This model also provides the right development opportunities to train future Logo Leaders in-house. It is a system that creates opportunities for talented Logo employees to fulfill their potential.

Employees can apply to all internal vacancies announced in the Company with the motto "The steering wheel of your career is in your hands!" Employees are encouraged to have an active role in their own career journey by removing boundaries. As a result of the internal recruitment process carried out under Logo GROW, 20% of open positions in Türkiye operations are filled with internal candidates.

It also aimed to fill vacant positions with projects that support young talents to join Logo. In 2022, 20% of the vacant positions were filled through young talent programs (Log-in Bootcamp, Log-in Junior, Log-in Summer, Log-in Winter).

Number of employees by year*



*The number of employees at the end of the period.

Performance Management

Effective career and performance management plays a key role in achieving strategic goals. Logo performance management not only determines the performance and contributions of employees and managers, but it is also a critical instrument for initiating and supporting the development of individual growth plans. Logo offers its employees a working environment where their success is rewarded, and their development is supported. Every year, employees are assessed, and their development is regularly monitored. Its goal is to ensure the continuity of training for the development of technical and functional, leadership, and individual competencies of all employees in the academy and school, as well as to ensure employee development in digital and technological competencies brought about by technological innovations.

In 2022, the performance management system-based targets was transformed into an objectives and key results (OKR) based model. OKR is a strategic management framework in which company strategies are broken down to individual objectives and results are regularly monitored. Accordingly, the performance management screens of the "Logo Talent Management" product, which is a cloud-based human resources solution for the annual performance cycle, have been upgraded in accordance with the OKR model.

While constructing the OKR model in accordance with the strategies, the five pillars within the scope of Logo's medium and long-term strategy, Servitization, Verticalization, Internationalization, Customer Experience and Corporate Culture, formed the "Objectives" of the OKR model.

Logo Group Objectives, business unit objectives and individual objectives were determined by aligning them with the pillars of the strategy. Thus, inspired by Logo's vision, mission and values, the process of transforming strategy into individual objectives was carried out with a more holistic framework.

Structured workshops with senior and mid-level unit managers were held in 2022 under the guidance and moderation of the POD unit and the Strategy Department in order to link the Main Strategy and Logo Group Objectives with the objectives of each employee and create a clear focal point.

Teams regularly discuss the achievement of their objectives and exchange feedback through manager-employee check-ins held at regular intervals throughout the year. They are able to plan for their progress and if objectives need to be updated, they can do so without waiting for the end of the year. In this approach, strategy and objectives become part of managers' and employees' day-to-day work. Logo Leaders conduct performance interviews with all team members at the end of the year after employees assess themselves on objectives and competencies. In these development-oriented meetings, feedback is exchanged. When necessary, an Individual Development Agenda is created together.

In 2022, 90% of employees in Türkiye were assessed based on multidimensional, formally benchmarked, and measurable objectives. Including Total Soft, Logo's subsidiary in Romania, 76% of employees on a consolidated basis, were included in the scope of the objectives-based assessment.

Learning and Development

Logo Academy aspires to broaden the ecosystem by being an institution that both learns and educates with industry experts. Logo Academy was designed to ensure that learning and development activities are coordinated and linked with HR processes. The Academy aims to be more than just a training organization, defining corporate practices and providing a strategic perspective on learning with its expert trainers who conduct research. The learning and development objectives include structuring the schools and academies, developing technical, leadership, and competency training curricula in accordance with this structure, fostering individual development, developing individual development agendas within the context of talent management activities, and granting all employees the freedom to select training from the online training platform. In 2022, Logo Academy organized a total of 31,410 hours of training for Logo employees in Türkiye operations. Membership and access to national and international online learning platforms were provided to increase digital learning opportunities. In addition, 400 employees were entitled to benefit from online trainings by choosing up to two trainings on the Udemy platform.

In Türkiye and Romania combined, an average of approximately 32 hours of training per employee was provided in 2022.

Training hours per employee*



*Includes training hours provided to employees in Türkiye and Romania.



Logo Academy Programs

Logo Academy programs	Scope
In-house Trainer Program	The In-House Trainer Program was launched to train Logo employees who in turn will provide training for Logo Group companies based on their expertise. There are over 30 in-house trainers who have successfully completed the In-house Trainer program. Training for new in-house trainer candidates and advanced programs for existing in-house trainers continues.
Hybrid working competency catalog	A competency development catalog was designed for all Logo employees to support the working culture during and after the pandemic period. Competencies were identified by reviewing studies on the competencies most in demand in the digital age, combining them with competency research from the pandemic period, and adapting them to Logo culture.
Diversity and inclusion	Training programs and resource identification studies to provide academic input for the Diversity and Inclusion project group proceeded on a subject-by-subject basis.
Digital orientation and onboarding process	A digital orientation process is carried out for newly recruited employees. In addition, the Digital Orientation Program includes e-Training sessions and various resource documents required by mandatory legislation. Onboarding has been digitized with Peoplise's Harmonise product.
Logo Academy business partners project	The main goal of the project is to digitize the product training sessions offered to Logo business partners. The training material for "Digital Orientation" for business partners has been completed.
Individual development agenda	As part of the individual development process, individual development agenda meetings are held with managers and employees. Accordingly, a short- and medium-term development calendar is established. Logo Academy also continues to contribute to skill development by referring managers and their teams to relevant training such as the leadership academy, the hybrid working period competency catalog, the academy, and technical training programs in schools.
Legal and mandatory training	The programs of the training that all Logo employees must take were prepared within this scope, as required by Logo certification principles, and the training was completed.
Logo Academy product and solution trainingi	All Logo product training are planned as synchronous and asynchronous, aiming to contribute to the product knowledge of employees.

Improving the leadership competencies of managers and employees is one of the focus points of Logo. Training programs for leadership development, which are part of the employee experience, are provided both in the classroom and through online platforms.

Leadership Academy trainings	Scope
Basic and advanced leadership training	During the pandemic, the "Extraordinary Leadership in Challenging Situations Training" was launched and integrated with basic leadership training. The Advanced Leadership Program differs from the Basic Leadership Program with its coaching and mentoring-based content, including case studies and group work. Leaders who work on managerial skills in the Basic Leadership Program complete their program by adding coaching and mentoring skills to the advanced program.
Logo coaching system	A process has been designed as part of the Logo Leadership Academy for leaders who require coaching support. In addition to the opening and closing meetings, the coaching system was implemented with a total of eight sessions, including six sessions in which the coach and the coachee meet one-to-one. Individual development agendas are used to monitor development processes.

Sales Academy & Support and Customer Relations Academy

Sales Academy, and Support, and Customer Relations Academy provide a learning path that includes learning agility and a holistic perspective, peer learning, on-the-job learning, self-learning, instant learning, and instant access to information, and adopts a learning organization approach. This learning path is based on 27 observations and interviews and offered at entry, intermediate and advanced levels for sales, support and customer relations teams.

Technology Academy

Technology Academy was launched in 2021 with the support of the CTO and all relevant technical units.

Logo Academy schools	Scope
Marketing School	In the "Marketing School", training material is developed based on needs assessments for individual, leadership and technical competencies of the Digital Marketing, Product Marketing, Corporate Marketing and Corporate Brand and Communication teams. The school also provides common training that can be useful for all marketing teams.
People and Organizational Development School:	Training is offered on prioritized training topics based on a needs assessment completed with team managers for all roles of the People and Organizational Development team. The certified Procoach Program, which is a coaching course for POD team leaders, is carried out in addition to the POD Team Meeting program, which comprises of three phases for being "one team" and meeting development needs.
Finance and Law School	A "Finance and Law School" is created for employees in the Finance and Legal departments, where role-based technical training is planned and training on relevant competency/leadership skills will be provided. Interviews and studies were conducted for all technical and individual competency needs of both teams. Programs of both schools are planned to be implemented in 2023.

New Talent Acquisition

Competencies that will be necessary in the future business world are chosen by taking into account the Logo workforce structure, working methodology, and corporate culture. The changing dynamics of the sector are analyzed and emerging needs and changing skills play a role in determining job profiles. Action plans are developed in line with the strategies devised to meet workforce needs. Recruitment processes are carried out in an equal, fair, and inclusive manner in line with the company strategy. Assessments are made based on knowledge and experience, and applications from young talents and female candidates are prioritized.

A prioritization study was carried out and needs assessment meetings revealed the following topics: "DevOps", "Test and Quality Management", "Business Analysis", "Front-End Development", "Mobile", "UX" and "Data Analysis". In addition to these meetings, a total of 15 needs assessment interviews were completed in 2021, involving the IT team. As part of the Technology Academy, a level-determining process, development path, joint technology training, and assessment process were designed for each topic. A Technology Academy committee was established to determine training content, target audience, and plan prioritized training topics. It is aimed to continue the training in 2023.

Logo internship program; LOG-in

Logo aims to reach young talents with the LOG-in internship program. Log-in Winter and Log-in Summer internship programs, which were carried out through digital platforms during the pandemic, continued in 2022. Announcements for internship programs are posted on Youthall and Peoplise.

Applications for Log-in Winter 2021-2022 were received in November 2021, and the program started in February 2022. The Log-in Winter internship program received applications from a total of 1,253 candidates. After successfully passing the technical test and video interview stages, 56 interns completed their internship at Logo Software. At the end of the internship period, 15 interns were offered "part-time" job opportunities. 6 full-time interns were recruited at the end of the internship. In light of the evaluation of the participants, a 94% satisfaction rate was achieved with the Log-in Winter 2021-2022 internship program.

Log-in Summer 2022 internship program received 4,432 applications. With the Log-in Summer 2022 internship program, 33 interns continued to work at Logo as "part-time". In total, 4 interns who graduated from Log-In Summer internship program in 2022, and 12 interns who graduated in 2021 started working at Logo as "full time" in 2022. A 93% satisfaction rate was achieved as a result of the Log-in Summer internship program.

In Log-in Winter 2022-2023, 2,545 applications were received, and the program started in February 2023 with 56 interns. The interns will go through evaluation for part-time and full-time positions once the internship is finished.

Candidates who want to join software teams as an intern, take a technical test consisting of general algorithm knowledge. Candidates who successfully pass the technical test, take the general aptitude and English tests. Candidates who want to work as an intern in departments other than software teams start by taking with a general aptitude and English test. Candidates who successfully pass these tests move on to the final stage, the video interview. Candidates who successfully complete the video interviews are included in the internship program.



Bootcamp

Bootcamp programs were held for the first time in 2022 for young talents who want to advance their careers in software. As part of the Bootcamp programs, a total of 44 candidates received 8 weeks of .Net Core and Java Spring training. During the training, students met with Logo technical teams and talent acquisition team, and question and answer sessions were held. Upon successful completion of the trainings, 10 candidates were hired.

Log-in Junior

Log-in Junior is a program where the progress of successful high school students is continuously monitored by their guidance counselors, and career counseling and mentoring support is provided by the software teams. In 2022, 17 high school students completed their internships as part of Log-in Junior.

In 2022, as part of the Mely@z project, led by YASAD, 20 vocational and technical Anatolian High Schools were matched with sponsor software companies. The aim is to give high school students an opportunity to gain experience as an intern and to train young software developers. In this project, students were provided with software-related training, and successful students who passed the exam were given the opportunity to do an internship at Logo.

Employee satisfaction and engagement

Logo delivers long-term development and high-quality business outcomes by focusing on a relevant, positive, and engaging employee experience. Logo prioritizes ensuring full compliance with laws and regulations pertaining to employee and human rights in its activities by providing an equitable, fair, safe, and healthy working environment for all employees.

Logo values employee job satisfaction, career growth, performance improvement, and participation in relevant processes. The Company's goal is to consistently promote employee engagement through various methods and strategies in areas such as remuneration, benefits, motivation, and rewarding.

In 2022, the Employee Engagement Survey was conducted as part of Great Place to Work (GPTW) and the participation rate was recorded as 89%. The questionnaire is based on 95 questions under 8 different indices: "Manager", "Diversity", "Engagement", "Enablement", "ENPS", "Digital Maturity", "EVP" and "Wellbeing".

The eight indices that make up the Great Place to Work (GPTW) survey:

Manager Index: Assesses direct reports and managerial culture,

Diversity Index: Measures the fair treatment of employees regardless of their sexual orientation, gender, age, nationality and ethnicity.

Engagement Index: Measures employee motivation and commitment to the company,

Enablement Index: Assesses whether employees feel empowered and included in decision-making processes,

ENPS Index: Measures the level at which employees recommend Logo products to their network and perceive the services offered to customers,

Digital Maturity Index: Measures the level of digitalization

of internal and external processes and the level to which decisions are based on data and analysis,

EVP Index: Assesses how employees perceive Logo's employer brand,

Wellbeing Index: Assesses the physical and emotional wellbeing of Logo employees.

Logo Türkiye's engagement score was measured as 83%. In this survey, 86% of Logo employees responded positively to the statement "In general, I can say that Logo is a great place to work". With its engagement score, Logo has earned a spot among the "Great Place to Work Certified" companies until August 2023 by achieving the criteria of a great workplace with a high-trust culture.



Great Place to Work (GPTW) 2022 survey index scores

	Logo Overall 2018	Logo Overall 2020	Logo Overall 2022
Governance Index	69	80	83
Diversity Index	94	94	94
Engagement Index	71	79	87
Empowerment Index	62	73	79
ENPS Index	86	90	76
Digital Maturity Index	-	80	81
EVP Index	-	-	86
Wellbeing Index	-	-	88

*In 2018 and 2020, surveys were conducted according to different methodologies.

Based on survey results, actions are planned and focus group studies are undertaken to ensure that employees work in a peaceful and happy workplace and are satisfied with their work and workplace in the long run.

As part of the 2020 Employee Engagement Survey focus group studies, improvement areas were identified in three focus groups based on Logo's overall scores, and fifteen focus groups based on business unit scores. Focus groups were held in 162 sessions with a total of 141 participants. As a consequence of these sessions, a total of 227 improvement areas were identified throughout Logo, with 84 of them prioritized. Focus group participants identified 117 action proposals for the prioritized areas. As an output of all these efforts, 74 actions were implemented across Logo by the end of 2022.

Wellbeing program Logo Well

Logo aims to contribute to employee wellbeing and experience with the "Logo Well" wellbeing program launched in 2022. The program, which focuses on continuous improvement, data, and employee engagement, provides well-being solutions that are tailored to the needs of employees. The Logo Well program, which is designed in four dimensions - physical, social, emotional, and financial- attempts to create conditions in which Logo employees can feel better and thereby assist hybrid working teams in many ways.

Logo Well material is based on extensive employee surveys and analysis, and it is supplemented with webinars or workshops centered on ideas like self-motivation, resilience and flexibility, taking action, financial awareness, and simplification. In the program, where a different concept is adopted every month, satisfaction surveys are done regularly.

As part of the Employee Support Programs, Logo Well offers many applications that support Logo employees in different aspects of daily life, including face-to-face or online psychological counseling, financial and legal information, newborn care information, healthy nutrition counseling, plant care and veterinary services.

As a result of all of the hard work, Logo was recognized worthy of an award in the area of Practices Supporting Quality of Life at the PERYÖN Turkish Human Management Association Awards in 2022.

Digital employee experience

Logo defines its People and Organizational Development (POD) strategy as becoming an employer brand that values agility, creativity, innovation, and efficiency, and creating a culture of continual improvement, focused on employee experience, in which exemplary leaders contribute to developing employees through coaching. Developing leadership capacity and ensuring that structures, systems, and processes are in place to serve the vision and goals are the three dimensions that affect employee experience. Logo has a model consisting of four focal points of digital transformation parameters to support its POD strategy. This model, which addresses perspective, skills, knowledge, agility, and processes, provides a framework for the dissemination of digital thinking in the company and the development of digital competencies, adaptation to the remote working model, and alignment of Logo processes with new digital developments. Onboarding has been digitized and moved to Peoplise. Employees are included in the digital onboarding as soon as they join Logo. This process continues for 6 months. The system assigns a “buddy” to each new employee before they start working. The organization of the 2nd and 6th-month interviews of the employees is triggered by the system. In order to improve the employee experience, new Logo employees are sent questionnaires to receive their feedback when they complete their first two weeks, first month and sixth month.



Rewarding platform WOW! (VAY BE!)

The reward and recognition platform program consists of three categories: Instant Recognition, That’s It Award, and Value Award. All Logo employees can access the platform via the internet. In addition to these categories, various awards are presented to employees for their commitment and contributions to social responsibility projects. A total of 3,459 Instant Recognition Awards were distributed to 140 managers and 765 employees during the year.

Practices supporting employees and and extensive benefits:

Practice	Scope
Flexible Working	Flexible working hours are in place to improve employee experience. Accordingly, all Logo employees are required to be actively working between 10:00 and 16:00, but they can choose at what time they start and finish the work as long as they complete the required hours per day.
Expecting Mothers Project	Logo provides expecting mothers with appropriate information and access to the resources they will require throughout the entire process, from the start of their pregnancy to their leave period and their return to work.
Employee Support Program	Employee Support Program is offered as a benefit to Logo employees and provides psychological support to employees and their families six times a year on a face-to-face basis and 24/7 via the call center, for any difficulty they may face in their professional or personal lives. AVITA program offers support in various fields such as psychological counseling, medical counseling, marriage, family, child and adolescent counseling, mother and baby program, legal, financial, and legislative counseling, educational counseling, wellness program, and herbal counseling.
Advance on Salary Paid Back in Installments	Logo offers its employees an advance on their salary to be paid back in installments. Logo employees can request an advance payment of up to twice their net salary subject to specific criteria. This helps employees meet their immediate needs, such as military service or tuition.
Company Phone line and Mobile Device	All employees can choose either a base phone model or an alternative phone model by paying the additional cost. This ensures that all employees have a company phone line and a mobile device.
Birthday Leave	Employees are entitled to one day off on their birthday or during that month.
PPS with Employer Contribution	Each employee is offered private health insurance with various packages from the date of employment, regardless of the probationary period. There is also a Private Pension Scheme (PPS) with employer contributions for all employees who complete their probationary period.
Log Extra Discounts	This is the corporate discount platform that all Logo employees can benefit from. LogExtra has collaborations with organizations that employees prefer for online shopping, especially in the hybrid working period.

Diversity and equal opportunity

Diversity and equal opportunity are significant components of Logo's human resource strategy. Logo, which fosters diversity and differences in order to establish a strong and creative workforce, encourages equality at work and in all aspects of life, including gender equality.



By incorporating diversity into decision-making processes, Logo's inclusive culture enables agile adaptability to market changes. Discrimination against employees within Logo for reasons such as gender, race, language, religion, and sexual orientation is never tolerated. Providing decent working conditions in accordance with the "Universal Declaration of Human Rights" and the "International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work" is one of Logo's top concerns.

Logo has a human resources policy that is founded on diversity and equal opportunity, and it acts in accordance with technical and personal competence standards in recruitment, training, and development, performance and career management, remuneration, and promotion. Logo has a performance-based promotion system that focuses on equal opportunity. Continuous effort is done on employees' growth paths, prioritizing performance and achievement and preparing them for higher roles.

The focus of the diversity and inclusion working group: Gender equality and women's empowerment

The agile team under People and Organizational Development (POD) examines and analyzes efforts for diversity and inclusion, especially gender equality. Solution recommendations were generated and implemented into the internal training system based on the empathy map created as a consequence of the initial studies, which highlights the challenges that employees may face at work and in their personal lives. It is envisaged to develop new projects according to ongoing analysis.

Gender equality is promoted to remove barriers that make it difficult for women to participate in business life on equal terms. For many years, Logo has been looking at gender equality beyond metrics. As a signatory of the UN Global Compact (UNGC) Women's Empowerment Principles (WEP), Logo regularly identifies areas open to improvement in this regard and continues its efforts.

Increasing the representation of women among employees and managers is among the focus areas of Logo. As of the end of 2022, 45% of employees and 34% of managers in Türkiye operations are women. Including Romania operations, 48% of the employees and 36% of the managers are women. Including India, the rate of female employees is 47% and 50% of Logo Group senior management consists of women.

Since 2021, Logo has been contributing to the Million Women Mentor Movement. The Million Women Mentor Movement was started in 2021 as a mentoring movement aimed at bringing together young women (15-25 years old) studying or working in STEM (Science, Technology, Engineering, and Mathematics) subjects with industry professionals via a digital platform. The mentoring movement seeks to mobilize

organizations and individuals who make a difference by bringing together mentoring programs for high school kids, university students, and young women pursuing in STEM disciplines under a unified digital umbrella. It is hoped that by bringing together major STEM mentoring program stakeholders, it will be possible to build a place for partnerships in the ecosystem and achieve one million mentoring connections in ten years. The Million Women Mentor Movement is carried out in partnership with the US-Türkiye Business Council's Women in Business working group, as well as project stakeholders TurkishWIN and the Union of Chambers and Commodity Exchanges of Türkiye (TOBB). The program, which combines the global experience of STEMconnector and TurkishWIN's vast mentor and mentee network with the digital platform Bin Yaprak, is made possible by the contributions of Logo, one of the program's founding supporters.

Logo has been a participant in the "Business Against Domestic Violence Project" organized by Sabancı University since 2019. Presentation and awareness-raising activities are ongoing throughout the organization, with internal trainers who have been trained in this area, and additional activities are planned.

In 2022, diversity and inclusion training was provided to Logo leaders and employees to raise awareness. In this context, a "Gender Equality" webinar was first organized for the entire company. Afterward, the "Diversity and Inclusion & Unconscious Bias Workshop" was organized for leaders.

During the reporting period, an "empathy map" was constructed with the agile team formed under the People and Organizational Development (POD) department to expose the challenges that employees may have in balancing work and private life by analyzing research on gender equality. The endeavor to incorporate research in this area into the internal training system has gained steam by addressing the challenges faced by employees using the empathy map.

Logo respects diversity and differentiating needs and continues to develop projects for expecting mothers. Logo supports employees who are expecting mothers during their maternity leave processes and develops various applications for employees to adapt to their jobs and roles after they return from their maternity leave. Various activities are carried out in this area, including the delivery of welcome presents to the babies of Logo employees.

In 2021, the "Parents Club," a cooperation platform that brings together Logo employees who are parents and facilitates the sharing of information and problems, was established as a continuation of the "Difficult Times" project, which included seminars and workshops to strengthen parent-child communication

Another project launched in 2022 is "I'm In". Logo aims to support women who have interrupted their careers for any reason to return to business life and invites women to business life with the "I'm In" project. In 2022, two employees joined Logo family with the "I'm In" project. The announcement made for this project is still open and the evaluation process of the applicants continues.

Logo measures its impact on diversity and inclusion efforts through the Employee Engagement survey. The diversity index measures the fair treatment of employees regardless of their sexual orientation, gender, age, nationality and ethnicity. According to the 2022 survey, Türkiye's diversity index score was 94%.



Occupational health and safety

Occupational health and safety (OHS) is of vital importance to Logo and has direct impact on employee satisfaction, well-being, work quality and corporate culture. Accordingly, it is essential to act proactively to guarantee a safe and healthy working environment, as well as to implement best practices for mental and physical health in accordance with the applicable legislation and relevant global developments. All OHS practices and policies are carried out in full and in compliance with the applicable legislation. The People and Organizational Development Director is the highest-level executive responsible for OHS, and reports directly to the Board of Directors. In addition to reducing risks to the occupational health and safety of its employees and developing relevant policies, Logo also offers digital OHS solutions to other industries.

You may access Logo Occupational Health and Safety policy [here](#).



The Occupational Health and Safety Coordination Board, which includes employees, works to create a safe working environment. The Employee Health, Safety, and Business Continuity Desk established in 2020 and acting jointly with the Occupational Health and Safety Board, continued its activities in 2022. "Emergency Pandemic Plans" were developed with OHS specialists and workplace physicians for each office location, and appropriate revisions were made in accordance with legislative amendments. OHS risks are primarily categorized as office ergonomic risks such as back and neck problems and vision impairments, building-related risks such as slips and falls, and traffic-related risks such as vehicle and shuttle use. Categorized risks are effectively managed and necessary measures are taken.

Logo places a high value on developing its employees' OHS awareness as well as the measures it takes to create a safe and healthy working environment. AFAD awareness training was also provided to all employees. In addition, 852 employees received 7,168 hours of OHS training during the reporting period. Logo Gebze office operates in accordance with the ISO 45001:2018 Occupational Health and Safety Management System. Logo Total Soft, the Romanian subsidiary of Logo, operates in accordance with the ISO 45001:2018 Occupational Health and Safety Management System. A total of 10,000 hours of OHS training was provided in total, including Romania operations. OHS training per employee was recorded as 9.19 hours.

Logo continuously monitors and regularly evaluates its OHS performance. It records key indicators of specific OHS performance such as number of accidents, number of occupational diseases, number of work-related fatalities, and absenteeism due to occupational accidents throughout the entire operation.

You may access detailed information on performance indicators from ["here"](#).



Logo prioritizes the development of successful procedures within the context of OHS performance indicators monitored by its professional teams. Accordingly, the Company aims to continue its efforts to raise OHS awareness and consciousness. Some of the upcoming activities include "Safe Driving Techniques Training" for employees who use company vehicles, a "Smoke-Free Air Zone" for non-smoking employees, and the preparation of instructions for the use of in-office electrical equipment and posting these instructions at visible locations in the office.

Social impact focused approach



Supporting entrepreneurship

Logo has constantly supported the Turkish entrepreneurship ecosystem and contributed to the expansion of the software sector as a business line in recent years by promoting the development of an entrepreneurial culture.

Logo Ventures

In 2017, Logo formed a corporate venture fund to assist entrepreneurs in implementing and realizing different ideas. Logo Ventures funds seek to contribute to long-term value development by investing in local and international technology startup companies.

Logo Ventures I was founded in the second half of 2017 with an investment target of TL 10 million, with Logo having 20% share.

Logo Ventures I invested in Vispera in 2017, which develops image recognition-oriented technologies for retail companies, and in V-Count in 2018, which produces hardware and software such as people counting, heatmap analysis, and checkout queue analysis that can be used in a variety of industries ranging from retail to trade shows, airports, and libraries.

Logo Ventures II fund was established in the first half of 2021 with Logo Software's 88.63% ownership stake and a total funding commitment of USD 12.6 million. The second Venture Capital Investment Fund reflects Logo's innovation focus. In line with the business-to-business (B2B), servitization (SaaS), verticalization, and internationalization strategy, Fund II focuses on local and international technology ventures with high growth potential through debt and/or capital investment and similar vehicles. The goal is to create long-term value by providing strategic support to these companies and helping them to reach their growth targets.



In 2021, the fund invested in SportsERP, Wask, Inooster, and Evreka, and in 2022 in Quin, Kamion, Avane Cloud Kitchens, and Flowla.

Quin is a technology that allows e-commerce businesses to analyze client behavior in real-time using artificial intelligence and take action to boost interaction.

Kamion, is a cloud-based digital transportation company that enables its customers to manage their ground transportation processes end-to-end.

Avane Cloud Kitchens, is a multi-brand cloud kitchen project that enables establishing more than 30 virtual restaurants in a single location and serving customers entirely through takeaway service.

Flowla is a software-based sales enablement platform that brings together every stakeholder involved in B2B sales processes in a transparent, single dashboard.

Community investment programs

In 2018, Logo developed its corporate social responsibility strategy in consultation with its stakeholders. As a result of interviews and surveys involving all stakeholders of the Logo ecosystem, which consists of more than 5,000 people with its employees and business partners, "education" was determined as Logo's top priority in the field of corporate social responsibility. Raising education awareness within the Logo ecosystem, promoting volunteerism, and creating a new culture with this change are some of the additional goals that will broaden Logo's sphere of influence.

Logo donated a total of **TL 990,204** to various NGOs in 2022, continuing to develop corporate social responsibility projects centered on education and involving employees and business partners.

Logo engages in activities that support the Sustainable Development Goals of Quality Education (SDG 4), Gender Equality (SDG 5), Decent Work and Economic Growth (SDG 8), Industry, Innovation, and Infrastructure (SDG 9), Reducing Inequalities (SDG 10) and Partnerships for the Goals (SDG 17) at the social level and shapes its corporate social responsibility (CSR) approach accordingly.

Dream Coders

In 2019, Logo began offering robotic coding workshops with the goal of providing 21st-century competencies to children, the software developers of the future. The "Dream Coders" initiative, which aims to inspire tomorrow's software developers, is supported by Bütün Çocuklar Bizim Derneği (All Children Are Ours Association) and Atölye Vizyon. The robotic coding workshop, which focuses on teamwork and teaches children how to code through entertaining and varied approaches, also allows them to improve their imagination, mechanical ability, and analytical skills. For 32 weeks, children aged 8-14 receive robotic coding training that includes applied studies on topics such as 3D design, different drawing methods, creating algorithms, organizing 3D materials, producing robots using sensors,

Dream Coders



understanding the "if...then" logic using control statements, creating interactive games and stories, and using graphical programming blocks.

Logo, which has reached over **2,000 students** with its workshops to date, has opened a workshop in a school in İzmir in 2022, in addition to workshops in Kocaeli, İstanbul, and Elazığ, and has continued to carry these workshops to various locations in Türkiye, in order to inspire the software developers of the future and to expand its sphere of influence by training teachers in the relevant schools. In the coming period, the project will continue to increase the number of students it reaches with the workshops and computer classes it will open in different cities across Türkiye.

Along with the existing computer classrooms set up in various Turkish provinces, a new computer classroom will be built in a vocational high school in Antalya in 2023, where students in high school will be encouraged to learn Logo solutions. Opportunities will be created for them to find job in companies using Logo products or in Logo.

Logo established a robotic coding team in 2021 to ensure the sustainability of the robotic coding workshops. The aim of the project, which was conducted in cooperation with All Children Is Ours Association (BÇBD) and Logo, is to closely follow the "Dream Coders" project team, which includes students who graduated from the robotic coding workshops, for many years and to create a talent pool for the future. Students selected for the team participate in Coding, Robotics, Maker, STEM+A and three-dimensional

design trainings, as well as regular two-hour workshops per week. Aside from workshops focusing on projects and design-oriented activities, the robotic coding team is expected to compete in competitions organized by municipalities on a provincial and district level, TÜBİTAK projects, national competitions (such as Teknofest and Ministry of National Education competitions), and e-Twinning projects organized by Chambers of Commerce, NGOs, and museums. The Dream Coders Team, which received training for 9-10 months during the year, developed innovative projects related to agriculture, animals, environment, energy, health, disabilities, and the elderly, and presented their projects to Logo employees at the Maker Faire organized at Logo Gebze campus.

Dream Coders



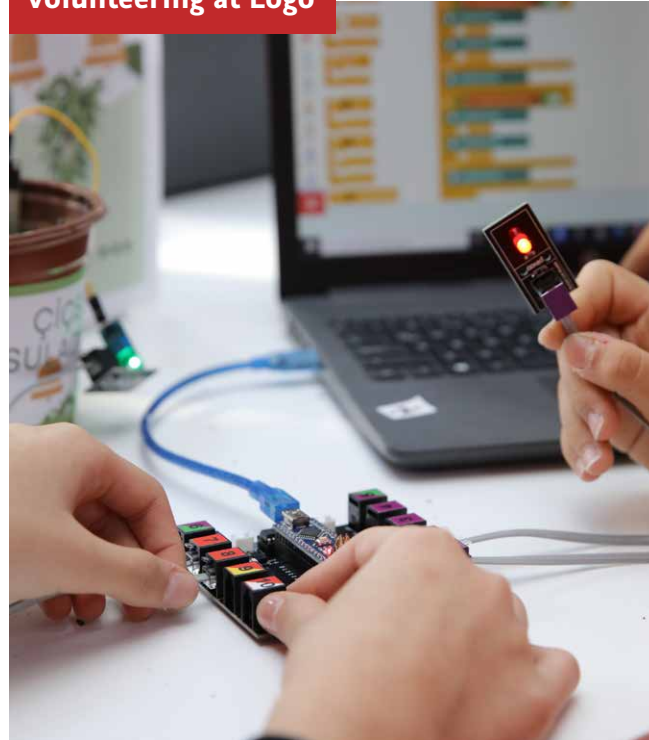
Volunteering at Logo

Logo has encouraged corporate volunteering initiatives for 38 years and has pioneered the adoption of volunteering activities by both employees and business partners. It is important for employees to contribute voluntarily and share their expertise in collaborations made with non-governmental organizations (NGOs), creating a positive impact for both parties and establishing long-term relationships. In addition to assuring employee satisfaction and motivation by publicizing projects in which employees volunteer, contributions are shared, and similar initiatives are encouraged. Volunteer work also increases company productivity and builds brand awareness.

