

**MİA TEKNOLOJİ ANONİM ŞİRKETİ**

**FINANCIAL STATEMENTS AND SPECIAL INDEPENDENT AUDITORS' REPORT  
FOR THE FINANCIAL PERIODS OF 31 DECEMBER 2020, 2019 and 2018**

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**MİA TEKNOLOJİ ANONİM ŞİRKETİ**

Statement of Financial Position for the Accounting Period which Ended on December 31 2020, 2019 and 2018  
(Amounts are expressed in Turkish Lira ("TRY") unless indicated otherwise)

	Notes	December 31, 2020	December 31, 2019	December 31, 2018
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	[3]	8.417.053	2.504.805	2.817.126
Trade Receivables	[4]	20.850.524	8.698.051	10.663.237
Other Receivables	[7]	9.260.744	2.672.839	1.402.250
- Related Party		-	2.651.636	1.395.500
- Other		9.260.744	21.203	6.750
Stocks	[8]	3.265.196	17.299.102	1.849.236
Prepaid Expenses	[13]	1.281.937	2.042.535	2.971.086
Current Tax Assets	[14]	11.842	3.951	21.203
Other Current Assets	[15]	652.073	1.009.536	22.948
<b>Total Current Assets</b>		<b>43.739.369</b>	<b>34.230.819</b>	<b>19.747.086</b>
<b>Fixed Assets</b>				
Financial Investments	[6]	-	24.999	-
Investment Properties	[9]	8.154.365	23,367,222	25.090.561
Tangible Assets	[10]	710.439	332,223	430.875
- Other Fixed Assets		710.439	332,223	430.875
Right of Use Assets	[10]	1.206.465	557.601	788.333
Intangible Assets	[11]	40.276.423	7.302.860	3.624.792
- Capitalized Development Costs		40.269.180	7.290.502	3.607.720
- Other Intangible assets		7.243	12.358	17.072
Prepaid Expenses	[13]	-	-	1.651.131
Deferred Tax Asset	[17]	867.156	314.600	250,109
<b>Total Fixed Assets</b>		<b>51.214.848</b>	<b>31.899.505</b>	<b>31.835.801</b>
<b>Total Assets</b>		<b>94.954.217</b>	<b>66.130.324</b>	<b>51.582.887</b>

The attached footnotes are an integral part of these financial statements.

**MİA TEKNOLOJİ ANONİM ŞİRKETİ**

Statement of Financial Position for the Accounting Period which Ended on December 31, 2020, 2019 and 2018  
(Amounts are expressed in Turkish Lira ("TRY") unless indicated otherwise)

	Notes	December 31, 2020	December 31, 2019	December 31, 2018
<b>RESOURCES</b>				
<b>Short-Term Liabilities</b>				
Short Term Borrowings	[5]	585.662	1.274.692	3.308.320
- Bank Loans		183.989	1.000.000	3.044.848
- Leasing Debts		401.673	274.692	263.472
Short Term Portions of Long Term Borrowings	[5]	4.548.508	848.403	973.654
Trade Payables	[4]	15.480.351	16.811.629	5.513.125
Loans Within the Scope of Employee Benefits	[16]	285.995	417.718	326.392
Deferred Incomes	[13]	75.772	6.883	8.236.510
Period Profit Tax Liability	[17]	1.487	-	-
Short-Term Provisions		167.778	114.835	72.950
- Provisions for Employee Benefits	[16]	158.628	114.835	72.950
- Other Short-Term Provisions	[12]	9.150	-	-
Other Short-Term Liabilities	[15]	135.696	37.459	64.819
<b>Total Short-Term Liabilities</b>		<b>21.281.249</b>	<b>19.511.619</b>	<b>18.495.770</b>
<b>Long-Term Liabilities</b>				
Long Term Borrowings	[5]	5.266.630	749.997	875.831
- Bank Loans		4.472.840	487.748	380.915
- Leasing Debts		793.790	262.249	494.916
Long-term Provisions		1.119.543	472.688	136.788
- Provisions for Employee Benefits	[16]	1.119.543	472.688	136.788
<b>Total Long-Term Liabilities</b>		<b>6.386.173</b>	<b>1.222.685</b>	<b>1.012.619</b>
<b>TOTAL LIABILITIES</b>		<b>27.667.422</b>	<b>20.734.304</b>	<b>19.508.389</b>
<b>Equities</b>				
Paid-in Capital	[18]	30.000.000	20.000.000	10.000.000
Other Accumulated Comprehensive Income or Expenses Not to be Reclassified to Profit or Loss		(578.238)	(279.450)	(129.056)
-Defined benefit plans remeasurement Earnings / (Losses)		(578.238)	(279.450)	(129.056)
Reserves on Retained Earnings		1.832.335	1.087.486	3.696
Previous Years Profits / Losses		13.843.135	11.116.068	18.499.219
Net Profit / Loss For the Period		22.189.563	13.471.916	3.700.639
<b>Total Equity</b>		<b>67.286.795</b>	<b>45.396.020</b>	<b>32.074.498</b>
<b>Total Resources and Equity</b>		<b>94.954.217</b>	<b>66.130.324</b>	<b>51.582.887</b>

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**MİA TEKNOLOJİ ANONİM ŞİRKETİ**

Comprehensive Income Statement for the Accounting Period Which Ended on December 31, 2020, 2019 and 2018

*(Amounts are expressed in Turkish Lira ("TRY") unless indicated otherwise)*

<b>Comprehensive Income Statement</b>	<b>Notes</b>	<b>January 01 31.12.2020</b>	<b>January 01 31.12.2019</b>	<b>January 01 31.12.2018</b>
Revenue	[19]	86.477.819	79.452.227	24.341.132
Cost of Sales (-)	[19]	(63.614.841)	(66.993.636)	(18.800.420)
<b>Gross Profit (Loss)</b>		<b>22.862.978</b>	<b>12.458.591</b>	<b>5.540.712</b>
General Management Expenses (-)	[20]	(1.204.023)	(503.444)	(664.249)
Other Real Operating Income	[21]	307.868	242.696	158.829
Other Real Operating Expenses (-)	[22]	(336.178)	(4.870)	(708.276)
<b>Real Operating Profit (Loss)</b>		<b>21.630.645</b>	<b>12.192.973</b>	<b>4.327.016</b>
Income From Investing Activities	[23]	384.449	1.110.239	36.716
Expenses from Investment Activities (-)	[24]	-	(190.200)	-
<b>Operating Profit (Loss) Before Financing Expenses</b>		<b>22.015.094</b>	<b>13.113.012</b>	<b>4.363.732</b>
Financing Income	[25]	3.553.868	1.876.766	1.303.539
Financing Expenses (-)	[26]	(3.649.695)	(1.462.271)	(2.130.908)
<b>Continuing Operations Profit (Loss) Before Tax</b>		<b>21.919.267</b>	<b>13.527.507</b>	<b>3.536.363</b>
<b>Tax Income (Expense) of Continuing Operations</b>	[17]	<b>270.296</b>	<b>(55.591)</b>	<b>164.276</b>
Tax Expense of the Period		(197.986)	(77,663)	(94,864)
Deferred Tax Income (Expense)		468.282	22.072	259.140
<b>Net Profit (Loss) for the Period</b>		<b>22.189.563</b>	<b>13.471.916</b>	<b>3.700.639</b>
Earnings / Losses per Share	27	<b>0,7397</b>	<b>0,4491</b>	<b>0,1234</b>
<b>Other Comprehensive Income Statement</b>		<b>January 01 31.12.2020</b>	<b>January 01 31.12.2019</b>	<b>January 01 31.12.2018</b>
<b>Net Profit (Loss) for the Period</b>		<b>22.189.563</b>	<b>13.471.916</b>	<b>3.700.639</b>
<b>Not to be Reclassified in Profit or Loss</b>	[18]	<b>(298.788)</b>	<b>(150.394)</b>	<b>(129.056)</b>
Defined Benefit Plans Re-measurement Earnings/Losses		(383.062)	(192.813)	(165.457)
Tax Income/Expense Related to Other Comprehensive Income Items Not to be Reclassified in Profit or Loss		84.274	42.419	36.401
<b>Other Comprehensive Income (After Tax)</b>		<b>(298.788)</b>	<b>(150.394)</b>	<b>(129.056)</b>
<b>Total Comprehensive Income</b>		<b>21.890.775</b>	<b>13.321.522</b>	<b>3.571.583</b>

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**MİA TEKNOLOJİ ANONİM ŞİRKETİ**

Statement of Changes in Equity for Accounting Periods Which Ended on December 31, 2020, 2019, and 2018  
(Amounts are expressed in Turkish Lira ("TRY") unless indicated otherwise)

	Paid-in Capital	Other Accumulated Comprehensive Income and Expenses not to Be Reclassified in Profit or Loss Defined Benefit Plans Remeasurement Profit/(Loss)	Other Reserves	Reserves on Retained Earnings	Accumulated Profits Previous Years Profits / Losses	Net Profit / Loss For the Period	Total
<b>January 01, 2018</b>	<b>10.000.000</b>	-	<b>106.696</b>	<b>3.696</b>	<b>17.265.348</b>	<b>1.127.175</b>	<b>28.502.915</b>
Transfers	-	-	-	-	1.127.175	1.127.175	-
Actuarial Earning/Loss	-	(129.056)	-	-	-	-	(129.056)
Profit/Loss For the Period	-	-	-	-	-	3.700.639	3.700.639
<b>31.12.2018</b>	<b>10.000.000</b>	<b>(129.056)</b>	<b>106.696</b>	<b>3.696</b>	<b>18.392.523</b>	<b>3.700.639</b>	<b>32.074.498</b>
<b>01 January, 2019</b>	<b>10.000.000</b>	<b>(129.056)</b>	<b>106.696</b>	<b>3.696</b>	<b>18.392.523</b>	<b>3.700.639</b>	<b>32.074.498</b>
Transfers	10.000.000	-	-	1.083.790	(7,383,151)	(3.700.639)	-
Actuarial Earning/Loss	-	(150.394)	-	-	-	-	(150.394)
Profit/Loss For the Period	-	-	-	-	-	13.471.916	13.471.916
<b>December 31, 2019</b>	<b>20.000.000</b>	<b>(279.450)</b>	<b>106.696</b>	<b>1.087.486</b>	<b>11.009.372</b>	<b>13.471.916</b>	<b>45.396.020</b>
<b>January 1, 2020</b>	<b>20.000.000</b>	<b>(279.450)</b>	<b>106.696</b>	<b>1.087.486</b>	<b>11.009.372</b>	<b>13.471.916</b>	<b>45.396.020</b>
Transfers	10.000.000	-	-	744.849	2.727.067	(13.471.916)	-
Special Funds	-	-	-	-	-	-	-
Actuarial Earning/Loss	-	(298.788)	-	-	-	-	(298.788)
Profit/Loss For the Period	-	-	-	-	-	22.189.563	22.189.563
<b>December 31, 2020</b>	<b>30.000.000</b>	<b>(578.238)</b>	<b>106.696</b>	<b>1.832.335</b>	<b>13.736.439</b>	<b>22.189.563</b>	<b>67.286.795</b>

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**MİA TEKNOLOJİ ANONİM ŞİRKETİ**

Cash Flow Statement for Account Periods Which Ended on December 31, 2020, 2019 and 2018  
(Amounts Are Expressed In Turkish Lira ("TRY") Unless Indicated Otherwise)

	Notes	January 01 December 31, 2020	January 01 December 31, 2019	January 01 December 31, 2018
<b>A. Cash Flows from Operating Activities</b>		<b>27.662.950</b>	<b>4.109.491</b>	<b>1.745.085</b>
<b>Period Income (Loss)</b>		22.189.563	13.471.916	3.700.639
<b>Adjustments Related to Reconciliation of Net Income (Loss) for the Period;</b>		<b>1.895.192</b>	<b>839.017</b>	<b>1.213.809</b>
Adjustments Related to Depreciation and Amortization Expense	[9-10-11]	1.649.527	719.552	581.711
Adjustments for Impairment (Cancellation) <i>Adjustments Regarding Impairment (Cancellation) of Receivables</i>	[4]	78.078	(197,229)	708,191
Adjustments related to interest (income) and expenses	[25-26]	20.345	3.400	9.710
Adjustments Regarding Provisions <i>Adjustments Regarding the Provisions Provided to Employees</i>	[16]	699.798	377.785	209.738
<i>Adjustments Regarding Litigation and/or Penalty Provisions (Cancellation)</i>	[12]	690.648	377.785	209.738
Adjustments Regarding Tax (Income) Expense		9.150	-	-
<b>Changes in Circulating Capital</b>		<b>3.578.195</b>	<b>(10.201.442)</b>	<b>(3.169.363)</b>
Decrease (Increase) in Financial Investments		24.999	(24.999)	-
Adjustments Related to the Decrease (Increase) in Trade Receivables <i>Decrease (Increase) in Trade Receivables from Non-related Parties</i>	[4]	(3.450.551)	2.162.415	(6.711.861)
Adjustments Regarding the Decrease (Increase) in Other Receivables Related to Activities <i>Decrease (Increase) in Other Receivables Related to Actictivities from Related Parties</i>	[7]	(6.587.905)	(1.270.589)	1.402.250
<i>Decrease (Increase) in Other Receivables Related to Operations from Non-related Parties</i>		2.651.636	(1.256.136)	1.395.500
Adjustments Regarding Decreases (Increases) in Inventories	[8]	(9.239.541)	(14.453)	(6.750)
Decrease (Increase) in Prepaid Expenses	[13]	14.033.906	(15.449.866)	(768.045)
Adjustment Related to the Increase (Decrease) in Trade Payables <i>Increase (Decrease) in Trade Payables to Non-related Parties</i>	[4]	748.307	2.215.380	(20,781)
Increase (Decrease) in Payables within the Scope of Employee Benefits	[16]	(1.242.651)	11.184.501	(1,532,326)
Adjustments for Increase (Decrease) in Other Payables Related to Activities <i>Increase (Decrease) in Other Payables of Related Activities to Related Parties</i>	[7]	(131.723)	91.326	(851.083)
Increase (decrease) in the Deferred Income	[13]	(14.660)	-	(726,061)
Adjustments Related to Other Increase (Decrease) in Business Capital <i>Increase (Decrease) in Other Assets Related to the Activities</i>	[15]	59.733	(8.229.627)	7.971.672
<i>Increase (Decrease) in Other Liabilities Related to Activities</i>	[15]	138.740	(879.983)	871.372
<b>Cash Flow from Operating Activities</b>		<b>27.662.950</b>	<b>4.109.491</b>	<b>1.745.085</b>
<b>B. Cash Flows from Investment Activities</b>		<b>(29.184.098)</b>	<b>(2.247.702)</b>	<b>(4,902,309)</b>
Cash Inflows from Sales of Tangible and Intangible assets	[10-11]	77.246	44.000	32.971
Cash Outflows from Purchase of Tangible and Intangible assets	[10-11]	(35.661.344)	(4.077.036)	(4,904,371)
Cash Inflows from the Sale of Investment Properties	[9]	6.400.000	1.785.334	-
Cash Outflows Due to Investment Property Purchases	[9]	-	-	(30,909)
<b>C. Cash Flows from Financing Activities</b>		<b>7.433.396</b>	<b>(2.174.110)</b>	<b>1.055.876</b>
Cash Inflows and Outflows from Borrowing (net) <i>Cash Inflows and Outflows from Loans (net)</i>	[5]	48.403.151	23,995,357	15.167.746
Cash Outflows Related to Discharging Cash Outflows Related to Loan Repayments	[5]	(40.895.744)	(26.283.705)	(14.082.788)
Other Cash Inflows (Outflows)	[5]	(40.895.744)	(26.283.705)	(14.082.788)
<b>Net Increase (Decrease) in Cash and Cash Equivalents Before the Effect of Foreign Currency Exchange Differences</b>		<b>5.912.248</b>	<b>(312,321)</b>	<b>(2.101.348)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>		<b>5.912.248</b>	<b>(312,321)</b>	<b>(2.101.348)</b>
<b>E. Cash and Cash Equivalents at the Beginning of the Period</b>	[3]	<b>2.504.805</b>	<b>2.817.126</b>	<b>4.918.474</b>
<b>F. Cash and Cash Equivalents at the End of the Period</b>	[3]	<b>8.417.053</b>	<b>2.504.805</b>	<b>2.817.126</b>