In this context, the volunteering activities realized by Logo are as follows:

- In 2022, Logo ran for Darüşşafaka students in the 44th N Kolay İstanbul Marathon with a total of 41 Logo employees.
- As part of the Anatolian Scholars project, Logo provide scholarship to students living in different regions of Türkiye to promote quality education.
- A total of 34 internal trainers completed the training as part of the ongoing Internal Trainer Project, which was initiated in 2019 to facilitate knowledge transfer within Logo between teams and to foster an employee culture of learning from one another.
- In 2021, Logo launched the Million Women Mentor Program, in collaboration with TurkishWIN and the Union of Chambers and Commodity Exchanges of Türkiye (TOBB), aiming to bring together young women (15-25 years old) and industry leaders working in STEM (Science, Technology, Engineering and Mathematics) fields. Logo continues to support the program's goal of reaching 1 million women mentors in 10 years with the mentorship of its women executives.

Volunteering at Logo



- Before the pandemic, Logo Software began an after-school practice of teaching Computer Culture, MS Office, HTML, and CSS to Mehmet Tuğrul Tekbulut Vocational and Technical Anatolian High School pupils. Python and Introduction to Data Science courses are also offered at the Gebze Science and Art Education Centre (Bilsem), where gifted students from the same school continue their studies after school.
- Mehmet Tuğrul Tekbulut Vocational and Technical Anatolian High School students have been participating in Teknofest every year since 2019 with their projects such as electric vehicles, unmanned underwater vehicles, rockets, and artificial intelligence in health and education. Logo Scholarship is awarded to students who meet the success criteria.
- As Logo, 14 volunteers who completed mentoring training provided mentoring support to students in the "Dream Coders" project team, which was formed in

Logo Sailing Team

Logo Sailing Team, started in 2005 with a sponsorship, has since evolved into a regularly supported sports club. The team, which has several national and international triumphs and comprises 22 people, maintains its activities as an important organization that demonstrates Logo's support for sports and the impact it has in this field. In the highly successful 2021 racing season, Logo Sailing Team became the champion of its class (IRC2) in the TAYK and BAU Trophies, which are among the most prestigious trophies.

Logo Sailing Team, which rose to the IRC1 class with its renovated boat and participated in 36 races during the season by quickly adapting to the boat, won trophies in many races again in 2022. Logo Sailing Team also won 1st place in its class in the Blue Homeland Cup organized as part of the Presidential International Yacht Races and 2nd place in the Republic Cup. The team came third in its class in the Bosphorus Cup, one of the most prestigious races of the racing season, with international recognition and value. The team, which won first place in its class in the MYK-Mass Brotherhood Cup race, closed the 2022 racing season with trophies.

In 2022, the women's team consisting of company employees came third in its class (IRC1) in the Mermaid Women's Sailing Cup race for the first time.

The race team includes Logo employees as well and win new members into sailing sports after basic training.

Logo Sailing Team



Environmental impact focused approach



Environmental impact

The three most potentially severe environmental risks and long-term threats to the planet and human existence over the next ten years are "climate action failure", "extreme weather", and "biodiversity loss".¹ The European Green Deal places digitalization at the center of the green transformation, encouraging investments in digital technologies as the most important instrument for reducing carbon footprint and energy consumption and becoming more sustainable.² The technology sector will not only be vital in reaching net zero carbon, but it will also be critical in generating resource efficiency gains across all sectors, from energy and food to water and urban infrastructure. The software industry is seen as an important tool in solving environmental problems. At the same time, the problem of the need to use and store data has an environmental impact.³ Energy consumption and electronic waste are among the main environmental impacts of the technology sector.

With its innovative technologies, digital solutions, and services, Logo helps to reduce the environmental impact of its customers' resource use. Logo Flow, which converts paper-based workflow applications into electronic workflow applications, reduces paper waste, whereas e-Solutions, which range from banking solutions to artificial intelligence-based innovative products, allow saving on printer consumables and paper invoice submission while also saving thousands of trees by producing more than 1 billion e-documents annually. Designed for storage, inventory, and workforce management, WMS Warehouse Management System reduces waste and optimizes resource use in storage systems. Logo takes its customers one step further in energy and resource efficiency with its cloud-based solutions, which has been in its solution portfolio since 2011 and grown with new products every year. In addition, Logo develops its software with code blocks that use caching and run faster. Logo avoids excessive energy use by maintaining and managing the software developments with micro-service architecture as much as possible.

The environmental impact of Logo operations is managed in accordance with Logo Environmental Policy. The Environmental Policy guides the execution of practices that involve all stakeholders in environmental impact management. The Environmental Policy is organized, implemented, and audited under the leadership of the Board of Directors. ISO 14001 certification covers Türkiye operations and Logo Total Soft Romania subsidiary. Raising environmental awareness among employees is an essential component of the environmental management strategy.

Raising environmental awareness among employees has an important place in the environmental management approach. Accordingly, 493 hours of environmental and zero-waste awareness training were provided to 795 employees in 2022.

Logo fully integrates digital solutions, which are central to its business model, into its internal processes. All business processes requiring internal communication, from resource management to planning, are carried out using digital business application tools as much as possible. Logo does not own a data center but makes sure that the data center provider is implementing energy efficiency methods.

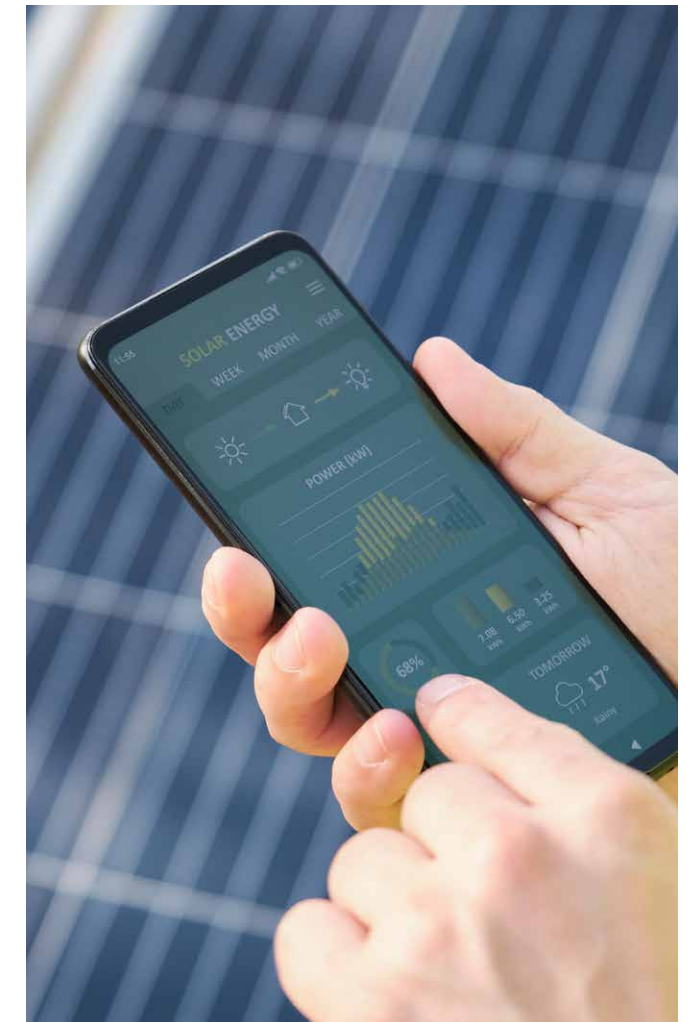
Logo does not sell any physical products with packaging and the products have no environmental impact due to packaging since switching to a digital license key in the second half of 2008 and then to a completely virtual shipment system in the fourth quarter of 2010.

Climate crisis and energy

The impact of the 2030 commitments on reducing greenhouse gas emissions in the atmosphere is still insufficient. A 45% of emission reduction is needed to limit global warming to 1.5°C.⁴ This highlights the urgency of tackling the climate crisis. The transition to clean energy is becoming increasingly essential as global energy demand rises. This transition will be possible with the contribution of technological innovations as well as policies. Logo develops and takes responsibility for applications that add value to its industry and customers in their transition to a low-carbon economy. Logo's technology solutions reduce the use of resources by its customers and, as a result, indirectly reduce emissions. Logo does not have a data center. Therefore, there is no direct energy consumption associated with the data center. However, Logo chooses data center providers based on their environmental practices. In 2022, Logo continued its climate crisis preliminary assessments for transitioning to a zero-carbon economy and effective management of climate risks, as well as set short and long-term goal-setting activities to reduce environmental impact. Logo targets to start CDP reporting in 2023. Meanwhile, the Company continues its climate crisis assessments based on TCFD (Taskforce on Climate-Related Financial Disclosure). The major areas where Logo has an environmental impact in its current operations are energy consumption in offices and R&D centers and emissions generated during transportation. Today, the value of renewable energy sources has increased considerably, and Logo produces energy with 20 kWh capacity solar panels installed on the roof of the Gebze campus. Feasibility studies for the capacity expansion of these panels started in 2022. Furthermore, digital working environments are encouraged in order to reduce the environmental impact caused by employee shuttles and business travel.

The amount of energy consumed at Logo increased in comparison to the prior year. The cause for this rise is the transformation of Logo's remote working system into a hybrid model after the global pandemic was contained in our nation, as well as an increase in consumption in offices, and use of personnel shuttles, company vehicles, and business travels.

You may access detailed information on performance indicators from "here".



¹WEF, The Global Risks Report, 2022

²European Commission, Green digital sector

³WEF, Technology can help solve the climate crisis – but it will need our help

⁴Emissions Gap Report 2022 (unep.org)

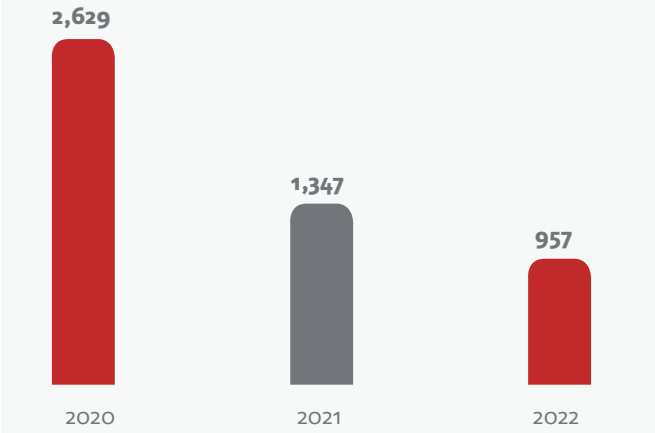
As a result, Scope 1, 2, and 3 emissions have grown in tandem with increased direct, indirect, and other indirect energy and fuel consumption.

Office requirements, on the other hand, were reviewed in accordance with the hybrid working model adopted in 2022, and as a result of the assessment, İstanbul and İzmir sales offices were moved to smaller office space, requiring less energy and fuel consumption. This provided savings in electricity and water consumption.

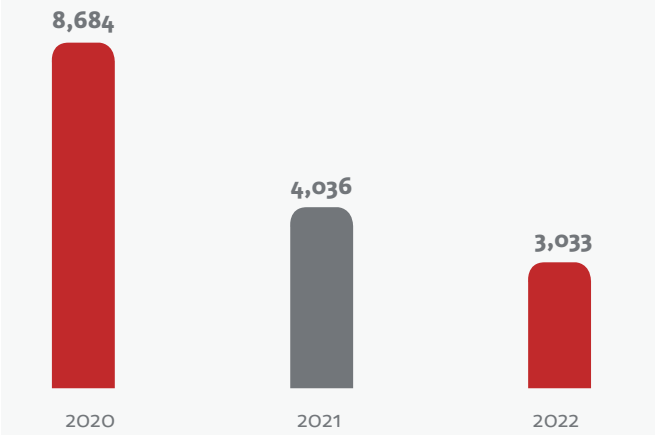
Emission Amount (ton CO ₂ e)*	2020	2021	2022
Total Scope 1 Emissions**	720	740	1,026
Total Scope 2 Emissions***	328	292	329
Total Scope 3 Emissions****	62	1	121
TOTAL	1,110	1,033	1,476



Greenhouse gas intensity
(CO₂- tons / turnover-billion TL)



Energy intensity (Mwh / turnover - billion TL)

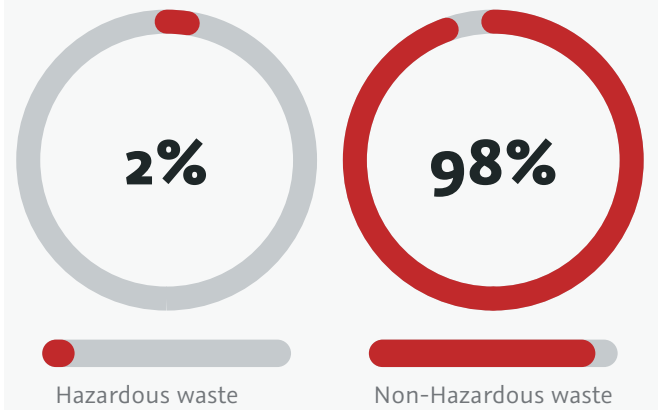


*Emission amounts for 2020 and 2021 were recalculated and updated in 2022. Emission amounts include consolidated data for Turkey and Romania.
**Scope 1 emissions are calculated using DEFRA emission factors.
***Scope 2 emissions are calculated using CO₂ emission factors published by the International Energy Agency (IEA) in the reporting year for the relevant locations.
****Scope 3 emissions are calculated using DEFRA emission factors for the reporting year. Scope 3 emissions for 2020 and 2021 includes Türkiye operations only. Scope 3 emissions for 2022 covers Romania operations as well.

Waste management

Increasing production and consumption rates of electronic products, shorter product life cycles, and limited repair opportunities are among the primary causes of global waste growth. Global e-Waste generation is increasing by 2 million tons per year or about 3 to 4%.⁵ According to the World Health Organization, toxic residues in e-Waste landfills cause health issues in children and women working informally in low-income countries.⁶ Therefore, circular economy practices are extremely important. Logo works to minimize environmental impact by recycling waste with circular economy practices and converting e-Waste into an economic value. 98% of the waste produced by Logo activities is non-hazardous, domestic waste. In 2022, 91% of non-hazardous waste was recycled back into the economy. In 2022, a total of 24 kg of e-Waste was recycled in Türkiye operations. Whenever feasible, efforts are made to reduce the amount of e-Waste by extending the life of electronic devices.

Waste (Tones)

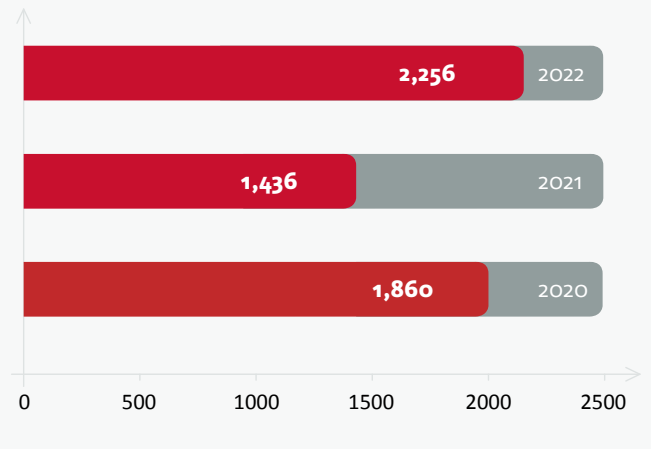


⁵WEEE, International E-Waste Day: 57.4M Tonnes Expected in 2021
⁶WHO, Soaring e-waste affects the health of millions of children, WHO warns, 2021

Water management

Logo's impact on water resources is minimum due to the nature of its operations. Since Logo does not have a data center, the environmental impact from water consumption is only related to the water use in the offices and R&D centers. Reducing water consumption is always a consideration, regardless of whether the impact is minimal. Water consumption in the workplace increased in 2022 compared to the previous year as the global pandemic was contained in Türkiye and Logo's remote working system was transformed into a hybrid model.

Water Consumption (m³)



International overview



Logo Total Soft in Romania

Founded in 1994, Total Soft is the leading local Enterprise Application Software provider in Romania. The company has evolved from a project management software distributor into a software house that provides industry-specific solutions across the world. The company was acquired by Logo in October 2016. Following the acquisition of ABS at the end of 2018, the combined resources of Total Soft and ABS have added value to both local and international clients and helped to further expand Logo Total Soft's business services offerings. Logo's ownership at Total Soft stands at 80% after Total Soft's acquisition of ABS, and owners of ABS have a 20% shareholding. ABS provides retail consultancy and technology services, while ABS Financial Services specializes in outsourcing services. Nexia ABS Financial Services, a member of Nexia International – the ninth largest global network of independent accounting and consulting firms, providing a comprehensive portfolio of audit, accounting, tax and advisory services – operates in areas such as real estate, services, trade, retail, green energy, professional services and e-commerce; benefiting from accounting, taxation, payroll and personnel administration services. Nexia ABS Financial Services is contributing towards a growing and diversified customer portfolio by addressing the small customer segment along with the existing large and mid-sized customers.

In addition to its primary market, Logo Total Soft operations span 41 countries, across 4 continents, including the UK, Austria, Spain, Poland, the USA, Canada, Brazil, South Africa, and China. The company currently has around 800 active clients who are leaders in various industries including financial services, retail, distribution, production, construction, agriculture, energy, healthcare, and services.

Logo Total Soft develops and delivers business software solutions under Logo Charisma brand umbrella and structures its flagship product, Logo Charisma ERP, as a universal solution with specialized industry-based modules. Financial services constitute the leading industry of the firm that has successfully developed at the international level, mainly with applications for multinational groups that are leaders in their sectors. Total Soft sets itself apart in Romania with its human resources and payroll software

solutions, as well as with the healthcare application, in addition to the leasing industry.

The full-fledged ERP solutions developed by Total Soft provide companies with an integrated usage of processes and a holistic understanding of the data that drive the business. Prominent players in different industries that use Logo Total Soft solutions are valuable references and instrumental in sales growth of the company.

Despite the global and local economic challenges, Total Soft achieved its growth targets. In 2022, revenues grew by 27% in euros (107% in TRY) and EBITDA margin was realized at 22%.



New projects and customers

Logo Total Soft has expanded its portfolio with new clients and top-line projects for all its solutions, mainly for Logo Charisma ERP, Logo Charisma HCM, Logo Charisma Leasing, Logo Charisma Medical. Some of the most relevant projects include the following:

Logo Charisma ERP

Total Soft acquired new customers from all strategic industries targeted by the company, but with a clear focus on manufacturing, distribution, and constructions. This is a natural progression since the company's investments in new and existing products also focused on developing a new portfolio management solution, a web & mobile solution for warehouse management and a new generation of Charisma ERP solution.

Some of the most important projects in 2022 were developed for:

- A large engineering & construction company with major projects in telecommunications, electrical networks, gas, sewerage, and water networks, construction of roads and highways.
- A top Romanian company from the snack market distribution network throughout Romania. The company has 6,000 customers and manufactures extruded snacks, peanuts and peanut paste in one of the largest industrial factories with state-of-the-art professional equipment.
- The leader of the online pharmacy market, offering over 50,000 pharmaceutical and para-pharmaceutical products in Romania.

Also, for existing clients, Total Soft developed over 200 projects consisting in developing and implementing legal reporting required by different industries:

- SAF-T: a financial reporting for medium and large tax contributors
- e-Facturare: an invoicing reporting used for B2G business relations
- e-Transport: a reporting required from transport companies carrying goods of high fiscal risk

Logo Charisma HCM

Logo Total Soft continued the upgrading projects for existing clients, focusing on migrating the application to web and adding new features and modules. This major shift is in line with the product strategy and market trends, allowing large companies to decentralize their HR teams and carry out specific activities from multiple locations. In the pandemic context, new projects were developed around Total Soft's innovative solutions in order to help HR professionals interact easily with remote employees via chatbot and electronic signature.

In addition, Logo Charisma HCM has been selected by key local companies for the management of human resources, some of the projects developed in this domain are:

- One of the leading international of vouchers and prepaid cards company, with over 20,000 corporate clients in Romania, has chosen Logo Charisma HCM for the management of the 200 professionals working in the local subsidiary.
- One of the leading European companies in the non-food retail sector, with 2,750 stores and 26,000 employees in 11 countries around Europe, implemented Logo Charisma HCM to manage the specialized workforce in Romania efficiently.

Logo Charisma Medical Software

Logo Total Soft was at the forefront of the race to optimize medical laboratories and private clinics to face the extraordinary pandemic situation. It continued developing new solutions to further optimize medical activities for both existing customers and new customers.

One of the most important projects was the implementation of Logo Charisma Medical Software within one of the largest Romanian private clinics, with a wide coverage at national level. The project is expected to be extended into several Eastern European countries.

Logo Charisma Leasing

The company continued to invest in the development of Logo Charisma Financial Services solution, focusing on new web features and other tools designed to create a great user experience such as the electronic signature or the Web Origination platform that can seamlessly manage lease applications.

Some of the most important projects developed in 2022 were:

- Important technical upgrades in multiple subsidiaries of leasing companies, optimization of the existing solution and implementing new features according to specific internal processes. Important processes were migrated onto web in order to achieve a better First-Time-Right, to cut operational costs and improve customer experience.
- Several major projects developed for large European leasing companies consisting in migrating several business units (such as credit, leasing, e.g.) in a single Charisma application. Thus, Charisma Financial Services has proven its ability to support different business workflows in the same application.
- Optimizing the implementation process for Charisma Financial Services using Agile methodologies.
- Implementations of the new Web Origination Module in large European and local leasing companies.
- Implementing IFRS & SAF-T reporting within local and international financial clients as a legal requirement of the National Bank and the National Agency for Fiscal Administration.

Project management & consultancy

Total Soft expanded the services almost twofold within the scope of the large project management and consultancy contract signed last year with an existing customer – a well-known oil&gas company in Romania with a tenure of 16 years. The new largescale project, started in 2021 and

focusing on “Project Engineering”, is being carried out in partnership with an international oil engineering consultant and is rolling out on a period of five years. The objective of the contract is to provide project engineering services, with the help of Total Soft specialists who will work alongside the customers’ teams in roles such as Project Manager, Primavera Project Planner, Risk Manager, Cost Controller, Project Engineer, HSSE Engineer, and Document Controller.

Digitization of the public sector

Total Soft continued its efforts in expanding its footprint in the public sector. In 2022, an important digitisation project for a public institution with national coverage has started and it has a strategic importance for the private business domain. Based on this project, new companies can be registered online, much faster and much easier, with considerably less effort and time. Total Soft is expected to grow in this segment with great opportunities that come with the implementation of the National Recovery and Resilience Plan (PNRR). These new available funds are the key for large digital transformation projects of public institutions.

New partnership program

In 2022, Logo Total Soft launched a partnership program aiming to attract business partners that can sell and implement Logo Total Soft solutions, and provide support, and technology partners that can open the platforms for integrations with various solutions or integrate new technologies into existing solutions, and strategic partners that can develop complex service/solution packages together with Total Soft to increase clients’ competitiveness.

Increasing product development investments

In addition to consolidating market share through already established solutions, such as Logo Charisma ERP, Logo Charisma HCM, Logo Charisma Medical Software, Logo Charisma Financial Services, Total Soft continued to develop its solutions portfolio.

Among the most recently launched solutions are:

- Chatbot integrated with Logo Charisma ERP, which allows customers to quickly access relevant business information from anywhere, anytime,
- Onboarding & Contract Origination solution, intended for large European financial companies,
- the new generation of web enable and mobile warehouse management solutions,
- a Retail Self-Checkout solution, for large retailers, which aims to revolutionize the end-user experience,
- a new generation of Charisma ERP solution,
- a new module in Charisma HCM, which responds to the need for continuous feedback of the new generation, designed to contribute to the development of employees' skills, increase their performance and motivation.

Employee experience

2022 has been a year of Talent expansion, bringing more than 100 professionals & future talent (part of the Software and SQL Technical Bootcamps) which will enable the execution of the significantly growing project backlog. Taking in consideration the high rate of change due to the talent expansion as well as the developmental needs of the entire organization, the second focus was on shaping new skills and developing existing ones. The biggest learning programs deployed were Product Management, Business Analysis as well as Situational Leadership built specifically for Total Soft’s Agile, Team of Teams way of working.

Finally, Total Soft worked on employer branding, especially focusing on communication by using various social media channels, revamping of the career site, and starting the TikTok TS channel in order to improve employee engagement and retention.

ISO management systems

Logo Total Soft Office operates by the ISO 9001:2015 Quality Management System, ISO 14001:2015 environmental Management System, ISO 27001:2017 Information Security Management System and OHSAS 45001:2018 Occupational Health and Safety Management System standards.



Logo Infosoft in India



Logo Infosoft Business Private Ltd., was established in 2016 as a joint venture in India by GSF Software Labs LLC. (USA) and Logo Yazılım San. ve Tic A.Ş. (Turkey). Logo Infosoft aims to improve the core operations of MSMEs (micro, small and medium enterprises) with Logo CaptainBiz and to support secondary sales automation for large and mid-market enterprises with Logo j-Platform Distribution Management System (DMS).

Logo CaptainBiz is the fastest way to get invoicing organised for MSMEs. MSMEs can create GST compliant bills, get paid on time, control inventory, reduce costs and grow business efficiently. It's the perfect pre-accounting tool for business owners and small teams, which seamlessly integrates data with top Indian accounting software. On the other hand, Logo j-Platform DMS is a user efficient, integrated and comprehensive real time business solution for super stockists, distributors and dealers of mid to large enterprise brands. The j-platform DMS is a centralized user-friendly application that offers multiple features like pay cycle, claim, inventory management and scheme creation.

These products were specially localized by Logo for the Indian market. India has a vibrant economy with over 60 million MSMEs on track for digitization mandated by GST and e-invoicing.

Logo CaptainBiz

Logo CaptainBiz is a SaaS product for MSMEs and retailers needing real-time inventory visibility and GST compliant purchase and sales transactions. CaptainBiz is a perfect cloud-hosted pre-accounting business software. In the year 2019, CaptainBiz received the recommendation and endorsement by the Goods and Services Tax Network (GSTN). In 2020, Logo Infosoft completed CaptainBiz product strengthening, stabilization, and scale-up processes. As a result, Logo Infosoft has successfully setup a robust customer on-boarding, support and Quality Assurance (QA) team. During 2022, Logo Infosoft has aggressively marketed CaptainBiz across digital marketing platforms and as an outcome, CaptainBiz reached 73,000 registrations with 49,000 account activations and 8,500 engaged customers.

Logo CaptainBiz has been featured in software comparison sites such as Software Suggest and Tech Jockey and ranked within top software for billing and invoicing applications. Various user engagement strategies ranging from first call within 10 minutes of registration, online demos, live videos and support offered in the form of managed service helped CaptainBiz become sticky for customers. In June 2022 CaptainBiz launched its monthly and annual subscription plans. Since October 2022 CaptainBiz begun aggressively identifying and converting some test customers to paying customers. Seeing success with test customers, in December 2022 CaptainBiz expanded its subscription to include 2, 3, 5 and 10-year plans.

j-Platform DMS

Distribution Management System (DMS) helps large and mid-market enterprises clients to automate their distribution network, secondary sales and sales team with centrally controlled masters like product, price, tax and schemes. Seeing market demand for automating distribution, Logo Infosoft, since September 2022, started investing towards inbound marketing and has closed with two more FMCG clients for DMS implementation in the last quarter of 2022. Partner focused approach to drive the revenue, deployment and managed services showed positive traction and helped in increasing the sales funnel and focus on FMCG industry. Three clients, onboarded earlier in 2022 thru partners, for an initial implementation of Sales Force Automation (SFA), before DMS implementation, are nearing readiness and are likely to be onboarded for DMS at the beginning of 2023. These wins show positive momentum and affirm right product and GTM strategy for the DMS solution.

Corporate overview



Board of directors



M. Tuğrul Tekbulut
Chairman

Mr. M. Tuğrul Tekbulut graduated from Bosphorus University’s Department of Electrical Engineering in 1980 and received his master’s degree in 1983 from the same department. In 1999, he completed the Owner and President Management program, an executive education program offered by Harvard Business School. He received a master’s degree in bioengineering from the Sabancı University in 2006. In 1984, he established the software initiatives that come under the Logo Group.

Mr. Tekbulut also led the establishment of various civil initiatives regarding informatics, innovation and entrepreneurship. He founded TÜSİAD Entrepreneurship and Innovation Working Group and co-founded Turkish Informatics Foundation and Software Industrialists Association between 2006 and 2009. During the same period Mr. Tekbulut served as the Chairman of TÜBİSAD Informatics Industry Association. He is serving as the Chairman of Logo’s Board of Directors, and he is a member of Logo Group Committee.



M. Buğra Koyuncu
Vice Chairman and Logo Group CEO

Mr. M. Buğra Koyuncu graduated from Istanbul Technical University Department of Control and Computer Engineering Department in 1994. In 1993 he joined Logo as a system analyst. Following his service as a project manager and then as a product development manager, he was appointed as the General Manager of the company in 2004 and as the CEO in October 2011. He is currently serving as the Vice Chairman of Logo’s Board of Directors and Logo Group CEO. Also, he is a member of Logo Group Committee.



M. Berkay Mollamustafaoğlu
Board Member -Independent

Mollamustafaoğlu graduated from METU Electrical and Electronic Engineering. After completing his masters degree in Management Information Systems in Marywood University, he worked in number of technology companies including Smarts, Ernst & Young, and Predictive Systems between 1994 and 2005. In 2005, he co-founded his first software company iFountain in 2005, and in 2012 co-founded Opsgenie. Following acquisition of Opsgenie by Atlassian in 2018, he’s continuing his career leading Opsgenie business unit.



Söz Ar
Board member

Söz Ar graduated from Koç University Faculty of Economics and Administrative Sciences, Economics and Business Administration departments with high honors in 2014. Mr. Ar started his career in Eczacıbaşı Building Group in the Financial Analysis and Category Finance departments in 2014. Between 2018-2021, he took part in investment and merger-acquisition projects in the Eczacıbaşı Holding Strategic Planning department as a manager. He still continues his career as Eczacıbaşı VitraA Karo Market Development Manager.



Nezahat Gültekin
Board Member - Independent

Nezahat has over 20 years of technology sector experience in Europe and Silicon Valley as a strategic advisor, investor, business owner and ecosystem builder. She is currently serving as Global Head of Advisory at UniCredit Group. Previously she was Managing Director and Head of Technology Investment Banking for EMEA at Nomura. Prior to Nomura, Nezahat served as Director at Temasek, spearheading direct TMT investments in Europe, and served on the boards of Secret Escapes and BluJay. Previously, she provided independent strategic advisory services including as a Senior Advisor to Atlantic Bridge Capital in early and growth stage investments, and as a founding member of the Future Fifty Programme of Tech Nation, a Downing Street supported initiative to foster UK tech ecosystem and assist selected leading growth-stage technology companies, as well as initiating Tech Nation’s fintech efforts. Nezahat had previous technology investment banking experience with Credit Suisse and Lehman Brothers where she advised on a number of M&A and capital raisings across software, internet, payments and deep tech verticals. She currently serves on the Advisory Panel of Future Fifty Programme and Advisory Board of Emotion Network in Italy, as well as the voting panel of UK Tech Awards. Nezahat has an MS in Management Science and Engineering from Stanford University as a Fulbright Scholar and a BS in Industrial Engineering from Middle East Technical University, Turkey, as top of the graduating class.



Lale Gözübüyük
Board Member - Independent

As an investment banker, Lale Gözübüyük worked in banks such as Credit Suisse and Goldman Sachs in London and Switzerland for 7 years, then switched to technology field and worked as the Turkey manager of Afiniti for 3 years, which is one of the world’s leading artificial intelligence companies. Gözübüyük has been the Turkey and EMEA regional director of the Silicon Valley-based innovation platform Plug and Play for the last 1 year and is also a venture mentor in Endeavor and Türk Telekom Pilot programs. Lale Gözübüyük completed her BA in Economics and Business Administration from Oxford University and her MBA from INSEAD. Gözübüyük studied at Oxford with the "Domus" scholarship, which is given only to students who are in the top 10 with their academic success and studied at INSEAD (France and Singapore) with the "Outstanding Leadership Potential" scholarship.



Gülnur Anlaş
Logo Group Chief Financial Officer, CFO

A graduate of Middle East Technical University, Gülnur Anlaş holds an MBA from Texas Tech University, and MA in Economics from University of Delaware. Started her career in banking as an assistant auditor at Interbank in 1984 and thereafter worked at Chemical Bank and Westdeutsche Landesbank AG in corporate finance. Prior to joining Logo, she served as vice president of finance at the Teba.

Gülnur Anlaş joined Logo in 2006 as the Chief Financial Officer. During this period, she has supported Logo’s operational efficiency projects and played an active role in the company’s acquisitions of nine companies and their efficient integration into Logo. Parallel to Logo’s ongoing strategy to excel in corporate governance, she has focused on conducting ratings and sustainability. Logo is the first software company to become public in 2000, and Anlaş has been responsible for managing investor relations with domestic and international investors. In 2016, she played an active role in the fully marketed offering of Logo’s shares to qualified investors, marking the first successful internationally marketed deal in Turkey since November 2014. Also she is a member of Logo Group Committee.



İsmail Duran
Logo Group, Chief Technology Officer, CTO

Duran graduated from Middle East Technical University’s Mechanical Engineering department. After working on Construction Tender and Progress software solutions, Duran joined Logo Special Projects department as a Software Developer in 1999. He continued his career outside of Logo between 2001 and 2003 by developing Hospital Automation as Uluslararası Bilgisayar A.Ş.’s partner and being a guest faculty member in a private university. After rejoining Logo family in 2003, he worked in various levels of R&D and infrastructure department for four years. Duran served as R&D Manager between 2007 and 2015, as Head Software Architect between 2015-2017 and as the Director of Software Architecture between 2016-2019. Since December 2019, he has been serving as the Chief Technology Officer of Logo Group. Also, he is a member of the Logo Group Committee.

**Uğur Nuri Sipahi**

Logo Group Chief Information Officer, CIO

Mr. Uğur Nuri Sipahi graduated from Boğaziçi University Department of Industrial Engineering in 1993 and received his master's degree in the field of industrial engineering from Marmara University in 1997. Between 1995 and 1997, he worked in the automotive supply industry on quality management. In 1997, he joined Logo as a system analyst and has served for 10 years in the product development department at different levels. Between 2007 and 2009, he has served as a business solutions advisor and between 2009 and 2011 as a product manager. He served as a member of the Executive Committee between January 2012 and May 2019, and as the Group Coordinator for Logo's Information Technologies and Business Processes between June 2019 and September 2020. Since October 2020, he has been serving as the Chief Information Officer of Logo Group. Also, he is a member of the Logo Group Committee.

**Begüm Arş Türk**

Logo Group Chief Marketing Officer, CMO

After graduating from Yeditepe University's Department of Industrial Engineering Begüm Arş Türk received her MBA degree from the same university. Ms. Türk began her career in 2003, and served as the Marketing Manager at Zorlu Moscow, Russia operations in 2004. She served as the Commercial Marketing Manager at Turkcell, after various positions in Consumer Sales, Commercial Marketing, Retail Development and Product Planning areas between 2007-2015.

Begüm Arş Türk joined Logo as Functional Solutions Marketing Manager in 2016 and was appointed as Logo Yazılım Türkiye Marketing and Loyalty Management Director. She led the restructuring of marketing product management processes, end-to-end management of go-to-market processes, and creation and execution of customer-centric strategic marketing plans. She also led the transformation of product-focused customer segmentation to a revenue and value focused customer segmentation, the execution of competition and profitability focused pricing strategies, the management of market and field research projects targeting customers and business partners, and the development projects strengthening the ties with the Logo ecosystem. Since December 2020, she has been serving as the Chief Marketing Officer of Logo Group. Also, she is a member of Logo Group Committee.

**Akin Sertcan**

Logo Türkiye General Manager

In 1990, Mr. Akin Sertcan graduated from İzmir Dokuz Eylül University Department of Computer Programming. In 1989, he started to work in the IT industry as a sales representative and then served as a sales manager and as a sales coordinator in various companies. In 1996, he joined Logo as a sales channel manager responsible for the Aegean Region. In 2008, he was appointed as the regional manager of the Aegean Region. Between January 2012-June 2019, he has served as an Executive Committee Member. Since June 2019, he has been serving as the General Manager of Logo Yazılım Turkey. Also he is a member of Logo Group Committee.

**Arslan Arslan**

Logo Retail Solutions General Manager

Arslan Arslan graduated from the Middle East Technical University - Department of Computer Engineering in 1996 and completed his master's degree in the Middle East Technical University - Department of Computer Engineering in 1999. He is one of the founding partners of Özgün Yazılım Software Company, a Logo solutions partner. In 1998, he joined Logo as an R&D Software Engineer. Between 2000 and 2005 he worked on R&D projects at Logo's Frankfurt office. He returned to Turkey in 2005 to work as R&D group manager at Logo's Ankara office, prior to his appointment as the Director of Infrastructure and Tools in 2006. Between January 2012 and June 2019, he has served as an Executive Committee Member. Since June 2019, he has been serving as the General Manager of Logo Retail Solutions.

**Başak Kural**

eLogo General Manager

Başak Kural graduated from İstanbul Technical University Faculty of Business Administration, Industrial Engineering Department in 2003 and from Bilgi University MBA program in 2017. She started her career as a product manager in Beko Elektronik A.Ş. Kural, who started to work in the marketing department of Turkcell İletişim A.Ş. as of 2007, served as the Group Manager responsible from Mobile Internet Revenues in Avea between 2010 and 2014 and then as the Strategy Director responsible from Technology and Regulation Strategies in Turk Telekom Group between 2014-2017. Since March 2017, she has been serving as the General Manager of Logo Elektronik.

**Süheyla Özgül**

Logo Digital Transformation Services
General Manager

After graduating from İstanbul Technical University, Engineering Mathematics in 1988 Süheyla Özgül started her career at Link Bilgisayar as software developer. She served as package program developer at Eczacıbaşı Holding and transferred to Eczacıbaşı Group's new founded IT company Eczacıbaşı Bilişim. Özgül was responsible for the Group's Software Development and Quality when she left the Group after serving in various position in software development processes within the Group between 1992-2009.

Between the years 2009-2011, she was responsible for Ceva Logistics' Cargo, FTL and Internal Porcesses under IT department. She joined Logo as Group Manager for Special Software Projects in 2011 and became the Director for Special Projects in the following year. Since June 2019, Özgül has been serving as the General Manager of Logo Digital Transformation comprising Logo's all project services and digital transformation consultancy services.

**Mehmet Bora Buluş**

Logo Group Director, Agile Projects

After graduating from Boğaziçi University, Department of Computer Programming in 1997 Mehmet Bora Buluş joined Logo as software engineer under Information Systems department. He was appointed as Information Systems Manager in 2001 and executed infrastructure projects under this role. He served as IT Director between June 2014 and April 2020, and he played an active role in Logo's ISO 27001-ISO 22301 Quality Management Systems implementation and execution in addition to his IT related responsibilities. Since April 2020, he has been serving as the Group Director executing transformation projects of the Logo Group. As an contributor to the social responsibility projects, Mehmet Bora Buluş is an active participant of Business Against Domestic Violence (BADV) project of Sabancı University and is a volunteer providing extracurricular IT and Technology related training to Mehmet Tuğrul Tekbulut Technical Vocational High School students.

**Nebahat Kesgin**

Logo Group Director, People and
Organizational Transformation

A graduate of Anadolu University's Labor Economics and Industrial Relations, Nebahat Kesgin started her career in 1993. After her experience in food and banking sectors, Kesgin continued her career in Human Resources. Kesgin joined Logo as Human Resources Manager in 2012 after various responsibilities within in HR functions in aviation and manufacturing industries.

Kesgin was appointed as Logo Group Director for Pay&Rewards&Employee Relations in 2019. She lead organizational capacity and efficiency, personnel and payroll, budget, pay and benefits, rewards, discipline processes, People and Organisational Development Business Partnership, employee branding, talent acquisition and reporting processes. Since March 2021, she has been serving as the People and Organisational Transformation Director responsible for all P&OT units.

**Özlem Gemici**

Logo Group Director, Strategy

Özlem Gemici completed her undergraduate studies with a double-major in Political Science and Neuroscience at Oberlin College (Ohio, USA) in 2007; followed by a master's degree at Georgetown University (Washington DC, USA) School of Foreign Service in 2011 in the field of Arab Studies with a focus on Economics. Gemici, started her career at an NGO working in the field of foreign policy and continued as a research and teaching assistant during her graduate studies with a focus on the economic development of the Middle East. After her graduate studies, Gemici conducted country and market risk analysis at PFC Energy (Washington DC, USA) on oil and natural gas in the Middle East. In 2012, Gemici worked as an Analyst & Strategy Specialist at Enprode Engineering & Consulting, where she carried out feasibility studies and provided consultancy for power plant investments. In 2013, Gemici joined the Strategy and Business Development team of Enerjisa, where she was promoted to the role of Strategy and Business Development Manager after working in strategic planning, business development, mergers and acquisitions, performance management, sustainability and corporate transformation areas during pre and post-IPO periods of the company. In 2020, Gemici took on the responsibility as the Mergers and Acquisitions (M&A) Manager of Enerjisa Enerji. Since November 2021, she has been working as the Strategy Director of Logo Group.

Statement of responsibility

Statement of responsibility pursuant to article 9 of the Capital Markets Board communiqué on principles of financial reporting in capital markets (II-14.1)

Date of the board resolution approving the financial statements: 27/02/2023

Resolution Number: 2023/02

Under the Capital markets Board Regulations, we hereby declare that the consolidated Balance Sheet, Statement of Income, Statement of Other Comprehensive Income, Statement of Cash Flow, Statement of Changes in Equity along with the related Notes ("Financial Statements") prepared by the Company and audited by the Independent auditor DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) for the period 01.01.2022-31.12.2022 under the CMB Financial Reporting Communique numbered II-14.1 in accordance with Turkish Accounting Principles/ Turkish Financial Reporting Standards (TAP/TFRS) and in line with the compulsory formats determined by the CMB,

Have been reviewed by us,

Do not contain any inaccuracy in all material respects and are free of omissions that may be regarded as misleading as of the issue date within the framework of the information provided to us in relation to our tasks and responsibilities related to the Company,

The financial statements prepared in line with the Communique present fairly the assets, liabilities, financial position and the results of operations of the Company as well as of the companies included in the scope of consolidation within the framework of the information provided to us in relation to our tasks and responsibilities related to the Company.

Sincerely,

Nezahat Gültekin

Audit Committee President



M. Buğra Koyuncu

Vice Chairman and Logo Group CEO



Lale Gözübüyük

Audit Committee Member



Gülnur Anlaş

Logo Group CFO



Statement of responsibility

Statement of responsibility pursuant to article 9 of the capital markets board communiqué on principles of financial reporting in capital markets (II-14.1)

Date of the board resolution approving the annual report: 03/03/2023

Resolution Number: 2023/11

2022 Integrated Annual Report including the Annual Report prepared by our company, pursuant to Turkish Commercial Code and to Capital Markets Board's Communiqué on Principles of Financial Reporting in Capital Markets (II-14.1), and independently audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) is attached.

In pursuant to CMB regulation, we declare that, we have examined the Integrated Annual Report, the Corporate Governance Compliance Report, the Corporate Governance Information Form and the disclosure regarding CMB's Sustainability Principles Compliance Framework prepared by our company; within the framework of information available in so far as our duties and responsibilities, it does not contain any misinterpretation of the facts on major issues, or any omission that may be construed as misleading as of the date of the disclosure; within the framework of information available in so far as our duties and responsibilities, the Integrated Annual report including the Annual Report that is prepared in accordance with the Communiqué, fairly reflects the development and the performance of the operations, the financial condition of the Company together with its consolidated subsidiaries, and with the main risks and uncertainties.

Sincerely,

Nezahat Gültekin

Audit Committee President



M. Buğra Koyuncu

Vice Chairman and Logo Group CEO



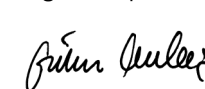
Lale Gözübüyük

Audit Committee Member



Gülnur Anlaş

Logo Group CFO



Corporate governance

Statement of Compliance with the Principles of Corporate Governance

In the period between January 1, 2022 and December 31, 2022, Logo fully complied with the mandatory provisions of the Capital Markets Board (CMB) Communiqué on Corporate Governance issued in the beginning of the year 2014. At the same time the company strives to comply with the non-mandatory principles to the maximum degree possible. In this respect, for the principles that are not complied with or complied partially with, the company’s evaluations continue for the compatibility of these principles with the country and market conditions, and the Company’s structure:

1.3.10 The agenda of the General Shareholder’s Meeting did not include a separate item detailing the amounts and the beneficiaries of all donations and contributions, but included a separate item included total amounts.

1.5.2 The Articles of Association does not extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and does not expand the scope of the minority right.

4.4.7 There are no limits to external commitments of board members.

4.5.5 Board members serve in more than one of the Board's committees since there are only six board members.

4.6.1 The board of directors has not conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.

4.6.5 The individual remuneration of board members and executives is not disclosed in the annual report. Only non-executive and independent board members are remunerated and the amounts are disclosed in the annual

report. Total amount was disclosed for executive team.

As part of the Company's Corporate Governance Compliance Reporting for 2022, the Corporate Governance Compliance Report (CRF) and the Corporate Governance Information Form (CGIF), which contain the most up-to-date information regarding the corporate governance practices at Logo are accepted by our Board and announced on the page of our company at the Public Disclosure Platform (KAP).

Corporate Governance Rating

The level of compliance of Logo with the Principles of Corporate Governance is publicly announced through Corporate Governance Compliance Statement. Saha Corporate Governance and Credit Rating A.Ş. (“Saha Rating”) completed the revision study on December 16th 2022, and announced Logo’s corporate governance rating score as 9.40 on a scale of 10. With the improvements and efforts in the last 13 years, rating score improved to 9.40 from 8.05 of the first rating dated December 2009.

Logo’s rating score on the four main sections are presented below:

Main Areas	Weight	Score
Shareholders	25%	90.94
Public Disclosure and Transparency	25%	96.28
Stakeholders	15%	96.00
Board of Directors	35%	93.73
Total	100%	94.01

The full text of the corporate governance compliance report prepared by Saha Rating is available at the company website www.logo.com.tr.

Board of Directors

Board Structure and Composition

The Board of Directors, which consists of 6 (six) members who are elected by the General Assembly in accordance with the provisions of Turkish Commercial Code carries out the activities and administration of the company. Half of the members of the board are elected from among the candidates, who were nominated by the Class A shareholders. The board members may be elected for a maximum term of 3 (three) years and can be re-elected after their term is complete. If deemed necessary, the General Assembly may dismiss or replace the board members. The number, qualifications, election, nomination, terms of reference and duties of the independent board members are determined in accordance with the Capital Markets Regulations and the Principles of Corporate Governance. In that respect, Mr. M. Berkay Mollamustafaoğlu, Ms. Nezahat Gültekin and Ms. Lale Gözübüyük were elected as the independent board members. The Chairman of the Board is elected from among the board members, who were nominated by the Class A shareholders.

Biographies of the board members and the executive team are available on the corporate website. The Chairman and CEO roles are undertaken by different persons.

In case any member of the Board of Directors is declared bankrupt, faces restriction of capacity or loses the legal conditions required for membership or qualifications set forth in the Articles of Association, his/her membership automatically terminates.

Board of Directors	Position	Executive / Non-executive	Term of Office
M. Tuğrul Tekbulut	Chairman of the Board	Executive	[11 March 1986] /Ongoing
M. Buğra Koyuncu	Deputy Chairman of the Board	Executive	[3 May 2019] /Ongoing
Söz Ar	Board Member	Non-executive	[15 April 2022] /Ongoing
M. Berkay Mollamustafaoğlu	Board Member-Independent	Non-executive	[3 May 2019] /Ongoing
Nezahat Gültekin	Board Member-Independent	Non-Executive	[15 April 2022] /Ongoing
Lale Gözübüyük	Board Member-Independent	Non-Executive	[15 April 2022] /Ongoing

If there is a vacancy in the board for any reason, the Board of Directors temporarily elects a person, who satisfies the legal conditions for board membership and submits it to the approval in the following general assembly meeting. The members selected in such manner shall serve until the general assembly meeting and if approved, they can complete the term of their predecessors.

If an independent board member fails to satisfy any of the independence criteria during his/her term or resigns due to other reasons or when they are not able to serve on the board anymore, new independent members shall be appointed for the vacancy by the Board of Directors to meet the criteria for the minimum number of independent members in accordance with the Capital Markets Law and the Capital Markets Board’s regulations.

The nominees to fill the vacancy of a board member, who was nominated by the Class A shareholders, shall be determined by the board members, who were nominated by the Class A shareholders.

Independent Board Member Ms. Nezahat Gültekin serves as the Chairman of the Corporate Governance Committee.

All of the independent members fulfill the criteria for independence.

Statements of independence

I declare that I am a candidate for assuming the role of an “Independent Member” on the Board of Directors of Logo Yazılım Sanayi ve Ticaret A.Ş. (Company), within the scope of the criteria stipulated in the legislations, the Articles of Association and the Capital Markets Board’s Corporate Governance Communiqué (n. II-17.1), and within this scope;

a) Within the last five years, no executive employment relation that would give important duties and responsibilities has been established between me, my spouse, my second degree relatives by blood or by marriage and the Company and the subsidiaries of the Company, and shareholders who control the management of the Company or who have significant influence at the Company and juridical persons controlled by these shareholders; and that I neither possess more than 5% of any and all capital or voting rights or privileged shares nor have significant commercial relations,

b) Within the last five years, I have not worked as an executive manager with important duties and responsibilities or have not been a member of the Board of Directors or held shares more than 5% particularly in the companies that provide auditing, rating and consulting services for the Company (including tax audit, legal audit, internal audit), and in the companies that the Company purchase products and services from or sells products and services to within the framework of the agreements signed during the timeframe of selling/ purchasing of the products and services,

c) I have the professional training, knowledge, and experience that will help me properly carry out the tasks and duties I will assume as a result of my independent membership in the Board of Directors,

d) In accordance with the legislations, I will not be working fulltime in public institutions and organizations except working as an academician at the university after being elected as a member,

e) I am considered a resident in Turkey according to the Income Tax Law (n.193) dated 31/12/1960,

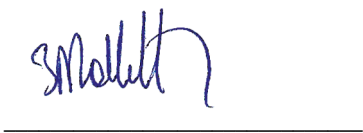
f) I do have strong ethical standards, professional standing and experience that will help me positively contribute to the activities of the Company and remain neutral in conflicts of interests between the company’s shareholders, and that will help me take decisions freely by taking the rights of the stakeholders into consideration,

g) I will be able to spare sufficient time for the business of the Company to an extent that will help me pursue the activities of the Company and fulfill the requirements of my tasks and duties,

h) I have not been a member of the Board of Directors of the Company for more than six years in total within the last decade,

i) I have not been an independent member of the Board of Directors in the Company or in more than three of the companies controlled by the shareholders, who control the management of the Company and in more than five of the publicly traded companies in total,

j) I have not been registered and announced on behalf of the legal person elected as a member of the Board of Directors.



Mehmet Berkay Mollamustafaoğlu

Statements of independence

I declare that I am a candidate for assuming the role of an “Independent Member” on the Board of Directors of Logo Yazılım Sanayi ve Ticaret A.Ş. (Company), within the scope of the criteria stipulated in the legislations, the Articles of Association and the Capital Markets Board’s Corporate Governance Communiqué (n. II-17.1), and within this scope;

a) Within the last five years, no executive employment relation that would give important duties and responsibilities has been established between me, my spouse, my second degree relatives by blood or by marriage and the Company and the subsidiaries of the Company, and shareholders who control the management of the Company or who have significant influence at the Company and juridical persons controlled by these shareholders; and that I neither possess more than 5% of any and all capital or voting rights or privileged shares nor have significant commercial relations,

b) Within the last five years, I have not worked as an executive manager with important duties and responsibilities or have not been a member of the Board of Directors or held shares more than 5% particularly in the companies that provide auditing, rating and consulting services for the Company (including tax audit, legal audit, internal audit), and in the companies that the Company purchase products and services from or sells products and services to within the framework of the agreements signed during the timeframe of selling/ purchasing of the products and services,

c) I have the professional training, knowledge, and experience that will help me properly carry out the tasks and duties I will assume as a result of my independent membership in the Board of Directors,

d) In accordance with the legislations, I will not be working fulltime in public institutions and organizations except working as an academician at the university after being elected as a member,

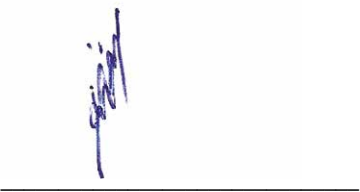
e) I do have strong ethical standards, professional standing and experience that will help me positively contribute to the activities of the Company and remain neutral in conflicts of interests between the company’s shareholders, and that will help me take decisions freely by taking the rights of the stakeholders into consideration,

f) I will be able to spare sufficient time for the business of the Company to an extent that will help me pursue the activities of the Company and fulfill the requirements of my tasks and duties,

g) I have not been a member of the Board of Directors of the Company for more than six years in total within the last decade,

h) I have not been an independent member of the Board of Directors in the Company or in more than three of the companies controlled by the shareholders, who control the management of the Company and in more than five of the publicly traded companies in total,

i) I have not been registered and announced on behalf of the legal person elected as a member of the Board of Directors.



Nezahat Gültekin

Statements of independence

I declare that I am a candidate for assuming the role of an “Independent Member” on the Board of Directors of Logo Yazılım Sanayi ve Ticaret A.Ş. (Company), within the scope of the criteria stipulated in the legislations, the Articles of Association and the Capital Markets Board’s Corporate Governance Communiqué (n. II-17.1), and within this scope;

a) Within the last five years, no executive employment relation that would give important duties and responsibilities has been established between me, my spouse, my second degree relatives by blood or by marriage and the Company and the subsidiaries of the Company, and shareholders who control the management of the Company or who have significant influence at the Company and juridical persons controlled by these shareholders; and that I neither possess more than 5% of any and all capital or voting rights or privileged shares nor have significant commercial relations,

b) Within the last five years, I have not worked as an executive manager with important duties and responsibilities or have not been a member of the Board of Directors or held shares more than 5% particularly in the companies that provide auditing, rating and consulting services for the Company (including tax audit, legal audit, internal audit), and in the companies that the Company purchase products and services from or sells products and services to within the framework of the agreements signed during the timeframe of selling/ purchasing of the products and services,

c) I have the professional training, knowledge, and experience that will help me properly carry out the tasks and duties I will assume as a result of my independent membership in the Board of Directors,

d) In accordance with the legislations, I will not be working fulltime in public institutions and organizations except working as an academician at the university after being elected as a member,

e) I am considered a resident in Turkey according to the Income Tax Law (n.193) dated 31/12/1960,

f) I do have strong ethical standards, professional standing and experience that will help me positively contribute to the activities of the Company and remain neutral in conflicts of interests between the company’s shareholders, and that will help me take decisions freely by taking the rights of the stakeholders into consideration,

g) I will be able to spare sufficient time for the business of the Company to an extent that will help me pursue the activities of the Company and fulfill the requirements of my tasks and duties,

h) I have not been a member of the Board of Directors of the Company for more than six years in total within the last decade,

i) I have not been an independent member of the Board of Directors in the Company or in more than three of the companies controlled by the shareholders, who control the management of the Company and in more than five of the publicly traded companies in total,

j) I have not been registered and announced on behalf of the legal person elected as a member of the Board of Directors.



Lale Gözübüyük

Other Duties of the Members of Board

The Board of Directors is authorized to manage, represent, and bind the company, as well as make the decisions on any matter except the issues, on which the General Assembly has been exclusively authorized to resolve pursuant to the Turkish Commercial Code, the Capital Market Law, and the Articles of Association. The duties undertaken by the board members in Logo Group companies and in other companies do not cause any conflict of interest with their board membership position.

Terms of Reference of the Board of Directors

The Board of Directors meets upon the invitation by the chairman as required. During the absence of the chairman, the invitation is to be made by the deputy chairman. Any board member may invite the Board of Directors for a meeting with a written request made to the chairman. The agenda for the periodic or ad hoc board meetings is prepared by the board secretary in coordination with the chairman and the deputy chairman. The financial and legal affairs department and the executive management secretary facilitate the communication among the board members in respect of the meetings. The date and agenda of the board meetings is notified seven days in advance by registered letter, telex, fax or electronic mail. The Board of Directors meets and resolves at the headquarters of the company. If deemed necessary the chairman may invite members for a meeting in a place other than the headquarters of the company or in a place abroad.

The meeting quorum of the Board of Directors including the postponed meetings is established upon the attendance of at least 5 (five) members. Affirmative votes of at least four board members are required for the board to resolve (including the postponed meetings), save for and without detriment to the board resolutions that require affirmative votes of the independent board members as per the Capital Markets Regulations and the Principles of Corporate Governance.

No board member has the right of veto, or a privilege or a special voting right in case of equality of the votes. Each member of the Board of Directors has one vote including the chairman and no board member has a weighted voting right.

In 2022, the Board of Directors has convened 28 times in total. In the reporting period, there was no dissenting vote, reasons for which were required to be recorded in the minutes, submitted to the independent auditors in writing or announced to the public.

Meeting minutes, which are considered as trade secrets shall not be disclosed to the public. However, the material issues that are resolved in the meeting are publicly announced through a material event disclosure statement. The material board resolutions are also disclosed on the company’s website.

The board resolutions, which involve material transactions or related party transactions, require affirmative votes of the majority of the independent members pursuant to the Corporate Governance Communiqué II-17.1 of the Capital Markets Board.

The company has a directors and officers’ liability insurance policy for potential losses that might occur as a result of a fault by the board members.

Number, Structure and Independence of Board Committees

The terms of reference of the board committees were prepared and the relevant units were assigned with the duty to follow up. The Audit Committee provided opinion to the Board of Directors on the appointment of the independent auditor, the audit

of the financial statements and the financial situation of the company. The Corporate Governance Committee evaluated the amendments to the Articles of Association, compliance with the Principles of Corporate Governance and the investor relations activities. The Risk Committee provided opinion in the meetings of the Board of Directors.

The Audit Committee, the Corporate Governance Committee, and the Risk Committee provided a significant contribution to the company in terms of improving the corporate governance practices and ensuring that the financial statement is accurately and transparently prepared in compliance with the regulations. The Nomination Committee and the Remuneration Committee were also established pursuant to the CMB Principles on Corporate Governance.

The committee members are elected mostly from among the non-executive members and independent members of the board. Only independent members serve as the chairperson of the committees. Since there are three independent members, the same individuals have to serve on multiple committees. The procedures to be followed by the committees were specified in the terms of reference disclosed on the website of the company and Public Disclosure Platform. Both the Chairman and the member of the Audit Committee were appointed from among independent members. The chairpersons of other committees are also independent board members and their members were elected mostly from among the non-executive members. Qualifications of committee members are presented to the Board of Directors section of the annual report and the company website.

TERMS OF REFERENCE OF COMMITTEES

AUDIT COMMITTEE

Nezahat Gültekin - President

Lale Gözübüyük - Member

Duties and Operating Principles

Purpose

The Audit Committee was established with a Board of Directors resolution in accordance with the Capital Market Board’s Communiqué II-17.1, in order to assist the Board of Directors in fulfilling its financial and operational duties. The Audit Committee supervises the execution and monitor the efficiency of the accounting system of the company, the audit and the disclosure of the financial information and the internal control system.

Authority and Scope

The Audit Committee;

- Verifies the accuracy and transparency of financial statements, footnotes and other financial information, and their compliance with the legislation and international accounting standards, and informs the Board of Directors in writing by taking the opinion of the independent audit company.
- Investigates the independence and qualifications of the independent audit firm and its employees on behalf of the Board of Directors.
- Monitors the accounting system of the company, the public disclosure of financial statements, and the effectiveness of the independent audit and internal control systems;
- Oversees the appointment of the audit firm, preparation of audit agreements, and initiation of the audit process and all activities related to the external audit process;

- Evaluates and resolves any complaint from within or outside the Company regarding accounting practices, the internal control system, or independent audit; and
- Reviews the measures taken for compliance with the legal and internal policies of the company.

The Committee shall advise the Board of Directors within its scope of responsibilities. Final decisions ultimately rest with the Board.

Committee Structure

In accordance with the CMB Communiqué II-17.1 on Determination and Implementation of the Principles of Corporate Governance, all members of the Audit Committee shall be independent board members. The Committee members shall be determined each year at the first board meeting following the Ordinary General Assembly meeting.

Committee Meetings and Reporting

The Audit Committee shall convene at least every 3 months and submits the outcome of the meeting to the Board of Directors. The Audit Committee shall produce minutes of its proceedings, which shall be signed and properly filed by the Committee members. The Committee shall inform the Board about matters within its scope of responsibility.

Responsibilities

a) Financial Statements and Announcements

- The Audit Committee shall monitor whether financial statements and their explanatory notes are prepared in accordance with the applicable accounting standards upon receiving the opinion of the external audit firm and the responsible executives.
- The Audit Committee shall review the annual report disclosed to the public and ensure the accuracy and consistency of the information included in the report to the extent of its knowledge.
- The Audit Committee shall review the changes in the accounting policies, internal control system and the regulations, which would materially impact the financial statements of the Company and report the same to the Board of Directors.
- The Audit Committee shall review significant accounting and reporting issues as well as legal matters, and their potential impact on the financial statements.

b) Independent Audit Firm

- The Audit Committee is responsible for evaluating the external audit firm to be appointed and monitoring their activities and signing of the agreement.
- The Appointment or replacement of the external audit firm, initiation of the audit process, and review and evaluation of the audit firm’s activities shall be conducted under the monitoring of the Audit Committee.
- The Audit Committee shall review the scope and process proposed by the audit firm and informs the Board of Directors about the matters that impede the efficiency of the same.
- The Audit Committee shall assess the external auditor’s independence.
- The Audit Committee shall ensure that the information regarding material issues identified by the external auditor and the recommended actions obtained and discussed in a timely manner.
- The Audit Committee shall review and approve the fees and compensation provided to the external auditor.

c) Compliance with Legal Requirements

- The Committee shall ensure that the activities of the company are conducted in accordance with the legal requirements and internal regulations, and identify procedures to be applied in case of non-compliance.
- The Audit Committee shall evaluate complaints received regarding the accounting system, internal control system and the external audit process, on a confidential basis.

CORPORATE GOVERNANCE COMMITTEE

Nezahat Gültekin- President
M. Tuğrul Tekbulut- Member
Lale Gözübüyük- Member
Canan Şenkut- Member

Duties and Operating Principles
Purpose

The Corporate Governance Committee monitors whether the company follows the corporate governance principles, determines the reasons and any conflict of interest due to non-compliance, offers mitigating to the Board of Directors, and supervises the Investor Relations Department.

Yetki ve Kapsam

The Committee shall arrange for periodic reviews of the terms of reference and recommend changes, if needed, to the Board of Directors. The final decision ultimately rests with the Board of Directors.

The Corporate Governance Committee;

- a) Improves the corporate governance principles, facilitates their adaptation and implementation within the Company;
- b) Conducts the annual corporate governance evaluation of the Board of Directors and presents a report to the approval of the board in this regard;
- c) Oversees the activities of the Investor Relations Department; and
- d) Makes recommendations on the functioning and effectiveness of the Board of Directors and its committees;

Nomination committee

M. Berkay Mollamustafaoğlu- President
M. Tuğrul Tekbulut- Member
Söz Ar- Member

The Nomination Committee;

- a) Establishes a transparent system to identify, evaluate and train appropriate nominees to the Board of Directors and developing related policies and strategies;
- b) Arranges for periodic reviews of the structure and efficiency of the Board of Directors and recommending changes thereto;
- c) Establishes and reviews the approach and practices for the evaluation of performance and career planning of the board members and the executive team.

Remuneration committee

M. Berkay Mollamustafaoğlu - President
M. Tuğrul Tekbulut- Member
Lale Gözübüyük - Member

Remuneration Committee;

- a) Advises the board on the framework for remuneration of the members of the board and the executive team in line with the long-term objectives of the company;
- b) Determines compensation criteria for the board members and the executive team according to the company and the individual performance (Stock options and payment schedules based on the company's performance are not applied to the remuneration of the independent board members);
- c) Advises the board on the compensation packages of the members of the board and the executive team based on achievement of the relevant criteria.

Structure of the Committee

- a) The committee shall be established as per the Articles of Association of the company. The Committee shall consist of at least two members.
- b) The chairperson of the committee shall be appointed from among the independent board members.
- c) If the committee comprises two members, both of them if more than two members the majority of them shall be appointed from among the non-executive Board members. The CEO, the general manager, and the CFO cannot be appointed to the committee.
- d) The Committee may obtain a professional opinion from specialist advisors if necessary.
- e) The Committee members shall be determined each year at the first board meeting following the Ordinary General Assembly meeting.
- f) The committee shall convene with the presence of the majority of its members and make decisions by a majority of the votes.
- g) The board secretary serves also as the secretary of the Remuneration Committee.

Reporting Responsibility

- a) The Remuneration Committee shall convene as it is required to perform its duties.
- b) The committee decisions shall be reported to the Board of Directors.
- c) The Board secretary is responsible for taking the minutes and filing the proceedings and resolutions of the meetings.

Risk committee
M. Berkay Mollamustafaoğlu - President
Söz Ar - Member

Duties and Working Principles

Purpose

The Risk Committee identifies the risks that might endanger the existence, development, and continuity of the company, implements the required measures and conducts risk management related studies, and reviews the risk management systems at least once a year.

Authority and Scope

- The Risk Committee;
- a) Establishes effective internal control systems to determine, evaluate, monitor and manage significant risks and their likelihood and magnitude, which would affect the company in achieving its objectives;
 - b) Integrates the risk management and internal control systems to the corporate structure and monitors their effectiveness;
 - c) Ensures that the company’s risk management and internal control systems measures and reports on the risk factors and that these risk factors are taken into account by decision making mechanisms,
 - d) Reviews its terms of references periodically and, if necessary, advises the board on required changes, if necessary. The ultimate responsibility with respect to the final decision rests with the board.