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## MİA TEKNOLOJİ ANONİM ŞİRKETİ

Footnotes to the Financial Statements for December 31 2020, 2019 and 2018  
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### 1. ORGANIZATION OF THE COMPANY AND SUBJECT OF ACTIVITY

MIA Teknoloji Anonim Şirketi ("Company") has been established on 16.08.2006 in Ankara as a Limited Company. The establishment has been announced in the Turkish Trade Registry Gazette dated 21.08.2006 and numbered 6625. It has turned into a Joint Stock Company by changing its type in 2017.

The main field of activity of the Company is to provide software services to public institutions and organizations and the private sector in the field of information technologies.

The address of the company's headquarters is registered as "**Gazi Üniversitesi Gölbaşı Yerleşkesi Teknoplaza Zemit Kat No: BZ-16 Gölbaşı/ANKARA**".

As of 31.12.2020, the number of employees of the Company is 57 (31.12.2019: 56, 31.12.2018:51).

The capital structure of the company is as follows;

	31.12.2020		31.12.2019		31.12.2018	
	Share Rate	Capital Amount	Share Rate	Capital Amount	Share Rate	Capital Amount
Mehmet Cengiz BAĞMANCI	33%	9.900.000	33%	6.600.000	33%	3,300.000
İhsan ÜNAL	33%	9.900.000	33%	6.600.000	33%	3,300.000
Ali Gökhan BELTEKİN	34%	10.200.000	34%	6.800.000	34%	3.400.000
<b>Paid-in Capital</b>	<b>100%</b>	<b>30.000.000</b>	<b>100%</b>	<b>20.000.000</b>	<b>100%</b>	<b>10.000.000</b>

The company's capital is divided into a total of 30.000.000 shares, each worth 1 TL. (31.12.2019: 100,000 shares of 200 TL, 31.12.2018: 10,000 shares of 1,000 TL)

The details of the company's ongoing and completed projects are as follows;

#### **Face Recognition and Matching System Built with Domestic Image Processing and Pattern Recognition Algorithms;**

With the project, face detection and matching software, which are the most important pillars of face recognition systems, will be developed. The output of the project will be face recognition and face detection softwares for an innovative and completely domestic face recognition system. The project, which will appeal to many different sectors such as security, personnel tracking, statistics creation, decision support, identification, will receive both national achievements and commercialization success.

In addition, the system aims:

- To produce the software necessary to develop a domestic facial recognition system,
- To produce a quality system with limited and low resources,
- To produce a system suitable for cyber security and data security,
- To develop a system that can serve nationally and internationally.

#### **Biometric Verified Video Conferencing System;**

The conference to be held on the platform will perform face recognition at regular intervals with the method of 1-1 when the system has Internet access and a camera presence. In the absence of these facilities, access to the program will be provided by fingerprints or face recognition, depending on the processing device used (mobile, tablet, pc). In addition, an innovative and secure solution will be offered in subjects such as distance education, remote diagnosis, online exam, company, and in-house interviews, witness listening, e-judgment, whose market share is increasing with today's technology.

With the project we plan to realize, it is aimed to reduce the cost for the following areas of use, to ensure that transactions are made with the right person, and to offer a fast and easy solution.

- Job Interviews,
- Human Resources Interviews,
- Inter-Company Meetings,
- Inter-Branch Meetings,
- Meetings with Field Staff,
- Official Meetings,
- Distance Education,
- Online Exam Systems,
- E-Judicial Systems, (Witness Listening, Remote Interrogation)



## **MİA TEKNOLOJİ ANONİM ŞİRKETİ**

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- It will be possible to bring people together in a different location and to verify the video conference with face recognition and software to be developed on subjects such as Medicine-Remote Diagnosis.

### **MIA Vehicle Identification Solutions;**

It is the development of packaged software that can perform all identification processes on the vehicle on a single platform. It aims to develop a system that can perform license plate recognition, vehicle brand-model and color recognition, under-vehicle imaging, passenger biometric face recognition on both a stable campus and a running road, and whose system integration is connected with authorized units. License plate identification system is a system where the license plates received from the cameras can be checked with the white or black lists created with the tools to be added individually or collectively. All transitions can be recorded, transactions on the basis of the plate can be acquired retrospectively and the results can be reported. And also a vehicle registration query with the license plate can be made and the list and other information of the vehicle can be changed.

Vehicle brand-model and color recognition system is a system for detecting brand, model and color information with images received from the cameras.

Under-vehicle imaging systems are systems based on imaging the underside of vehicles with a camera located at a crossing point and comparing this image with the source (old or known) image.

Biometric face recognition, on the other hand, will take the face information of the user in the driver's seat and perform pre-processing, face detection and identification.

### **Cleanmask-Tech Controlled Mask Distribution and Hand Sterilization Point;**

The device performs the process of giving masks, measuring fever and disinfecting hands with the steam form of the disinfectant in a contactless and fast way with card reader, barcode reader, inserting coin and similar methods. This project, which will be produced with domestic and national resources; is able to serve directly to the people without the need for an intermediary institution or organization.

It is able to work in integration with other applications (e-government, e-municipality, etc.) and easily follow up upon request.

It is able to serve on its own, no auxiliary personnel will be needed.

It will allow you to obtain a mask directly thanks to the voice command without any intermediary contact.

It has the feature of working integrated with Personnel Tracking Systems and access control system.

Areas of Utilization;

- SHOPPING MALL
- Educational institutions
- Public and Private Sector
- Airports
- Public Spaces etc.

### **MIA Health Integration System;**

Hospital Information Management Systems (HIMS) required for the operation of hospitals; Transactions between hospitals and other health institutions (transfer, laboratory external service, assignment, etc.); Transactions between health institutions and government institutions (Medula, SGK Progress, 112 Emergency, Medicine Tracking System; Organ Donation, AFAD, CBS, e-invoice, Physician Control Systems, Central Health Appointment System-183, Blood Bank, etc.), transactions between patients and health institutions (e-pulse, laboratory-radiology-pathology imaging, etc.); Transactions between healthcare institutions and private companies (e-procurement, tender, stock, etc.) are presented in an easy-to-follow and reportable way on a single platform.

### **Obstacle Detection with Depth Analysis and Image Processing for Aircrafts;**

In the project, unmanned aerial vehicles will be equipped with an obstacle detection feature based on automation and learning. With the platform we want to develop, obstacle detection will be conducted with automation, and a decision support mechanism will be provided. In addition, remote mapping and virtualization with a time of flight camera, learning automation, and obtaining geographic information for special scenarios are innovative aspects. It also provides some innovative outputs in terms of security of critical areas, border security, flight areas, and object detection. Especially for GIS systems, a new method will be achieved in special and difficult areas. Closing an incomplete system for the defense industry and national aviation can be counted as another innovative aspect.

### **Traffic Control System Project;**

A traffic control system software will be developed, which will consist of a web-based application, a decision support module, and a server application within the scope of the project. TCS project is an integrated system that includes vehicle counting, license plate recognition, instant speed control, red light violation detection, average speed monitoring, safety lane violation, smart intersection system, and

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parking systems. The software to be developed will process the data received from different sensors (camera, radar, infrared sensors) and will be able to create reports in line with the data obtained and share them in the application center. In this context, the reports will contain content such as date, time, place of incident, license plate information, number of vehicles, traffic density, the direction of traffic density, photos, and/or videos in line with their purposes.

### **Multi-Biometric Person Recognition System with Remote Fever Measurement;**

It is a system that can be integrated with transition systems that perform remote non-contact fever measurement and mask control. It ensures that the daily fever measurements and mask control of the personnel whose attendance controls are carried out in the public and private sectors, are also performed, and the information obtained is recorded and reported. The system also gives a warning with an alarm if the detected body temperature is above a certain level, and sends an e-mail or SMS to the desired points. Innovative features of the system we have developed

It is the only domestic product offered together with Personnel Attendance Tracking, Face Recognition, Temperature Measurement, Mask Tracking, Alarm and Warning Mechanisms, and Access Control.

Ability to follow 8-10 people at simultaneously at 30 FPS (Maximum 6 people for competitor products)

Costs 60% less than its foreign counterparts.

### **MIASOFT: Developing Multimodal Biometric Fusion Based Authentication and Identification System Software;**

With the project, authentication (1:1) and identification (1:N) functions will be provided within the scope of the fusion to be made in line with multimodal biometric (Face, Fingerprint, Finger Vein Print) data. The fusion, which will take place in line with the data obtained from different biometrics, will be performed at the feature level (Feature Level), match value level (Score Level), and decision stage level (Decision Level). With biometric fusion, a more efficient biometric system will be created in line with the authentication and identification processes (Accuracy), False Acceptance Rate (FAR) and False Rejection Rate (FRR) values.

### **Image Processing and Pattern Recognition Project in Big Data with Deep Learning Layers;**

Great advances will also be made in the detection and prediction-matching times of machines through deep learning and big data. Thanks to the database created, a large amount of data will be scanned very quickly and the desired transaction will be carried out more quickly and easily. Deep learning, which supports the machine learning mechanism, plays a major role in analyzing the acquired data and accelerating the processes. Thanks to the data volume, data diversity and data upload speed it will contain, the needs of the sector will be scripted faster and solutions or innovations will be obtained.

### **Integrated Modern Health Informatics Layers Project;**

It is necessary to use the barcode system to determine, supply, stock, store, distribute and use the needs of drugs and medical consumables used in the provision of services in hospitals and implement the barcode system for an effective material management of these processes, and to develop the invoice unit service by supporting this with software.

With the Integrated Modern Health Informatics Layers Project, it is aimed to increase revenue by ensuring that the Hospital Information Management System (HIMS) works without loss. At the same time, it is aimed to develop and implement the hospital invoice and stock management system for the correct functioning of the statistics received by the lecturers for scientific research projects through HIMS.

### **Project for Development of a Reliable System for Fast and Secure Biometric Identification;**

Our primary goal within the scope of this project is to bring a new approach to identity verification methods that companies carry out during the recruitment process, by integrating Optical Character Recognition (OCR) and Biometric Identity Recognition (BIR) technologies.

The Developing a Reliable System for Fast and Secure Biometric Identification project covers all sectors including business profiles. Biometrics and optical character recognition activities will be used together in identification. Recruitment and authentication activities will be automated, cheap and accurate.

It will provide a different solution compared to the solutions currently used.

### **Personalized Medical Cabinet Project;**

Within the scope of the project, it will develop a fully automated personalized medical cabinet that can be used in all healthcare institutions with software and hardware development, fully integrated with existing hospital information management systems, and a decision support mechanism with its own parameters. With the realization of the project, this device, which is not currently used in hospitals in Turkey, will

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improve patient care processes, speed up the hospital workflow, facilitate drug tracking and record keeping, and will contribute to the prevention of human-induced negativities in the patient care process.

### **Automatic Exam Evaluation System Project with Machine Learning and Natural Language Processing Techniques;**

The project is the development of a software system that automatically evaluates and scores the classical exams organized by Student Selection and Placement Center, the Ministry of National Education and their affiliated institutions and organizations by eliminating the human factor. The software will be developed with natural language processing and artificial intelligence technologies and will be a first in its field in Turkey.

With the realization of the project, it is planned to provide benefits in terms of reducing the workload in the evaluation process of the classical exams, which millions of students enter every year, reducing the costs of the human factor by 40% and minimizing the errors caused by human participation.

### **Contactless Kiosk Project;**

It has been observed that digital infrastructure has great importance in many areas in terms of public health management during the pandemic crisis. Digital infrastructures need to be strengthened to reduce the effects of current and possible future crises.

With the kiosk we will develop, it will be able to easily control the interface of the person with its sensors that detect hand movements, transfer the videos, images and texts in the system to the person, without disturbing the environment, thanks to the speaker system that provides linear sound transmission.

### **Autonomous Cleaning and Disinfection Robot;**

The project will be able to be used in closed and contaminated areas with high risk rates, in areas where high sterilization is required such as shopping malls, workplaces, campuses, institutions, hospitals, operating rooms, dining halls. Sterilization Robot, which will be a fast solution partner in pandemic problems, will play an active role in the management of crisis moments and sterilization measures.

## **2. PRINCIPLES RELATED TO PRESENTATION OF FINANCIAL STATEMENTS**

### **2.1. Basic Principles Regarding the Presentation**

The Company's financial statements are in compliance with the provisions of the Capital Markets Board ("CMB") Communiqué Series II, 14.1 "Principles of Financial Reporting in the Capital Markets" ("Communiqué") published in the Official Gazette dated 13 June 2013 and numbered 28676. It has been prepared on the basis of Turkish Financial Reporting Standards ("TFRS") and related annexes and comments in accordance with the international standards published by the Public Oversight Accounting and Auditing Standards Authority ("KGK"). TFRS are updated through communiqués to ensure parallelism with the changes in International Financial Reporting Standards ("IFRS").

The financial statements have been presented in accordance with the formats determined in the "Announcement on TFRS Taxonomy" published by the KGK on April 15, 2019, and the Financial Statement Examples and User Guide published by the CMB.

The company prepares its statutory financial statements in accordance with the accounting principles determined by the Turkish Commercial Code and tax legislation. However, the attached financial statements are financial statements that have been obtained in accordance with tax laws. They have been obtained by making additions and reductions specified in the Turkish Accounting Standards / Turkish Financial Reporting Standards ("TMS/TFRS"), which were put into effect by the Public Oversight, Accounting and Auditing Standards Authority ("KGK") and the annexes and comments thereof.

In accordance with the CMB's decision dated March 17, 2005 and numbered 11/367, the inflation accounting practice was terminated, effective as of January 1, 2005, for companies operating in Turkey and preparing financial statements in accordance with Turkish Accounting Standards. Accordingly, as of January 1, 2005, Standard No. 29 "Financial Reporting in Hyperinflationary Economies" ("TAS 29") has not been applied.

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The financial statements have been approved for publication by the Company's Board of Directors on **November 8, 2021**. The General Assembly and some regulatory bodies have the authority to amend the statutory financial statements after they are published.

### First Transition to TFRS

As of 31 December 2020, the financial statements are the first financial statements of the Company prepared in accordance with TFRS, and "First-time Application of Financial Reporting Standards" (TFRS 1) has been applied. The date of transition of the Company to TFRS is January 1, 2019. The reconciliation of the first transition to TFRS is presented below.

The accounting policies set out in Note 2.4 have been adopted in the financial statements for all periods presented. As of 31 December 2020, the Company presented its financial statements comparatively with the financial statements prepared as of 31 December 2019 and 2018 and prepared its balance sheet dated 1 January 2018 in accordance with TFRS as the opening balance sheet.

While preparing the opening balance sheet in accordance with TFRS, the company re-arranged its financial statements, which were previously prepared in accordance with the Tax Procedure Law ("TPL"), pursuant to the 1st paragraph of the Provisional Article 6 of the TCC No. 6102, in accordance with TFRS. The effect of the transition from Tax Procedural Law to TFRS on the Company's financial position, financial performance and cash flows is explained in the following tables.

#### Reconciliation of the first transition to TFRS

Companies applying TFRS 1 are required to provide their reconciliations with the accounting policies applied in the previous period of the equity, period profit and cash flow statements. The reconciliation was not given because the Company did not prepare a cash flow statement in the previous period financial statements prepared according to the Tax Procedure Law. Reconciliations regarding equity and net profit for the period are presented in the tables below.

##### *a) Equity reconciliation*

	<b>31.12.2019</b>	<b>31.12.2018</b>	<b>01.01.2018</b>
Total equity according to Tax Procedure Law	48.589.432	32.947.602	28.341.837
Adjustments related to Tangible and Intangible Assets	(1) (359.054)	219.633	193.854
Provisions for Severance Pay	(2) (508,703)	(173,337)	-
Provisions for lawsuits and doubtful debts	(3) (510,962)	708,191	-
Accruals of interest and rediscount adjustments	(4) 36.823	(454,862)	-
Other Adjustments	(5) (2.087.296)	29.945	12.656
Deferred Taxes	(6) 235.780	213,708	(45.432)
<b>Total equity according to TFRS</b>	<b>45.396.020</b>	<b>32.074.498</b>	<b>28.502.915</b>

##### *b) Reconciliation of net profit for the period*

	<b>31.12.2019</b>	<b>31.12.2018</b>	<b>01.01.2018</b>
Net profit for the period according to Tax Procedure Law	15.641.830	4.605.765	1.127.175
Adjustments related to Tangible and Intangible Assets	(1) (578.687)	25.779	193.854
Provisions for Severance Pay	(2) (184,972)	(44.281)	-
Provisions for lawsuits and doubtful debts	(3) (197,229)	708,191	-

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Accruals of interest and rediscount adjustments	(4)	491.685	(454,862)	-
Other Adjustments	(5)	(2.117.241)	17.289	12.656
Deferred Taxes	(6)	22.072	259.140	(45.432)
<b>Net profit for the period according to TFRS</b>		<b>13.471.916</b>	<b>3.700.639</b>	<b>1.288.253</b>

- (1) It is due to the corrections made in accordance with TAS 16.
- (2) It is due to the corrections made in accordance with TAS 19.
- (3) It is due to the corrections made in accordance with TFRS 9.
- (4) It is due to the corrections made in accordance with TAS 1.
- (5) It is due to the corrections made in accordance with TAS 1.
- (6) It is due to the corrections made in accordance with TAS 12.

### 2.2. Functional Currency and Reporting Currency

The reporting currency of the Company is Turkish Lira ("TL").

As of 31 December 2020, 31 December 2019 and 31 December 2018, the exchange rates of the Central Bank of the Republic of Turkey are as follows:

	31.12.2020		31.12.2019		31.12.2018	
	Buying Foreign Exchange	Selling Foreign Exchange	Buying Foreign Exchange	Selling Foreign Exchange	Buying Foreign Exchange	Selling Foreign Exchange
USD	7,3405	7,3537	5,9402	5,9509	5,2609	5,2704
EURO	9,0079	9,0241	6,6506	6,6625	6,0280	6,0388

### 2.3. Changes in Turkish Reporting Standards

The company has implemented the new and revised standards and interpretations published by the KGK, which are effective as of 31 December 2020, related to its field of activity.

#### a)→Amendments and interpretations on New standards in force as of 31 December 2020 and existing previous standards:

- **changes in TAS 1 and TAS 8 materiality definition are** valid for annual reporting periods starting on January 1, 2020 or after this date. The amendments in TAS 1 "Submission of financial statements" and "TAS 8 "Accounting Policies, Accounting Policies Amendments and Errors" and the amendments in the other TFRS depending on these amendments are as follows:

- i) Use of the definition of materiality consistent with the TFRS and financial reporting framework
- ii)→clarification of the definition of materiality and;
- iii) the inclusion of some guidance in TAS 1 concerning non-essential information.

The Company management foresees that the amendment in question will not have a significant impact on its consolidated financial statements.

|||UNTRANSLATED\_CONTENT\_START|||- **TFRS 3'teki değişiklikler – işletme tanımı; 1 Ocak 2020 tarihinde veya bu tarihten sonra başlayan yıllık raporlama dönemlerinde geçerlidir.** |||UNTRANSLATED\_CONTENT\_END|||With this change, the definition of the business has been revised. Based on the feedback received by the International Accounting and Auditing Standards, it is often considered that the current practice guidance is very complex and results in too many transactions to meet the definition of business combinations. The Company management foresees that the amendment in question will not have a significant impact on its consolidated financial statements.

- **Amendments to TFRS 9, TAS 39 and TFRS 7 - Benchmark interest rate reform;** Valid for annual reporting periods starting on January 1, 2020 or after this date. These amendments provide certain facilitating practices regarding benchmark interest rate reform. These practices relate to hedge accounting, and the effect of the IBOR reform should generally not result in the expiration of

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hedge accounting. However, any hedging ineffectiveness should continue to be recorded in the income statement. Considering the prevalence of hedge accounting in IBOR-based contracts, these facilitating practices will affect all companies in the industry. The Company management foresees that the amendment in question will not have a significant impact on its consolidated financial statements.

**-->Amendments to TFRS 16 'Leases - COVID 19 Lease concessions'** are valid for annual reporting periods beginning on or after June 1, 2020. Some concessions have been provided to tenants in rent payments due to the COVID-19 outbreak. These concessions can take various forms, including suspending or deferring rental payments. With the amendment published in the IASB and IFRS 16 Leases standard on May 28, 2020, it has brought an optional facilitating practice for the lessees to evaluate the lease payments due to COVID-19, whether there is a change in the lease or not. Lessees may choose to account for such lease concessions in accordance with the terms that would apply in the absence of a lease modification. This ease of application often causes the lease concession to be recognized as a variable lease payment during periods when the event or condition that triggers the reduction in lease payments occurs. The Company management foresees that the amendment in question will not have a significant impact on its consolidated financial statements.

**b)→All other new standards, amendments and interpretations to existing standards as of 31 December 2020, are not listed as they are not related to the Company's operations or have no significant impact on the financial statements.**

**c)→Standards and amendments related to the activities of the Company that have been published as of 31 December 2020 but have not yet entered into force:**

- **TFRS 17, "Insurance Contracts"** is valid for annual reporting periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently allows a wide variety of applications. TFRS 17 will fundamentally change the accounting of all entities that issue insurance contracts and investment contracts with discretionary participation.

- **The amendment to TAS 1, the "Presentation of financial statements" standard regarding the classification of liabilities** is valid for annual reporting periods beginning on or after January 1, 2022. These narrow changes made in TAS 1, "Presentation of financial statements" standard, explain that liabilities are classified as current or non-current, depending on the rights available at the end of the reporting period. The classification is not affected by events after the reporting date or by the entity's expectations (for example, the acquisition of a concession or breach of contract). The amendment also clarifies what TAS 1 means to "pay" an obligation.

- **Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 - Benchmark interest rate reform Phase 2;** Effective for annual reporting periods beginning on or after 1 January 2021. This Phase 2 amendment addresses issues arising from the implementation of reforms, including replacing the benchmark interest rate with an alternative.

- **Amendment to TFRS 17 and TFRS 4 "Insurance Contracts"**, postponing the implementation of TFRS 9 is valid for annual reporting periods beginning on or after 1 January 2021. These amendments postpone the implementation date of TFRS 17 to 1 January 2023 for two years and the fixed date of the temporary exemption in TFRS 4 for the implementation date of TFRS 9 Financial Instruments standard has been postponed to 1 January 2023.

**Narrow amendment to TFRS 3, TAS 16, TAS 37, and some annual improvements to TFRS 1, TFRS 9, TMS 41, and TFRS 16** are valid for annual reporting periods beginning on or after January 1, 2022.

**TFRS 3 Changes to business combinations;** this amendment updates a reference to the Conceptual Framework for Financial Reporting in TFRS 3 without changing the accounting requirements for business combinations.

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**Amendments to TAS 16 'Tangible assets';** prohibits a company from deducting revenue from the sale of manufactured products from the amount of tangible assets until the asset is ready for use. Instead, the company will recognize such sales proceeds and the associated cost in profit or loss.

**Amendment to TAS 37, "Provisions, Contingent Liabilities and Contingent Assets";** this amendment states how much it will cost a company when deciding whether to incur losses from a contract.

Annual improvements make minor changes to the illustrative examples of TFRS 1 the first application of "International Financial Reporting Standards", TFRS 9 "Financial Instruments", TAS 41 "Agricultural Activities" and TFRS 16.

The Company shall evaluate the effects of the above-mentioned changes on its operations and apply them from the effective date.

### **Amendments and Errors in Accounting Policies**

An entity can change its accounting policies retrospectively only in the following cases;

- Required by a standard or interpretation,
- In case of the effects of transactions and events on the financial position, performance or cash flows of the entity are presented in a more appropriate and reliable way in the financial statements.

Users of financial statements should have the ability to compare an entity's financial statements over time in order to identify trends in the entity's financial position, performance, and cash flow. Therefore, the same accounting policies should be applied in each interim period and in each accounting period, unless a change in accounting policy meets one of the conditions set out in the paragraph above.

The financial statements of the Company are prepared comparatively with the previous period in order to enable the determination of the financial situation and performance trends. Comparative information is reclassified when deemed necessary in order to comply with the presentation of the current period financial statements.

### **2.4. Summary of Significant Accounting Policies**

#### **a) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, bank deposits with maturities of three months or less, and other liquid investments.

#### **b) Related Parties**

In line with the purpose of these financial statements, the shareholders, senior managers, and members of the Board of Directors, their families, and companies controlled by or affiliated with them, associates and partnerships are accepted and referred to as "related parties". The Company has carried out transactions with related parties during the period due to its ordinary activities.

#### **c) Trade Receivables**

Trade receivables resulting from the supply of a product to a buyer by the Company are shown net of unaccrued financial income. Trade receivables after unaccrued financial income are calculated by discounting the amounts to be obtained in the following periods of the receivables recorded from the original invoice value using the effective interest method. Short-term receivables with no specified interest rate are shown at cost unless the effect of the original effective interest rate is significant.

The Company allocates provision for doubtful debt for related trade receivables if there is an objective finding that collection is not possible. The amount of the provision in question is charged with the difference between the recording value of receivable and the recoverable amount. The recoverable amount

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is the value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the trade receivable.

Following the provision for doubtful receivables, in case the whole or part of the amount is collected, the collected amount is deducted from the doubtful receivable provision and recognized under other income from main activities.

### **d) Stocks**

Stocks are evaluated with the lower value of cost or net realizable value. The cost of inventories includes all purchase cost of materials, conversion costs and other costs that are necessary to bring the inventories to their present condition and location. Conversion costs of stocks include costs directly related to production such as the direct labor costs. These costs also include amounts distributed systematically from fixed and variable overheads incurred in converting the articles and materials into finished goods.

The weighted average cost method is applied in calculating the cost of inventories. Net realizable value is the deduction of the estimated cost of completion and the total of estimated costs necessary for undertaking the sales from the estimated selling price in the ordinary course of business.

### **e) Trade Payables**

Trade payables represent the payments to be made for goods and services provided by suppliers in ordinary activities. Trade payables are measured initially at fair value and subsequently at amortized cost using the effective interest method. Payables with a maturity of less than one year are recorded in short-term debts, and those with a maturity of more than one year are recorded in long-term debts.

### **f) Borrowing Costs**

Loans are registered with their values after the transaction costs are deducted from the loan amount on the date they are received. Loans are denominated at cost value discounted using the effective interest method. The difference between the amount remaining after deducting the transaction costs and the discounted cost value is reflected in the income statement as the financing cost during the loan period. Financing costs arising from loans are recorded in the table in the period in which they occur.

In the case of assets that take significant time to get ready for use or sale, borrowing costs are included in the cost of the asset until it is ready for use or sale.

### **g) Investment Properties**

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

Investment properties are accounted for at cost.

### **h) Tangible Assets**

Tangible assets are shown by deducting accumulated depreciation from cost values. Real estates are depreciated on a straight-line basis over their useful lives at the following rates:

Buildings	40-50 years
Facilities, machinery and devices	10-15 years
Fixtures	3-20 years
Vehicles	5-20 years
Other tangible assets	5-10 years

There is no depreciation for lands and parcels due to their unlimited life.

Profits and losses arising from sales of real estates are determined as a result of comparing the net book value with the sale price and are included in operating profit.