Committee Structure

- a) The committee is established in accordance with the Articles of Association of the company.
- b) The committee consists of at least two members. The chairman of the Committee is elected from among independent directors. The CEO / General Manager cannot become a member of the Committee.
- c) The committee may receive opinion from independent specialists on matters that they find necessary.
- d) The committee members shall be determined each year at the first board meeting following the ordinary general assembly meeting.
- e) The committee shall convene with the attendance of one plus half of its members and take decisions by the majority of the votes.
- f) The secretary of the Board of Directors serves also as the secretary of the Risk Committee.

Committee Meetings and Reporting

- a) The Risk Committee meets at least once every three months and presents the outcome of the meeting to the Board of Directors.
- b) The committee ensures that the Board of Directors is informed about the issues, which are within the scope of the committee’s authority and responsibility.
- c) The board secretary is responsible for taking the minutes and filing the proceedings and resolutions of the committee.

The number of committee meetings held in 2022 is presented below:

Audit Committee: 5

Corporate Governance Committee: 4

Nomination Committee: 1

Remuneration Committee: 1

Risk Committee: 6

Attendance* to Board Meetings

Board Member	Position	Number of Meetings	Attendance
M. Tuğrul Tekbulut	Chairman of the Board	28	28
M. Buğra Koyuncu	Deputy Chairman of the Board	28	28
Söz Ar	Board member	15	15
M. Berkay Mollamustafaoğlu	Board Member-Independent	28	27
Nezahat Gültekin	Board Member-Independent	15	2
Lale Gözübüyük	Board Member-Independent	15	6

* Attendance for the Board members elected in the Annual General Assembly dated 15 April 2022 is presented as of the date of the AGM.

Remuneration of Board Members and Executive Team

Any rights, benefits, and remuneration provided to the board members and the executive team as well as the criteria used, and the Remuneration Policy are announced on the company website. The Remuneration Policy applicable to the board members and the executive team, which was prepared in accordance with the Principles of Corporate Governances, was presented to the shareholders in the General Assembly meeting dated April 15, 2022, pursuant to the Capital Markets Board’s regulations. The information was provided with respect to the board members and the executive team. Only the non-executive and independent members of the board receive a gross fee of 17,500 TL per month and the other board members do not receive any financial benefit for their service on the board. The company did not grant any warranty, debt or loan to any board member or executive. In 2022, total payment made to the senior executives equals to 53.4 million TL. All the benefits provided to the senior management are short-term benefits.

Risk management and internal control mechanism

The purpose of risk management and internal control mechanism is to identify all existing and potential risks faced by the company, development of actions to minimize those risks and monitoring of the implementation.

The company has established internal control systems. In 2022, the effectiveness of the risk management and internal controls was monitored under the supervision of the Risk Committee. Risk management and internal control systems are effectively managed in identifying and managing the risks that the company faces. The risks that the Company is exposed to are analyzed in two categories as operational and financial risks.

The company's accounting system, public disclosure of the financial information, operations and effectiveness of the independent audit and internal control systems are supervised by the Audit Committee, which consists of two members, who are also members of the Board of Directors.

Legal disclosures

Information on privileged shares: The company's capital is categorized in two groups as Group A and Group B shares. In accordance with the Articles of Association, Group A shareholders are entitled to nominate half of the members of the board. Also the chairperson of the board is elected from among the board members nominated by Group A shareholders.

Information on legal actions against the Company, which would have an impact on the company's financial status or operations and their potential impact: No legal action had been taken against the Company in 2022, which has the potential to affect the Company's financial status and operations. There are provisions recorded for the legal actions from previous years according to materiality. No legal action had been taken against the Company regards to Environmental, Social and Corporate Governance topics in 2022, which has the potential to affect the Company's financial status and operations.

Regulatory changes that may affect the operations of the company: There was no regulatory change that may affect the operations of the company.

Amendments to the articles of association within the reporting period: There was no amendment to the articles of association within the reporting period.

Dividend distribution:

The Articles of Association does not include any privilege in terms of participating in the company's profits. The Board of Directors annually reviews the dividend distribution policy. A balanced and consistent policy with respect to the interests of the investors and the company is applied for dividend distribution as per the Principles of Corporate Governance The dividend distribution policy is prepared by the Board of Directors, taking into consideration the general economic conditions, long term investment, financing business plans as well as the profitability of the company. Up to 55% of the distributable net profit for the period calculated in accordance with Turkish Commercial Code and CMB regulations and the Articles of Association shall be distributed to the shareholders. Dividend distribution shall be made in cash or as capital increase by bonus issue or partly in cash and partly as capital increase by bonus issue. If the amount of the dividends is less than 5% of the paid-in capital, the corresponding amount in question shall be retained in the company.

In our Company's Board of Directors meeting dated March 22th, 2022; According to the financial statements for the accounting period of January 1st, 2021 - December 31st, 2021, prepared within the framework of the provisions of the Capital Markets Board Communiqué II-14.1 and in accordance with the International Financial Reporting Standards and audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.; a "(Consolidated) Net Profit" of TRY 300,067,809 has been recorded, of which TRY 264,649,959 is the net profit belonging to the equity holders of the parent after tax.

Taking into account our Dividend Distribution Policy and according to dividend distribution table attached, Board of Directors has unanimously resolved by the attendees to submit following matters to General Assembly's approval;

Distribution of gross TRY 90,000,000, (gross TRY 0.90 per share of TRY 1 nominal value and 90% on the basis of the paid-in capital) of the net distributable profit calculated in the framework of Turkish Commercial Code and the dividend distribution regulations and decisions of the Capital Markets Board, to shareholders as a cash dividend,

Allocation of TRY 13,685,066.00 as General Legal Reserves in accordance with the Turkish Commercial Code,

Allocation of the remaining profit as Extraordinary Legal Reserves,

Distribution of the cash dividends to the shareholders as of April 20th, 2022.

Corporate governance information form

1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	4 quaterly earning calls and 74 meetings
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	None
The number of special audit requests that were accepted at the General Shareholders' Meeting	None
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/en/Bildirim/1012787
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Yes, provided
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There is no such transaction
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)	There is no such transaction
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)	There is no such transaction
The name of the section on the corporate website that demonstrates the donation policy of the company	Investor Relations-Corporate Governance-Policy
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/tr/Bildirim/761121
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	None
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	Investors and employees with AGM duties.
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	-
The percentage of ownership of the largest shareholder	33,63%
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	Not enlarged
If yes, specify the relevant provision of the articles of association	-
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Investor Relations-Corporate Governance-Policy
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend	Dividend was distributed.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	Dividend was distributed.

General assembly meetings

General Meeting Date : 15 April 2022	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them: Investor Relations-General Assembly Notifications
The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting: 0 Shareholder participation rate to the General Shareholders' Meeting: 62.23%	
Percentage of shares directly present at the GSM: 0.007%	
Percentage of shares represented by proxy: 62.23%	
Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against: Investor Relations-General Assembly Notifications	
The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions: -	
The number of declarations by insiders received by the board of directors: 91	
The link to the related PDP general shareholder meeting notification: https://www.kap.org.tr/tr/Bildirim/1012787	

2. DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	Investor Relations
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	Investor Relations-Corporate Governance
List of languages for which the website is available	Turkish and English
2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	Corporate Overview and Corporate Governance
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Corporate Governance
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Corporate Governance
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	Corporate Governance
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Additional information on operations
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	There is no such conflict of interest
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	There is no such subsidiary
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Social impact focused approach, Employee experience focused approach, Corporate Governance, Environmental impact focused approach
3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	Investor Relations-Corporate Governance-Policy
The number of definitive convictions the company was subject to in relation to breach of employee rights	2
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Logo Group People&Organisational Development Director
The contact detail of the company alert mechanism.	etikhat.com.tr / 444-3845

3.2. Supporting the Participation of the Stakeholders in the Corporation’s Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies.	Investor Relations-Corporate Governance-Policy
Corporate bodies where employees are actually represented	None
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	Actively involved
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Investor Relations-Corporate Governance-Policy
Whether the company provides an employee stock ownership programme	Not provided
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Investor Relations-Corporate Governance-Policy
The number of definitive convictions the company is subject to in relation to health and safety measures	o
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	Investor Relations-Corporate Governance-Policy
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	Sustainability and Investor Relations
Any measures combating any kind of corruption including embezzlement and bribery	Code of Ethics

4. BOARD OF DIRECTORS-I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	None
Whether the board evaluation was externally facilitated	-
Whether all board members released from their duties at the GSM	All Board Members were released
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Chairman of the Board M. Tuğrul Tekbulut and Deputy Chairman of the Board M. Buğra Koyuncu are authorized to represent the company with joint signature.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	-
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Corporate Governance
Name of the Chairman	M. Tuğrul Tekbulut
Name of the CEO	M. Buğra Koyuncu
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	Chairman and CEO functions are not combined.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	There is an insurance policy. There is no PDP disclosure.
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	Yatırımcı İlişkileri-Kurumsal Yönetim-Politikalar
The number and ratio of female directors within the Board of Directors	2 and 33%

Composition of Board of Directors

Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link to PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years’ Experience On Audit, Accounting And/Or Finance Or Not
M. Tuğrul Tekbulut	Executive	Not independent	11 March 1986	-	-	-	no
M. Buğra Koyuncu	Executive	Not independent	3 May 2019	-	-	-	no
Söz Ar	Non-Executive	Not independent	15 April 2022	-	-	-	no
M. Berkay Mollamustafaoğlu	Non-Executive	Independent	3 May 2019	https://www.kap.org.tr/tr/Bildirim/1012787	Considered	not	no
Nezahat Gültekin	Non-Executive	Independent	15 April 2022	https://www.kap.org.tr/tr/Bildirim/1012787	Considered	not	yes
Lale Gözübüyük	Non-Executive	Independent	15 April 2022	https://www.kap.org.tr/tr/Bildirim/1012787	Considered	not	yes

4. BOARD OF DIRECTORS-II	
4.4. Meeting Procedures of the Board of Directors	
Number of physical or electronic board meetings in the reporting period	28
Director average attendance rate at board meetings	82%
Whether the board uses an electronic portal to support its work or not	Yes, an electronic portal is used
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	7 days
The name of the section on the corporate website that demonstrates information about the board charter	Investor Relations - Corporate Governance - Articles of Association
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	None
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented.	Corporate Governance
Link(s) to the PDP announcement(s) with the board committee charters	Committee charters can be found on corporate website's Investor Relations-Corporate Governance-Working Principles of the Committee section. Corporate Governance Committee's working principles PDP announcement: https://www.kap.org.tr/tr/Bildirim/291245 .

Composition of Board Committees-I

Names Of The Board Committees	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Audit Committee	Nezahat Gültekin	Yes	Independent Board Member
Audit Committee	Lale Gözübüyük	No	Independent Board Member
Corporate Governance Committee	Nezahat Gültekin	Yes	Independent Board Member
Corporate Governance Committee	M. Tuğrul Tekbulut	No	Board Member
Corporate Governance Committee	Lale Gözübüyük	No	Independent Board Member
Corporate Governance Committee	Canan Şenkut	No	Not a Board Member
Nomination Committee	M. Berkay Mollamustafaoğlu	Yes	Independent Board Member
Nomination Committee	M. Tuğrul Tekbulut	No	Board Member
Nomination Committee	Söz Ar	No	Board Member
Committee of Early Detection of Risk	M. Berkay Mollamustafaoğlu	Yes	Independent Board Member
Committee of Early Detection of Risk	Söz Ar	No	Board Member
Remuneration Committee	M. Berkay Mollamustafaoğlu	Yes	Independent Board Member
Remuneration Committee	M. Tuğrul Tekbulut	No	Board Member
Remuneration Committee	Lale Gözübüyük	No	Independent Board Member

4. BOARD OF DIRECTORS-III	
4.5. Board Committees-II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report - Corporate Governance
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report - Corporate Governance
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report - Corporate Governance
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report - Corporate Governance
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report - Corporate Governance
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Additional information on operations
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Investor Relations-Corporate Governance-Policy
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Annual Report - Corporate Governance

Composition of Board Committees-II

Names Of The Board Committees	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number of Reports on its Activities Submitted to the Board
Audit Committee	100%	100%	5	2
Corporate Governance Committee	67%	67%	4	1
Nomination Committee	67%	33%	1	1
Committee of Early Detection of Risk	100%	50%	6	2
Remuneration Committee	67%	67%	1	1

Corporate governance compliance report

	Yes	Partial	No	Exempted	"Not Applicable"	Explanation
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1- Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 -The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.		X				Item included total amounts.
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X					
1.4. VOTING RIGHTS						
1.4.1-There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2-The company does not have shares that carry privileged voting rights.	X					
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	
1.5. MINORITY RIGHTS						
1.5.1- The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2-The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			There is no such item in Articles of Association.
1.6. DIVIDEND RIGHT						
1.6.1 -The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2-The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					

	Yes	Partial	No	Exempted	"Not Applicable"	Explanation
2.1. CORPORATE WEBSITE						
2.1.1-The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2-The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 -The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT						
2.2.1-The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3-Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5-The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1-The Articles of Association, or the internal regulations (terms of reference/ manuals), regulate the participation of employees in management.	X					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1- The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2-Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4-Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.					X	Our company does not have collective bargaining. Our company respects the freedom of association and the right of collective bargaining.
3.3.9 - A safe working environment for employees is maintained.	X					

	Yes	Partial	No	Exempted	"Not Applicable"	Explanation
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2-Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1-The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2-Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4-Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9-The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.	X					
4.3.10-At least one member of the audit committee has 5 years of experience in audit/ accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1-Each board member attended the majority of the board meetings in person.	X					
4.4.2-The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					
4.4.4-Each member of the board has one vote.	X					
4.4.5-The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6-Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					

	Yes	Partial	No	Exempted	"Not Applicable"	Explanation
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				There are no limits. Shareholders were informed of Board members' external commitments at the General Shareholder's Meeting.
4.5. BOARD COMMITTEES						
4.5.5-Board members serve in only one of the Board's committees.			X			Board members serve in more than one committee because there are only six Board members.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7-If external consultancy services are used, the independence of the provider is stated in the annual report.					X	Committees did not use external independent consultancy services.
4.5.8-Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.			X			There is no board performance evaluation system.
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5-The individual remuneration of board members and executives is disclosed in the annual report.			X			Only independent and non-executive Board Members are remunerated and the amounts are disclosed in the annual report. For executive team, total amount was disclosed.

The Sustainability Principles Compliance Framework

Logo has complied with majority of the principles specified in the non-mandatory “Sustainability Principles Compliance Framework” prepared with Capital Markets Board (CMB)’s “comply or explain” approach. There are 48 of the 58 principles in full compliance, 3 partially in compliance, 4 non-compliance and 3 irrelevant. Evaluations regarding the compatibility of the principles with the country and market conditions, and the company structure are continuing within the framework of the compliance with the following principles, which are partially complied with or not;

- A1.2 Short and long-term targets set within the scope of ESG policies are publicly disclosed.
- A2.2 Implementation and action plans in line with ESG targets have been created and publicly disclosed.
- A4.1 The Partnership’s ESG Key Performance metrics are verified and publicly disclosed by an independent third party.
- B4 Environmental targets included in the rewarding criteria within the scope of performance incentive systems on the basis of stakeholders (such as board members, managers and employees) have been disclosed to the public.
- B8 Whether the relevant organizations and non-governmental organizations on the environment are involved in the policy-making processes and the collaborations with these institutions and organizations are publicly disclosed.
- B13 The strategy to combat the climate crisis has been established and the planned actions have been made public.
- B14 Actions were taken to reduce greenhouse gas emissions of third parties (eg suppliers, subcontractors, dealers, etc.) and these actions were publicly disclosed.

Our Company's Sustainability Principles Compliance Report for the period of 2022 has been accepted by our Company's Board of Directors, and this report is available on our Company's page on the Public Disclosure Platform.

		Compliance status				Explanations	Relevant report/link
		Yes	No	Partly	N/A		
	A. General Principles						
	A1. Strategies, Policies, and Objectives						
A1.1	Material environmental, social, and corporate governance (ESG) issues, risks, and opportunities have been identified by the Company's board of directors.	X					Logo Corporate Website/Sustainability
	ESG policies (e.g. Environmental Policy, Energy Policy, Human Rights and Employee Policy, etc.) have been developed and disclosed to the public by the board of directors.	X					2022 Integrated Annual Report/ Management Systems
A1.2	Short and long-term objectives set within the scope of ESG policies have been disclosed to the public.			X		Environmental objectives have been disclosed.	2022 Integrated Annual Report/ Environmental impact focused approach
	A2. Implementation/Monitoring						
A2.1	Committees and/or units responsible for the implementation of ESG policies, as well as the employees in the Company with the top-level responsibility for ESG issues and the duties of these employees, have been identified and made public.	X					2022 Integrated Annual Report/Value creation focused approach
	The activities carried out within the scope of the policies by the responsible committee and/or unit were reported to the board of directors at least once a year.	X					2022 Integrated Annual Report/Value creation focused approach

		Compliance status				Explanations	Relevant report/link
		Yes	No	Partly	N/A		
A2.2	Implementation and action plans have been developed and disclosed to the public in line with ESG objectives.			X		Actions have been taken in line with the environmental objectives.	2022 Integrated Annual Report/ Environmental impact focused approach
A2.3	ESG Key Performance Indicators (KPIs) and the level of achievement of these indicators on an annual basis have been disclosed to the public.	X					2022 Integrated Annual Report/ Environmental and Social performance indicators
A2.4	Activities to improve the sustainability performance of business processes or products and services have been disclosed to the public.	X					2022 Integrated Annual Report/ Innovation focused approach
A3. Reporting							
A3.1	Information on the Company's sustainability performance, objectives, and actions was provided in the annual reports in an understandable, accurate, and sufficient manner.	X					2022 Integrated Annual Report
A3.2	The Company has publicly disclosed information on which of the United Nations (UN) 2030 Sustainable Development Goals its activities are related to.	X					2022 Integrated Annual Report
A3.3	Lawsuits filed against and/or finalized on ESG issues, which are important in terms of ESG policies and/or may significantly affect operations, have been disclosed to the public.	X					2022 Integrated Annual Report/ Corporate overview
A4. Verification							
A4.1	ESG Key Performance Measures of the Company have been verified by an independent third party and disclosed to the public.		X			Getting limited assurance for selected indicators is planned for future years.	
B. Environmental Principles							
B1	The Company has publicly disclosed its environmental policies and practices, action plans, environmental management systems (ISO 14001 standard), and programs.	X					Logo Corporate Website/ Environmental Sustainability
B2	Regarding the environmental reports in which information on environmental management is provided, the scope of the report, reporting period, reporting date as well as restrictions on reporting conditions have been disclosed to the public.	X					2022 Integrated Annual Report/About the Report
B3	Explained in A2.1.	X					
B4	Environmental objectives included in the rewarding criteria as part of the performance incentive systems have been disclosed to the public on the basis of stakeholders (such as board members, managers, and employees).		X			The Company is continuing to work on this matter.	
B5	How material environmental issues are integrated into business objectives and strategies has been disclosed to the public.	X					2022 Integrated Annual Report/ Value creation focused approach and Overview/Products and Services
B6	Explained in A2.4.	X					
B7	How environmental issues are managed and integrated into business objectives and strategies across the Company's value chain, including its suppliers and customers as well as into the operation process, have been disclosed to the public.	X					Environmental Policy for Suppliers and Business Partners

		Compliance status				Explanations	Relevant report/link
		Yes	No	Partly	N/A		
B8	It has been disclosed to the public whether relevant institutions and non-governmental organizations were involved in environmental policy-making and the nature of collaborations with these institutions and organizations.			X		As a signatory of UNGC, Logo carries out activities within the framework of UNGC's Environmental Principles; however, since the environmental impact of the software industry is relatively low and environmental issues are not among the top priorities identified in the stakeholder analysis, Logo does not have any NGO membership or activities on the environment.	
B9	In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts), information on environmental impacts has been disclosed to the public, allowing periodical comparison.	X					2022 Integrated Annual Report/ Environmental performance indicators section
B10	Details of the standard, protocol, methodology, and base year used to collect and calculate the data have been disclosed to the public.	X					2022 Integrated Annual Report/About the Report
B11	The increase or decrease in environmental indicators for the reporting year in comparison with previous years has been disclosed to the public.	X					
B12	Short and long-term targets have been set to reduce environmental impacts, and these targets and progress against the targets set in previous years have been disclosed to the public.	X					2022 Integrated Annual Report/ Environmental impact focused approach
B13	A strategy to tackle the climate crisis has been developed and planned actions have been disclosed to the public.		X			The Company is continuing to work on this matter.	
B14	Programs or procedures to prevent or minimize the potential negative impact of products and/or services on the environment have been developed and disclosed to the public.	X					2022 Integrated Annual Report/ Environmental impact focused approach
	Actions have been taken to reduce the greenhouse gas emissions of third parties (e.g. suppliers, subcontractors, dealers, etc.) and these actions have been disclosed to the public.		X			Actions related to third parties are foreseen to be taken in the coming years.	

		Compliance status				Explanations	Relevant report/link
		Yes	No	Partly	N/A		
B15	Environmental benefits/gains and cost savings from initiatives and projects aiming to reduce environmental impacts have been disclosed to the public.	X					2022 Integrated Annual Report/ Environmental impact focused approach
B16	Energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) data have been disclosed to the public as Scope-1 and Scope-2.	X					2022 Integrated Annual Report/ Environmental performance indicators
B17	The amount of electricity, heat, steam, and cooling generated in the reporting year has been disclosed to the public.	X					2023 Integrated Annual Report/ Environmental performance indicators
B18	Studies have been conducted to increase the use of renewable energy and transition to zero or low-carbon electricity and publicly disclosed.	X					2022 Integrated Annual Report/ Environmental impact focused approach
B19	Renewable energy production and consumption figures have been disclosed to the public.	X					2022 Integrated Annual Report/ Environmental impact focused approach and Environmental performance indicators
B20	Energy efficiency projects have been conducted and the amount of energy consumption and emission reductions achieved through energy efficiency projects have been disclosed to the public.	X					2022 Integrated Annual Report/ Environmental impact focused approach and Environmental performance indicators
B21	Water consumption, the amount of water extracted from underground or surface water bodies, and if any, the amount of recycled and discharged water, relevant water sources, and procedures have been disclosed to the public.	X					2022 Integrated Annual Report/ Environmental impact focused approach and Environmental performance indicators
B22	It has been disclosed to the public whether the operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade, or Carbon Tax).				X	N/A	
B23	Information on carbon credits accumulated or purchased during the reporting period has been disclosed to the public.				X	N/A	
B24	If carbon pricing is applied within the Company, the details have been disclosed to the public.				X	N/A	
B25	The platforms where the Company discloses its environmental information have been disclosed to the public.	X					2022 Integrated Annual Report/Value creation focused approach
	C. Social Principles						
	C1. Human Rights and Employee Rights						
C1.1	A Corporate Human Rights and Employee Rights Policy has been developed in line with the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye, and other applicable legislation, the parties responsible for the implementation of the policy have been identified and the policy and responsible parties have been disclosed to the public.	X					2022 Integrated Annual Report/ Employee experience focused approach
C1.2	Fair labor practices, improvement of labor standards, women's employment, and inclusion (such as non-discrimination based on gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, trade union activities, political opinion, disability, social and cultural differences, etc.) are included in the policy on employee rights, taking into account supply and value chain impacts.	X					2022 Integrated Annual Report/ Employee experience – focused approach
C1.3	Measures taken across the value chain to protect the rights of economically, environmentally, and socially vulnerable groups (low-income segments, women, etc.) or minority rights/equal opportunities have been disclosed to the public.	X					2022 Integrated Annual Report/Social impact focused approach

		Compliance status				Explanations	Relevant report/link
		Yes	No	Partly	N/A		
C1.4	Progress in preventing and remedying discrimination, inequality, human rights violations, forced labor, and child labor has been disclosed to the public.	X				The issue of child labor is irrelevant to the software industry.	2022 Integrated Annual Report / Employee experience focused approach, Financial Performance, and Corporate Governance Approach
C1.5	Investment in employees (training, development policies), compensation, benefits, the right to unionize, solutions for maintaining work/life, and talent management are included in the policy on employee rights.	X					2022 Integrated Annual Report/ Employee experience – focused approach
	Mechanisms for resolving employee complaints and disputes have been established and dispute resolution processes have been determined.	X					2022 Integrated Annual Report / Financial Performance and Corporate Governance Approach
	Activities carried out during the reporting period to ensure employee satisfaction have been disclosed to the public.	X					2022 Integrated Annual Report/ Employee experience – focused approach
C1.6	Occupational health and safety policies have been developed and disclosed to the public.	X					2023 Integrated Annual Report / Employee experience focused approach / Occupational Health and Safety section
	Measures taken to prevent occupational accidents and protect health, and accident statistics have been disclosed to the public.	X					2022 Integrated Annual Report/ OHS and Social performance indicators
C1.7	Personal data protection and data security policies have been established and disclosed to the public.	X					Logo Group Companies' personal data protection, processing, and destruction policy Information Security Policy
C1.8	Ethics policy has been established and disclosed to the public	X					Code of Ethics
C1.9	Its activities related to social investments, social responsibility, financial inclusion, and access to finance are disclosed.	X					2022 Integrated Annual Report/Social impact focused approach
C1.10	Informative meetings and training programs have been organized for employees on ESG policies and practices.	X					2022 Integrated Annual Report/ Employee experience – focused approach and Environmental impact focused approach
C2. Stakeholders, International Standards and Initiatives							
C2.1	A customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed to the public.	X					Customer satisfaction management system policy
C2.2	Information on communication with stakeholders (stakeholder, topic, and frequency) has been disclosed to the public.	X					Logo Corporate Website/Sustainability
C2.3	International reporting standards adopted in reporting have been disclosed.	X					2022 Integrated Annual Report/About the Report
C2.4	Principles adopted in relation to sustainability, international organizations, committees, and principles of which the Company is a signatory or member have been disclosed to the public.	X					Logo Corporate Website/Sustainability
C2.5	Developments have been made and studies have been carried out to be included in the sustainability indices of Borsa Istanbul and/or international index providers.	X					2022 Integrated Annual Report/Value creation focused approach
D. Corporate Governance Principles							
D1	Stakeholders have been consulted when identifying sustainability measures and strategies.	X					2022 Integrated Annual Report/Value creation focused approach
D2	Social responsibility projects, awareness-raising events, and training have been conducted to raise awareness of sustainability and its importance.	X					2022 Integrated Annual Report/Social impact focused approach

Additional information on our operations

Other information that should be included in the annual report as per the guidelines established by The Ministry of Customs and Trade are as follows:

Private and public inspections conducted within the reporting period The Company was not subject to any private or public inspections in 2022.

Administrative or law enforcement imposed on the Company or members of the management body due to practices contrary to provisions of the legislation There was no administrative or law enforcement imposed on the company or members of the management organ due to practices violating the provisions of the legislation within the accounting period.

Whether the targets specified in the past periods were achieved or not, the resolutions of the Shareholders’ Assembly were accomplished or not, and if the resolutions were not accomplished; the reasons The company achieved its targets in 2022. General assembly resolutions that were made in 2022 were fulfilled.

If the company is part of a corporate group; legal transactions performed with the parent company, a subsidiary of the parent company, on behalf of the parent company or a subsidiary of the parent company with the instruction of the parent company and any other measures taken or avoided taking on behalf of the parent company or a subsidiary of the parent company: -

If the company is part of a corporate group; according to the terms and conditions known to them at the time a legal transaction mentioned in clause was performed or a measure was taken or avoided taking, whether in every legal transaction an appropriate substituted performance was provided or not and whether the measure taken or avoided taking caused any damage to the company or not; if the company experienced any damage whether this was compensated or not According to the terms and conditions known by Board of Directors at the time of the legal transaction, on every legal transaction the Company provided an appropriate substituted performance. There were no measures taken or avoided taking in a manner causing any damage to the Company in 2022.

Information on legal actions against the Company, which would have an impact on the company’s financial status or operations and their potential impact No legal action had been taken against the Company in 2022, which has the potential to affect the Company’s financial status and operations. There are provisions recorded for the legal actions from previous years according to materiality. In addition, there is no lawsuit has been filed against ESG issues in 2022, which are important in terms of ESG policies and may significantly affect the activities.

Dividend distribution policy

There are no privileges in the Articles of Association of Logo regarding participation in the profit of the company.

The Board of Directors annually reviews the dividend distribution policy. A balanced and consistent policy with respect to the interests of the investors and the company is applied for dividend distribution as per the Principles of Corporate Governance. The dividend distribution policy is prepared by the board of directors, taking into consideration the general economic conditions, long term investment, financing business plans as well as the profitability of the company. Up to 55% of the distributable net profit for the period calculated in accordance with Turkish Commercial Code and CMB regulations and the Articles of Association of our company shall be distributed to our shareholders. Dividend distribution shall be made in cash or as capital increase by bonus issue or partly in cash and partly as capital increase by bonus issue. If the amount of the dividends is less than 5% of the paid-in capital, the corresponding amount in question shall be retained in the company.

According to the Articles of Association, dividend in advance can be distributed to the shareholders, if the General Assembly has authorized the Board of Directors up to a period of one year, in accordance with the Capital Market Regulations and the Turkish Commercial Code.

The distribution shall start by 30th day following the day of general assembly resolution was taken and no later than the end of the reporting period in which the related general assembly resolution was made. The general assembly may resolve or authorize the board of directors to resolve that the dividend shall be paid in installments in line with the Capital Market regulations.

Financial overview



General overview

Value creation
focused approach

Financial performance and
Corporate governance approach

Innovation
focused approach

Customer experience and
ecosystem focused approach

Employee experience
focused approach

Social impact
focused approach

Environmental impact
focused approach

International
overview

Corporate overview

**Financial
overview**

Appendices



Logo Yazılım Sanayi ve Ticaret A.Ş. Convenience Translation into English of Consolidated Financial Statements as of 31 December 2022 with Independent Auditor's Report (Originally Issued in Turkish)

DRT Bağımsız Denetim ve
Serbest Muhasebeci
Mali Müşavirlik A.Ş.
Maslak No1 Plaza
Eski Büyükdere Caddesi
Maslak Mahallesi No:1
Maslak, Sarıyer 34485
İstanbul, Türkiye
Tel: +90 (212) 366 60 00
Fax: +90 (212) 366 60 10
www.deloitte.com.tr

Mersis No :0291001097600016
Ticari Sicil No: 304099

(CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of
Logo Yazılım Sanayi ve Ticaret A.Ş.

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Logo Yazılım Sanayi ve Ticaret A.Ş. (“the Company”) and its subsidiaries (“the Group”) which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (“TFRS”).

2) Basis for Opinion

We conducted our audit in accordance with the standards on auditing issued by Capital Markets Board and the Standards on Independent Auditing (“SIA”) which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority (“POA”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (“Code of Ethics”) published by the POA, together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

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

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

© 2023. For information, contact Deloitte Touche Tohmatsu Limited.