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Maintenance and repair expenses are recorded as expense on the date they are incurred. If the maintenance and repair expense provides an expansion or a visible improvement in the related asset, it is capitalized.

If the value of an asset is greater than its recoverable value, which is defined as the higher of the net selling price after deducting the expenses to be incurred to sell the asset and its value in use, the property, plant and equipment are reduced to their recoverable value by making a provision. Profit or loss from the disposal of tangible fixed assets is determined according to the value of the tangible asset and recorded in the relevant income and expense accounts.

Tangible assets are recognized at cost.

### i) Intangible Assets

Intangible assets include acquired rights, development costs, software purchased from outside, and technology and other identifiable rights acquired as a result of business combinations. They are recorded at acquisition cost and amortized on a straight-line basis over their estimated useful lives as shown below after the date of acquisition.

Development costs	10-15 years
Software purchased from outside	10-15 years
Other Intangible Assets	2-5 years

### Research and Development Costs

Planned activities to obtain new technological information or findings are defined as research, and research expenses incurred at this stage are recorded as expense when incurred.

Application of research findings or other information to a plan to produce new or significantly improved products, processes, systems or services is defined as a development and is recognized as intangible assets arising from the development if all of the following conditions are met:

- If it is technically possible for the intangible asset to be ready for use or sale,
- If the entity has the intention to complete the intangible asset and use or sell it;
- If there is an opportunity to use or sell the intangible asset,
- If it is certain how the intangible asset will generate possible economic benefits, furthermore, if there is a market for the output of the intangible asset or the intangible asset itself, or if the intangible asset is usable if it is to be used internally,
- Sufficient technical, financial and other resources are available to complete the development phase and to use or sell the intangible asset and
- If the expenditure on the intangible asset during the development process can be measured reliably.

Development costs consist of the wages of personnel directly involved in the creation of the asset and costs directly attributable to the creation of the intangible asset. Government grants associated with development costs are accounted for by deducting the registered value of intangible assets.

### j) Severance Pay and Provision for Severance Bonus

In accordance with the current labor law, the company is obliged to pay a certain amount of severance pay to personnel who complete at least one year of service, retire and whose employment relationship is terminated due to reasons other than resignation and bad behavior. The company is also obliged to pay severance pay to personnel who are called up for military service or die. In accordance with the labor laws in force in Turkey, provisions for retirement and severance pay are set aside as they occur in the accompanying financial statements. These types of payments are classified as defined benefit pension plans in accordance with the revised TAS 19 Benefits Provided for Employees Standard. In the financial statements, the severance pay liability is reflected in the financial statements as the amount found by discounting the retirement pay to be paid in the coming years with the appropriate interest rate adjusted for the inflation rate in order to calculate the value at the balance sheet date.

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### **k) Provisions, Contingent Liabilities and Contingent Asset**

If the Company has a present obligation as a result of past events, it is probable that an outflow of resources containing economic benefits will be required to settle this obligation, and the amount of the obligation can be reliably estimated, the related liability is recognized in the financial statements. Contingent liabilities are continuously assessed in order to determine whether the possibility of an outflow of resources containing economic benefits is probable. In the event that the possibility of an outflow of resources with economic benefits in the future is possible for items that are considered as contingent liabilities, this contingent liability is recognized in the financial statements of the period in which the change in probability arises, except when a reliable estimate is made.

The Company discloses the related liability in the footnotes if the contingent liabilities become probable but a reliable estimation is not made about the amount of resources containing economic benefits.

Assets that arise from past events in the Company and that will be confirmed by the occurrence or non-occurrence of one or more uncertain events that are not fully under the control of the entity are considered contingent assets. Contingent assets are disclosed in the footnotes in the event that the possibility of entering into the business of the resources containing economic benefits is high.

In cases where it is expected that all or part of the economic benefits used to settle the provision amount will be met by third parties, the amount that will be collected is recognized as an asset if the repayment of the amount is certain and the amount can be calculated reliably.

### **l) Capital and Dividends**

Ordinary shares are classified as equity. Dividends distributed over ordinary shares are deducted from the accumulated profit in the period of the statement.

### **m) Revenue**

The Revenue from goods sold within the scope of its main activity is measured as the fair value after deducting the amount received in return or receivables, sales discounts and turnover premiums from the revenue. Revenue is recognized in cases of the delivery of the product or the provision of the service by means of a sales contract, the transfer of the risks and benefits of the product to the buyer, the collectability of the price to be paid, the reliable estimation of the relevant costs and possible returns, the continuing administrative right in favor of the seller on the goods subject to sale and the amount of revenue can be measured reliably. If a rebate is probable and the amount can be measured reliably, the deduction amount is deducted from revenue at the time revenue is recorded.

### **n) Lease Payments**

Company – as a tenant

At the inception of a contract, the Company evaluates whether the contract is or contains a lease. If the contract transfers the right to control the use of the identified asset for a specified period of time, the contract is or includes a lease. The company considers the following conditions when assessing whether a contract transfers the right to control the use of an identified asset for a specified period of time:

a) The contract contains the identified asset; an asset is usually identified by being explicitly or implicitly specified in the contract.

b) A functional part of the asset is physically separate or represents almost all of the asset's capacity. An asset is not defined if the supplier has a substantive right to substitute the asset and derive economic benefits from it.

c) Having the right to obtain almost all of the economic benefits to be derived from the use of the identified asset

d) Having the right to direct the use of the identified asset. The company considers that it has the right to use the asset if the decisions regarding how and for what purpose the asset will be used have been determined beforehand.

i. The Company has the right to operate the asset (or direct others to operate the asset as it determines) for the period of use and the supplier does not have the right to change these operating instructions; or

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ii. The Company has designed the asset (or certain features of the asset) to predetermine how and for what purpose the asset will be used throughout its useful life.

The Company reflects a right-of-use asset and a lease liability in its financial statements at the commencement date of the lease.

### **Right-of-use Asset**

The right-of-use asset is initially accounted for using the cost method and includes:

- a) The initial measurement amount of the lease liability,
  - b) The amount obtained by deducting all lease incentives received from all lease payments made on or before the lease commencement date,
  - c) All initial direct costs incurred by the Company and
- when applying the Company cost method, the right-of-use asset:
- a) Accumulated depreciation and accumulated impairment losses are deducted; and
  - b) It is measured at cost adjusted for remeasurement of the lease liability.

The Company applies the depreciation provisions of TAS 16 Tangible Assets while depreciating right-of-use assets.

It applies TAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and to recognize any identified impairment losses.

### **Lease liability**

The Company measures the lease liability at the present value of the lease payments that have not been incurred at the commencement date of the lease. Lease payments are discounted by using this rate if the implied interest rate in the lease can be easily determined; by using the lessee's alternative borrowing interest rate if the implied interest rate cannot be easily determined.

Lease payments that are included in the measurement of the Company's lease liability and that are not paid at the commencement date of the lease consist of the following:

- a) the amount of fixed payments,
- b) lease payments based on an index or rate, the first measurement of which is made using an index or rate at the actual commencement date of the lease,
- c) penalties for termination of the lease if the lease term indicates that the lessee will exercise an option to terminate the lease.

After the actual commencement of the lease, the Company measures the lease liability as follows:

- a) Increases the book value to reflect the interest on the lease liability,
- b) Write-down the book value of the lease payments made; and
- c) Remeasures the book value to reflect any reassessments and restructurings. The Company reflects the remeasurement amount of the lease liability as an adjustment to the right-of-use asset in its financial statements.

### **o) Income and Expenses from Investment Activities**

Income from investment activities includes interest income from investments and income from sales of investment property. Interest revenue is recognized in the profit/ loss on an accrual basis by using the effective interest method. Dividend income from affiliates is recorded when the shareholders' right to receive dividends arises.

Expenses from investing activities include losses on hedging instruments and losses on ineffective portions of derivative hedging instruments recognized in profit or loss.

### **p) Earnings Per Share (PBK)**

The company provides basic PBK information for common stocks. The basic PBK is found by dividing the profit or loss attributed to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. There are no potential diluted shares. The cash capital increases made by the company as of periods were made from internal resources, and the calculation for the previous years was made on the basis of the number of shares in the last period in order to make the earnings per share comparable.

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### **q) Events Following the Reporting Period**

It refers to the events occurring in favor of or against the Company between the balance sheet date and the date of authorization for the publication of the balance sheet. In the event that there is new evidence that these events exist as of the balance sheet date or if the related events occur after the balance sheet date, the Company discloses these matters in the related footnotes.

### **r) Taxes Calculated According to Profit of the Company**

Tax expense or income is the sum of statutory and deferred tax calculated in relation to gains or losses during the period.

Deferred tax is calculated according to the balance sheet liability method. Deferred tax is the tax effect of temporary differences between the values of assets and liabilities reflected in the financial statements and legal tax bases, and is reflected by taking into account for financial reporting purposes.

Deferred tax asset to the extent that a financial profit can be generated in the future where these timing differences can be used; All deductible temporary differences are recognized for unused incentive amounts and carried financial losses for prior periods. Deferred tax asset is reviewed in each balance sheet period and in cases where it is not possible to generate sufficient financial profit for future use of deferred tax asset, its carrying value in the balance sheet is reduced.

In the calculation of the deferred tax assets and liabilities, the tax rates that will be valid on the dates the Company thinks that these temporary differences can be used are used based on the rates that have entered into force or that have been finalized as of the balance sheet date. If deferred tax is related to transactions directly associated with equity in the same or a different period, it is directly associated with the equity account group.

## **2.5. Significant Accounting Estimates and Assumptions**

In the preparation of the financial statements, the Company management is required to make assessments, assumptions and estimations that will affect the reported amounts of assets and liabilities, determine possible liabilities and commitments as of the balance sheet date, and income and expense amounts as of the reporting period. Actual results may differ from those estimated. Estimations are regularly reviewed, revised, adjusted and reflected on the financial statement in the financial year that they occur.

The main assumptions made by taking into account the main sources of the current or future estimates that may have a significant effect on the amounts reflected in the financial statements are as follows:

a) The deferred tax asset over the carried tax losses is recognized if it is determined that it is probable that taxable profit will occur in the coming years, from which the said tax losses can be deducted. Determining the number of deferred tax assets to be recognized requires significant estimations and management assessments regarding the amount and timing of taxable profit in future periods.

b) The Company made certain assumptions in determining the useful economic lives of tangible and intangible assets in line with the experience of technical staff.

c) Calculations have been made by making some important assumptions in the calculation of the provision for severance pay.

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### 3. CASH AND CASH EQUIVALENTS

The details of the cash and cash equivalents are as follows;

	31.12.2020	31.12.2019	31.12.2018
Cash register	36.152	12.133	14.657
Banks	8.380.901	2.492.672	2.802.469
-Term deposit	7.774.733	2.450.446	821.917
-TL Term deposit	2.759.963	2.031.046	689.919
-EURO Term deposit	4.092.410	-	-
-USD Term deposit	922.360	419.400	131.998
-Drawing Account	606.168	42.226	1.980.552
-TL Term deposit	101.675	19.435	1.930.525
-EURO Term deposit	491,907	15.711	-
-USD Term deposit	12.586	7.080	50.027
<b>Total</b>	<b>8.417.053</b>	<b>2.504.805</b>	<b>2.817.126</b>

As of the end of the period of 31.12.2020, the interest rate applied to the TL term accounts of the company is 11%-13%, and the interest rate applied to the foreign currency term accounts is 1%-5%. As of the end of the period of 31.12.2019, it is 11% -13% in TL and 1%-5% in foreign currency. It is 23% in TL and 1%-5% in foreign currency as of the end of the period of 31.12.2018.

### 4. COMMERCIAL RECEIVABLE AND PAYABLES

The details of trade receivables are as follows;

	31.12.2020	31.12.2019	31.12.2018
Trade receivables*	21.353.724	9.095.397	11.444.340
Rediscount (-)	(503.200)	(397,346)	(781.103)
Doubtful Trade Receivables	730.204	652.126	849.355
Provision For Doubtful Receivables (-)**	(730.204)	(652.126)	(849.355)
<b>Total</b>	<b>20.850.524</b>	<b>8.698.051</b>	<b>10.663.237</b>

(\*) As of the end of the period of 31.12.2020, the company has trade receivables of \$928,566 and indented receivables of \$1,277,600 in foreign currency.

(\* \*) 31.12.2020: 519.836 TL, 31.12.2019: 427.306 TL and 31.12.2018: 629.405 TL within the scope of doubtful trade receivables and provisions have been reserved within the scope of TFRS-9 Expected Trade Loss Provision.

	31.12.2020	31.12.2019	31.12.2018
Provision at the beginning of the period	(652.126)	(849.355)	(143.579)
Provision made during the period	(78.078)	-	(705,776)
worthless receivables, collections and cancellations	-	(197,229)	-
<b>Total</b>	<b>(730.204)</b>	<b>(652.126)</b>	<b>(849.355)</b>

The details of trade payables are as follows;

	31.12.2020	31.12.2019	31.12.2018
Trade payables*	676.695	16.363.900	5.541.755
Notes payable	15.103.035	742.569	268.885
Rediscount (-)	(363.191)	(447.279)	(335.951)
Credit card debts	63.812	152.439	(38.436)
<b>Total</b>	<b>15.480.351</b>	<b>16.811.629</b>	<b>5.513.125</b>

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(\*) As of the end of the period of 31.12.2020, the company has a commercial debt of \$14,114 and a debt note of \$1,985,685 in foreign currency. As of the end of the period of 31.12.2018, the company has a commercial debt of \$18,568 in foreign currency.  
As of 31 December 2020, the weighted average annual effective interest rate of short-term debts is 12% (31.12.2019: 16%, 31.12.2018: 17%).

### 5. FINANCIAL LIABILITIES

The details of short-term financial liabilities are as follows;

	31.12.2020	31.12.2019	31.12.2018
Bank loans	183.989	1.000.000	3.044.848
Operating lease liabilities*	401.673	274.692	263.472
Short-term portions of long-term bank loans	4.548.508	848.403	973.654
<b>Total</b>	<b>5.134.170</b>	<b>2.123.095</b>	<b>4.281.974</b>

The details of short-term financial liabilities are as follows;

	31.12.2020	31.12.2019	31.12.2018
Long term loans	4.472.840	487.748	380.915
Operating lease liabilities*	793.790	262.249	494.916
<b>Total</b>	<b>5.266.630</b>	<b>749,997</b>	<b>875.831</b>

(\*) They are the amounts accrued within the scope of TFRS-16 regarding the offices leased by the Company.

The maturity distributions of loans and operating leases are as follows;

	31.12.2020	31.12.2019	31.12.2018
0-3 months	1.218.420	699.402	3.169.623
3-12 months	3.915.750	1.423.693	1.112.351
1 - 5 years	5.266.630	749,997	875.831
<b>Total</b>	<b>10.400.800</b>	<b>2.873.092</b>	<b>5.157.805</b>

### 6. FINANCIAL INVESTMENTS

	31.12.2020	31.12.2019	31.12.2018
Bonds	-	24.999	-
<b>Total</b>	<b>-</b>	<b>24.999</b>	<b>-</b>

It is a 98-day bond belonging to Türkiye Vakıflar Bankası dated 13.12.2019.

### 7. OTHER RECEIVABLES

The details regarding other short-term receivables are as follows;

	31.12.2020	31.12.2019	31.12.2018
Deposits and guarantees issued	479.541	-	6.750
Other Miscellaneous Receivables*	8.781.203	21.203	-
Receivables from shareholders**	-	2.651.636	1.395.500
<b>Total</b>	<b>9.260.744</b>	<b>2.672.839</b>	<b>1.402.250</b>

(\*) It is TL 8.760.000 consists of the receivables related to the sale of investment lands.

(\* \*) Detail Footnote-28.

### 8. STOCKS

The details regarding the stocks are as follows;

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	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Stocks	3.265.196	17.299.102	1.849.236
- Computer consumable stocks	3.265.196	17.299.102	1.849.236
<b>Total</b>	<b>3.265.196</b>	<b>17.299.102</b>	<b>1.849.236</b>

**9. INVESTMENT PROPERTIES**

The details regarding investment properties are as follows;

<b>Cost Value</b>	<b>Lands for Investment Purposes</b>	<b>Buildings for Investment Purposes</b>	<b>Total</b>
Opening balance as of 01.01.2020	22.690.151	725.017	23.415.168
Inflows	-	-	-
Outflows	(15.180.000)	-	(15.180.000)
<b>Opening balance as of 31.12.2020</b>	<b>7.510.151</b>	<b>725.017</b>	<b>8.235.168</b>
Opening balance as of 01.01.2020	-	(47.946)	(47.946)
Period expense	-	(32.857)	(32.857)
Outflows	-	-	-
<b>Opening balance as of 31.12.2020</b>	<b>-</b>	<b>(80.803)</b>	<b>(80.803)</b>
<b>Net book value as of 31.12.2020</b>	<b>7.510.151</b>	<b>644.214</b>	<b>8.154.365</b>

(\*) The company has valued the fair value of its investment land, with the prime cost of 510.131 TRY, located in Ankara Province, Akyurt District, saracalar quarter, plot number 1891, parcel 2, by the service of CMB authorized Adım Gayrimenkul Değerleme A.Ş. on 01.11.2021, and the Peer Comparison Method approach has been used in this valuation process, and the fair value of the property was determined as 745.000 TRY.

(\*) The company evaluated its investment land, located in Ankara province Etimesgut district, Balıkuyumcu district, block 0, parcel 292 and monitored with a cost of 1.500.000 TL, to CMB authorized Adım Gayrimenkul Değerleme A.Ş. on 01.11.2021 to determine the fair value. In the valuation process, the Peer Comparison Method approach was used and the fair value of the real estate was determined as TL 1,915,000.

(\*\*) The company has valued the fair value of its investment office in building with the prime cost of 725.017 TRY, located in Ankara Province, Çankaya District, Cevizlidere quarter, plot number 29370, parcel 1, by the service of CMB authorized Adım Gayrimenkul Değerleme A.Ş. on 01.11.2021, and the Peer Comparison Method approach has been used in this valuation process, and the fair value of the property was determined as 1.665.000 TRY.

<b>Cost Value</b>	<b>Lands for Investment Purposes</b>	<b>Buildings for Investment Purposes</b>	<b>Total</b>
Opening balance as of 01.01.2019	23.380.151	1.820.351	25.200.502
Inflows	-	-	-
Outflows	(690.000)	(1.095.334)	1.785.334
<b>Opening balance as of 31.12.2019</b>	<b>22.690.151</b>	<b>725.017</b>	<b>23.415.168</b>
Opening balance as of 01.01.2019	-	(109.941)	(109.941)
Period expense	-	(32.765)	(32.765)
Outflows	-	94.760	94.760
<b>Opening balance as of 31.12.2019</b>	<b>-</b>	<b>(47.946)</b>	<b>(47.946)</b>
<b>Net book value as of 31.12.2019</b>	<b>22.690.151</b>	<b>677.071</b>	<b>23,367,222</b>

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<b>Cost Value</b>	<b>Lands for Investment Purposes</b>	<b>Buildings for Investment Purposes</b>	<b>Total</b>
Opening balance as of 01.01.2018	-	-	-
Inflows	-	-	-
Classification	23.380.151	1.820.351	25.200.502
Outflows	-	-	-
<b>Opening balance as of 31.12.2018</b>	<b>23.380.151</b>	<b>1.820.351</b>	<b>25.200.502</b>
Opening balance as of 01.01.2018	-	-	-
Period expense	-	(109.941)	(109.941)
Outflows	-	-	-
<b>Opening balance as of 31.12.2018</b>	<b>-</b>	<b>(109.941)</b>	<b>(109.941)</b>
<b>Net book value as of 31.12.2018</b>	<b>23.380.151</b>	<b>1.710.410</b>	<b>25.090.561</b>

Since the Company aims to generate rental income from the buildings it holds for investment purposes, the buildings are classified as investment properties. Investment properties are reported for at cost.



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*(Amounts Are Expressed In Turkish Lira ("TRY") Unless Indicated Otherwise)***10. TANGIBLE ASSETS**

<b>Cost Value</b>	<b>Lands and Parcels</b>	<b>Buildings</b>	<b>Vehicles</b>	<b>Fixtures</b>	<b>Special Costs</b>	<b>Right of use assets*</b>	<b>Total</b>
Opening balance as of 01.01.2020	-	-	277.245	356.322	187.404	1.153.658	1.974.629
Inflows	-	-	343.000	186.222	-	925.891	1.455.113
Outflows	-	-	(38.366)	-	-	-	(38.366)
<b>Opening balance as of 31.12.2020</b>	<b>-</b>	<b>-</b>	<b>581.879</b>	<b>542.544</b>	<b>187.404</b>	<b>2.079.549</b>	<b>3.391.376</b>
Opening balance as of 01.01.2020	-	-	(144.130)	(220.155)	(124.463)	(596.057)	(1.084.805)
Period expense	-	-	(66.434)	(58.701)	(18.198)	(277.027)	(420.360)
Outflows	-	-	30.693	-	-	-	30.693
<b>Opening balance as of 31.12.2020</b>	<b>-</b>	<b>-</b>	<b>(179.871)</b>	<b>(278.856)</b>	<b>(142.661)</b>	<b>(873.084)</b>	<b>(1.474.472)</b>
<b>Net book value as of 31.12.2020</b>	<b>-</b>	<b>-</b>	<b>402.008</b>	<b>263.688</b>	<b>44.743</b>	<b>1.206.465</b>	<b>1.916.904</b>

<b>Cost Value</b>	<b>Lands and Parcels</b>	<b>Buildings</b>	<b>Vehicles</b>	<b>Fixtures</b>	<b>Special Costs</b>	<b>Right of use assets*</b>	<b>Total</b>
Opening balance as of 01.01.2019	-	-	321,245	332.117	183.336	1.153.658	1.990.356
Inflows	-	-	-	24.205	4.068	-	28.273
Outflows	-	-	44.000	-	-	-	44.000
<b>Opening balance as of 31.12.2019</b>	<b>-</b>	<b>-</b>	<b>277.245</b>	<b>356.322</b>	<b>187.404</b>	<b>1.153.658</b>	<b>1.974.629</b>
Opening balance as of 01.01.2019	-	-	(135,833)	(175.733)	(94,257)	(365.325)	(771.148)
Period expense	-	-	(43.497)	(44.422)	(30,206)	(230,732)	(348.857)
Outflows	-	-	35.200	-	-	-	35.200
<b>Opening balance as of 31.12.2019</b>	<b>-</b>	<b>-</b>	<b>(144.130)</b>	<b>(220.155)</b>	<b>(124.463)</b>	<b>(596.057)</b>	<b>(1.084.805)</b>
<b>Net book value as of 31.12.2019</b>	<b>-</b>	<b>-</b>	<b>133.115</b>	<b>136.167</b>	<b>62.941</b>	<b>557.601</b>	<b>889.824</b>

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	<b>Lands and Parcels</b>	<b>Buildings</b>	<b>Vehicles</b>	<b>Fixtures</b>	<b>Special Costs</b>	<b>Right of use assets*</b>	<b>Total</b>
<b>Cost Value</b>							
Opening balance as of 01.01.2018	23.380.151	1.789.442	354,216	231.013	147.836		25.902.658
Inflows	-	(30,909)	-	101.104	35.500	1.153.658	1.321.171
Classification	(23.380.151)	(1.820.351)	-	-	-	-	(25.200.502)
Outflows	-	-	(32.971)	-	-	-	(32.971)
<b>Opening balance as of 31.12.2018</b>	<b>-</b>	<b>-</b>	<b>321,245</b>	<b>332.117</b>	<b>183.336</b>	<b>1.153.658</b>	<b>1.990.356</b>
Opening balance as of 01.01.2018	-	-	(105,839)	(145.689)	(64.799)	-	(316,327)
Period expense	-	-	(42.453)	(30.044)	(29.458)	(365.325)	(467,280)
Outflows	-	-	12,459	-	-	-	12,459
<b>Opening balance as of 31.12.2018</b>	<b>-</b>	<b>-</b>	<b>(135,833)</b>	<b>(175.733)</b>	<b>(94,257)</b>	<b>(365.325)</b>	<b>(771.148)</b>
<b>Net book value as of 31.12.2018</b>	<b>-</b>	<b>-</b>	<b>185.412</b>	<b>156.384</b>	<b>89.079</b>	<b>788.333</b>	<b>1.219.208</b>

(\*) They are the amounts accrued within the scope of TFRS-16 regarding the offices leased by the Company.

**11. INTANGIBLE ASSETS**

	<b>Rights</b>	<b>Advanced technology and development costs</b>	<b>Other Intangible Assets</b>	<b>Total</b>
<b>Cost Value</b>				
Opening balance as of 01.01.2020	49.265	7.657.472	37.810	7.744.547
Inflows	-	34.206.231	-	34.206.231
Outflows	(3.865)	-	(35.015)	(38.880)
<b>Opening balance as of 31.12.2020</b>	<b>45.400</b>	<b>41.863.703</b>	<b>2.795</b>	<b>41.911.898</b>
Opening balance as of 01.01.2020	(40.689)	(366.970)	(34.028)	(441.687)
Period expense	(1.612)	(1.227.553)	(2)	(1.229.167)
Outflows	3.865	-	31.514	35.379
<b>Opening balance as of 31.12.2020</b>	<b>(38.436)</b>	<b>(1.594.523)</b>	<b>(2.516)</b>	<b>(1.635.475)</b>
<b>Net book value as of 31.12.2020</b>	<b>6.964</b>	<b>40.269.180</b>	<b>279</b>	<b>40.276.423</b>

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<b>Cost Value</b>	<b>Rights</b>	<b>Advanced technology and development costs</b>	<b>Other Intangible Assets</b>	<b>Total</b>
Opening balance as of 01.01.2019	49.265	3.608.709	37.810	3.695.784
Inflows	-	4.048.763	-	4.048.763
Outflows	-	-	-	-
<b>Opening balance as of 31.12.2019</b>	<b>49.265</b>	<b>7.657.472</b>	<b>37.810</b>	<b>7.744.547</b>
Opening balance as of 01.01.2019	(36.814)	(989)	(33.189)	(70,992)
Period expense	3.875	(365,981)	(839)	(370.695)
Outflows	-	-	-	-
<b>Opening balance as of 31.12.2019</b>	<b>(40.689)</b>	<b>(366.970)</b>	<b>(34.028)</b>	<b>(441.687)</b>
<b>Net book value as of 31.12.2019</b>	<b>8.576</b>	<b>7.290.502</b>	<b>3.782</b>	<b>7.302.860</b>

<b>Cost Value</b>	<b>Rights</b>	<b>Advanced technology and development costs</b>	<b>Other Intangible Assets</b>	<b>Total</b>
Opening balance as of 01.01.2018	43.865	-	37.810	81.675
Inflows	5,400	3.608.709	-	3.614.109
Outflows	-	-	-	-
<b>Opening balance as of 31.12.2018</b>	<b>49.265</b>	<b>3.608.709</b>	<b>37.810</b>	<b>3.695.784</b>
Opening balance as of 01.01.2018	(34,152)	-	(32.350)	66.502
Period expense	2.662	(989)	(839)	(4.490)
Outflows	-	-	-	-
<b>Opening balance as of 31.12.2018</b>	<b>(36.814)</b>	<b>(989)</b>	<b>(33.189)</b>	<b>(70,992)</b>
<b>Net book value as of 31.12.2018</b>	<b>12.451</b>	<b>3.607.720</b>	<b>4.621</b>	<b>3.624.792</b>

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The details of the program costs capitalized during the period are as follows;

	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
<b>Personnel costs</b>			
- (Costs of personnel working in the software development department)	3.089.862	4.048.763	3.608.709
<b>Other costs</b>			
- (Costs of outsourced services, software, hardware and code printing)	31.116.369	-	-
<b>Total</b>	<b>34.206.231</b>	<b>4.048.763</b>	<b>3.608.709</b>

The Company has investment incentive certificates approved by the Official Offices regarding its investment expenditures. The rights of the Company due to these incentives are as follows:

- Incentives within the scope of Technology Development Zones Law (100% Corporate Tax exemption),
- Incentives within the scope of research and development law (Social Security Institution incentives etc.),
- Tubitak European Union Projects support in return for research and development expenditures.

Within the scope of the temporary second article of the Company's Technology Development Zones Law No. 4691, amended with Article 8 of the Corporate Tax General Communiqué Serial No. 6, the earnings of the management companies within the scope of this law and the income and corporate taxpayers operating in the region are exclusively subject to this Income from software and R&D activities in the region are exempt from income and corporate tax until 31 December 2023.