3) Key Audit Matters (Cont’d)

Key Audit Matter	How the matter was addressed in the audit
<p>Revenue recognition</p> <p>Revenue is the most significant measurement criterion for evaluating the results of strategies implemented throughout the year end performance follow-up. The Group’s total net revenue is amounting to TRY 1.541.476 thousand for the year ended 31 December 2022.</p> <p>The revenue of the Group mainly consists of standard software license sales, Logo Enterprise Membership (“LEM”) sales, SaaS subscription revenues, software development revenues and package upgrade revenues.</p> <p>We focused on this area due to following reasons:</p> <p>- It has significant impacts on several financial statements line items such as trade receivables, contract liabilities, revenue and cost of sales on the consolidated financial statement of the Group as at 31 December 2022,</p> <p>- Application of accounting standards for recognition of revenue are complex,</p> <p>- Each revenue streams recognized in the consolidated financial statements have different recognition criteria and management’s assumptions and judgements are used for determination of percentage of completion ratios in recognizing revenue from projects.</p> <p>Accounting policies of the Group and the amount of revenue are disclosed in Note 2.5 and 20, respectively.</p>	<p>The following procedures were performed to audit of the revenue:</p> <p>Our audit procedures consist of understanding of the internal controls and business processes on revenue recognition, including reporting on business performance reviews and controls performed by the management, analytical reviews and substantive tests. While designing and performing our audit procedures on revenue, we segregated revenue streams and designed our audit procedures based on each revenue types.</p> <p>To verify software licenses and version upgrade revenues, accounting records and underlying documents were substantively tested.</p> <p>LEM revenue is recognized over the duration of the contract terms. LEM revenue and deferred revenue related to LEM sales were tested by sampling method.</p> <p>SaaS subscription revenue consists of sales recorded and reflected to customers on a monthly basis. The accuracy of invoices issued to customers and records were tested using substantive testing procedures.</p> <p>The completion rate of projects was considered in recognition of special software development and project revenues. Our audit procedures on these types of revenues included reviewing agreements, testing completion rates and comparing the budgets and realized costs of the ongoing projects.</p> <p>We evaluated the adequacy of disclosures explained in Note 20 for requirements of TFRS 15. “Revenue from Contract with Customers”.</p>

3) Key Audit Matters (Cont’d)

Key Audit Matter	How the matter was addressed in the audit
<p>Impairment test of goodwill</p> <p>The carrying value of goodwill accounted for under intangible assets amounted to TRY 436.915 thousand in the consolidated financial statements as of 31 December 2022.</p> <p>In accordance with TAS, goodwill should be tested for impairment annually.</p> <p>We focused on this area due to the following reasons:</p> <ul style="list-style-type: none">-Carrying values of the goodwill recognized in the consolidated financial statements as at 31 December 2022 is material,-Significant judgements and estimates were used in the impairment tests (expected growth rate of earning before interests, taxes, depreciation and amortization, long-term growth rates, weighted average cost of capital etc.) performed by the management,-The outcome of some estimates is sensitive to changes in the market conditions and economic developments, <p>Please refer to Note 14 to the consolidated financial statements for the relevant disclosures, including the accounting policy and sensitivity analysis.</p>	<p>We performed the following procedures in relation to the impairment tests of goodwill:</p> <p>Discussed with management about their future plans and explanations based on the macro-economic information.</p> <p>We inquired with management to understand the setup of the discounted cash flow models and underlying assumptions used and mathematical accuracy of the model was tested.</p> <p>Through involvement of our internal valuation specialists, we assessed the reasonableness of key assumptions (expected growth rate of earning before interests, taxes, depreciation and amortization, long- term growth rates, weighted average cost of capital etc.) used in the goodwill impairment test in comparison to the applications in the sector.</p> <p>We evaluated the realizability of the future cash flow and investment projections used in the goodwill impairment test in the meetings held with top management.</p> <p>We evaluated whether the consolidated cash flow estimations prepared are reasonable when compared with past financial performance results.</p> <p>We checked whether the significant assumptions and sensitivity analysis are disclosed appropriately in the accompanying consolidated financial statements as of 31 December 2022.</p>

3) Key Audit Matters (Cont’d)

Key Audit Matter	How the matter was addressed in the audit
<p>Capitalization of development costs</p> <p>TRY 241.785 thousand of development costs are capitalized in the consolidated financial statements of the Group as at 31 December 2022. The Group applies policies described on TAS 38, “Intangible Assets”, and Note 12 in the capitalization of development costs.</p> <p>The Group capitalizes the costs of employees working for software developments and the costs of consultancies for software developments for the projects in which feasibility analysis have been completed and which are expected to generate cash flow in the future. Total amount of capitalized costs are calculated are based on the estimates and assumptions for the future cash flows of the projects made by the management and project managers and time sheets of the employees.</p> <p>We defined this area as a key audit matter due the calculations of the capitalization schedules are material for the consolidated financial statements and include the management’s estimations.</p>	<p>We performed the following procedures in relation to the test of development costs:</p> <p>We discussed with the management to understand how they meet the requirements in TAS 38, “Intangible Assets”. We discussed the details of the feasibility studies and future economic benefits of ongoing projects with the project managers and the consistency of estimations used in revenue expectations were compared with the historical data.</p> <p>We checked the project based capitalized cost details with the movement table of intangible assets.</p> <p>We tested capitalized personnel cost on the projects analytically by obtaining project-based breakdown of personnel costs.</p> <p>We interviewed with personnel whose salaries are subject to capitalization on a sample basis, and we understood the development activities and their roles on the projects.</p> <p>We understood the nature of the outsourced consultancy expenses and applied contract and invoice testing procedures to test their nature and accuracy.</p>

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

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

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

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

5) Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 the standards on auditing issued by Capital Markets Board and SIA will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the standards on auditing issued by Capital Markets Board and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence.

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

B) Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 398 of the Turkish Commercial Code No. 6102 (“TCC”), the auditor’s report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Group on 27 February 2023.

In accordance with paragraph four of the Article 402 of TCC, nothing has come to our attention that may cause us to believe that the Group’s set of accounts and consolidated financial statements prepared for the period 1 January - 31 December 2022 does not comply with TCC and the provisions of the Group’s articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor’s report is Okan Öz.

Additional paragraph for convenience translation to English

In the accompanying consolidated financial statements, the accounting principles described in Note 2 (defined as Turkish Accounting Standards/Turkish Financial Reporting Standards) differ from International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board with respect to the application of inflation accounting. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of DELOITTE TOUCHE TOHMATSU LIMITED



Okan Öz, SMMM
Sorumlu Denetçi

İstanbul, 27 Şubat 2023

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.
CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2022

CONTENT	PAGE
Consolidated statement of financial position	178-179
Consolidated statements of profit and loss	180
Consolidated statements of other comprehensive income	181
Consolidated statements of changes in equity	182
Consolidated statements of cash flows	183
Notes to the consolidated financial statements.....	184-251

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2022
(Amounts expressed in thousand Turkish Lira (“TL”) unless otherwise indicated.)

	Notes	Audited 31 December 2022	Audited 31 December 2021
ASSETS			
Current assets		1.084.727	796.274
Cash and cash equivalents	4	229.151	259.390
Financial investments	5	411.131	173.933
Trade receivables		387.441	333.670
- Trade receivables from third parties	8	386.374	332.831
- Trade receivables from related parties	28	1.067	839
Other receivables		245	130
- Other receivables from third parties	9	245	130
Inventories	10	8.350	5.929
Derivative instruments	29	1.962	7.563
Prepaid expenses	17	27.765	9.771
Other current assets	9	18.682	5.888
Non-current assets		1.582.131	1.011.197
Other receivables		1.247	9.045
- Other receivables from related parties	28	1.247	9.045
Financial investments	5	383.471	183.908
Right-of-use assets	13	20.244	17.696
Property plant and equipment	11	46.514	20.966
Intangible assets		1.102.811	759.228
- Goodwill	14	436.915	327.276
- Other intangible assets	12	665.896	431.952
Prepaid expenses	17	2.508	1.125
Deferred tax assets	26	24.313	18.921
Other non-current assets		1.023	308
Total assets		2.666.858	1.807.471

These consolidated financial statements have been approved by Board of Directors on 27 February 2023 and signed on its behalf by Buğra Koyuncu, Logo Group Chief Executive Officer and Gülnur Anlaş, Logo Group Chief Financial Officer.

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

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2022
(Amounts expressed in thousand Turkish Lira (“TL”) unless otherwise indicated.)

	Notes	Audited 31 December 2022	Audited 31 December 2022
LIABILITIES			
Short-term liabilities		1.185.507	742.156
Short-term borrowings	7	21.362	64.788
Short-term portion of long-term borrowings	7	39.836	29.056
Trade payables		143.813	81.636
- Trade payables to related parties	28	-	838
- Trade payables to third parties	8	143.813	80.798
Derivative liabilities	29	-	25.307
Employee benefit payables	16	213.588	81.090
Other payables		295.270	159.564
- Other payables to third parties	9	295.266	159.560
- Other payables to related parties		4	4
Contract liabilities	17	462.877	290.897
Current income tax liabilities	26	3.659	8.370
Other current liabilities		5.102	1.448
Long-term liabilities		282.526	231.809
Long-term borrowings	7	192.450	172.579
Other payables		6.901	6.653
- Other payables to third parties	9	6.901	6.653
Long-term provisions		67.880	37.391
- Provisions for employee benefits	16	67.880	37.391
Deferred tax liabilities	26	15.295	15.186
EQUITY			
Equity attributable to equity holders of the parent		1.090.109	759.243
Paid-in share capital	18	100.000	100.000
Adjustment differences to share capital	18	2.991	2.991
Restricted reserves appropriated from profit		29.382	7.196
Put option revaluation fund			
related with non-controlling interests		(225.551)	(125.686)
Treasury shares (-)	18	(25.335)	(9.782)
Reserves for treasury shares	18	25.335	9.782
Other comprehensive income and expenses that will not be reclassified to profit or loss		28.375	4.904
- Loss on remeasurement of defined benefit plans		(19.492)	(10.562)
- Gain from investments in equity instruments		47.867	15.466
Other comprehensive income and expense that will be reclassified to profit or loss		266.104	172.245
- Currency translation differences		282.482	179.421
- Cost of hedging reserves		(6.015)	(7.176)
- Fair value losses on financial assets			
at fair value through other comprehensive income		(10.363)	-
Retained earnings		473.136	332.943
Net income for the year		415.672	264.650
Non-controlling interests		108.716	74.263
Total equity		1.198.825	833.506
Total liabilities and equity		2.666.858	1.807.471

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

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE YEARS ENDED 31 DECEMBER 2022

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

		Audited 1 January - 31 December 2022	Audited 1 January - 31 December 2021
PROFIT OR LOSS	Notes		
Revenue	20	1.541.476	766.766
Cost of sales (-)	20	(362.638)	(142.733)
Gross profit		1.178.838	624.033
General administrative expenses (-)	21	(229.061)	(98.204)
Marketing expenses (-)	21	(247.476)	(143.006)
Research and development expenses (-)	21	(326.918)	(175.441)
Other operating income	22	27.646	22.628
Other operating expenses (-)	22	(27.707)	(18.226)
Operating profit		375.322	211.784
Income from investing activities	23	64.664	11.682
Shares of losses of investments valued through equity method		(5.742)	-
Operating profit before financial income		434.244	223.466
Financial income	24	181.822	116.271
Financial expenses (-)	25	(162.015)	(39.668)
Income before taxes		454.051	300.069
Taxation on income/expense			
Current income tax expense	26	(35.701)	(29.585)
Deferred tax (expense)/income	26	6.010	6.855
Net income for the period		424.360	277.339
Net income attributable to:			
Non-controlling interests		8.688	12.689
Equity holders of the parent		415.672	264.650
		424.360	277.339
Earnings per share (Full TL)	27	4,31	2,74

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

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

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

		Audited 1 January - 31 December 2022	Audited 1 January - 31 December 2021
OTHER COMPREHENSIVE INCOME	Notes		
Net income for the period		424.360	277.339
Items that will be reclassified to profit or loss		119.624	126.321
Currency translation differences		128.826	130.526
Cost of hedging reserves		1.161	(4.205)
Losses on financial assets measured at fair value through other comprehensive income		(12.954)	-
Tax effect	26	2.591	-
Items that will not be reclassified to profit or loss		23.471	9.803
Loss on remeasurement of defined benefits plans	16	(9.705)	(4.762)
Gain from investments in equity instruments		32.401	14.132
Tax effect	26	775	433
Other comprehensive income		143.095	136.124
Total comprehensive income		567.455	413.463
Total comprehensive income attributable to:			
Non-controlling interest		34.453	38.793
Equity holders of the parent		533.002	374.670
		567.455	413.463

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

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

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

Balances as of 1 January 2021															
25.000	2.991	(10.064)	10.064	(2.971)	7.106	(6.233)	1.334	-	74.999	314.759	114.528	(29.234)	502.279	35.470	537.759
Transfers to prior years' profit:															
75.000	-	-	-	-	-	-	-	-	-	39.528	(114.528)	-	-	-	-
Dividend paid															
-	-	-	-	-	-	-	-	-	-	(28.672)	-	-	(28.672)	-	(28.672)
Change in put option evaluation fund															
-	-	-	-	-	-	-	-	-	-	(96.362)	-	-	(96.362)	-	(96.362)
Sales of treasury shares															
-	-	272	(272)	-	-	-	-	-	7.328	-	-	-	7.328	-	7.328
Net income for the year															
-	-	-	-	-	-	-	-	-	-	264.650	-	-	264.650	12.689	277.339
Other comprehensive income															
-	-	-	-	(4.205)	-	(4.329)	14.132	-	104.422	-	-	-	110.020	26.104	136.124
Balances as of 31 December 2021															
100.000	2.991	(9.783)	9.782	(7.176)	7.106	(10.562)	15.466	-	179.411	331.943	264.650	(125.686)	759.243	74.263	833.506
Balances as of 1 January 2022															
100.000	2.991	(9.782)	9.782	(7.176)	7.106	(10.562)	15.466	-	179.411	331.943	264.650	(125.686)	759.243	74.263	833.506
Transfers to prior years' profit:															
-	-	-	-	-	22.186	-	-	-	-	242.464	(264.650)	-	-	-	-
Dividend paid															
-	-	-	-	-	-	-	-	-	-	(86.718)	-	-	(86.718)	-	(86.718)
Change in put option evaluation fund															
-	-	-	-	-	-	-	-	-	-	(99.865)	-	-	(99.865)	-	(99.865)
Purchase of treasury shares															
-	-	(15.553)	15.553	-	-	-	-	-	(15.553)	-	-	-	(15.553)	-	(15.553)
Net income for the year															
-	-	-	-	-	-	-	-	-	-	415.672	-	-	415.672	8.688	424.360
Other comprehensive income															
-	-	-	-	1.161	-	(8.930)	32.401	(10.363)	103.061	-	-	-	117.330	25.765	143.095
Balances as of 31 December 2022															
100.000	2.991	(25.338)	25.335	(6.015)	29.382	(19.492)	47.867	(10.363)	382.482	473.136	415.672	(225.651)	1.090.109	108.716	1.198.825

(*) Other comprehensive income/(expense) that will not be reclassified to profit or loss
(**) Other comprehensive income/(expense) that will be reclassified to profit or loss

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

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

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

	Notes	Current Period 1 January - 31 December 2022	Prior Period 1 January - 31 December 2021
A. Cash flows generated from operating activities		752.056	373.166
Profit for the period		424.360	277.339
Adjustments to reconcile profit for the year		62.740	(336)
Adjustments related to depreciation and amortization expenses	11, 12, 13	117.635	78.872
Adjustments related to provisions for employment termination benefits	16	20.456	14.059
Adjustments related to interest expenses	25	75.874	10.173
Adjustments related to interest income	23,24	(120.761)	(33.962)
Adjustments related to fair value losses (gains) of derivative financial instruments		(19.706)	17.744
Adjustment related to impairment/(reversal of) on receivables	8	(2.060)	(22.037)
Other adjustments to reconcile the profit/(loss)		(29.091)	(84.223)
Adjustments related to fair value gains of financial assets		(9.298)	(3.692)
Adjustments related to tax expense	26	29.691	22.730
Changes in working capital		308.490	123.075
Adjustments related to increase in inventories		(2.421)	(3.082)
Adjustments related to increase in trade receivables		(31.682)	(13.466)
Adjustments related to increase in trade payables		57.193	4.345
Increase in other assets related to operations		(30.190)	(2.523)
Increase in other payables related to operations		315.590	137.801
Cash flows generated from operating activities		795.590	400.078
Tax payments	26	(40.412)	(25.264)
Payments related to employee benefits	16	(3.122)	(1.648)
Cash outflows for purchases of property, plant and equipment and intangible assets	11, 12	(274.782)	(140.263)
Cash outflows for the acquisition of debt instruments or shares of other entities or funds		(408.016)	(283.524)
Proceeds from sale of property and equipment and intangible assets		731	322
Cash outflows from share purchase or capital increase in associates and joint ventures		(5.397)	(6.436)
Interest received		120.761	33.962
B. Cash flows from investing activities		(566.703)	(395.939)
Repayments of loans	32	(55.221)	(65.201)
Cash from loans	32	19.898	89.252
Interest paid		(73.826)	(7.974)
Cash outflows from the acquisition of own shares of entity		(15.553)	-
Cash inflows from sales of treasury shares		-	9.771
Lease payments	32	(10.701)	(16.666)
Dividends paid		(86.718)	(28.673)
C. Cash flows from financing activities		(222.121)	(19.491)
Net increase in cash and cash equivalent before the effects of currency translation differences (A+B+C)		(36.768)	(42.264)
D. Effects of currency translation differences on cash and cash equivalents		6.529	40.058
Net increase in cash and cash equivalents (A+B+C+D)		(30.239)	(2.206)
E. Cash and cash equivalents at the beginning of the period	4	259.390	261.596
Cash and cash equivalents at the end of the period (A+B+C+D+E)	4	229.151	259.390

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

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 1 - ORGANIZATION AND NATURE OF GROUP’S OPERATIONS

Logo Yazılım Sanayi ve Ticaret Anonim Şirketi (‘Logo Yazılım’ or the ‘Company’), was established in 1986 and became a corporation on 30 September 1999. The Company is domiciled in Turkey and operates under the Turkish Commercial Code.

The main activity of the Company is production, development, processing and multiplication of operating systems, application software, databases, software increasing productivity, multimedia software products and all types of similar software processed inside all types of computer hardware and distribution of these at all physical and electronic environment and to carry out all the services such as technical support, training and technical service activities.

As of 31 December 2022, average number of the personnel of the Group is 1.408 (31 December 2021: 1.255).

The address of the registered office is as follows:

Şahabettin Bilgisu Caddesi, No: 609
Gebze Organize Sanayi Bölgesi
Gebze, Kocaeli

As of 31 December 2022, the main shareholder and ultimate controlling party of Logo Yazılım is Logo Teknoloji ve Yatırım A.Ş. Shareholding structure of the Company is disclosed on Note 18.

The nature of businesses of subsidiaries and joint ventures of Logo Yazılım (together referred to as the ‘Group’) are as follows:

Subsidiary	Country of incorporation	Nature of business
Total Soft S.A. (“Total Soft”)	Romania	Development and marketing of software
Logo Financial Solutions GmbH (“Logo GmbH”)	Germany	Development and marketing of software
Logo Business Solutions FZ-LLC (“Logo FFC-LLC”)	United Arab Emirates	Marketing of software
Architected Business Solutions SRL (“ABS”)	Romania	Development and marketing of software
ABS Financial Services SRL (“ABS FS”)	Romania	Development and marketing of software
ELBA HR İnsan Kaynakları Eğitim ve Danışmanlık A.Ş. (“Peoplise”)	Turkey	Software programming and IT
Logo Bilişim Hizmetleri A.Ş. (“Logo Bilişim”) (**)	Turkey	

Subsidiary	Country of incorporation	Nature of business
Logo Infosoft Business Technology Private Limited (“Logo Infosoft”)	India	Development and marketing of software

(*) Logo Bilişim was established on 29 November 2022, it has not been operational yet.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Financial Reporting Standards

The accompanying consolidated financial statements of the Group have been prepared in accordance with the Turkish Accounting Standards (‘TAS’) promulgated by the Public Oversight Accounting and Auditing Standards Authority (‘POA’) in compliance with the communiqué numbered II - 14.1 ‘Communiqué on the Principles of Financial Reporting in Capital Markets’ (the ‘Communiqué’) announced by the CMB on 13 June 2013 which is published on Official Gazette numbered 28676. TAS consists of the Turkish Accounting Standards, Turkish Financial Reporting Standards and related supplements and interpretations (‘TAS/IFRS’). TAS/IFRS are updated in harmony with the changes and updates in International Financial and Accounting Standards (‘IFRS’) by the communiqués announced by the POA.

The consolidated financial statements are presented in accordance with ‘Announcement regarding with TAS Taxonomy’ which was published on 15 April 2019 by POA and the format and mandatory information recommended by CMB.

Consolidated financial statements have been prepared under the historical cost convention except for the financial assets presented at fair values and revaluations related to the differences between carrying value and fair value of tangible and intangible assets arising from business combinations.

2.1.2 Financial Statements of Subsidiaries Operating in Foreign Countries

Financial statements of subsidiaries, operating in countries other than Turkey, are adjusted to TAS/IFRS for the purpose of fair presentation. Subsidiaries’ assets and liabilities are translated into Turkish Lira from the foreign exchange rate at the balance sheet date and income and expenses are translated into Turkish Lira at the average foreign exchange rate . Exchange differences arising from the use of balance sheet date and average exchange rates are included in the ‘currency translation difference’ under the shareholders’ equity.

2.1.3 Basis of Consolidation

The consolidated financial statements prepared in accordance with the principles of consolidated financial statements for the year ended 31 December 2022 include the accounts of Logo Yazılım and its subsidiaries. The table below sets out the subsidiaries of Logo Yazılım and ownership interests held by the Company at 31 December 2022 and 31 December 2021:

Subsidiaries	31 December 2022 (%)	31 December 2021 (%)
Total Soft	80,00	80,00
Logo GmbH	100,00	100,00
ABS	80,00	80,00
ABS FS (*)	39,20	39,20
Peoplise	88,00	88,00
Logo Bilişim	100	-

(*) In 2018, the Company acquired 100% of the shares of Architected Business Solutions SRL and indirectly owns 49% of the shares of Nexia ABS Financial Services SRL. In accordance with the parent agreement, all risks and gains (including gains, losses and net asset rights) related to Nexia's shares have been transferred to the Company. As explained in Disclosure 9 after acquisition, 20% of Total Soft shares are transferred to Avramos Holding Ltd. In accordance with the contract, the Company takes all decisions regarding the subsidiary. Therefore, the Company has control over the subsidiary and can be fully consolidated without accounting for non-controlling interests.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.1.3 Basis of Consolidation (Continued)

Joint venture	31 December 2022 (%)	31 December 2021 (%)
Logo Infosoft (*)	50,00	50,00

(*) As of 1 January 2018, the Company has joint control of Logo Infosoft based on the contract made with GSF Software Labs LLC on. After this date Logo Infosoft has been accounted according to equity method in the consolidated financial statements.

Subsidiaries

Consolidated financial statements include financial statements of the Company and entities controlled by the Company's subsidiaries. Control is provided by the Company providing the following conditions:

- Have the authority on the investee company/asset,
- Being open to or entitled to variable returns from the investee company/asset and
- Ability to use its power that may have effect on the returns.

The balance sheets, income statements and other comprehensive income statements of the subsidiaries that are incorporated into consolidation are consolidated using full consolidation method. The registered value of the investment recorded in the assets of the company and the amount from subsidiaries’ shareholder’s equity corresponded to company’s share are settled net. The transactions and balances between the company and subsidiaries are mutually deleted under consolidation.

Joint venture

Joint venture is a joint initiative in which the sides, who have joint control in an arrangement, have rights related to net assets in this common arrangement. Joint control is the sharing of the control over an economic activity depends on the agreement. This control is supposed to exist if the decisions about the related activity can only be made by the unanimous vote of the sides who share the control.

The investments in joint ventures are recognized using equity method as of the date after the investees turn into subsidiary or joint venture.

2.1.4 Presentation and Functional Currency

For the purpose of the consolidated financial statements, the results and financial position and cash flows of the Group are presented in Turkish Lira (“TL”), which is the functional currency of Logo Yazılım.

Functional currency of subsidiaries operating in Romania is Romanian Leu (“RON”). Functional currency of Logo Infosoft is Indian rupee (“INR”). Financial position and operating results of each entity included in consolidation are measured using the currency of the primary economic environment in which these entities operate. The financial statements of the subsidiaries operating in foreign countries are prepared in the functional currency of the country in which they operate in accordance with the law and regulations of the country, the assets and liabilities in the financial statements are translated into TL by using the closing exchange rate effective on the balance sheet date, and income and expenses are translated into TL by using the monthly average exchange rate. The currency differences resulting from the use of closing and monthly average rates are monitored in the foreign currency translation differences account under equity and other comprehensive income.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.1.5 Comparative Information and Restatement of Previous Year Financial Statements

The Group prepared its consolidated financial statements on a comparative basis with the preceding financial period, which enables determination of trends in financial position and performance. For the purpose of convenience with the presentation of current period consolidated financial statements, comparative information is restated when necessary and major changes are disclosed. In the current period, the Group has made a reclassification in prior year financial statements. The nature and amount of reclassification is disclosed below:

- In 2021, Group presented provision expenses amounting to TL 1.856 as “Current Income Tax Liability” in the financial position statement. In current year, this amount is reclassified in “Trade Payables” by Group management.

This reclassification has no impact on profit or loss statement.

2.2 Going Concern

The consolidated financial statements including the accounts of the parent company and its subsidiary have been prepared assuming that the Group will continue as a going concern on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business.

2.3 New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2022

Amendments to TFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to TAS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to TAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual Improvements to TFRS Standards 2018-2020	<i>Amendments to TFRS 1, TFRS 9 and TAS 41</i>
Amendments to TFRS 16	<i>COVID-19 Related Rent Concessions beyond 30 June 2021</i>

Amendments to TFRS 3 *Reference to the Conceptual Framework*

The amendments update an outdated reference to the Conceptual Framework in TFRS 3 without significantly changing the requirements in the standard. The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

Amendments to TAS 16 *Property, Plant and Equipment - Proceeds before Intended Use*

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling 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 the cost of producing those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.3 New and Amended Turkish Financial Reporting Standards (Continued)

a) Amendments that are mandatorily effective from 2022 (continued)

Amendments to TAS 37 *Onerous Contracts – Cost of Fulfilling a Contract*

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The amendments published today are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Annual Improvements to TFRS Standards 2018-2020 Cycle

Amendments to TFRS 1 *First time adoption of Turkish Financial Reporting Standards*, the amendment permits a subsidiary that applies paragraph D16(a) of TFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to TFRSs.

Amendments to TFRS 9 *Financial Instruments*, the amendment clarifies which fees an entity includes in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.

Amendments to TFRS 16 *COVID-19 Related Rent Concessions beyond 30 June 2021*

Public Oversight Accounting and Auditing Standards Authority (“POA”) has published Amendments to TFRS 16 COVID-19 Related Rent Concessions beyond 30 June 2021 that extends, by one year, the June 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification.

On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021. Since lessors continue to grant COVID-19 related rent concessions to lessees and since the effects of the COVID-19 pandemic are ongoing and significant, the POA decided to extend the time period over which the practical expedient is available for use.

The new amendment is effective for lessees for annual reporting periods beginning on or after 1 April 2021. Earlier application is permitted.

The Group management assessed that the adoption of these amendments that are effective from 2022 do not have any effect on the Group’s consolidated financial statements.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.3 New and Amended Turkish Financial Reporting Standards (Continued)

b) New and revised TFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	<i>Insurance Contracts</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying TFRS 9</i>
Amendments to TAS 1	<i>Disclosure of Accounting Policies</i>
Amendments to TAS 8	<i>Definition of Accounting Estimates</i>
Amendments to TAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)</i>

TFRS 17 *Insurance Contracts*

TFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 Insurance Contracts as of 1 January 2023.

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

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TFRS 4 *Extension of the Temporary Exemption from Applying TFRS 9*

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 *Insurance Contracts* from applying TFRS 9, so that entities would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2023 with the deferral of the effective date of TFRS 17.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.3 New and Amended Turkish Financial Reporting Standards (Continued)

b) New and revised TFRSs in issue but not yet effective (continued)

Amendments to TAS 1 *Disclosure of Accounting Policies*

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 8 *Definition of Accounting Estimates*

With this amendment, the definition of “a change in accounting estimates” has been replaced with the definition of “an accounting estimate”, sample and explanatory paragraphs regarding estimates have been added, and the differences between application of an estimate prospectively and correction of errors retrospectively have been clarified.

Amendments to TAS 8 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TFRS 17 *Insurance Contracts and Initial Application of TFRS 17 and TFRS 9 — Comparative Information*

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application. The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before. Amendments are effective with the first application of TFRS 17.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial position and performance of the Group.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.4 Changes in Accounting Policies

Accounting policy changes arising from the initial application of a new TAS/TFRS are applied retrospectively or prospectively in accordance with the transitional provisions of the TAS/TFRS. Changes with no transition provisions, significant discretionary changes in accounting policy or accounting errors are applied retrospectively and financial statements of prior period are restated . No adjustments have been made to the prior period financial statements.

POA made an announcement on 20 January 2022 regarding the application of TAS 29, “Financial Reporting in Hyperinflationary Economies” (IAS 29 Financial Reporting in Hyperinflationary Economies) for entities adopting Turkish Financial Reporting Standards (“TFRS”)) for the year ended 31 December 2021. The announcement stated that, entities that apply TFRS should not adjust their financial statements in accordance with TAS 29 - Financial Reporting in Hyperinflationary Economies for the year ended 31 December 2021. As of the date of this report, POA has not made any further announcements regarding the scope and application of TAS 29. In this context, while preparing the consolidated financial statements dated 31 December 2022, no inflation adjustment was made according to TAS 29.

2.5 Summary of Significant Accounting Policies

Financial assets

Classification and measurement

Group classified its financial assets in three categories; financial assets carried at amortized cost, financial assets carried at fair value though profit of loss, financial assets carried at fair value though other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

a-) Financial assets carried at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded, and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Group’s financial assets carried at amortized cost comprise ‘trade receivables’ and ‘cash and cash equivalents’ in the statement of financial position.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits held at banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts, credit card receivables and checks received.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.5 Summary of Significant Accounting Policies (Continued)

Financial assets (continued)

Classification and measurement (continued)

a-) Financial assets carried at amortized cost (continued)

Trade receivables and impairment provision

The Group uses the provision matrix by selecting the facilitated application for impairment calculations, since its trade receivables, accounted for amortized cost in the consolidated financial statements, do not contain a significant financing component. With this application, the Group measures the expected credit loss provision at an amount equal to the lifetime expected credit losses in cases where the trade receivables are not impaired for certain reasons. In the calculation of expected credit losses, the future estimates of the Group are taken into account together with past credit loss experiences.

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortized cost. Short-term receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant.

A credit risk provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

Trade and other payables

Trade and other payables are initially measured at fair value. None interest rate bearing short-term payables are measured at original invoice amount unless the effect of imputing interest is significant.

Financial borrowings

Interest-bearing financial borrowings are initially measured at the fair value of the consideration received, less directly attributable costs and are subsequently measured at amortized cost, using the effective interest rate method. Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset which requires substantial period of time to get ready for its intended use or sale shall be capitalized over the cost of the asset. Other borrowing costs shall be recognized as an expense in the period it incurs.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.5 Summary of Significant Accounting Policies (Continued)

Financial assets (continued)

Classification and measurement (continued)

b-) Financial assets carried at fair value

Assets that are held by the management for collection of contractual cash flows and for selling the financial assets are measured at their fair value. If the management do not plan to dispose these assets in 12 months after the balance sheet date, they are classified as non-current assets. Group make a choice for the equity instruments during the initial recognition and elect profit or loss or other comprehensive income for the presentation of fair value gain and loss.

Derecognition of Financial Assets and Liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a company of similar financial assets) is derecognized where the rights to receive cash flows from the asset have expired, the Group retains the right to receive cash flows from the asset but has assumed an obligation to pay them in full without material delay to a third party under a pass-through‘ arrangement or the Group has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset or has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated income statement.

Derivative financial instruments and hedge accounting

The long-term loans used by the Group in Euro are matched with the income in the same currency, which has a high probability of realization, and has been defined as a means of protection against the currency risk exposed. Exchange differences arising from loans subject to hedge accounting are recognized under equity, under other comprehensive income/expenses to be reclassified to profit or loss.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.5 Summary of Significant Accounting Policies (Continued)

Offsetting

Financial assets and liabilities are offset, and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Related Parties

- a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) Has control or joint control over the reporting entity,

(ii) Has significant influence over the reporting entity or

(iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others), if:

(i) The entity and the company are members of the same group.

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity, and the other entity is an associate of the third entity.

(v) The entity has a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity has itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

For the purpose of these consolidated financial statements, shareholders, associated entities, key management personnel and Board of Directors members, in each case together with their families and companies controlled or affiliated with them are considered and referred to as related parties. As a result of ordinary business operations, Company may have business relations with the related parties.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.5 Summary of Significant Accounting Policies (Continued)

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the aggregate of the consideration transferred measured at fair value at the date of acquisition and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed at fair value in accordance with TFRS 3 on the date of acquisition. The goodwill for associates is recorded in consolidated statement of financial position under associates accounted for using the equity method.

In the event the amount paid in an acquisition is lower than the fair value of the acquired net assets and liabilities the difference is recognised as income.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Whenever the carrying amount exceeds the recoverable amount, an impairment loss is recognized in the consolidated income statement.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the acquisition, irrespective of whether other assets or liabilities are assigned to these units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amounts of the net assets assigned to the cash-generating unit, an impairment loss is recognized. The impairment of goodwill cannot be cancelled. The Group tests the impairments of goodwill as of December 31st.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Property, Plant and Equipment

Property and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Gains or losses on disposals of property and equipment are included in the related income and expense accounts, as appropriate.

The initial cost of property 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. Repairs and maintenance expenses are charged to the statement of profit or loss during the period in which they are incurred.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.5 Summary of Significant Accounting Policies (Continued)

Property, Plant and Equipment (Continued)

These capitalized costs are depreciated and charged to statement of profit or loss over the useful life of the related assets. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets, which are as follows:

	Useful Life
Leasehold improvements relating to building	5 - 49 year
Machinery, plant and equipment	5 year
Motor vehicles	5 year
Furniture and fixtures	3 - 15 year

Estimated useful lives are reviewed and adjusted if appropriate at the end of each reporting period.