The net book value of the completed and ongoing projects are as follows;

<b>Net worth of completed and ongoing projects</b>	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Face Recognition and Matching System Built with Domestic Image Processing and Pattern Recognition Algorithms	756.304	845.562	403.229
Biometric Verified Video Conferencing System	1.256.346	1.404.367	713.735
MIA Vehicle Identification Solutions	1.321.652	1.477.112	727.999
Obstacle Detection with Depth Analysis and Image Processing for Aircrafts	1.096.648	2.386.652	743.656
MIA Health Integration System	1.455.475	313.002	347.791
Cleanmask-Tech Controlled Mask Distribution and Hand Sterilization Point	3.408.739	-	-
Multi-Biometric Person Recognition System with Remote Fever Measurement	917.354	-	-
Traffic Control System Project	3.307.941	604.161	671.310
MIASOFT: Developing Multimodel Biometric Fusion Based Authentication and Identification System Software	4.617.770	259.646	-
Image Processing and Pattern Recognition Project in Big Data with Deep Learning Layers	2.071.568	-	-
Integrated Modern Health Informatics Layers Project	4.758.415	-	-
Project for Development of a Reliable System for Fast and Secure Biometric Authentication	2.816.376	-	-
Personalized Medical Cabinet Project	66.548	-	-
Automatic Exam Evaluation System Project with Machine Learning and Natural Language Processing Techniques	1.859.695	-	-
Contactless Kiosk Project	22.568	-	-
Autonomous Cleaning and Disinfection Robot	10.535.781	-	-
<b>Total</b>	<b>40.269.180</b>	<b>7.290.502</b>	<b>3.607.720</b>

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### 12. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

A total of 2 enforcement lawsuits have been filed against the company and the total amount of the lawsuits is 9.150 TL (31.12.2019: none, 31.12.2018: none). The number of pending lawsuits filed by the company is 11.

	31.12.2020	31.12.2019	31.12.2018
Lawsuit provision	9.150	-	-
<b>Total</b>	<b>9.150</b>	<b>-</b>	<b>-</b>

The details of the Collaterals, Pledges and Mortgages ("CPM") given and received by the Company are as follows;

<b>Collateral - Pledge - Mortgages (CPM) Given by the Company</b>	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
A. Total Amount of Collateral - Pledge - Mortgages on behalf of their own legal entity	4.753.155	7.083.786	6.571.359
B. Total Amount of Collateral, Pledge, Mortgages submitted in favor of the Partnerships included in the scope of full consolidation	-	-	-
C. Total amount of CPMs given to carry out ordinary commercial activities and to meet the debts of other 3rd parties	-	-	-
D. Total amount of other CPM	-	-	-
i. Total amount of CPM submitted in favor of main partner	-	-	-
ii. Total Amount of CPM for Other Group Companies Not Included in B and C articles	-	-	-
<b>Total</b>	<b>4.753.155</b>	<b>7.083.786</b>	<b>6.571.359</b>

The details of the letters of collateral the company submitted are as follows;

			31.12.2020	31.12.2019	31.12.2018
Letter of collateral	Bank	TL	2.164.146	6.589.805	5.888.284
Letter of collateral	Bank	USD	352.702	83.159	129.840
<b>Total</b>			<b>4.753.155</b>	<b>7.083.786</b>	<b>6.571.359</b>

The details of the letters of collateral company has received are as follows;

			31.12.2020	31.12.2019	31.12.2018
Letter of collateral	Company	TL	-	2.504.211	-
<b>Total</b>			<b>-</b>	<b>2.504.211</b>	<b>-</b>

### 13. PREPAID EXPENSES AND DEFERRED INCOME

The details regarding the prepaid expenses are as follows;

	31.12.2020	31.12.2019	31.12.2018
Advances given for purchase orders	757.828	13.046	111.773
Job advances	365.403	369,803	751.357
Expenses for future months*	158.706	1.659.686	2.107.956
<b>Total</b>	<b>1.281.937</b>	<b>2.042.535</b>	<b>2.971.086</b>

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(\*) As of 31.12.2018 and 31.12.2019 periods, all of the amounts monitored in the expenses of the next months consist of car rentals, and 1,155,336 TL of it was used within the scope of the project started in 2017 and carried out with the Ministry of Interior.

The details of Long Term Prepaid expenses are as follows;

<b>Long Term Prepaid Expenses</b>	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Expenses for the next years*	-	-	1.651.131
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1.651.131</b>

(\*) As of 31.12.2018 and 31.12.2019 periods, all of the amounts monitored in the expenses of the next months consist of car rentals, and 1,155,336 TL of it was used within the scope of the project started in 2017 and carried out with the Ministry of Interior.

The details regarding the deferred income are as follows;

	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Received order advances	75.772	6.883	8.236.510
<b>Total</b>	<b>75.772</b>	<b>6.883</b>	<b>8.236.510</b>

### 14. ASSETS RELATED TO CURRENT PERIOD TAX

The details regarding assets related to current period tax are as follows;

	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Prepaid Taxes and Funds	11.842	3.951	21.203
<b>Total</b>	<b>11.842</b>	<b>3.951</b>	<b>21.203</b>

### 15. OTHER ASSETS AND LIABILITIES

The details regarding other current assets are as follows;

	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Deferred VAT	642.917	1.009.536	22.948
Income Accruals	9.156	-	-
<b>Total</b>	<b>652.073</b>	<b>1.009.536</b>	<b>22.948</b>

The details regarding other liabilities are as follows;

	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Taxes and Funds Payable	135.696	37.459	64.819
<b>Total</b>	<b>135.696</b>	<b>37.459</b>	<b>64.819</b>

### 16. EMPLOYEE BENEFITS

The details regarding the payables provided to the employees are as follows;

	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Payable to personnel	259.931	359.773	223.444
Social Security Withholdings Payable	26.064	57.945	102.948
<b>Total</b>	<b>285.995</b>	<b>417.718</b>	<b>326.392</b>

The details regarding the short-term provision for employee benefits are as follows;

	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Early period balance	114.835	72.950	-
Current period annual leave provision	43.793	41.885	72.950
<b>Total</b>	<b>158.628</b>	<b>114.835</b>	<b>72.950</b>

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The details regarding the long-term provision for employee benefits are as follows;

	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Early period balance	472.688	136.788	-
Provision for severance pay for the current period	646.855	335.900	136.788
<b>Total</b>	<b>1.119.543</b>	<b>472.688</b>	<b>136.788</b>

In accordance with existing legislation in Turkey, the Company is obligated to pay severance to its personnel who completed their one-year service period and were terminated without any valid reason, were called up for military service, died, completed their 25-year service period for men and 20 years for women, or reached retirement age (58 for women, 60 for men).

Severance pay liability is not subject to any legal funding. Provisions for severance payments are calculated through estimating the present value of possible future liability amount arising from the retirement of the Company's employees. TAS 19 ("Employee Benefits") provides for the company's liabilities to be developed using actuarial valuation methods within the scope of defined benefit plans. In this respect, the actuarial assumptions used in the calculation of total liabilities are as follows:

The transactions of the provision for severance pay during the year are as follows;

	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
<b>Beginning of Period</b>	<b>472.688</b>	<b>136.788</b>	-
Payments/cancellations	(88.826)	(19,904)	(77,351)
Current period service cost	352.619	162.991	48.682
Actuarial gain/(loss)/(loss)	383.062	(192.813)	(165.457)
<b>End of Period</b>	<b>1.119.543</b>	<b>472.688</b>	<b>136.788</b>

### 17. DEFERRED TAX ASSETS AND LIABILITIES

The corporate tax provision is as follows;

	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Provision for current period corporation tax	(197.986)	(77,663)	(94,864)
Provision for deferred tax	468.282	22.072	259.140
<b>Total</b>	<b>270.296</b>	<b>(55.591)</b>	<b>164.276</b>

In Turkey, the corporate tax rate is 22% as of December 31, 2020. (December 31, 2019, 22%). This rate is applied to the tax base to be found as a result of adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations and deducting the exceptions (such as the participation earnings exception) and deductions in the tax laws. No further tax is paid if the profit is not distributed.

The corporate tax rate has been increased from 20% to 22% for the years 2018, 2019 and 2020 within the scope of the "Law on Amendments to Some Tax Laws and Some Other Laws" numbered 7061, which was published in the Official Gazette dated 5 December 2017. Within the scope of the law in question, deferred tax assets and liabilities are calculated with a tax rate of 22% for the part of temporary differences that will create tax effects in 2018, 2019 and 2020, and 25% for the part of temporary differences that will have tax effects in 2021 and the following periods.

Companies generating income through a place of business or permanent representative offices in Turkey as well as profit shares (dividends) submitted to resident companies are not subject to withholdings. Apart from these, dividend payments are subject to 15% withholding. Addition of profit to capital is not considered as profit distribution and withholding is not applied.

Companies calculate a 22% temporary tax on their quarterly financial profits and declare it until the 14th day of the second month following that period and pay it until the evening of the 17th day. The provisional tax paid during the year belongs to that year and is deducted from the corporation tax that will be calculated over the tax declaration of the institutions to be given in the following year. Advance tax may also be set off against any other financial liabilities to the government.

According to the Turkish tax legislation, financial losses shown on the declaration can be deducted from the corporate income for the period, provided that they do not exceed 5 years. However, financial losses cannot be deducted from retained earnings. There is no procedure in place in Turkey aimed at reaching an agreement with the tax authorities about the tax payable. The corporation tax returns are submitted to the relevant tax authority until the evening of the 25th day of the fourth month following the month of the

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accounting period. However, the tax inspection authorities can inspect the accounting records within five years, and if an incorrect transaction is detected, the tax amounts to be paid may change.

The company's annual operating tax income/(expense) is as follows;

	31.12.2020	31.12.2019	31.12.2018
<b>Pre-tax profit</b>	<b>21.919.267</b>	<b>13.527.507</b>	<b>3.536.363</b>
Provision for corporate tax payable	197.986	77.663	94.864
Prepaid Taxes and Funds (-)	(196.499)	(77,663)	(94,864)
<b>Corporation Tax Payable *</b>	<b>1.487</b>	<b>-</b>	<b>-</b>
Tax expense	270.296	(55.591)	164.276
Current period tax expense	(197.986)	(77,663)	(94,864)
Deferred tax income/(expense)	468.282	22.072	259.140

(\*) The corporate tax payable as of the periods arises from the sales of the products sold outside of R&D.

Deferred tax assets, liabilities, income and expenses and temporary differences that form the basis of deferred tax calculations are as follows;

	Accumulated Temporary Differences			Deferred Tax		
Deferred Tax Assets	31.12.2020	31.12.2019	31.12.2018	31.12.2020	31.12.2019	31.12.2018
Value adjustment on non-current assets	1.740.869	359.054	-	382.991	78,992	-
Provisions for employee benefits	1.278.171	587.523	209.738	281.198	129.255	46.142
Receivable discounts	503.200	397.346	781.103	110.704	87.416	171.843
Provisions for lawsuits and doubtful debts	739.354	510962	708,191	162.658	112412	155.802
Credit account adjustments, accruals of interest	33.556	13.110	9.710	7.382	2.884	2,136
Other Adjustments	9.658	9.658	-	2.125	2,043	-
<b>Total</b>	<b>4.304.808</b>	<b>1.877.653</b>	<b>1.708.742</b>	<b>947.058</b>	<b>413.002</b>	<b>375.923</b>
<b>Deferred Tax Liabilities</b>						
Value adjustment on non-current assets	-	-	(218.644)	-	-	(48,102)
Payable discounts	(363.191)	(447.279)	(335.951)	(79.902)	(98.402)	(73,909)
Other Adjustments	-	-	(17.289)	-	-	(3,803)
<b>Total</b>	<b>(363.191)</b>	<b>(447.279)</b>	<b>(571,884)</b>	<b>(79.902)</b>	<b>(98.402)</b>	<b>(125,814)</b>
<b>Net Deferred Tax Asset/(Liabilities)</b>	<b>3.941.617</b>	<b>1.430.374</b>	<b>1.136.858</b>	<b>867.156</b>	<b>314.600</b>	<b>250,109</b>

Deferred tax amounts related to actuarial gains/(losses) are accounted under equity. (Footnote-18)

## 18. EQUITY

The paid-in capital distribution of the company is as follows;

	31.12.2020		31.12.2019		31.12.2018	
	Share Rate	Capital Amount	Share Rate	Capital Amount	Share Rate	Capital Amount
Mehmet Cengiz BAĞMANCI	33%	9.900.000	33%	6.600.000	33%	3,300.000
İhsan ÜNAL	33%	9.900.000	33%	6.600.000	33%	3,300.000
Ali Gökhan BELTEKİN	34%	10.200.000	34%	6.800.000	34%	3.400.000
<b>Paid-in Capital</b>	<b>100%</b>	<b>30.000.000</b>	<b>100%</b>	<b>20.000.000</b>	<b>100%</b>	<b>10.000.000</b>

The company's capital is divided into a total of 30.000.000 shares, each worth 1 TL. (31.12.2019: 100,000 shares of 200 TL, 31.12.2018: 10,000 shares of 1,000 TL)



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The company was established on 16.08.2006 with 25 TL and 4,000 shares each, with a total capital of 100,000 TL. Changes in the company's capital are presented below.

With the General Assembly decision numbered 2017/03 on 25.09.2017, the Company changed its type to Joint Stock Company by means of the 180 and 193 articles of the Turkish Commercial Code. In the same year, the company increased its capital and its new capital was registered with the announcement of the Trade Registry Gazette dated 12.10.2017 and numbered 9428, with a total value of TL 10,000,000 divided into 10,000 shares of 1000 TL each.

With the decision of the General Assembly dated 27.12.2019, the Company increased its fully paid capital of 10.000.000 TRY by 10.000.000 TRY with adding the previous year's profits to the capital and registered it as 20.000.000 TRY, divided into 100.000 shares as 200 TRY.

With the decision of the General Assembly dated 28.12.2020, the Company registered its fully paid-up 20.000.000 TL capital as 30.000.000 TL by increasing 10.000.000 TL by adding the previous year's profits to the capital and dividing the value into 1 TL and 30.000.000 shares.

### Other accumulated comprehensive income or expenses not to be reclassified in profit or loss

#### Defined Benefit Plans Remeasured Gains (Losses):

	31.12.2020	31.12.2019	31.12.2018
Opening balance	(279.450)	(129.056)	-
Increase/(decrease) within the period	(383.062)	(192.813)	(165.457)
Deferred taxes	84.274	42.419	36.401
<b>Total</b>	<b>(578.238)</b>	<b>(279.450)</b>	<b>(129.056)</b>

The total severance pay liability varying between two periods is divided into interest cost, current period service cost and actuarial gain/(loss). Interest Cost is the cost of using the liability included in the statement of financial position in the previous accounting period, and it is the amount of the liability related to people who continue to work at the beginning of the period multiplied by the discount rate used in that year. On the other hand, the current period service cost is the portion of the amount that is expected to arrive in the period when the severance pay they are entitled to in return for their work in the current accounting period is brought to the balance sheet date with the discount rate. Other differences reflect actuarial gains and losses. Actuarial gain/(loss) is shown in equity, interest cost and current period service cost are shown in the statement of comprehensive income.

The details of the restricted reserves set aside from profit are as follows;

	31.12.2020	31.12.2019	31.12.2018
Legal Reserves	1.832.335	1.087.486	3.696
<b>Total</b>	<b>1.832.335</b>	<b>1.087.486</b>	<b>3.696</b>

Restricted reserves set aside from profit are reserves set aside from the prior period's profit, due to legal or contractual obligations, or for certain purposes other than profit distribution.

General Legal Reserves are set aside in accordance with Article 519 of the Turkish Commercial Code and used in accordance with the principles set forth in this article. These principles are as follows;

1) Five percent of the annual profit shall be reserved to the general legal reserve, until it may reach the twenty percent of paid in capital.

2) After the limit in the first paragraph is reached;

a) The premium due to the issuance of new shares, issuance expenses, amortization and the unused portion of charitable contributions,

b) After the expenses of issuance of new share certificates as replacement is cut, the balance from the sum that has been paid for the value of the share certificates that has been voided,

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c) Ten percent of the total amount to be distributed to those who will receive a share of the profit, after the five percent dividend is paid to the shareholders, are added to the general legal reserve.

Details of previous year's profit/(losses) are as follows;

	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Prior years' profits (losses)	13.843.135	11.116.068	18.499.219
<b>End of Period</b>	<b>13.843.135</b>	<b>11.116.068</b>	<b>18.499.219</b>

**19. COST OF REVENUE AND SALES**

Details regarding Revenue and Cost are as follows;

	<b>01.01.2020</b>	<b>01.01.2019</b>	<b>01.01.2018</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Sales	88.051.728	80.213.252	24.202.139
Other revenues	621.559	1.588.975	312.984
Returns / discounts from sales (-)	(2.195.468)	(2.350.000)	(173.991)
<b>Net Sales</b>	<b>86.477.819</b>	<b>79.452.227</b>	<b>24.341.132</b>
Cost of Service Sold	(63.614.841)	(66.993.636)	(18.800.420)
<b>Gross profit / loss</b>	<b>22.862.978</b>	<b>12.458.591</b>	<b>5.540.712</b>

**20. OPERATING EXPENSES**

The details regarding the activity expenses are as follows;

	<b>01.01.2020</b>	<b>01.01.2019</b>	<b>01.01.2018</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
General administration expenses	(1.204.023)	(503.444)	(664.249)
<b>Total</b>	<b>(1.204.023)</b>	<b>(503.444)</b>	<b>(664.249)</b>

The details of general administrative expenses are as follows;

<b>General Administrative Expenses</b>	<b>01.01.2020</b>	<b>01.01.2019</b>	<b>01.01.2018</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Tax, Duties and Charges Expenses	(60.924)	(32.560)	(33.661)
Title deed fee expenses	(622.793)	(55.614)	-
Advertisement and Promotion Expenses	-	-	(28.583)
Donations and grants	(7.200)	-	-
Accounting, Consulting and Attorney Expenses	(4.698)	-	(175.007)
Maintenance and Repair Expenses	(80.339)	(1.602)	(21.186)
Rent and subscription expenses	-	(3.650)	(15.056)
Depreciation expense	(177.802)	(155.603)	(138.221)
Fuel Expenses	(6.006)	-	(5.629)
Penalty and late fee expenses	(18.443)	(17.347)	(18.933)
Other expenses	(225.818)	(237.068)	(227.973)
<b>Total</b>	<b>(1.204.023)</b>	<b>(503.444)</b>	<b>(664.249)</b>

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**21. OTHER INCOME FROM MAIN ACTIVITIES**

The details regarding other income from operations are as follows;

	<b>01.01.2020</b>	<b>01.01.2019</b>	<b>01.01.2018</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Fixture sales profit	144.414	7.253	24.042
Provisions no longer required	68.842	-	-
Revenues from pending loan provision reversals (TFRS-9)	-	202.099	-
Other Extraordinary Incomes and Profits	94.612	33.344	134.787
<b>Total</b>	<b>307.868</b>	<b>242.696</b>	<b>158.829</b>

**22. OTHER EXPENSES FROM MAIN ACTIVITIES**

The details regarding other income from operations are as follows;

	<b>01.01.2020</b>	<b>01.01.2019</b>	<b>01.01.2018</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Provision for Doubtful Trade Receivables	(245.220)	(4.870)	(69.320)
Expected loan loss provision (TFRS-9)	(90.314)	-	(638.871)
Other Extraordinary Expenses and Losses	(644)	-	(85)
<b>Total</b>	<b>(336.178)</b>	<b>(4.870)</b>	<b>(708.276)</b>

**23. INCOME FROM INVESTMENT ACTIVITIES**

The details regarding investment activities to income are as follows;

	<b>01.01.2020</b>	<b>01.01.2019</b>	<b>01.01.2018</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Profit on sale of investment property	380.000	1.040.276	-
Rental income from investment properties	4.449	69.963	36.716
<b>Total</b>	<b>384.449</b>	<b>1.110.239</b>	<b>36.716</b>

**24. EXPENSES FROM INVESTMENT ACTIVITIES**

	<b>01.01.2020</b>	<b>01.01.2019</b>	<b>01.01.2018</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Loss on sale of investment property	-	(190.200)	-
<b>Total</b>	<b>-</b>	<b>(190.200)</b>	<b>-</b>

**25. FINANCIAL INCOME**

The details regarding financial incomes are as follows;

	<b>01.01.2020</b>	<b>01.01.2019</b>	<b>01.01.2018</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Interest income	79.209	46.544	183.946
Foreign Exchange Profit	2.714.122	601.840	783.642
Rediscount Interest Incomes	760.537	1.228.382	335.951
<b>Total</b>	<b>3.553.868</b>	<b>1.876.766</b>	<b>1.303.539</b>

## MİA TEKNOLOJİ ANONİM ŞİRKETİ

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### 26. FINANCIAL EXPENSES

The details regarding financial expenses are as follows;

	<b>01.01.2020</b>	<b>01.01.2019</b>	<b>01.01.2018</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Short-Term Borrowing Expenses	(1.468.539)	(662.455)	(978.411)
Foreign Exchange Losses	(1.230.677)	(66.519)	(371.394)
Rediscount Interest Expenses	(950.479)	(733.297)	(781.103)
<b>Total</b>	<b>(3.649.695)</b>	<b>(1.462.271)</b>	<b>(2.130.908)</b>

### 27. EARNINGS PER SHARE

The details regarding earnings per share are as follows;

	<b>01.01.2020</b>	<b>01.01.2019</b>	<b>01.01.2018</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Net period profit	22.189.563	13.471.916	3.700.639
Total number of shares	30.000.000	100.000	10.000
Last period number of shares	30.000.000	30.000.000	30.000.000
<b>Earnings Per Share (TL)*</b>	<b>0,7397</b>	<b>0,4491</b>	<b>0,1234</b>

(\*) The cash capital increases made by the company as of periods were made from internal resources, and the calculation for the previous years was made on the basis of the number of shares in the last period in order to make the earnings per share comparable.

### 28. RELATED PARTIES

Details of other receivables from related parties are as follows;

	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Mehmet Cengiz Bağmancı	-	875.040	460.515
İhsan Ünal	-	875.040	460.515
Ali Gökhan Beltekin	-	901.556	474.470
<b>Total</b>	<b>-</b>	<b>2.651.636</b>	<b>1.395.500</b>

### 29. CAPITAL RISK

In capital management, the Company strives to ensure the continuity of its operations while at the same time aiming to increase profit by using the balance of debt and shareholder's equity in the most efficient manner.

The company monitors capital using the debt/total capital ratio. This ratio is calculated by dividing net debt by total capital. Net debt is calculated by subtracting total debt (including trade and other payables as shown on the balance sheet) from cash and cash equivalents. Total capital is calculated as Equity plus net debt as shown in the balance sheet.

The details of capital risk are as follows;

	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Total liabilities	27.667.422	20.734.304	19.508.389
Cash and cash equivalents	(8.417.053)	2.504.805	(2.817.126)
Net liability	19.250.369	18.229.499	16.691.263
Total equity	67.286.795	45.396.020	32.074.498
<b>Total Capital</b>	<b>86.537.164</b>	<b>63.625.519</b>	<b>48.765.761</b>
<b>Net Debt/Total Capital Ratio</b>	<b>0.2225</b>	<b>0.2865</b>	<b>0.3423</b>

	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Current Assets	43.739.369	34.230.819	19.747.086
Short-term liabilities	21.281.249	19.511.619	18.495.770

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<b>Current Ratio</b>	<b>2.0553</b>	<b>1.7544</b>	<b>1.0677</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Financial liabilities	10.400.800	2.873.092	5.157.805
Total assets	94.954.217	66.130.324	51.582.887
<b>Financial Liabilities/Total Assets</b>	<b>0.1095</b>	<b>0.0434</b>	<b>0.1000</b>

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*(Amounts Are Expressed In Turkish Lira ("TRY") Unless Indicated Otherwise)***30. FEATURES AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS**

**Credit risk** is the risk that the other party may suffer a financial loss as a result of one of the related parties failing to fulfill their obligations with regard to a financial instrument. This risk attempts to manage the company's credit risk by limiting transactions with specific parties and constantly evaluating the dependability of the parties with whom it is in contact.

	Trade Receivables		Other Receivables		Deposits in Banks	Other
	Related Party	Unrelated Party	Related Party	Unrelated Party		
<b>31.12.2020</b>						
<b>Maximum credit risk exposed as of reporting date (E=A+B+C+D)</b>	-	<b>20.850.524</b>	-	<b>9.260.744</b>	<b>8.380.901</b>	<b>36.152</b>
- The part of maximum risk guaranteed with warrant etc.	-	-	-	-	-	-
A. Net book value of financial assets not overdue or impaired	-	20.850.524	-	9.260.744	8.380.901	36.152
B. Net book value of financial assets that conditions are reassessed and become not overdue or impaired	-	-	-	-	-	-
C. Net book value of past due but not impaired assets	-	-	-	-	-	-
- The part guaranteed with warrant etc.	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	730.204	-	-	-	-
- Impairment (-)	-	(730.204)	-	-	-	-
- The part of net value guaranteed with warrant etc.	-	-	-	-	-	-
E. Components including credit risk that is off-balance sheet	-	-	-	-	-	-

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	Trade Receivables		Other Receivables		Deposits in Banks	Other
	Related Party	Unrelated Party	Related Party	Unrelated Party		
<b>31.12.2019</b>						
<b>Maximum credit risk exposed as of reporting date (E=A+B+C+D)</b>	-	<b>8.698.051</b>	<b>2.651.636</b>	<b>21.203</b>	<b>2.492.672</b>	<b>12.133</b>
- The part of maximum risk guaranteed with warrant etc.	-	-	-	-	-	-
A. Net book value of financial assets not overdue or impaired	-	8.698.051	2.651.636	21.203	2.492.672	12.133
B. Net book value of financial assets that conditions are reassessed and become not overdue or impaired	-	-	-	-	-	-
C. Net book value of past due but not impaired assets	-	-	-	-	-	-
- The part guaranteed with warrant etc.	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	652.126	-	-	-	-
- Impairment (-)	-	(652.126)	-	-	-	-
- The part of net value guaranteed with warrant etc.	-	-	-	-	-	-
E. Components including credit risk that is off-balance sheet	-	-	-	-	-	-

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	Trade Receivables		Other Receivables		Deposits in Banks	Other
	Related Party	Unrelated Party	Related Party	Unrelated Party		
<b>31.12.2018</b>						
<b>Maximum credit risk exposed as of reporting date (E=A+B+C+D)</b>	-	<b>10.663.237</b>	<b>1.395.500</b>	<b>6.750</b>	<b>2.802.469</b>	<b>14.657</b>
- The part of maximum risk guaranteed with warrant etc.	-	-	-	-	-	-
A. Net book value of financial assets not overdue or impaired	-	10.663.237	1.395.500	6.750	2.802.469	14.657
B. Net book value of financial assets that conditions are reassessed and become not overdue or impaired	-	-	-	-	-	-
C. Net book value of past due but not impaired assets	-	-	-	-	-	-
- The part guaranteed with warrant etc.	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	849.355	-	-	-	-
- Impairment (-)	-	(849.355)	-	-	-	-
- The part of net value guaranteed with warrant etc.	-	-	-	-	-	-
E. Components including credit risk that is off-balance sheet	-	-	-	-	-	-



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*(Amounts Are Expressed In Turkish Lira ("TRY") Unless Indicated Otherwise)***Liquidity Risk;**

Liquidity risk is the possibility of failing to meet the net funding obligations. The occurrence of incidents resulting from the decrease in fund sources such as the deterioration in markets or decreasing the credit score cause liquidity risk to occur. The Company's management manages liquidity risk by allocating funding resources and keeping enough cash and cash equivalents on hand to meet current and probable obligations.