Intangible Assets

Intangible assets include acquired rights, development costs, software and technology, customer relationships and other identifiable rights acquired in business combinations. Intangible assets are carried at cost less accumulated amortization. These are accounted by cost of acquisition and are subjected to straight-line depreciation method with their useful lives starting from the date of acquisition.

	Useful Life
Development costs	5 - 15 year
Technology developed	5 - 10 year
Customer relations	8 - 20 year
Agreement for restriction of competition	3 - 4 year
Other intangible assets	3 - 5 year

Intangible assets acquired in business combinations are accounted for over their fair values at the acquisition date. Where an indication of impairment exists, the carrying amount of any intangible assets is assessed and written down immediately to its recoverable amount.

Research and Development Costs

Research is defined as the original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. The expenditure on research is recognized as an expense when it is incurred.

Development is defined as the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use and an intangible asset arising from development is recognized when the following are demonstrated:

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.5 Summary of Significant Accounting Policies (Continued)

- a) The technical feasibility of completing the intangible asset so that it will be available for use or sale,
- b) Its intention to complete the intangible asset and use or sell it,
- c) Its ability to use or sell the intangible asset,
- d) How the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset,
- e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset,
- f) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs comprise salaries, wages and related costs of the staff working directly in development activities and other directly attributable costs. The government grants related development costs are deducted from the carrying value of associated development costs.

Impairment of Assets

All assets are reviewed for impairment losses including property, plant and equipment, and intangible assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset’s net selling price and value in use. Impairment losses are recognized in the statement of income.

Impairment losses on assets can be reversed, to the extent of previously recorded impairment losses, in cases where increases in the recoverable value of the asset can be associated with events that occur subsequent to the period when the impairment loss was recorded.

Leases

The Group - as a lessee

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

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.5 Summary of Significant Accounting Policies (Continued)

Leases (continued)

The Group - as a lessee (continued)

To assess whether a contract conveys the right to control the use of an identified asset, The Group assess whether:

- a) The contract involved the use of an identified asset - this may be specified explicitly or implicitly.
- b) The asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified,
- c) The Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use and
- d) The Group has the right to direct use of the asset. The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset.

The Group has the right to direct use of asset if either:

- i. The Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or
- ii. The Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used.

The Group recognizes right of use asset and lease liability at the start date of lease after evaluation of aforementioned criteria.

Right-of-use asset

The right of use asset is initially recognized at cost comprising of:

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

The Group subsequently measures the right-of-use asset:

- a) After netting-off depreciation and reducing impairment losses from right of use asset,
- b) Adjusted for certain re-measurements of the lease liability recognized at the present value.

The Group applies TAS 16 ‘Property, Plant and Equipment’ to amortize the right of use asset and to assess for any impairment.

Determine whether the right-of-use assets has impaired and to account for any impairment loss, applies TAS 36, ‘Impairment of Assets’ standard.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.5 Summary of Significant Accounting Policies (Continued)

Leases (continued)

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease liabilities are discounted to present value by using the interest rate implicit in the lease if readily determined or with the Group’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- a) Fixed payments,
- b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date,
- c) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After initial recognition, the lease liability is measured:

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

Government Incentives

Logo Yazılım benefits from research and development (‘R&D’) grants within the scope of the Communiqué No: 98/10 of The Scientific and Technological Research Council of Turkey (‘TÜBİTAK’) and Money Credit and Coordination Board related to R&D grants for its research and development projects given that such projects satisfy specific criteria with respect to the evaluation of TÜBİTAK Technology Monitoring and Evaluation Board.

The government grants are recognized when there is reasonable assurance that Logo Yazılım will comply with the conditions attached to them and the grants will be received.

The government grants are recognized as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Accordingly, government grants are when the related costs which they are intended to compensate were incurred. Similarly, grants related to depreciable assets are recognized as income over the periods and in the proportions in which depreciation on those assets is charged.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.5 Summary of Significant Accounting Policies (Continued)

Government Incentives (continued)

Gains arising from incentives for investment and research and development activities together with government grants are recognized when there is a reasonable assurance for the necessary conditions to be fulfilled and incentive to be acquired by the Group. Vested government grants related with expense or capitalization realized in previous accounting periods, are recognized in statements of profit or loss when collectible.

Income Taxes

Income tax expense comprises current tax and deferred tax expense. Income tax expense is recognized in the statement of profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

The tax base resulting from the addition of non-deductible expenses in accordance with the tax laws to the commercial income of the corporations, and the deduction of the exemptions and deductions in the tax laws, is different from the profit before tax amount in the consolidated statement of profit or loss. The current year tax liability includes the tax liability calculated in accordance with the tax legislation in force on the taxable portion of the profit for the period and the tax rates effective as of the balance sheet date, and the adjustments related to the tax liability of the prior years.

Deferred taxes are calculated over the temporary differences between the carrying values of assets and liabilities in the financial statements and their tax base values. Except for business combinations, deferred tax asset or liability is not included in the financial statements in case assets and liabilities that do not affect both commercial and financial profit or loss are included in the financial statements for the first time.

In the calculation of deferred tax assets and liabilities, tax rates (based on ratios that have entered into force or are finalized as of the balance sheet date) that will be valid on the dates when the Group thinks that these temporary differences will disappear are used. Provided that they are subject to the tax legislation of the same country and there is a legally enforceable right to set off current tax assets from current tax liabilities, deferred tax assets and deferred tax liabilities are mutually offset.

While the deferred tax liability is calculated over all taxable temporary differences, the deferred tax asset is recognized on the condition that it is highly probable that deductible temporary differences will be realized by generating taxable profit in the future. In each balance sheet period, the Group reviews its deferred tax assets and accounts for the possibility of future deductibility.

Interest and penalties assessed on income tax deficiencies are presented based on their nature.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.5 Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The Group mainly generates revenue from sale of off-the-shelf software, sale of Logo Enterprise Membership (‘LEM’), sale of SaaS membership, after-sales services revenue, development of customized software and version upgrade package sales.

Off-the-shelf software sales - license model

Revenues on off-the-shelf software sales are recognized when the control passes the customer. Net sales represent the invoiced value less sales returns and discounts. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognized as interest income on a time proportion basis that takes into account the effective yield on the asset.

On the off-the-shelf software sales, Logo Yazılım charge its customers a one-time fee and the customers are entitled to use the current release and version indefinitely. Accordingly, the Company does not have obligation following the point of sale.

Off-the-shelf software sales - pay as you go model

In the sales model where the license rights are not transferred to customers, but usage right of the package programme is made available for a limited period of time, the revenues are accounted for on accrual basis.

e-Logo Private Integrator service sales

Companies issuing e-invoice can exchange electronic invoice via data processing system of a private integrator that has the technical capability instead of using internal data processing infrastructure. E-Logo is a private integrator certified by the Turkish Revenue Administration and enables its users to realize their electronic invoice exchanges that works with speed and security 24 hours. Companies that use e-Logo’s private Integrator Service manage their approval processes on web. Private Integrator Service is provided with a prepaid coin sale. Revenue is recognized according to rates of coin usage.

LEM sales and version upgrade package sales

LEM is an insurance package that provides free ownership for all the charged version updates which protect enterprises against all the legal amendments and which includes new features that will contribute new value to the products throughout the year. Enterprises which buy LEM obtain the basic maintenance and support services necessary for high performance functioning of Enterprise Resource Planning, besides receiving all the legal changes and charged version changes free of charge. LEM sales are recognized on an accrual basis over the contract period. The Group gives LEM for free with the initial sale of the main software.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.5 Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

LEM sales and version upgrade package sales (continued)

The Group's management noted that LEM products are sold free of charge in the first year and all receipts from these sales transactions are attributed to the main software product. Since the free of charge LEM products given the first year are given along with the currently up-to-date software, they do not bring significant updates for the user and their commercial value is lower compared to the LEM products provided in the subsequent years. A fee is charged for the subsequent renewal of LEM agreements.

SaaS subscription income

SaaS subscription income is allocated to customers on a monthly basis. Income is invoiced and recognised as part of a periodic invoicing process and the source of income is accounted for as soon as the service is rendered.

Post-delivery customer support

The revenues from post-delivery customer support are recognized on the accrual basis based on the terms of the agreements. The post-delivery customer support services are mainly provided by the business partners.

Customized software development

Customized software development project revenues are included in the consolidated financial statements as income based on the stage of completion of contract obligations as of the balance sheet date.

Other revenues

Other revenues earned by the Group are recognized on the following basis:

Royalty and rental income - on an accrual basis,
Interest income - on an effective yield basis,
Dividend income - when the Company's right to receive payment is established.

Provisions

Provisions are recognized when the Group has a present legal constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provision of distribution premium

The Group set annual sale targets for its distributors and distribute premiums at the end of the year according to these targets. Premiums are recognized in the period that they are realized and associated with profit and loss statements.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.5 Summary of Significant Accounting Policies (Continued)

Contingent Assets and Liabilities

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

Contingent liabilities are disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote. If an outflow of resources has become probable, contingent liabilities are recognized in the financial statements. Contingent assets are not recognized in financial statements but disclosed in the notes to the financial statements where an inflow of economic benefits is probable.

Put option

Potential cash payments related to the sales options held by the Group's subsidiaries are accounted for as a financial liability. The amount payable under the option is initially recognized at fair value within the borrowing framework and the amount corresponding to this amount is followed in equity. The amount recognized in the shareholders equity is recognized in the put option revaluation fund related with non-controlling interests account under the shareholders' equity of the parent company, provided that certain conditions are met. The Group recognizes changes in the subsequent periods in put option revaluation fund related with non-controlling interests.

Employee Benefits

Retirement pay liability

Employment termination benefits, as required by the Turkish Labor Law, represent the estimated present value of the total reserve of the future probable obligation of the Company arising in case of the retirement of the employees. According to Turkish Labor Law and other laws applicable in Turkey, the Company is obliged to pay employment termination benefit to employees in cases of termination of employment without due cause, retirement or death upon the completion of a minimum one-year service. The provision which is allocated by using the defined benefit pension’s current value is calculated by using the estimated liability method. All actuarial profits and losses are recognized in the consolidated other comprehensive income.

Personnel vacation provision

Unused vacation rights accrued in the consolidated financial statements represents total provision for liabilities related to employees’ unused vacation days as of the balance sheet date.

Personnel bonus provision

Personnel bonus provisions consist of the benefits provided to the employees by the Company as a result of the performance of the employees during the year. Personnel bonuses are recognized in the profit or loss statement in the period in which they are accrued.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.5 Summary of Significant Accounting Policies (Continued)

Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group’s own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in share premium. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them.

Statement of Cash Flows

The Group prepares consolidated statement of cash flows as an integral part of its financial statements to enable financial statement analysis about the change in its net assets, financial structure and the ability to direct cash flow amounts and timing according to evolving conditions. Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.

Cash flows from operating activities represent the cash flows generated from the Group’s activities.

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

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

Segment Reporting

The Group’s operations are carried out in a single business line. There are two geographical segments which include the data used by management to make decisions on performance evaluation and source distribution. The Group’s geographical segments cover operations in Turkey and Romania. These segments are managed separately since different economic conditions affect them. Their risks and yields are different based on their geographical positions. The Group’s management adopted a policy of examining geographical segment results in the interim consolidated financial statements prepared in line with TFRS while evaluating the performance of segments.

Geographical segments are reported in a manner consistent with the reporting provided to the Chief Executive Officer and Board of Directors of the Group (‘Chief Operating Decision-Maker’).

EBITDA is not a financial measure defined by TAS/TFRS as a measurement of financial performance and may not be comparable to other similarly-titled indicators used by other companies.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.5 Summary of Significant Accounting Policies (Continued)

Segment Reporting (continued)

For a geographical segment to be identified as a reportable segment, its revenue, including both sales to external customers and intersegment sales or transfers, should be 10% or more of the combined revenue, internal and external, of all geographical segments; its profit or loss should be 10% or more of the combined profit or loss or its assets should be 10% or more of the combined assets of all geographical segments. Management monitors the Group’s operations in Turkey and Romania, separately.

Geographical segments that do not meet any of the quantitative thresholds may be considered as reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Earnings per share

The Group presents basic and diluted earnings per share (‘EPS’) data for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is equal to basic EPS because the Group does not have any convertible notes or share options granted to employees.

In Turkey, companies are allowed to raise their share capital by distributing bonus shares to shareholders from retained earnings. In computing earnings per share, such bonus share distributions are treated as issued shares. Accordingly, the retrospective effect for such share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this calculation.

2.6 Significant Accounting Estimates and Assumptions

Preparation of consolidated financial statements requires the usage of estimations and assumptions which may affect the reported amounts of assets and liabilities as of the balance sheet date, disclosure of contingent assets and liabilities and reported amounts of income and expenses during the financial period. The accounting assessments, forecasts and assumptions are reviewed continuously considering the past experiences, other factors and the reasonable expectations about the future events under current conditions. Although the estimations and assumptions are based on the best estimates of the management’s existing incidents and operations, they may differ from the actual results. The estimates and assumptions that can lead to significant adjustments on the carrying value of the assets and liabilities are as follows:

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.6 Significant Accounting Estimates and Assumptions (Continued)

Provision for doubtful receivables

Provision for doubtful receivables is an estimated amount that management believes to reflect for possible future losses on existing receivables that have collection risk due to current economic conditions. During the impairment test for the receivables, the debtors, other than related parties and key customers are assessed with their prior year performances, their credit risk in the current market, and their individual performances after the balance sheet date up to the issuing date of the financial statements and furthermore, the renegotiation conditions with these debtors are considered.

Useful lives of intangible assets

In accordance with the accounting policy stated in Note 2.5, property and equipment are stated at historical cost less depreciation, net of any impairment charges. Depreciation on tangible assets is calculated using the straight-line method over their estimated useful lives. Useful lives depend on the best estimates of management and are reviewed in each financial period and corrected accordingly.

Revenue recognition

The Group uses percentage of completion method in accounting of its software license revenues and customized software revenues. Use of the percentage of completion method requires the Group to estimate the services performed to date as a proportion of total services to be performed.

Logo Enterprise Membership is an insurance package that provides free ownership for all the charged version updates which protect enterprises against all the legal amendments, and which includes new features that will contribute new values to the products throughout the year. Since the free of charge LEM products given the first year are given along with the currently up-to-date software, they do not bring significant updates for the user and their commercial value is lower compared to the LEM products provided in the subsequent years. Thus, related sales amounts are recognized as revenue within the transaction year.

Research and development costs

Development is defined as the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use and an intangible asset arising from development is recognized by the Group. Management determines the cost of employees to be capitalized taking into account time spent by each employee on research and development activities. The costs of employees relating to research are expensed as incurred.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.6 Significant Accounting Estimates and Assumptions (Continued)

Goodwill impairment test

The Group tests the goodwill amount for impairment each year or in shorter periods in case of any impairment. The recoverable amounts of cash generating units are determined on fair value less cost of disposal basis. The details of estimates and assumptions used are explained in Note 14.

NOTE 3 - SEGMENT REPORTING

The Group’s chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. Adjusted earnings before interest, tax, depreciation and amortization (“EBITDA”) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Adjusted EBITDA definition includes revenue, direct cost of revenues excluding depreciation and amortization accounted for operating expenses (except other operating income and expenses).

2022	Turkey	Romania	Segmental eliminations	Consolidated
Segment assets	1.646.926	1.019.932	-	2.666.858
Segment liabilities	994.967	473.066	-	1.468.033
Goodwill	11.155	425.760	-	436.915
Property, plant and equipment and intangible asset	315.445	396.965	-	712.410
Right-of-use assets	4.223	16.021	-	20.244

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 3 - SEGMENT REPORTING (Continued)

2022	Turkey	Romania	Segmental eliminations	Consolidated
Revenue	997.533	543.943	-	1.541.476
Cost of sales	(35.937)	(326.701)	-	(362.638)
Operating expenses	(655.472)	(147.983)	-	(803.455)
Other operating income	23.317	4.329	-	27.646
Other operating expenses	(26.060)	(1.647)	-	(27.707)
Income from investing activities	64.664	-	-	64.664
Shares of losses of investments valued through equity method	(5.742)	-	-	(5.742)
Finance income	175.515	6.307	-	181.822
Finance expenses	(143.441)	(18.574)	-	(162.015)
Depreciation and amortization	(64.642)	(52.993)	-	(117.635)
Tax expense	(23.140)	(6.551)	-	(29.691)
Net profit/(loss) for the period	371.237	53.123	-	424.360
Adjusted EBITDA	370.766	122.252	-	493.018
Purchase of property, plant and equipment and intangible assets	182.484	92.298	-	274.782

Reconciliation between adjusted EBITDA and profit before tax is as follows:

2022	Consolidated
Adjusted EBITDA	493.018
Depreciation and amortization expenses	(117.635)
Income from investing activities	64.664
Shares of losses of investments valued through equity method	(5.742)
Other operating income	27.646
Other operating expenses	(27.707)
Finance income	181.822
Finance expenses	(162.015)
Profit before tax	454.051

2021	Turkey	Romania	Segmental eliminations	Consolidated
Segment assets	1.095.150	712.825	(504)	1.807.471
Segment liabilities	625.401	349.068	(504)	973.965
Goodwill	11.155	316.121	-	327.276
Property, plant and equipment and other intangible assets	193.883	259.035	-	452.918
Right-of-use assets	5.831	11.865	-	17.696

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 3 - SEGMENT REPORTING (Continued)

2021	Turkey	Romania	Segmental eliminations	Consolidated
Revenue	504.566	262.200	-	766.766
Cost of sales	(16.149)	(126.584)	-	(142.733)
Operating expenses	(349.026)	(67.625)	-	(416.651)
Other operating income	9.589	13.039	-	22.628
Other operating expenses	(15.517)	(2.709)	-	(18.226)
Income from investing activities	11.682	-	-	11.682
Finance income	115.643	628	-	116.271
Finance expenses	(33.049)	(6.619)	-	(39.668)
Depreciation and amortization	(51.109)	(27.763)	-	(78.872)
Tax expense	(13.838)	(8.892)	-	(22.730)
Net profit/(loss) for the period	213.900	63.439	-	277.339
Adjusted EBITDA	190.500	95.754	-	286.254
Purchase of property, plant and equipment and intangible assets	85.197	55.066	-	140.263

Reconciliation between adjusted EBITDA and profit before tax is as follows:

2021	Consolidated
Adjusted EBITDA	286.254
Depreciation and amortization	(78.872)
Income from investing activities	11.682
Other operating income	22.628
Other operating expenses	(18.226)
Finance income	116.271
Finance expenses	(39.668)
Profit before tax	300.069

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 4 – CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents as of 31 December 2022 and 2021 are presented below:

	31 December 2022	31 December 2021
Cash	37	47
Bank		
- Time deposits	156.487	135.600
- Demand deposits	50.888	41.657
Credit card slip receivables	5.286	73.255
Liquid funds (*)	16.453	8.720
Checks received	-	111
	229.151	259.390

(*) Liquid funds consist of investment instruments with a maturity of less than 3 months that can be converted into cash at any time without significant loss.

NOTE 5 - FINANCIAL INVESTMENTS

Short-term financial investments

	31 December 2022	31 December 2021
- Time deposits with maturity longer than 3 months (*)	-	45.252
- Financial assets at fair value through profit or loss	113.780	71.966
- Financial assets at fair value through other comprehensive income (**)	297.351	56.715
	411.131	173.933

(*) The average maturity of time deposits are 180 days.

(**) Bonds consist of financial investments which are easily convertible into cash, do not bear the risk of significant changes in value and have high liquidity. Bonds are denominated in US Dollars.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 5 - FINANCIAL INVESTMENTS (Continued)

Long-term financial investments

Fair value difference recognized in other comprehensive income

Details of non-current financial investments as of 31 December 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
Logo Ventures Girişim Sermayesi Yatırım Fonu (“Logo Ventures I”) (*)	9.659	6.393
Logo Ventures Girişim Sermayesi Yatırım Fonu (“Logo Ventures II”) (*)	83.750	29.843
İnterpro Yayıncılık Araştırma ve Organizasyon Hizmetleri A.Ş. (“İnterpro”)	81	81
Figo Ticari Bilgi ve Uygulama Platformu A.Ş. (**)	37.210	-
Payer Yazılım Sanayi ve Ticaret A.Ş. (**)	2.952	-
Dokuz Eylül Teknoloji Geliştirme Bölgesi A.Ş. (“Dokuz Eylül”)	50	50
	133.702	36.367

(*) As of 30 September 2022, Logo Ventures has been evaluated as an asset at fair value through other comprehensive income and the difference between its fair value and cost amounting to TL 32.401 (2021: TL 14.132) has been accounted for in other comprehensive income. İnterpro and Dokuz Eylül are reflected in the consolidated financial statements at cost as of 31 December 2022 and 2021, as their fair value difference is not significant. The Company has pledged USD 11.200 to İstanbul Portföy Yönetimi A.Ş. Logo Ventures II Girişim Sermayesi Yatırım Fonu and paid USD 1.680 in 2022 (2021: USD 2.240).

(**) Payer Yazılım Sanayi ve Ticaret A.Ş. and Figo Commercial Information and Application Platform A.Ş., in which the Group owns 10% and 4.02% shares, respectively, as of 31 December 2022, have been evaluated as assets at fair value through other comprehensive income. Since the difference between the fair value and the cost value is insignificant, they are accepted as equal.

	31 December 2022	31 December 2021
- Financial assets at fair value through other comprehensive income (***)	204.247	121.202

(***) Bonds consist of highly liquid financial investments that are easily convertible into cash, do not bear the risk of significant value changes. Bonds are denominated in US Dollars.

Other long-term financial investments:

	31 December 2022	31 December 2021
Other long-term financial investments (****)	45.522	26.339

(****) The Group's joint venture consists of the convertible debt instruments issued by Logo Infosoft, when the relevant amounts are included in equity the ownership ratio of the Group is 82%. The Group has not considered the related investment for trading purposes and has recognized the fair value changes in the other comprehensive income statement in accordance with the accounting policies explained in Note 2.5.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 6 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The financial information summary of investment accounted for using the equity method is as follows:

Summary of balance sheet

Logo Infosoft	31 December 2022	31 December 2021
Cash and cash equivalents	5.256	2.858
Other current assets	11.687	6.961
Other non-current assets	720	812
Total assets	17.663	10.631
Other short-term liabilities	5.766	17.087
Other long-term liabilities	96.313	55.201
Total liabilities	102.079	72.288
Net liabilities	(84.416)	(61.657)

Summary of income statement

Logo Infosoft	31 December 2022	31 December 2021
Income	2.331	1.807
Expenses (-)	(6.400)	(12.380)
Net loss for the period	(4.069)	(10.573)
Interest ratio of the Group	50,00%	50,00%
Group’s share	(2.035)	(5.287)
Unrecognised losses (*)	-	5.287
Share of losses of investment under equity method	-	-

(*) As of 31 December 2022, the total loss to the Group's share but not recorded is TL 16.506.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 7 – BORROWINGS

Details of borrowings as of 31 December 2022 and 2021 is as follows:

Short-term borrowings:	31 December 2022	31 December 2021
Short-term bank loans	12.680	56.570
Credit card payables	991	790
Lease liabilities	7.691	7.428
	21.362	64.788
Short-term portions of long-term borrowings:		
Short-term portions of long-term bank loans	38.251	28.576
Lease liabilities	1.585	480
	39.836	29.056
Total short-term borrowings	61.198	93.844
Long-term borrowings:	31 December 2022	31 December 2021
Long-term bank loans	175.796	159.907
Lease liabilities	16.654	12.672
Total long-term borrowings	192.450	172.579

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 7 – BORROWINGS (Continued)

31 December 2022			
	Weighted average annual interest rate (%)	Original amount	TL equivalent
Short-term borrowings:			
Bank loans - EUR - unsecured	Euribor+ 2,40%	635	12.680
Credit card payables - TL		991	991
Payables from leasing transactions - Euro	Euribor 3+3,5%	271	5.412
Payables from leasing transactions - TL	12% - 25%	2.279	2.279
			21.362
Short-term portion of long-term borrowings:			
Bank borrowings - EUR - secured	Euribor+ 2,45%-2,50%	1.915	38.251
Lease liabilities - EUR		79	1.585
			39.836
Long-term borrowings:			
Bank borrowings - EUR - secured	Euribor+ 2,45%-2,50%	8.803	175.796
Lease liabilities - TL		3.210	3.210
Lease liabilities - EUR		673	13.444
			192.450
Total borrowings			253.648
31 December 2021			
	Weighted average annual interest rate (%)	Original amount	TL equivalent
Short-term borrowings:			
Bank borrowings - TL - unsecured		14.446	14.446
Bank borrowings - RON - unsecured	Rabor 1 + 2,40%	13.895	42.124
Credit card payables - TL		790	790
Lease liabilities - EUR	Euribor 3+ 3,5%	287	4.333
Lease liabilities - TL	12% – 25%	3.095	3.095
			64.788
Short-term portion of long-term borrowings:			
Bank borrowings - EUR - secured	Euribor+ 2,45%-2,50%	1.894	28.576
Financial leases - EUR		32	480
			29.056
Long-term borrowings:			
Bank borrowings - EUR - secured	Euribor+2,45%-2,50%	10.599	159.907
Lease liabilities - TL		4.035	4.035
Lease liabilities - EUR		573	8.637
			172.579
Total borrowings			266.423

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 7 – BORROWINGS (Continued)

The repayment schedules of long-term borrowings as of 31 December 2022 and 2021 are as follows:

			31 December 2022	31 December 2021
To be paid within 1-2 years			84.583	33.752
To be paid within 2-5 years			83.406	91.963
To be paid in more than 5 years			24.461	46.864
			192.450	172.579

Interest rate and currency risk of the Group are explained in Note 30.

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

The details of trade receivables and payables as of 31 December 2022 and 2021 are as follows:

Short-term trade receivables:	31 December 2022	31 December 2021
Buyers	410.637	223.258
Credit card receivables	-	144.590
Cheques and notes receivables	3.527	5.500
Less: Provision for doubtful receivables	(21.743)	(19.587)
Less: Unearned finance income from futures sales	(6.047)	(20.930)
	386.374	332.831

As of 31 December 2022, the average turnover rate of receivable is 73 days (31 December 2021: 116 days). As of 31 December 2022, the average turnover rate is 57 days, excluding credit card receivables. The discount rate applied for non-due receivables is 18% (31 December 2021: 15.73%).

As of 31 December 2022, trade receivables amounting to TL 34.464 (31 December 2021: TL 16.912) are not considered as doubtful receivables although they are overdue. The maturity analysis of these receivables is as follows:

	31 December 2022	31 December 2021
Up to 1 month	17.543	8.562
1-3 months	12.142	3.691
More than 3 months	4.779	4.659
	34.464	16.912

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)

As of 31 December 2022, TL 21.078 (31 December 2021: TL 9.277) of overdue receivables consists of trade receivables of Total Soft. The Group manages its receivables in accordance with credit risk management policies which is explained in Note 29.

The movement of provision for doubtful receivables for the periods ended 31 December 2022 and 2021 are as follows:

	2022	2021
As of 1 January	19.587	32.509
Provisions for the year	4.568	3.565
Provisions released	(6.628)	(25.602)
Foreign currency translation difference	4.216	9.115
As of 31 December	21.743	19.587
Trade payables to third parties:	31 December 2022	31 December 2021
Trade payables	143.813	80.798

As of 31 December 2022, the average debt payment period is 93 days (31 December 2021: 115 days)

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)

As at 31 December 2022 and 31 December 2021, the table showing the Group's exposure to credit risks according to the types of financial instruments is as follows:

31 December 2022	Trade receivables		Other receivables			Derivative Instruments	Other
	Related party	Other	Related party	Other	Bank		
The maximum of credit risk exposure as of reporting date	1.067	386.374	1.247	245	229.114	1.962	749.080
- Amount of risk covered by guarantees	-	428	-	-	-	-	-
Net carrying value of not past due and-not impaired financial assets	1.067	351.910	1.247	245	229.114	1.962	749.080
Net carrying value of past due but -not impaired financial assets	-	34.464	-	-	-	-	-
Amount of risk covered by guarantees	-	-	-	-	-	-	-
Net carrying value of impaired assets	-	-	-	-	-	-	-
Past due (gross carrying value)	-	21.743	-	-	-	-	-
Provision for impairment (-)	-	(21.743)	-	-	-	-	-
Amount of risk covered by guarantees	-	-	-	-	-	-	-

The guarantees which cover the credit risk include guarantee cheques, mortgages and letter of guarantees.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)

31 December 2021	Trade receivables		Other receivables			Derivative Instruments	Other
	Related party	Other	Related party	Other	Bank		
The maximum of credit risk exposure as of reporting date	839	332.831	9.045	130	259.231	7.563	331.501
- Amount of risk covered by guarantees	-	428	-	-	-	-	-
Net carrying value of not past due and-not impaired financial assets	839	315.920	9.045	130	259.231	7.563	331.501
Net carrying value of past due but - not impaired financial assets	-	16.911	-	-	-	-	-
Amount of risk covered by guarantees	-	-	-	-	-	-	-
Net carrying value of impaired assets	-	-	-	-	-	-	-
Past due (gross carrying value)	-	19.587	-	-	-	-	-
Provision for impairment (-)	-	(19.587)	-	-	-	-	-
Amount of risk covered by guarantees	-	-	-	-	-	-	-

The guarantees which cover the credit risk include guarantee cheques, mortgages and letter of guarantees.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 9 - OTHER RECEIVABLES, PAYABLES AND OTHER ASSETS

Short-term other receivables from third parties:	31 December 2022	31 December 2021
Income accruals	176	-
Deposits and guarantees given	69	130
	245	130

Short-term other payables to third parties:	31 December 2022	31 December 2021
Put option liability – ABS (*)	219.265	119.648
Taxes payable	75.726	39.043
Other payables to third parties	275	869
	295.266	159.560

Long-term other payables to third parties:	31 December 2022	31 December 2021
Put option liability - Peoplise (**)	6.286	6.038
Other	615	615
	6.901	6.653

(*) With the share transfer agreement signed on 19 July 2018, the Group has purchased ABS and ABS FS shares, of which ABS is fully owned. As a result of these purchases, there is a put option given to Avramos Holding Ltd by Logo Yazilim for the 20% of Total Soft shares transferred to Avramos Holding Ltd. The Company and Avramos Holding Ltd. revised the partnership agreement in 2022 to state that if Avramos Holding Ltd. exercises its put option before 10 March 2023, it will be deemed to have exercised this right on financial terms prior to the end of the first quarter of 2022. Therefore, Total Soft's 2021 financial statements are taken into consideration in the calculation of put option liability as of 31 December 2022.

(**) As a result of Peoplise's acquisitions, there is a put option granted to the shareholders by Logo Yazılım for 12% of the shares owned by the minority shareholders.

Other current assets:	31 December 2022	31 December 2021
Personnel advances	2.009	406
Prepaid taxes	1.625	3.126
Business advances	1.565	1.094
Deferred VAT	725	294
Other	12.758	968
	18.682	5.888

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 10 - INVENTORIES

	31 December 2022	31 December 2021
Trade goods	5.143	4.843
Raw materials and equipment	3.118	1.066
Other	89	20
	8.350	5.929

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2022	Additions	Disposals	Foreign currency translation differences	31 December 2022
Cost:					
Machinery, plant and equipment	24.828	3.066	(1.193)	8.980	35.681
Motor vehicles	6.432	25.222	-	(945)	30.709
Furniture and fixtures	7.677	505	(40)	639	8.781
Leasehold improvements	28.126	1.686	-	233	30.045
	67.063	30.479	(1.233)	8.907	105.216
Accumulated depreciation:					
Machinery, plant and equipment	19.666	3.351	(463)	4.819	27.373
Motor vehicles	6.255	620	-	1.959	8.834
Furniture and fixtures	6.003	412	(39)	449	6.825
Leasehold improvements	14.173	1.292	-	205	15.670
	46.097	5.675	(502)	7.432	58.702
Net book value	20.966				46.514

	1 January 2021	Additions	Disposals	Foreign currency translation differences	31 December 2021
Cost:					
Machinery, plant and equipment	16.735	2.516	(798)	6.375	24.828
Motor vehicles	4.121	143	(209)	2.377	6.432
Furniture and fixtures	6.967	197	(244)	757	7.677
Leasehold improvements	26.033	1.808	-	285	28.126
	53.856	4.664	(1.251)	9.794	67.063
Accumulated depreciation:					
Machinery, plant and equipment	13.145	1.615	(495)	5.401	19.666
Motor vehicles	3.828	258	(192)	2.361	6.255
Furniture and fixtures	5.357	363	(242)	525	6.003
Leasehold improvements	12.180	1.752	-	241	14.173
	34.510	3.988	(929)	8.528	46.097
Net book value	19.346				20.966

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 12 - INTANGIBLE ASSETS

	1 January 2022	Additions	Foreign currency translation differences	31 December 2022
Cost:				
Development costs	628.923	241.785	101.439	972.147
Advanced technology	22.584	-	2.587	25.171
Customer relations	96.310	-	25.835	122.145
Non-compete agreement	2.748	-	-	2.748
Other intangible assets	28.478	2.518	10.313	41.309
	779.043	244.303	140.174	1.163.520
Accumulated amortization:				
Development costs	274.779	91.968	29.012	395.759
Advanced technology	18.111	748	2.573	21.432
Customer relations	35.113	7.966	8.678	51.757
Non-compete agreement	2.748	-	-	2.748
Other intangible assets	16.340	2.732	6.856	25.928
	347.091	103.414	47.119	497.624
Net book value	431.952			665.896

TL 239.710 of additions to development costs for the year ended 31 December 2022 (31 December 2021: TL 126.428) consists of capitalised personnel costs.