The liquidity risk for the date of 31.12.2020 is as follows;

<b>Expected Maturities (Pursuant to the Contract)</b>	<b>Net Book Value</b>	<b>Total Cash Outflows (VI=I+II+III+IV+V)</b>	<b>Less than 3 months (I)</b>	<b>Between 3-12 months (II)</b>	<b>Between 1-5 years (III)</b>	<b>more than 5 years (IV)</b>	<b>On Demand (V)</b>
Bank loans	9.205.337	10.016.200	1.310.141	3.900.684	4.805.375	-	-
Leasing debts	1.195.463	1.710.044	125.889	405.709	1.178.446	-	-
Commercial liabilities	15.480.351	16.140.227	16.140.227	-	-	-	-
Debt allowance	9.150	9.150	9.150	-	-	-	-
Other obligations	135.696	115.954	115.954	-	-	-	-
-Provisions concerning benefits provided for employees	1.278.171	1.278.171	-	158.628	-	-	1.119.543

The liquidity risk for the date of 31.12.2019 is as follows;

<b>Expected Maturities (Pursuant to the Contract)</b>	<b>Net Book Value</b>	<b>Total Cash Outflows (VI=I+II+III+IV+V)</b>	<b>Less than 3 months (I)</b>	<b>Between 3-12 months (II)</b>	<b>Between 1-5 years (III)</b>	<b>more than 5 years (IV)</b>	<b>On Demand (V)</b>
Bank loans	2.336.151	2.617.421	674.355	1.389.864	553.202	-	-
Leasing debts	536.941	788.586	71.621	224.171	492.794	-	-
Commercial liabilities	16.811.629	17.553.748	17.553.748	-	-	-	-
Other obligations	37.459	100.846	100.846	-	-	-	-
-Provisions concerning benefits provided for employees	587.523	472.688	-	114.835	-	-	472.688

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The liquidity risk for the date of 31.12.2018 is as follows;

<b>Expected maturities</b>	<b>Book Value</b>	<b>Total Expected Cash Outflows (VI=I+II+III+IV+V)</b>	<b>Less than 3 months (I)</b>	<b>Between 3-12 months (II)</b>	<b>Between 1-5 years (III)</b>	<b>more than 5 years (IV)</b>	<b>On Demand (V)</b>
Bank loans	4.399.417	4.578.109	3.151.471	1.023.809	402.829	-	-
Leasing debts	758.388	1.052.058	67.227	196.245	788.586	-	-
Commercial liabilities	5.513.125	5.513.125	5.513.125	-	-	-	-
Other obligations	64.819	64.819	64.819	-	-	-	-
-Provisions concerning benefits provided for employees	209.738	209.738	-	72.950	-	-	136.788

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**Exchange rate risk**

<b>Table of Foreign Exchange Position - 31.12.2020</b>	<b>TRY Equivalent (Functional currency)</b>	<b>US Dollar</b>	<b>Euro</b>
1. Trade Receivables	16.288.966	2.219.054	-
2a. Monetary Financial Assets (Including Cash-Bank accounts)	5.601.540	77.219	558.922
2b. Non-monetary financial assets	-	-	-
3. Other	821.343	111.892	-
<b>4. Current assets (1+2+3)</b>	<b>22.711.849</b>	<b>2.408.165</b>	<b>558.922</b>
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-monetary financial assets	-	-	-
7. Other	-	-	-
<b>8. Fixed Assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total assets (4+8)</b>	<b>22.711.849</b>	<b>2.408.165</b>	<b>558.922</b>
10. Trade Liabilities	14.679.525	1.999.799	-
11. Financial Liabilities	-	-	-
12a. Other Monetary Liabilities	-	-	-
12b. Other Non-Monetary Liabilities	-	-	-
<b>13. Short-term liabilities (10+11+12)</b>	<b>14.679.525</b>	<b>1.999.799</b>	<b>-</b>
14. Trade Liabilities	-	-	-
15. Financial Liabilities	-	-	-
16a. Other Monetary Liabilities	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-
<b>17. Long Term Liabilities (14+15+16)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>14.679.525</b>	<b>1.999.799</b>	<b>-</b>
<b>19. Net Asset/Liability Position of Off-Balance-Sheet Foreign Currency Derivative Instruments (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19a. Amount of Off-Balance-Sheet Foreign Currency Derivative Assets with Active Characters</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19b. Amount of Off-Balance-Sheet Foreign Currency Derivative Assets with Passive Characters</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20. Net Foreign Currency Asset/Liability Position (9-18+19)</b>	<b>8.032.324</b>	<b>408.366</b>	<b>558.922</b>
<b>21. Monetary Items Net Foreign Currency Asset/Liability Position (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>7.210.981</b>	<b>296.474</b>	<b>558.922</b>
<b>22. Total Fair Value of Financial Instruments Used for Currency Hedging</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>23. Amount of Hedged Foreign Currencies</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24. Amount of Hedged Portion of Foreign Currency Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>25. Export</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>26. Import</b>	<b>-</b>	<b>-</b>	<b>-</b>

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<b>Table of Foreign Exchange Position - 31.12.2019</b>	<b>TRY Equivalent (Functional currency)</b>	<b>US Dollar</b>	<b>Euro</b>
1. Trade Receivables	-	-	-
2a. Monetary Financial Assets (Including Cash- Bank accounts)	449.787	73.077	2.360
2b. Non-monetary financial assets	-	-	-
3. Other	-	-	-
<b>4. Current assets (1+2+3)</b>	<b>449.787</b>	<b>73.077</b>	<b>2.360</b>
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-monetary financial assets	-	-	-
7. Other	-	-	-
<b>8. Fixed Assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total assets (4+8)</b>	<b>449.787</b>	<b>73.077</b>	<b>2.360</b>
10. Trade Liabilities	-	-	-
11. Financial Liabilities	-	-	-
12a. Other Monetary Liabilities	-	-	-
12b. Other Non-Monetary Liabilities	-	-	-
<b>13. Short-term liabilities (10+11+12)</b>	<b>-</b>	<b>-</b>	<b>-</b>
14. Trade Liabilities	-	-	-
15. Financial Liabilities	-	-	-
16a. Other Monetary Liabilities	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-
<b>17. Long Term Liabilities (14+15+16)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19. Net Asset/Liability Position of Off- Balance-Sheet Foreign Currency Derivative Instruments (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19a. Amount of Off-Balance-Sheet Foreign Currency Derivative Assets with Active Characters</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19b. Amount of Off-Balance-Sheet Foreign Currency Derivative Assets with Passive Characters</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20. Net Foreign Currency Asset/Liability Position (9-18+19)</b>	<b>449.787</b>	<b>73.077</b>	<b>2.360</b>
<b>21. Monetary Items Net Foreign Currency Asset/Liability Position (1+2a+5+6a-10-11- 12a-14-15-16a)</b>	<b>449.787</b>	<b>73.077</b>	<b>2.360</b>
<b>22. Total Fair Value of Financial Instruments Used for Currency Hedging</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>23. Amount of Hedged Foreign Currencies</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24. Amount of Hedged Portion of Foreign Currency Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>25. Export</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>26. Import</b>	<b>-</b>	<b>-</b>	<b>-</b>

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<b>Table of Foreign Exchange Position - 31.12.2018</b>	<b>TRY Equivalent (Functional currency)</b>	<b>US Dollar</b>
1. Trade Receivables	-	-
2a. Monetary Financial Assets (Including Cash- Bank accounts)	2.102.487	399.644
2b. Non-monetary financial assets	-	-
3. Other	-	-
<b>4. Current assets (1+2+3)</b>	<b>2.102.487</b>	<b>399.644</b>
5. Trade Receivables	-	-
6a. Monetary Financial Assets	-	-
6b. Non-monetary financial assets	-	-
7. Other	-	-
<b>8. Fixed Assets (5+6+7)</b>	<b>-</b>	<b>-</b>
<b>9. Total assets (4+8)</b>	<b>2.102.487</b>	<b>399.644</b>
10. Trade Liabilities	97.684	18.568
11. Financial Liabilities	-	-
12a. Other Monetary Liabilities	-	-
12b. Other Non-Monetary Liabilities	-	-
<b>13. Short-term liabilities (10+11+12)</b>	<b>97.684</b>	<b>18.568</b>
14. Trade Liabilities	-	-
15. Financial Liabilities	-	-
16a. Other Monetary Liabilities	-	-
16b. Other Non-Monetary Liabilities	-	-
<b>17. Long Term Liabilities (14+15+16)</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>97.684</b>	<b>18.568</b>
<b>19. Net Asset/Liability Position of Off- Balance-Sheet Foreign Currency Derivative Instruments (19a-19b)</b>	<b>-</b>	<b>-</b>
<b>19a. Amount of Off-Balance-Sheet Foreign Currency Derivative Assets with Active Characters</b>	<b>-</b>	<b>-</b>
<b>19b. Amount of Off-Balance-Sheet Foreign Currency Derivative Assets with Passive Characters</b>	<b>-</b>	<b>-</b>
<b>20. Net Foreign Currency Asset/Liability Position (9-18+19)</b>	<b>2.004.803</b>	<b>381.076</b>
<b>21. Monetary Items Net Foreign Currency Asset/Liability Position (1+2a+5+6a-10-11- 12a-14-15-16a)</b>	<b>2.004.803</b>	<b>381.076</b>
<b>22. Total Fair Value of Financial Instruments Used for Currency Hedging</b>	<b>-</b>	<b>-</b>
<b>23. Amount of Hedged Foreign Currencies</b>	<b>-</b>	<b>-</b>
<b>24. Amount of Hedged Portion of Foreign Currency Liabilities</b>	<b>-</b>	<b>-</b>
<b>25. Export</b>	<b>-</b>	<b>-</b>
<b>26. Import</b>	<b>-</b>	<b>-</b>

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<b>31.12.2020</b>	<b>Profit/Loss</b>	
	Appreciation of foreign currency	Depreciation of foreign currency
<b>In case the US Dollar fluctuates 20% against TRY:</b>		
1- US Dollars net asset/liability	599.522	(599.522)
2- US Dollars Portion protected from risk (-)		
<b>3- US Dollar Net Effect (1+2)</b>	<b>599.522</b>	<b>(599.522)</b>
<b>If the Euro fluctuates by 20% against TRY:</b>		
4- Euro net asset/liability	1.006.943	(1.006.943)
5- Portion protected from euro risk (-)		
<b>6- Euro Net Effect (4+5)</b>	<b>1.006.943</b>	<b>(1.006.943)</b>
<b>TOTAL (3 +6)</b>	<b>1.606.465</b>	<b>(1.606.465)</b>

<b>31.12.2019</b>	<b>Profit/Loss</b>	
	Appreciation of foreign currency	Depreciation of foreign currency
<b>In case the US Dollar fluctuates 20% against TRY:</b>		
1- US Dollars net asset/liability	86.818	(86.818)
2- US Dollars Portion protected from risk (-)		
<b>3- US Dollar Net Effect (1+2)</b>	<b>86.818</b>	<b>(86.818)</b>
<b>If the Euro fluctuates by 20% against TRY:</b>		
4- Euro net asset/liability	3.139	(3.139)
5- Portion protected from euro risk (-)		
<b>6- Euro Net Effect (4+5)</b>	<b>3.139</b>	<b>(3.139)</b>
<b>TOTAL (3+6)</b>	<b>89.957</b>	<b>(89.957)</b>

<b>31.12.2018</b>	<b>Profit/Loss</b>	
	Appreciation of foreign currency	Depreciation of foreign currency
<b>In case the US Dollar fluctuates 20% against TRY:</b>		
1- US Dollars net asset/liability	400.961	(400.961)
2- US Dollars Portion protected from risk (-)		
<b>3- US Dollar Net Effect (1+2)</b>	<b>400.961</b>	<b>(400.961)</b>
<b>TOTAL (3)</b>	<b>400.961</b>	<b>(400.961)</b>

**31. ADDITIONAL INFORMATION TO CASH FLOW STATEMENT**

The cash flow statements are presented along the financial statements.

The details regarding the date of 31.12.2020 are as follows;

	<b>Amount at the beginning of the period</b>	<b>Causing Cash Movement</b>	<b>Not Causing Cash Movement*</b>	<b>Amount at the end of the period</b>
<b>FINANCIAL LIABILITIES</b>				
Short-term Bank Loans	1.848.403	6.774.773	(3.890.680)	4.732.496
Long-Term Bank Loans	487.748	-	3.985.092	4.472.840
Kiralama İşlemlerinden Borçlar (Short-Term)	274.692	(267.269)	394.250	401.673
Kiralama İşlemlerinden Borçlar (Long-Term)	262.249	-	531.541	793.790

**MİA TEKNOLOJİ ANONİM ŞİRKETİ**

Footnotes to the Financial Statements for December 31 2020, 2019 and 2018  
(Amounts Are Expressed In Turkish Lira ("TRY") Unless Indicated Otherwise)

The details regarding the date of 31.12.2019 are as follows;

<b>FINANCIAL LIABILITIES</b>	<b>Amount at the beginning of the period</b>	<b>Causing Cash Movement</b>	<b>Not Causing Cash Movement*</b>	<b>Amount at the end of the period</b>
Short-term Bank Loans	4.018.502	(1.952.664)	(217.435)	1.848.403
Long-Term Bank Loans	380.915	-	106.833	487.748
Kiralama İşlemlerinden Borçlar (Short-Term)	263.472	(221.447)	232.667	274.692
Kiralama İşlemlerinden Borçlar (Long-Term)	494.916	-	(232.667)	262.249

The details regarding the date of 31.12.2018 are as follows;

<b>FINANCIAL LIABILITIES</b>	<b>Amount at the beginning of the period</b>	<b>Causing Cash Movement</b>	<b>Not Causing Cash Movement*</b>	<b>Amount at the end of the period</b>
Short-term Bank Loans	3.124.246	1.303.897	(409.641)	4.018.502
Long-Term Bank Loans	-	-	380.915	380.915
Kiralama İşlemlerinden Borçlar (Short-Term)	1.006.409	(248.021)	(494.916)	263.472
Kiralama İşlemlerinden Borçlar (Long-Term)	-	-	494.916	494.916

(\*) Accruals of Interest and fair value differences and classifications are included in this column.

**32. EVENTS FOLLOWING THE REPORTING PERIOD**

As of the reporting date, due to the COVID-19 outbreak that emerged at the end of 2019 in Wuhan, China, the World Health Organization declared a "Pandemic". This situation is expected to create various negative impacts in the financial markets of our country as well as in the global markets, and in order to minimize these impacts, works are being carried out to minimize the damages through the support given/to be given, especially by the state authorities. Although the software industry has emerged from this process with minimum damage, the magnitude of the impact of the Coronavirus outbreak remains uncertain. It is not expected to have a negative impact on company continuity.

The company has valued the fair value of its investment land, with the prime cost of 510.131 TRY, located in Ankara Province, Akyurt District, saracalar quarter, plot number 1891, parcel 2, by the service of CMB authorized Adım Gayrimenkul Değerleme A.Ş. on 01.11.2021, and the Peer Comparison Method approach has been used in this valuation process, and the fair value of the property was determined as 745.000 TRY.

The company has valued the fair value of its investment land with the prime cost of 1.500.000 TRY, located in Ankara Province, Etimesgut District, balıkuyumcu quarter, plot number 0, parcel 292, by the service of CMB authorized Adım Gayrimenkul Değerleme A.Ş. on 01.11.2021, and the Peer Comparison Method approach has been used in this valuation process, and the fair value of the property was determined as 1.915.000 TRY.

The company has valued the fair value of its investment office in building with the prime cost of 725.017 TRY, located in Ankara Province, Çankaya District, cevizlidere quarter, plot number 29370, parcel 1, by the service of CMB authorized Adım Gayrimenkul Değerleme A.Ş. on 01.11.2021, and the Peer Comparison Method approach has been used in this valuation process, and the fair value of the property was determined as 1.665.000 TRY.

**33. OTHER MATTERS THAT SIGNIFICANTLY AFFECT FINANCIAL STATEMENTS OR THAT NEED EXPLAINING SO THAT THEY ARE CLEAR, INTERPRETABLE, AND UNDERSTANDABLE**

None (31.12.2020: none).