Current period depreciation and amortisation expenses amounting to TL 92.888 (31 December 2021: TL 69.636) are included in research and development expenses, TL 2.664 (31 December 2021: TL 2.766) in marketing expenses, TL 19.993 (31 December 2021: TL 5.536) in general administrative expenses, TL 2.090 (31 December 2021: TL 934) in cost of sales.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 12 - INTANGIBLE ASSETS (cont’d)

	1 January 2021	Additions	Foreign currency translation differences	31 December 2021
Cost:				
Development costs	400.376	127.882	100.665	628.923
Advanced technology	19.414	-	3.170	22.584
Customer relations	64.651	-	31.659	96.310
Non-compete agreement	2.748	-	-	2.748
Other intangible assets	14.280	7.717	6.481	28.478
	501.469	135.599	141.975	779.043
Accumulated amortization:				
Development costs	185.286	58.340	31.153	274.779
Advanced technology	14.052	906	3.153	18.111
Customer relations	20.702	5.586	8.825	35.113
Non-compete agreement	2.748	-	-	2.748
Other intangible assets	11.183	1.656	3.501	16.340
	233.971	66.488	46.632	347.091
Net book value	267.498			431.952

NOTE 13 - RIGHT OF USE ASSETS

	1 January 2022	Additions	Disposals	Foreign currency translation differences	31 December 2022
Cost:					
Motor vehicles	14.513	-	(1.092)	486	13.907
Office	26.120	8.126	(4.875)	5.410	34.781
	40.633	8.126	(5.967)	5.896	48.688
Accumulated depreciation: (-)					
Motor vehicles	11.433	2.268	(1.092)	448	13.057
Office	11.504	6.278	(4.875)	2.480	15.387
	22.937	8.546	(5.967)	2.928	28.444
Net book value	17.696				20.244

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 13 - RIGHT OF USE ASSETS (Continued)

	1 January 2021	Additions	Disposals	Foreign currency translation differences	31 December 2021
Cost:					
Motor vehicles	12.619	1.519	(615)	990	14.513
Office	17.522	3.586	(2.959)	7.971	26.120
	30.141	5.105	(3.574)	8.961	40.633
Accumulated depreciation: (-)					
Motor vehicles	7.020	3.633	-	780	11.433
Office	5.410	4.763	-	1.331	11.504
	12.430	8.396	-	2.111	22.937
Net book value	17.711				17.696

NOTE 14 - GOODWILL

	31 December 2022	31 December 2021
Total Soft	315.161	238.491
Total Soft (ABS)	106.954	74.872
Netsis	5.892	5.892
Peoplise	3.677	3.677
Nexia	3.645	2.758
Sempa	903	903
Vardar	346	346
Intermat	337	337
	436.915	327.276

Movement table of goodwill for the years ended 31 December 2022 and 2021 are as follows:

	2022	2021
As of 1 January	327.276	202.740
Foreign currency translation difference	109.639	124.536
As of 31 December	436.915	327.276

The Group applies impairment test for goodwill every year or in shorter periods in case any triggering event that shows any impairment indicator on goodwill. The recoverable amounts of cash generating units are determined based on fair value less cost of disposal (‘FVLCD’).

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 14 - GOODWILL (Continued)

Goodwill impairment test - Total Soft and ABS

FVLCD is determined by discounting the expected future discounted cash flows to be generated by the cash-generating unit. The below key assumptions are used in the calculation of the recoverable value of CGU as of 31 December 2022:

Goodwill impairment test has been performed by using the five years consolidated business projections of Total Soft and ABS prepared by the management between 1 January 2023 and 31 December 2027. 17,55% has been used as cumulative average growth rate the years between 2023 and 2027.

Cash flows for future periods (perpetuity) were extrapolated using a constant growth rate of 2,6% which is the expected inflation rate announced by the Central Bank of Romania.

Weighted average cost of capital rate of 18,8% has been used as after-tax discount rate in order to calculate the recoverable amount of the unit.

After-tax rate was adjusted considering the tax cash outflows and other future tax related cash flows and differences between the cost of the assets and their tax bases.

No impairment has been recorded as a result of the impairment test made according to available analyzes.

Sensitivity to the changes in the estimates used in the impairment test of Total Soft's goodwill is as follows:

Long term growth rate

Originally, the long-term growth rate is assumed to be 2,6%. Has the rate been assumed to be as 3,6%, the recoverable amount would have been 5,58% higher than the goodwill included book value of cash generating unit including goodwill and still no impairment provision would have been required.

Discount rate

Originally, the discount rate is assumed to be 18,8%. Has the rate been assumed to be as 16,3%, the recoverable amount would have been 25,75% higher than the goodwill included book value of cash generating unit including goodwill and still no impairment provision would have been required.

Goodwill impairment test - Netsis

The impairment test of goodwill related with Netsis acquisition has been performed using the cash flows for the year ended 31 December 2022 and current book value. As of 31 December 2022, it is noted that the current cash flows of the cash generating unit exceeds its book value. Negative cash flows are not expected from Netsis in the foreseeable future.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 15 - COMMITMENTS AND CONTINGENT LIABILITIES

Guarantees received:

	Original currency	31 December 2022		31 December 2021	
		Original amount	TL equivalent	Original amount	TL equivalent
Guarantee notes	TL	368	368	368	368
Mortgages received	TL	60	60	60	60
		428	428	428	428

As of 31 December 2022 and 31 December 2021, guarantee/pledge/mortgage (‘GPM’) given by the Company on behalf of its legal entity are as follows:

GPM given by the Company:

	31 December 2022				31 December 2021			
	EUR	USD	RON	TL	EUR	USD	RON	TL
A. Total amount of Guarantees provided by the Company on behalf of itself	-	835		6.878	-	595		7.492
B. Total amount of Guarantees provided on behalf of the associates accounted under full consolidation method (*)	353.528		337	-	267.523	-	-	-
C. Provided on behalf of third parties in order to maintain operating activities (to secure third party payables)	-	-	-	-	-	-	-	-
D. Other Guarantees given-	-	-	-	-	-	-	-	-
(i) Total amount of Guarantees given - on behalf of the parent Company	-	-	-	-	-	-	-	-
(ii) Total amount of Guarantees provided on behalf of the associates which are not in the scope of B and C	-	- -	-	-	-	-		
(iii) Total amount of Guarantees provided on behalf of third parties which are not in the scope of C	-	-	-	-	-	-	-	-
	353.528	835	337	6.878	267.523	595	-	7.492

(*) Note 7.

The ratio of other CPMs given by the Group to the equity is 0% (2021: 0%).

There are lawsuits filed against the Group in prior years amounting to TL 6.614 (2021: TL 5.443). The Group management has taken the opinion of the Group's lawyers regarding these lawsuits and accounted provisions amounting to TL 2.485 (2021: TL 1.855) for expecting cash outflows regarding these lawsuits in the consolidated financial statements.

NOTE 16 - EMPLOYEE BENEFITS

Short-term payables for employee benefits:

	31 December 2022	31 December 2021
Personnel bonuses	107.701	52.234
Taxes, funds and social security payables	83.972	24.447
Due to personnel	21.915	4.409
	213.588	81.090

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 16 - EMPLOYEE BENEFITS (Continued)

Long-term payables for employee benefits:

	31 December 2022	31 December 2021
Provision for employment termination benefits	39.157	20.918
Provision for unused vacation liability	28.723	16.473
	67.880	37.391

The movement of provision for unused vacation liability for the years ended 31 December 2022 and 2021 is as follow:

	2022	2021
As of 1 January	16.473	6.718
Increase for the period	8.800	6.255
Currency translation difference	3.450	3.500
As of 31 December	28.723	16.473

Under the Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). The amount payable consists of one month’s salary limited to a maximum of TL 15 for each year of service (31 December 2021: TL 8). Provision for employment termination benefits is calculated based on the present value of the Group's obligation to pay in the event of retirement.

Employment termination benefit liability is not funded and there is no legal funding requirement.

TAS 19, ‘Employee Benefits’ requires actuarial valuation methods to be developed to estimate the Group’s obligation under the defined benefit plans. The following actuarial assumptions are used in the calculation of the total liability. Actuarial gain/(loss) is accounted under the “Funds for actuarial gain/(loss) on employee termination benefits”:

	31 December 2022	31 December 2021
Discount rate (%)	3,40	4,45
Turnover rate to estimate the probability of retirement (%)	93,86	95,53

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Since the Group calculates the reserve for employment termination benefits every six months the maximum amount of TL 19 which is effective from 1 January 2023 (1 January 2022: TL 10) has been taken into consideration in the calculations.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 16 - EMPLOYEE BENEFITS (Continued)

The movement in the provision for employment termination benefits during the years ended 31 December 2022 and 2021 were as follows:

	2022	2021
As of 1 January	20.918	10.001
Interest cost	3.744	509
Service cost	7.912	7.295
Actuarial loss	9.705	4.762
Compensation paid	(3.122)	(1.649)
As of 31 December	39.157	20.918

NOTE 17 - PREPAID EXPENSES AND CONTRACT LIABILITIES

Short-term prepaid expenses:	31 December 2022	31 December 2021
Prepaid expenses	27.765	9.771
	27.765	9.771

Long-term prepaid expenses:	31 December 2022	31 December 2021
Advances given	2.508	1.125
	2.508	1.125

Short-term contract liabilities:	31 December 2022	31 December 2021
Contract liabilities (*)	454.395	285.920
Advances received	8.482	4.977
	462.877	290.897

(*) Contract liabilities mainly relate to LEM sales revenue, pay as you go sales (integrator revenue), after-sales services, customized software sales billed but not earned.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 17 - PREPAID EXPENSES AND CONTRACT LIABILITIES (Continued)

The details of contract liabilities at 31 December 2022 and 31 December 2021 as follows:

	31 December 2022	31 December 2021
Pay as you go sales	236.516	166.980
LEM sales	177.150	88.823
Revenue from continuing projects	14.999	26.712
After-sales services revenue	25.730	3.405
	454.395	285.920

NOTE 18 - EQUITY

The Company's authorized and paid-in share capital consists of 100.000.000 (31 December 2021: 100.000.000) shares with a nominal value of Kr 1 each. The shareholding structure of the Company as of 31 December 2022 and 31 December 2021 are as follows:

	31 December 2022	Share (%)	31 December 2021	Share (%)
Logo Teknoloji ve Yatırım A.Ş.	33.630	33,63	33.630	33,63
Publicly traded	66.370	66,37	66.370	66,37
	100.000	100,00	100.000	100,00
Adjustment to share capital	2.991		2.991	
Total paid-in capital	102.991		102.991	

The shares representing capital are categorized as group A and B. The privileges granted to group A shares are as follows: half of the board members will be elected from among the candidates nominated by group A shareholders and the Chairman of the Board is elected from among the board members proposed by Group A shareholders. Adjustment to share capital represents the difference between the historical amounts and the amounts adjusted according to the inflation of cash contributions to share capital.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 18 - EQUITY (Continued)

Treasury shares

As of 31 December 2022, the amount of treasury shares which is accounted in Group's equity is TL 25.335 (31 December 2021: TL 9.782).

Dividend distribution

Listed companies distribute dividend in accordance with the Communiqué No. II - 19.1 issued by the CMB which is effective from 1 February 2014.

As a dividend distribution policy as long as the ongoing regulations and its financial resources allow the Company, considering its long-term corporate strategy, investment plans and financing policies, and its profitability and cash position, and provided that it can be met from the profit in the statutory records, intends to distribute up to 55% of the distributable profit calculated in accordance with Capital Market Regulations to its shareholders; dividend distribution may be realized in cash or by capital increase through bonus shares or partly in cash and partly through bonus shares. In the event that the dividend amount is less than 5% of the paid-in capital then such amount will not be distributed and will be retained within the company.

Dividend advance payments can be made in accordance with Turkish Commercial Code and CMB regulations provided that General Assembly authorizes the Board of Directors to pay dividend advance, limited to the related year, to shareholders in accordance with the Articles of Association.

The Group aims to complete the dividend payment before the last working day of the year in which dividend distribution decision is made in the General Assembly and starts the payment latest at the end of the accounting period when the General Assembly meeting is held. General Assembly or Board of Directors, if authorized by the General Assembly, can decide to distribute dividend in installments in line with CMB regulations.

NOTE 19 - EXPENSES BY NATURE

As of 31 December 2022 and 2021, expenses are disclosed by function and the details of the expenses are summarized in Note 21 and Note 22.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 20 - SALES AND COST OF SALES

Sales:

	1 January - 31 December 2022	1 January - 31 December 2021
Revenue	1.007.455	508.285
Service revenue	471.087	232.271
SaaS service revenue	38.952	11.220
Retail SaaS service revenue	38.884	23.667
Sales returns	(6.203)	(3.158)
Sales discounts	(8.699)	(5.519)
Net sales	1.541.476	766.766
Cost of sales (-)	(362.638)	(142.733)
Gross profit	1.178.838	624.033

Cost of sales:

	1 January - 31 December 2022	1 January - 31 December 2021
Cost of services	334.587	130.113
Cost of transfer of financial rights	22.480	11.745
Cost of trade goods sold	5.571	875
Cost of sales (-)	362.638	142.733

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 21 - RESEARCH AND DEVELOPMENT EXPENSES. MARKETING EXPENSES AND
GENERAL ADMINISTRATIVE EXPENSES

Research and development expenses:

	1 January - 31 December 2022	1 January - 31 December 2021
Personnel expenses	157.271	76.036
Depreciation and amortization (Note 11,12,13)	92.888	69.636
Outsourced benefits and services	24.792	10.964
Consultancy expenses	11.857	4.687
Motor vehicle expenses	7.050	1.460
Travel expenses	837	114
Other	32.223	12.544
	326.918	175.441

Marketing expenses:

	1 January - 31 December 2022	1 January - 31 December 2021
Advertising and selling expenses	119.860	79.690
Personnel expenses	94.080	46.166
Consultancy expenses	13.650	6.479
Motor vehicle expenses	5.097	1.513
Outsourced benefits and services	4.961	3.281
Depreciation and amortization (Note 11,12,13)	2.664	2.766
Travel expenses	1.060	162
Other	6.104	2.949
	247.476	143.006

General administrative expenses:

	1 January - 31 December 2022	1 January - 31 December 2021
Personnel expenses	167.046	76.240
Consultancy expenses	22.236	9.343
Depreciation and amortization (Note 11, 12, 13)	19.993	5.536
Motor vehicle expenses	4.079	2.001
Outsourced benefits and services	1.539	830
Travel expenses	1.268	355
Other	12.900	3.899
	229.061	98.204

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 22 - OTHER OPERATING INCOME AND EXPENSES

Other operating income

	1 January - 31 December 2022	1 January - 31 December 2021
Rediscount income	16.282	1.554
Foreign exchange income ^(*)	5.869	5.782
Overdue interest income	473	763
Other	5.022	14.529
	27.646	22.628

^(*) Arising from the difference between foreign exchange differences of trade receivables and payables.

Other operating expenses

	1 January - 31 December 2022	1 January - 31 December 2021
Performance premium of subsidiary	5.398	2.553
Foreign exchange expense ^(*)	3.754	3.003
Rediscount expenses	1.399	6.757
Provisions (no longer required) / expense	67	35
Other ^(**)	17.089	5.878
	27.707	18.226

^(*) Arising from the difference between foreign exchange differences of trade receivables and trade payables.

^(**) TL 10.885 consists of unrecoverable other receivable balances.

NOTE 23 - INCOME FROM INVESTING ACTIVITIES

	1 January - 31 December 2022	1 January - 31 December 2021
Gain on sale of financial instruments	64.664	11.682
	64.664	11.682

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 24 - FINANCIAL INCOME

	1 January - 31 December 2022	1 January - 31 December 2021
Foreign exchange income	125.683	93.990
Interest income	56.097	22.281
Other income	42	-
	181.822	116.271

NOTE 25 - FINANCIAL EXPENSES

	1 January - 31 December 2022	1 January - 31 December 2021
Foreign exchange expenses	79.001	26.598
Interest expenses	73.826	7.974
Interest expense of employee termination benefits	3.744	509
Credit card commissions	2.054	1.505
Interest expense from leases	2.048	2.199
Other financial expenses	1.342	883
	162.015	39.668

NOTE 26 - TAX ASSETS AND LIABILITIES

	31 December 2022	31 December 2021
Current period tax expense	(35.701)	(29.585)
Deferred tax income	6.010	6.855
Current period tax expense	(29.691)	(22.730)

Deferred taxes

The Group recognizes deferred tax assets and liabilities based upon the temporary differences between financial statements as reported in accordance with TFRS and its tax base of statutory financial statements. These differences usually result in the recognition of revenue and expense items in different periods for TFRS and statutory tax purposes.

Turkish Tax Legislation does not permit a parent company to file a consolidated tax return. Therefore, tax assets and liabilities, as reflected in the consolidated financial statements, have been calculated on a separate-entity basis.

The composition of cumulative temporary differences and the related deferred income tax assets and liabilities in respect of items for which deferred tax has been provided at 31 December 2022 and 2021 using the enacted tax rates, is as follows:

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 26 - TAX ASSETS AND LIABILITIES (Continued)

	Total temporary differences		Deferred tax assets/(liabilities)	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Deferred income tax assets:				
Expense provisions	102.889	60.600	20.578	12.120
Employee termination benefits	20.279	11.707	4.056	2.341
Deferred income	15.366	10.860	3.534	2.498
Valuation of other financial assets	11.264	-	2.591	-
Vacation provision	5.981	3.477	1.196	695
Unaccrued finance income	5.171	19.592	1.189	4.506
Provision for doubtful receivables	1.217	1.009	243	202
	162.167	107.245	33.387	22.362
Deferred income tax liabilities:				
Difference between the tax base and carrying value of property, equipment and intangible assets	(121.845)	(93.135)	(24.369)	(18.627)
	(121.845)	(93.135)	(24.369)	(18.627)
Deferred income tax assets/(liabilities) net			9.018	3.735
The analysis of deferred tax assets and liabilities are as follows:				
Deferred tax assets		1 January - 31 December 2022	1 January - 31 December 2021	
To be recovered less than 12 months		28.135	19.325	
To be recovered more than 12 months		5.252	3.037	
		33.387	22.362	
Deferred tax liabilities				
To be recovered more than 12 months		(24.369)	(18.627)	
		(24.369)	(18.627)	
Deferred income tax assets/(liabilities), net			9.018	3.735
Movement of deferred taxes asset/(liabilities) for the periods is as follows:				
		2022	2021	
As of 1 January		3.735	3.244	
Charged to statements of profit or loss		6.010	6.855	
Charged to other comprehensive income		3.366	433	
Currency translation difference		(4.093)	(6.797)	
31 December		9.018	3.735	

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 26 - TAX ASSETS AND LIABILITIES (Continued)

Corporate tax

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

Turkish Corporate Tax Law has been amended by Law No. 5520 dated 13 June 2006. Most of the articles of this new Law No. 5520 have come into force effective from 1 January 2006. Accordingly, the corporate tax rate in Turkey is 23% for 2022 (31 December 2021: 25%). The tax rate in Romania is 16% for 2022 (31 December 2021: %16).

Corporation tax rate is applicable on the total income of the companies after adjusting for certain disallowable expenses, income tax exemptions (participation exemption etc.) and income tax deductions (for example research and development expenses deduction). No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporation tax quarterly at the rate of 25% on their corporate income. Advance tax is payable by the 17th of the second month following each calendar. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 30th of the fourth month following the close of the financial year to which they relate.

Tax returns are open for 5 years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods.

There are many exemptions in Corporate Tax Law regarding corporations. Those related to the Company are explained below:

In accordance with Tax Law No: 5035 item 44, that amends ‘Technology Development Regions Law’ No: 4691, corporate and income taxpayers operating in technology development regions are exempt from corporate and income tax until 31 December 2028 exclusively for their profit from software and R&D activities in this region.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 26 - TAX ASSETS AND LIABILITIES (Continued)

Corporate tax (Continued)

The investment allowance, which has been applied for many years and calculated as 40% of property plant and equipment acquisitions exceeding a certain amount, was annulled with the Law No, 5479 dated 30 March 2006, However, in accordance with the temporary Law No, 69 added to the Income Tax Law, corporate and income taxpayers can offset the investment allowance amounts present as of 31 December 2005, which could not be offset against taxable income in 2005 and:

- a) In accordance with the investment certificates prepared for applications made before 24 April 2003 investments to be made after 1 January 2006 in the scope of the certificate regarding the investments that began in the scope of additional articles 1, 2, 3, 4, 5 and 6 of Income Tax Law No: 193 before it was repealed with the Law No: 4842 dated 9 April 2003 and,
- b) Investment allowance amounts to be calculated in accordance with legislation effective at 31 December 2005 related to investments which exhibit a technical and economic and integrity and which were started prior to 1 January 2006 in the scope of Income Tax Law 193 repealed 19th article, only against the income related to the years 2006, 2007 and 2008, in accordance with the legislation at 31 December 2005 (including provisions related to tax rates).

The Constitutional Court abolished the provisions of Temporary Article 69 of the Income Tax Law regarding the time limitation to the investment allowance in its meeting held on 15 October 2009 and published the minutes of the relevant meeting on its website in October 2009. The decision of the Constitutional Court on the cancellation of the time limitation for investment allowance for the years 2006, 2007 and 2008 came into force with its promulgation in the Official Gazette, dated 8 January 2010, and thereby the time limitation regarding investment allowance was removed.

	1 January - 31 December 2022	1 January - 31 December 2021
Current income tax expense	35.701	29.585
Prepaid taxes and funds (-)	(32.042)	(21.215)
Current income tax liabilities	3.659	8.370
Income tax reconciliation:	1 January - 31 December 2022	1 January - 31 December 2021
Profit before income tax	454.051	300.069
Tax calculated at enacted tax rate in Turkey (23%) (2021: %25)	(104.432)	(75.017)
Non-deductible expenses	(12.632)	(6.109)
Income not subject to tax	81.840	47.553
Unused tax losses and tax offset not recognized as deferred tax	-	2.767
Impact of foreign companies subject to different tax rates (*)	4.115	6.509
Other	1.418	1.562
Income tax expense	(29.691)	(22.730)

(*) The applicable tax rate in Romania is 16% as of 2022 (2021: 16%).

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 27 - EARNINGS PER SHARE

The earnings per thousand shares with nominal value of Kr 1 amounted to full TL 4.31 for the year ended 31 December 2022 (2021: full TL 2.74).

	1 January - 31 December 2022	1 January - 31 December 2021
Net income attributable to equity holders of the parent	415.672	264.651
Average number of shares for the period	9.639.900	9.666.169
Earnings per share (Full TL)	4,31	2,74

NOTE 28 - RELATED PARTY DISCLOSURES

a) Due from related parties at 31 December 2022 and 2021:

Trade receivables from related parties:	31 December 2022	31 December 2021
Other	1.067	839
	1.067	839

b) Due from related parties at 31 December 2022 and 2021:

Other receivables from related parties:	31 December 2022	31 December 2021
Logo Infosoft	1.247	9.045
	1.247	9.045

c) Due to related parties at 31 December 2022 and 2021:

Payables to related parties:	31 December 2022	31 December 2021
Other	-	838
	-	838

d) Sales to related parties, services given to related parties and financial income from related parties during the periods ended 31 December 2022 and 2021:

Services given to related parties:	2022	2021
Logo Infosoft	1.617	1.505
Logo Siber	2.735	1.267
Logo Teknoloji ve Yatırım A.Ş.	70	37
	4.422	2.809

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 28 - RELATED PARTY DISCLOSURES (Continued)

e) Services purchased from related parties and other transactions with related parties during the periods ended 31 December 2022 and 2021:

Services purchased from related parties:	2022	2021
Logo Teknoloji ve Yatırım A.Ş.	538	312
Logo Infosoft	480	-
Logo Siber	20	45
	1.038	357

f) Payments to key management:

	2022	2021
Benefits paid to executive management	53.393	30.681

NOTE 29 – DERIVATIVE INSTRUMENTS

Derivative financial assets:

Derivatives that are carried at fair value:	31 December 2022	31 December 2021
- Foreign swap contracts	1.962	7.563
	1.962	7.563

Derivative financial liabilities:

Derivatives that are carried at fair value:	31 December 2022	31 December 2021
- Foreign swap contracts	-	24.936
- Foreign currency forward contracts	-	371
	-	25.307

Classification of derivative instruments

Derivative instruments that are held for speculative purposes and that do not meet hedge accounting requirements are classified as “traded” and the fair value changes of these instruments are recognized in profit or loss. Assets related to derivative instruments that are expected to close within 12 months following the reporting date are presented as current assets and liabilities are presented as current liabilities.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 29 – DERIVATIVE INSTRUMENTS (Continued)

Fair value measurement of derivative instruments

Information on the methods and assumptions used in determining the fair values of derivatives is explained in Note 2.

NOTE 30 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

30.1 Financial risk management

Credit risk

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are managed by limiting aggregate risk from any individual counterparty (other than related parties) and obtaining sufficient collateral where necessary.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping committed credit lines available. The Company management holds adequate cash and credit commitment that will meet the need cash for recent future in order to manage its liquidity risk. In this context, the Company has credit limit from banks amounting to over TL 100.000 that can be utilized whenever needed.

Non-derivative financial instruments	31 December 2022					
	Carrying value	Contractual cash outflow (I+II+III+IV)	Up to 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	More than 5 years (IV)
Borrowings	253.648	269.958	16.102	50.217	178.845	24.794
Trade payables						
- Trade payables to third parties	143.813	143.813	143.813	-	-	-
Employee benefit payables	213.588	213.588	213.588	-	-	-
Other Payables						
- Other payables to third parties	302.167	302.167	295.266	-	6.901	-
Total liabilities	913.216	929.526	668.769	50.217	185.746	24.794

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 30 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL
INSTRUMENTS (Continued)

30.1 Financial risk management (Continued)

Liquidity risk (Continued)

Non-derivative financial instruments	31 December 2021					
	Carrying value	Total contractual cash outflow (I+II+III+IV)	Up to 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	More than 5 years (IV)
Borrowings	266.423	283.130	59.590	38.776	136.693	48.071
Trade payables						
- Trade payables to third parties	80.798	80.798	80.798	-	-	-
Employee benefit payables	81.090	81.090	81.090	-	-	-
Other Payables						
- Other payables to third parties	166.213	166.213	159.560	-	6.653	-
Total liabilities	594.524	611.231	381.038	38.776	143.346	48.071

Derivative financial liabilities	31 December 2021					
	Carrying value	Total contractual cash outflow (I+II+III+IV)	Up to 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	More than 5 years (IV)
Derivative cash outflows	25.307	25.307	25.307	-	-	-
Total liabilities	25.307	25.307	25.307	-	-	-

Interest rate risk

The Company is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 30 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL
INSTRUMENTS (Continued)

30.1 Financial risk management (Continued)

The Company's interest rate sensitive financial instruments are as follows:

	31 December 2022	31 December 2021
Financial instruments with fixed interest rate		
Financial assets		
- Financial assets at amortized value	156.487	135.600
- Financial assets with fair value reflected to other comprehensive income	501.598	223.169
Financial liabilities	39.601	77.940
Put option valuation fund for non-controlling interests	225.551	125.686
Financial instruments with float interest rate		
Financial assets		
- Financial assets with fair value reflected to profit/loss	16.453	8.720
- Financial assets with fair value reflected to other comprehensive income	113.780	71.966
Financial liabilities	214.047	188.483

Financial assets designated as fair value through profit or loss consists of fixed and floating interest rate bank deposits denominated in TL and foreign currencies which maturities less than three months and liquid funds. Since the interest expense of the floating rate loans during the year is not significant, sensitivity analysis of interest rate change has not been presented.

Funding risk

The risk of funding existing and potential debt liabilities is managed by holding liquid funds that can meet existing and potential debt liabilities, and by providing adequate funding commitments from lenders with high funding opportunities.

Foreign currency risk

The Group is exposed to exchange rate risk arising from exchange rate changes due to the translation of the amounts payable or receivable denominated in foreign currency into Turkish Lira. The exchange rate risk is monitored by analyzing the foreign exchange position. Foreign exchange rates used to translate the Group’s assets and liabilities denominated in foreign currencies into TL at 31 December 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
Assets		
USD	18,6983	13,3290
EUR	19,9349	15,0867
CHF	20,2019	14,5602
Liabilities		
USD	18,7320	13,3530
EUR	19,9708	15,1139
CHF	20,3316	14,6537

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 30 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

		Foreign Currency Position as of 31 December 2022				
		TL Equivalent	USD	EUR	CHF	Other
1.	Trade receivables	25.137	785	523	-	25
2a.	Monetary financial assets (cash and banks accounts included)	337.519	17.888	153	-	3
2b.	Non-monetary financial assets	-	-	-	-	-
3.	Other	-	-	-	-	-
4.	Current assets (1+2+3)	362.656	18.673	676	-	28
5.	Trade receivables	-	-	-	-	-
6a.	Monetary financial assets	204.247	10.923	-	-	-
6b.	Non-monetary financial assets	-	-	-	-	-
7.	Other	-	-	-	-	-
8.	Non-current assets (5+6+7)	204.247	10.923	-	-	-
9.	Total assets (4+8)	566.903	29.596	676	-	28
10.	Trade payables	(7.826)	(337)	(76)	-	(16)
11.	Financial liabilities	(57.928)	-	(2.900)	-	-
12a.	Other monetary liabilities	-	-	-	-	-
12b.	Other non-monetary liabilities	-	-	-	-	-
13.	Current liabilities (10+11+12)	(65.754)	(337)	(2.976)	-	(16)
14.	Trade payables	-	-	-	-	-
15.	Financial liabilities	(189.240)	-	(9.476)	-	-
16a.	Other monetary liabilities	-	-	-	-	-
16b.	Other non-monetary liabilities	-	-	-	-	-
17.	Non-current liabilities (14+15+16)	(189.240)	-	(9.476)	-	-
18.	Total liabilities (13+17)	(254.994)	(337)	(12.452)	-	-
19.	Net asset/liability position of off-balance sheet derivative financial instruments (19a-19b)	-	-	-	-	-
19a.	Off-balance sheet foreign currency derivative financial assets	-	-	-	-	-
19b.	Off-balance sheet foreign currency derivative financial assets	-	-	-	-	-
20.	Net foreign assets/(liability) position (9-18+19)	311.909	29.259	(11.776)	-	28
21.	Net foreign currency asset/(liability) position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a)	311.909	29.259	(11.776)	-	12
22.	Fair value of derivative instruments used in foreign currency hedge	-	-	-	-	-
23.	Export (*)	142.704	1.000	6.221	-	-
24.	Import	-	-	-	-	-

(*) Includes exports from the countries in which the Group operates. As of 2022 the Group's total sales made outside Turkey during the period is TL 562.633 (2021: TL 270.999).

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 30 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

		Foreign Currency Position as of 31 December 2021				
		TL Equivalent	USD	EUR	CHF	Other
1.	Trade receivables	20.704	872	597	-	79
2a.	Monetary financial assets (cash and banks accounts included)	210.806	4.626	7.953	2.003	2
2b.	Non-monetary financial assets	-	-	-	-	-
3.	Other	-	-	-	-	-
4.	Current assets (1+2+3)	231.510	5.498	8.550	2.003	81
5.	Trade receivables	-	-	-	-	-
6a.	Monetary financial assets	104.489	7.839	-	-	-
6b.	Non-monetary financial assets	-	-	-	-	-
7.	Other	-	-	-	-	-
8.	Non-current assets (5+6+7)	104.489	7.839	-	-	-
9.	Total assets (4+8)	335.999	13.337	8.550	2.003	81
10.	Trade payables	(8.831)	(353)	(273)	-	-
11.	Financial liabilities	(33.389)	-	(2.213)	-	-
12a.	Other monetary liabilities	-	-	-	-	-
12b.	Other non-monetary liabilities	-	-	-	-	-
13.	Current liabilities (10+11+12)	(42.220)	(353)	(2.486)	-	-
14.	Trade payables	-	-	-	-	-
15.	Financial liabilities	(168.545)	-	(11.172)	-	-
16a.	Other monetary liabilities	-	-	-	-	-
16b.	Other non-monetary liabilities	-	-	-	-	-
17.	Non-current liabilities (14+15+16)	(168.545)	-	(11.172)	-	-
18.	Total liabilities (13+17)	(210.764)	(353)	(13.658)	-	-
19.	Net asset/liability position of off-balance sheet derivative financial instruments (19a-19b)	(17.744)	(27)	(1.023)	1.521	-
19a.	Off-balance sheet foreign currency derivative financial assets	7.563	-	383	1.777	-
19b.	Off-balance sheet foreign currency derivative financial assets	(25.307)	(27)	(1.407)	(255)	-
20.	Net foreign assets/(liability) position (9-18+19)	107.490	12.956	(6.131)	3.525	81
21.	Net foreign currency asset/(liability) position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a)	125.234	12.984	(5.108)	2.003	81
22.	Fair value of derivative instruments used in foreign currency hedge	-	-	-	-	-
23.	Export (*)	(77.194)	660	4.533	-	-
24.	Import	-	-	-	-	-

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 30 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The following table shows the TL equivalents of Group’s sensitivity to a 10% change in USD and EUR 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items at the end of the period and presents effect of 10% change in foreign currency rates. The positive amount indicates increase in profit/loss before tax or equity.

Foreign currency sensitivity

	31 December 2022			
	Profit/(Loss)		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change of USD against TL by 10%				
1- USD net assets/liabilities	54.800	(54.800)	-	-
2- Hedged portion from USD risks (-)	-	-	-	-
3- USD net effect (1+2)	54.800	(54.800)	-	-
Change of EUR against TL by 10%				
4- EUR net assets/liabilities	(1.188)	1.188	-	-
5- Hedged portion from EUR risks (-)	-	-	-	-
6- EUR net effect (4+5)	(1.188)	1.188	-	-
Change of CHF against TL by 10%				
7- CHF net assets/liabilities	-	-	-	-
8- Hedged portion from USD risks (-)	-	-	-	-
9- CHF net effect (1+2)	-	-	-	-
Change of USD against RON by 10%				
10- USD net assets/liabilities	(89)	89	-	-
11- Hedged portion from USD risks (-)	-	-	-	-
12- USD net effect (7+8)	(89)	89	-	-
Change of EUR against RON by 10%				
13- EUR net assets/liabilities	(22.288)	22.288	-	-
14- Hedged portion from EUR risks (-)	-	-	-	-
15- EUR net effect (10+11)	(22.288)	22.288	-	-

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 30 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Foreign currency sensitivity (Continued)

	31 December 2021			
	Profit/(Loss)		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change of USD against TL by 10%				
1- USD net assets/liabilities	17.396	(17.396)	-	-
2- Hedged portion from USD risks (-)	-	-	-	-
3- USD net effect (1+2)	17.396	(17.396)	-	-
Change of EUR against TL by 10%				
4- EUR net assets/liabilities	11.945	(11.945)	-	-
5- Hedged portion from EUR risks (-)	-	-	-	-
6- EUR net effect (4+5)	11.945	(11.945)	-	-
Change of CHF against TL by 10%				
7- CHF net assets/liabilities	2.916	(2.916)	-	-
8- Hedged portion from CHF risks (-)	-	-	-	-
9- CHF net effect (1+2)	2.916	(2.916)	-	-
Change of USD against RON by 10%				
10- USD net assets/liabilities	(89)	89	-	-
11- Hedged portion from USD risks (-)	-	-	-	-
12- USD net effect (7+8)	(89)	89	-	-
Change of EUR against RON by 10%				
13- EUR net assets/liabilities	(19.666)	19.666	-	-
14- Hedged portion from EUR risks (-)	-	-	-	-
15- EUR net effect (10+11)	(19.666)	19.666	-	-

Hedging

The functional currency of Total Soft, the Group's subsidiary operating in Romania, is RON. In order to hedge the foreign currency translation risk arising from the conversion of Total Soft's Euro-denominated borrowings to RON, 54% of Total Soft's Euro-denominated revenues and that it plans to generate between 2020 and 2028 in Euros are defined as hedging instruments. The Group management considers the risk of hedging ineffectiveness that may arise in the future low due to the low hedge ratio used. For the year ended 31 December 2022, foreign exchange losses amounting to TL 1.161 – income (2021: TL 4.205 - expense) were accounted for in the hedge gains/losses under shareholders' equity.

Capital risk management

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

In order to maintain or adjust the capital structure, the Group may pay out dividends, return capital to shareholders, issue new shares or sell assets to reduce debt.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 30 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL
INSTRUMENTS (Continued)

Foreign currency sensitivity (Continued)

Capital risk management (Continued)

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including borrowings, accounts payable and due to related parties, as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated statement of financial position, plus net debt.

	31 December 2022	31 December 2021
Total payables	397.461	348.059
Less: Cash and cash equivalents	(640.282)	(433.323)
Net debt	(242.821)	(85.264)
Total equity	1.090.109	759.243
Total capital	847.288	673.979
Debt/capital ratio	(29%)	(13%)

Fair value is the amount at which financial instruments could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Company, using available market information and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 31 - FINANCIAL INSTRUMENTS

Monetary assets

The fair value of the foreign currency denominated amounts, which are translated by using the exchange rates prevailing at period-end, is considered to approximate their fair value.

The fair values of certain financial assets carried at cost including cash and due from banks, deposits with banks and other financial assets are considered to approximate their respective carrying values due to their short-term nature.

Trade receivables are carried at amortized cost using the effective yield method less provision for doubtful receivables, and hence are considered to approximate their fair values.

Monetary liabilities

It is assumed that the carrying values of financial liabilities and other monetary liabilities approximate their fair values due to the variable interest rate of long-term financial liabilities. It is projected that the book values of trade and other payables reflect their fair values due to their short-term nature. The Group 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.

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted).
Level 2: Other valuation techniques includes direct or indirect observable inputs.
Level 3: Valuation techniques does not contain observable market inputs

Fair value hierarchy table as at 31 December 2022 is as follows.

Financial assets held at fair value through profit or loss	Level 1	Level 2	Level 3
Financial investments (*)	615.378	1.962	179.224
Financial assets held at fair value through profit or loss	Level 1	Level 2	Level 3
Sales operation liability	-	-	225.551

(*) Note 5 and 29

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 31 - FINANCIAL INSTRUMENTS (Continued)

Classes and categories of financial instruments and their fair values

31 December 2022	Financial assets at amortized cost	FVTPL	FVTOCI	Financial liabilities at amortized cost	Liabilities at fair value	Carrying value	Note
Financial assets							
Cash and cash equivalents	229.151	-	-	-	-	229.151	4
Financial assets	-	113.780	680.822	-	-	794.602	5
Trade receivables	387.441	-	-	-	-	387.441	8
Receivables from related parties	2.314	-	-	-	-	2.314	28
Derivative financial instruments	-	1.962	-	-	-	1.962	29
Financial liabilities							
Financial payables	-	-	-	253.648	-	253.648	7
Other payables	-	-	-	76.616	-	76.616	9
Put option liability	-	-	-	-	225.551	225.551	9
Trade payables	-	-	-	143.813	-	143.813	9
Payables to related parties	-	-	-	4	-	4	28

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 31 - FINANCIAL INSTRUMENTS (Continued)

Classes and categories of financial instruments and their fair values (Continued)

31 December 2021	Financial assets at amortized cost	FVTPL	FVTOCI	Financial liabilities at amortized cost	Liabilities at fair value	Carrying value	Note
Financial assets							
Cash and cash equivalents	259.930	-	-	-	-	259.930	4
Financial assets	45.252	71.966	240.623	-	-	357.841	5
Trade receivables	333.670	-	-	-	-	333.670	8
Receivables from related parties	9.884	-	-	-	-	9.884	28
Derivative financial instruments	-	7.563	-	-	-	7.563	29
Financial liabilities							
Financial payables	-	-	-	266.423	-	266.423	7
Other payables	-	-	-	40.527	-	40.527	9
Put option liability	-	-	-	-	125.686	125.686	9
Trade payables	-	-	-	80.798	-	80.798	9
Payables to related parties	-	-	-	842	-	842	28
Derivative financial instruments	-	25.307	-	-	-	25.307	29

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 32 - EXPLANATIONS ON THE CASH FLOW STATEMENTS

	Loans and credit cards	Leases	Total
1 January 2022	245.844	20.579	266.423
Cash inflows	19.898	-	19.898
Cash outflows	(55.221)	-	(55.221)
Currency translation differences	17.197	7.926	25.123
Increase in lease liabilities (TFRS 16)	-	8.126	8.126
Cash outflows from lease liabilities (TFRS 16)	-	(10.701)	(10.701)
31 December 2022	227.718	25.930	253.648
Cash and cash equivalents (-)			(229.151)
Net debt			24.497

	Loans and credit cards	Leases	Total
1 January 2021	132.488	19.813	152.301
Cash inflows	89.252	-	89.252
Cash outflows	(65.201)	-	(65.201)
Currency translation differences	89.305	15.902	105.207
Increase in lease liabilities (TFRS 16)	-	1.530	1.530
Cash outflows from lease liabilities (TFRS 16)	-	(16.666)	(16.666)
31 December 2021	245.844	20.579	266.423
Cash and cash equivalents (-)			(259.390)
Net debt			7.033

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTE 33 – FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDIT FIRMS

The fees related to the services received by the Group from the Independent Audit Firm (“IAF”) for the periods 1 January – 31 December 2022 and 1 January – 31 December 2021 are as follows:

	2022	2021
Independent audit fee for the reporting period	1.723	1.089
Other assurance services	580	1.162
	2.303	2.251

NOTE 34- EVENTS AFTER THE REPORTING PERIOD

In accordance with the Official Gazette No. 32098 dated Wednesday, February 8, 2023, due to the negativities caused by the earthquakes that took place in Kahramanmaraş on February 6, 2023, affected many of our provinces and our whole country, it was decided to declare an ordinary state of emergency for three months in the provinces of Adana, Adıyaman, Diyarbakır, Gaziantep, Hatay, Kahramanmaraş, Kilis, Malatya, Osmaniye and Şanlıurfa. Developments related to the natural disaster in question are being closely monitored, The Group's consolidated financial position and possible impact on its performance are assessed.

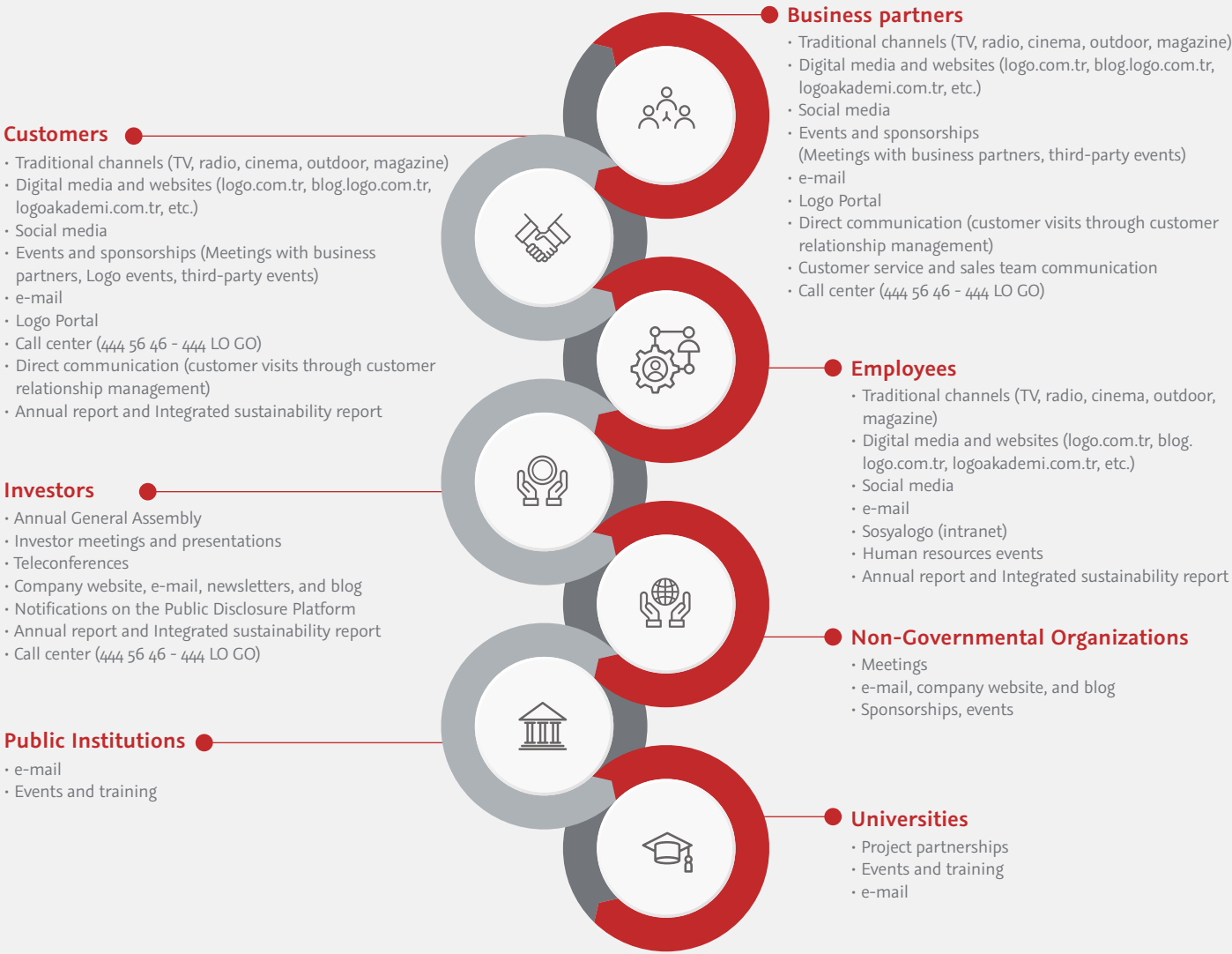
Appendices



Stakeholder communication

Logo attaches importance to establishing strong and two-way communication with its stakeholders. The company reaches out to stakeholders including employees, business partners, customers, investors, analysts, analysts, media organizations, and universities through stakeholder analysis via online questionnaires and seeks their opinions on their strategic priorities by creating strategic communication channels specific to each stakeholder group.

Communication channels



Corporate memberships

• Informatics Industrialists Association (TÜBİSAD)	• TEGEP Education and Development Platform Association
• Blockchain Platform	• Women in Technology Association
• Association of Executives of Listed Companies (KOTEDER)	• TOBB Türkiye Software Assembly
• Bütün Çocuklar Bizim Association (All Children Are Ours Association)	• TurkishWIN
• Integrated Reporting Network	• Türkiye Open Source Platform
• Financial Innovation and Technology Association (FINTR)	• Informatics Association of Türkiye
• Service Exporters Association (HİB)	• Turkish Informatics Foundation
• International Women's Forum (IWF)	• Corporate Governance Association of Türkiye
• Istanbul Chamber of Commerce (ITO)	• Turkish Small and Medium Enterprises, Self-Employed s and Managers Foundation (TOSYÖV)
• Corporate Communicators Association	• Türkiye's Artificial Intelligence Platform
• Metaverse Association	• UN Global Compact
• PERYÖN	• Investor Relations Association (TÜYİD)
• Automotive Suppliers Association (TAYSAD)	• Software Industrialists Association (YASAD)

Management systems

ISO 27001 Information Security Management System Policy	ISO 27001 Information Security Management System Policy aims to take all necessary steps in order to ensure business continuity during its operations in all worksites, to minimize damages and risks resulting from security breaches, to ensure internal integrity, to protect against possible threats the information created, processed, and stored over the technology infrastructure along with the systems in which this information is created, processed, and stored and protect all physical and electronic information assets, and to provide and continuously improve existing resources. Necessary training sessions are organized to raise employee awareness of information security and the protection of information assets within the scope of ISO 27001 Information Security Management System.
ISO 9001 Quality Management System Policy	Logo's general policy is toto develop services that create added value for customers and continuously improve the effectiveness of the Quality Management System, following a thorough understanding of the needs and expectations of its customers.
ISO 22301 Business Continuity Management System Policy	In the event of uncontrollable circumstances such as disasters and emergencies, ISO 22301 Business Continuity Management System Policy aims to ensure the safety of employees and visitors in all offices , to continue to meet the expectations and needs of customers and investors, to take rapid and proper action in the event of a potential interruption, to determine the continuity solution that will minimize losses, to identify the minimum resources that may be required after the interruption by prioritizing the services based on their importance, to develop business recovery plans and take the necessary steps and prevent data loss by determining the business continuity team, to prevent financial losses and reputational damage by determining communication processes after an interruption, as well as to understand the requirements of the Business Continuity Management System and continuously develop, test, and implement them.
ISO 10002 Customer Satisfaction Management System Policy	ISO 10002 Customer Satisfaction Management System Policy aims to assess customer requests and notifications by taking regulatory obligations into consideration and converting them into customer satisfaction, which is continuously improved by monitoring system effectiveness. Logo promises to treat and solve negative feedback from customers in a customer-oriented manner in accordance with the Customer Satisfaction Principles.

Customer Satisfaction Principles	<ul style="list-style-type: none">• Remain open to requests and negative feedback from customers,• Resolve all requests and negative feedback in a transparent, fast, and reliable manner,• Examine negative feedback from customers diligently, fairly, and impartially on any matter and regardless of the level of importance, and offer a solution and/or alternatives• Establish communication channels with all interested parties, provide information flow and traceability• Ensure that customer problems are solved quickly and in the right way by prioritizing business partner training• Provide customer-oriented solutions by conducting product and service satisfaction measurement studies, as well as learning about customer expectations and suggestions,• Identify opportunities for improvement in products, services, systems, and processes, and take action in line with the requests and suggestions from customs and employees,• Ensure the continuity of improvement by conducting regular review studies to identify areas open to improvement and to increase efficiency in order to prevent the recurrence of dissatisfaction,• Protect customer-related information in accordance with the Information Security Policy,• Ensure that the decisions and processes made in response to customer requests are clearly traceable, and identify the activities required for improvement,• Establish channels for customers to deliver their requests and feedback and to ensure that they are responded in the fastest way possible.
ISO 20000-1 Information Technology Service Management System Policy	ISO 20000-1 Information Technology Service Management System Policy aims to flawlessly deliver the services it has committed to its customers at all locations and to continuously monitor and improve the effectiveness and compliance of its services and Service Management System.

ISO 14001
Environmental
Management
System

Logo aims to leave a habitable, clean environment for future generations by minimizing the environmental footprint of all the company activities and contributing to environmental protection complying with all laws and regulations, reducing environmental impact, and constantly improving its performance.

Logo acts in accordance with the following principles to ensure the sustainability of the environmental management system's success;

- Develop projects which are sensitive to the people and the environment,
- Comply with all environmental regulations and other requirements set for the industry and develop practices beyond legal requirements,

- Minimize the waste disposedto the environment and theresources consumed
- Fulfill all requirements of the Environmental Management System and ensure its continuous improvement,
- Prevent the waste generation from all office activities atsource and ensure recycling as much as possible,
- Reduce energy consumption and intensity, greenhouse gas emissions and increase energy efficiency by attaching importance to raising awareness and improving the fight against climate change,
- Use all natural resources, especially water efficiently,
- Protect natural resources by using appropriate technologies that cause the least damage to the environment to the extent allowed by technical and economic capabilities,
- Reduce the use of natural resources, prevent environmental pollution, and increase energy efficiency,
- Ensure the recycling of harmful waste such as paper and plastic generated during operational activities, and develop and implement a recycling action plan,
- Minimize the use of natural resources and increase environmental awareness as a result of continuous improvement efforts,
- Reduce impact on the environment by continuously increasing the environmental performance, and take into consideration the environmental impact of the projects in order to achieve continuous performance improvement
- Manage air emissions in compliance with the legal requirements,
- Discharge wastewater in compliance with legal framework, and improve water quality in line with international standards,
- Create an environmentally sensitive corporate culture in collaboration with all employees, customers, and stakeholders,
- Raise environmental awareness among all employees and stakeholders,
- Encourage the entire Logo business ecosystem, especially all employees and business partners, to carry out their activities with environmental responsibility,
- Evaluate environmental performance of potential suppliers,
- Set measurable targets for environmental performance, and improve the performance accordingly,
- Obtain the support and contribution of all stakeholders to achieve the objectives.

ISO 45001
Occupational
Health and Safety
Management
System

Logo’s main policy is to ensure that all employees develop the necessary awareness and culture on occupational health and safety issues, and that necessary measures are taken to prevent occupational accidents and diseases.

Logo acts in line with the following principles in order to maintain high standards in relation to the occupational health and safety management:

- Comply with legal regulations and other obligations regarding Occupational Health and Safety with respect to all activities,
- Train the employees and raise awareness in order to ensure the health and safety of employees,
- Provide all kinds of tools and personal protective equipment for the employees and subcontractors,
- Ensure that the employees, suppliers, visitors, and stakeholders comply with the Occupational Health and Safety rules,
- Identify the factors that may cause work accidents and occupational diseases, identify and analyze risks,
- Identify in advance and remove factors that may cause work accidents and occupational diseases,
- Create health, safety, and environmental integrity by reducing the risk of emergencies that may occur within the framework of occupational health and safety rules.

TS 13149 Software
Industry Service
Site Qualification
Certificate

According to the TS13149 Rules for Software Service Providers Certificate, Logo meets all structural specifications, management, technical equipment, and employee-related general rules required from software service companies.

ISO 15504 Spice
Capability
Assessment

All processes managed and improved by applying LAPIS and LAPIS for Business Methodology developed specifically for Logo have successfully passed the TS ISO IEC 15504 Spice Capability Assessment by an independent audit firm accredited by Türkak, which issued an Organizational Capability Level 5 certificate.

TS ISO IEC 15504 SPICE Organizational Capability Level 5 Certificate shows that process effectiveness and efficiency targets are set and monitored depending on business objectives and that the innovation and optimization of processes are guaranteed accordingly. By adopting the philosophy of continuous improvement in all the company processes with the LAPIS methodology, Logo became the only company in Turkey to receive this certificate.

Environmental performance indicators

Energy Consumption (MWh) (GRI 302)	2020	2021	2022
Electricity	821	735	892
Electricity purchased	821	735	892
Constant combustion	847	149	1,088
Natural Gas	847	149	1,088
Fuel Oil	0	0	0
Diesel	0	0	0
Coal	0	0	0
Generator (Diesel)	0	0	0
Vehicle Fuel	1,984	2,197	2,680
Diesel	1,512	1,423	1,764
Gasoline	472	774	916
Renewable Energy	14	14	14
Solar	14	14	14
Total	3,666	3,095	4,674

Greenhouse Gas Emissions (tons CO ₂ e) (GRI 305)	2020	2021	2022
Scope 1	720.2	740	1,026
Vehicles	506	554	681
F-gases	35	155	116
Fuel consumption in buildings	179	31	229
SF6	0	0	0
Generators (Diesel)	0	0	0
Scope 2	328.2	291.8	329.1
Electricity	328.2	291.8	329.1
Total (Scope 1 + Scope 2)	1,048	1,032	1,355
Scope 3*	62	1	121

*2020 and 2021 Scope 3 data covers only operations in Türkiye. 2022 data includes Romania operations.

Water Consumption (m³) (GRI 303)**	2020	2021	2022
Water Use	1,860	1,436	2,256
Total withdrawn water	3,696	2,042	3,928
Total discharged water	1,836	606	1,672

**Water use (m³) is calculated with this formula: [total withdrawn water (m³) - total discharged water (m³)].

Waste (tons) (GRI 306)	2020	2021	2022
Hazardous waste	0.275	0.947	0.115
Non-hazardous waste	3.3	5.7	5.25
Recycled Waste***	3.18	6.11	4.84

*** Hazardous and non-hazardous recycled waste amount is given.

Social performance indicators

	2020		2021		2022	
Company Employees (GRI 405-1)	Female	Male	Female	Male	Female	Male
Total number of employees*	539	667	556	736	706	770
	1,206		1,292		1,476	
Number of employees covered by collective bargaining agreement	0	0	0	0	0	0
Number of employees with disabilities	4	14	6	15	15	17

*Covers period-end data of Türkiye and Romania operations. Total number of end-of-period employees including India operations; 2020: 1,233, 2021: 1,315 and 2022: 1,507. ELBA HR (Peoplise) data is included in all employee data as of 2021. In 2020, it is only included in the total number of employees.

Company Employees (GRI 405-1)	2020	2021	2022
Number of employees subject to regular performance evaluation	1,157	1,068	1,123

	2020		2021		2022	
Employees in Management (GRI 405-1)	Female	Male	Female	Male	Female	Male
Under 30 years old	1	1	0	2	0	0
Between 30-50	48	104	64	118	56	103
Over 50	5	9	7	9	10	14
Board members	0	6	0	6	2	4

	2020		2021		2022	
Parental Leave (GRI 401-3)	Female	Male	Female	Male	Female	Male
Number of employees benefiting from birth/parental leave	35	22	47	20	31	17
Number of employees returning to work after birth/parental leave	21	22	44	20	16	17

	2020		2021		2022	
Subcontractors (GRI 405-1)	Female	Male	Female	Male	Female	Male
Number of subcontracted employees by gender	19	33	22	76	94	148
	Full Time	Part-Time	Full Time	Part-Time	Full Time	Part-Time
Number of subcontracted employees by working hours	42	10	88	10	229	13

Trainings (GRI 404-1)	2020	2021	2022
Total training hours	40,123	29,495	47,740
Average training hours per employee	33.7	22.8	32.3

OHS Data (GRI 403-9) (GRI 403-10)	2020	2021	2022
Number of accidents	0	0	1
Number of fatal cases	0	0	0
Number of occupational diseases	0	0	0
Incident rate (IR)	0	0	0
Occupational Diseases rate (ODR)	0	0	0
Lost day rate (LDR)	0	0	0
Absenteeism rate (AR)	0	0	0

OHS Trainings (GRI 403-5)	2020	2021	2022
Total OHS training hours	4,630	2,624	10,000

GRI contents index

GRI Standards	Disclosures	References	Explanation
GRI 101: Foundation 2016			
General disclosures			
GRI 102: General disclosures 2016	Organizational profile		
	102-1	14	
	102-2	24, 25	
	102-3		https://www.logo.com.tr/en/logo-contact
	102-4	14	
	102-5	58	
	102-6	14, 25	
	102-7	58	
	102-8	261	
	102-9	79, 81	
	102-10		During the reporting period, there were no significant changes in the boundaries of the organization and the supply chain.
	102-11	44, 45	
	102-12	254	
	102-13	255	
	Strategy		
	102-14	8-11	
	102-15	60-61	
	Ethics and integrity		
	102-16	15	
	102-17	60	
	Governance		
	102-18	44, 45	
	102-19	44, 45	
	102-20	44, 45	
	102-21	44, 45	
	102-23	44, 45	
	Stakeholder engagement		
	102-40	254	
	102-41	156, 261	
	102-42	254	
	102-43	254	
	102-44	44, 45	
	Reporting practice		
	102-45	21, 22	
	102-46	6, 7	
	102-47	45	
	102-48	260	
	102-49	45	
	102-50	6, 7	

GRI contents index

GRI Standards	Disclosures	References	Explanation
GRI 102: General disclosures 2016	102-51		1 January - 31 December 2021
	102-52	6, 7	
	102-53	6, 7	
	102-54	7	
	102-55	262-265	
	102-56	170-175	
GRI 200: Economic performance series 2016			
Economic performance			
GRI 103: Management approach 2016	103-1	59	
	103-2	59	
	103-3	59	
GRI 201: Economic performance 2016	201-1	59, 170-251	
GRI 300: Environmental standards series 2016			
Energy			
GRI 103: Management approach 2016	103-1	113, 114	
	103-2	113, 114	
	103-3	113, 114	
GRI 302: Energy 2016	302-1	114, 260	
	302-3	114	
	302-4	114, 260	
Water and wastewater			
GRI 103: Management approach 2016	103-1	115	
	103-2	115	
	103-3	115	
GRI 303: Water and wastewater 2018	303-1	115, 260	
	303-2	115, 260	
	303-3	115, 260	
	303-4	115, 260	
	303-5	115, 260	
Emissions			
GRI 103: Management approach 2016	103-1	112-114	
	103-2	112-114	
	103-3	112-114	
GRI 305: Emissions 2016	305-1	112-114, 260	
	305-2	112-114, 260	
	305-3	112-114, 260	
	305-4	114	
	305-5	112-114, 260	
Waste			
GRI 103: Management approach 2016	103-1	115	
	103-2	115	
	103-3	115	

GRI contents index

GRI Standards	Disclosures	References	Explanation
GRI 306: Waste 2020	306-1	260	
	306-2	260	
	306-3	260	
	306-4	260	
	306-5	260	
GRI 400: Social standards series 2016			
Employment			
GRI 103: Management approach 2016	103-1	91	
	103-2	91	
	103-3	91	
GRI 401: Employment 2016	401-2	94,97	
	401-3	261	
Occupational health and safety			
GRI 103: Management approach 2016	103-1	101	
	103-2	101	
	103-3	101, 261	
GRI 403: Occupational health and safety 2018	403-1	101, 261	
	403-2	101, 261	
	403-3	101, 261	
	403-4	101, 261	
	403-5	101, 261	
	403-6	101, 261	
	403-7	101, 261	
	403-9	261	
Training and education			
GRI 103: Management approach 2016	103-1	89	
	103-2	89	
	103-3	89	
GRI 404: Training and education 2016	404-1	89-91	
	404-2	89-91	
	404-3	89-91	
Diversity and equal opportunity			
GRI 103: Management approach 2016	103-1	98	
	103-2	98	
	103-3	98	
GRI 405: Diversity and equal opportunity 2016	405-1	98-100	
Non-discrimination			
GRI 103: Management approach 2016	103-1	98	
	103-2	98	
	103-3	98	
GRI 406: Non-discrimination 2016	406-1	98	

GRI contents index

GRI Standards	Disclosures	References	Explanation
Local communities			
GRI 103: Management approach 2016	103-1	104	
	103-2	104	
	103-3	104	
GRI 413: Local communities 2016	413-1	104-109	
Material issues			
Technology and R&D			
GRI 103: Management approach 2016	103-1	64	
	103-2	64	
	103-3	64	
Digital transformation			
GRI 103: Management approach 2016	103-1	64	
	103-2	64	
	103-3	64	
Customer privacy and data security			
GRI 103: Management approach 2016	103-1	78	
	103-2	78	
	103-3	78	
Customer centricity			
GRI 103: Management approach 2016	103-1	75	
	103-2	75	
	103-3	75	
Responsible products and services			
GRI 103: Management approach 2016	103-1	35	
	103-2	35	
	103-3	35	
Intellectual property			
GRI 103: Management approach 2016	103-1	71	
	103-2	71	
	103-3	71	

Imprint

Commercial title	Logo Yazılım San. ve Tic. A.Ş.
Trade registration number	12750
Head office	Gebze Organize Sanayi Bölgesi Şahabettin Bilgisu Cad. No:609 Gebze / Kocaeli T: o 262 679 80 00 F: o 262 679 80 80
Branches	İstanbul branch Hilltown ofis binası Aydınevler Mah. Siteler yolu Sok. No:1A/2 K:4 Küçükyalı Maltepe / İstanbul T : o 216 570 78 00 F : o 216 570 78 08 Ankara branch and R&D center Üniversiteler Mah. 1596. Cad. No:6 SAFİR C Blok Kat:2 Ofis No: 25-26-27 Beytepe 06800 Çankaya / Ankara T. o 312 265 04 00 F. o 9312 265 05 75 İzTekGeb branch and R&D center İzmir Teknoloji Geliştirme Bölgesi A3 Binası İYTE Kampüsü Gülbahçe Köyü 35430 Urla / İzmir T. o 232 765 91 99 F. o 232 765 91 99 İzmir Konak branch Akdeniz Mah. Şehit Fethibey Cad. No: 55 D:221-222 Heris Tower Konak/ İzmir T. o 232 441 87 87 F. o 232 441 87 90 Elazığ branch Fırat Teknokent Çaydağıra Mah. Adnan Kahveci Bulvarı No:2/211 Merkez / Elazığ
Total Soft	Romania head office Global City Business Park Bucuresti-Nord Street, No 10, O2 Building, 8th Floor, Voluntari, Ilfov, Romania Postal Code: 077190 T. +40 21 335 17 09 F. +40 21 335 17 12 Germany Logo Financial Solutions GmbH Düsseldorfer Strasse 13, 65760 Eschborn Romania ABS – Architected Business Solutions 19 Eroii Sanitari Blvd. District 5, 050471 Bucharest T. +40 21 243 1296
Logo Infosoft	#1302, Tower-3, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road (West), Mumbai City India
Elba HR İnsan Kaynakları A.Ş. (Peoplise)	Gebze Organize Sanayi Bölgesi Şahabettin Bilgisu Cad. No:609 Gebze / Kocaeli
Website	www.logo.com.tr

LOGO