



Eren Bağımsız Denetim A.Ş.
Maslak, Eski Büyükdere Cad
No.14 Kat:10
34396 Sarıyer /İstanbul, Turkey
T + 90 212 373 00 00
F + 90 212 291 77 97
www.grantthornton.com.tr

(Convenience translation of independent auditor's review report
originally issued in Turkish)

FONET BİLGİ TEKNOLOJİLERİ ANONİM ŞİRKETİ
INDEPENDENT AUDITOR'S REVIEW REPORT OF
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD 1 JANUARY – 30 JUNE 2021

To the Shareholders and the Board of Directors of
Fonet Bilgi Teknolojileri Anonim Şirketi

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Fonet Bilgi Teknolojileri Anonim Şirketi ("the Company") and its subsidiary (referred to as the "Group") as of 30 June 2021, and the interim condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the six-month period then ended and notes to the interim financial information. Management is responsible for the preparation and presentation of these interim financial information in accordance with the Turkish Accounting Standard 34 Interim Financial Reporting ("TAS 34"). Our responsibility is to express a conclusion on these the accompanying interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements do not give a true view of the financial position of Fonet Bilgi Teknolojileri Anonim Şirketi and its subsidiary as of 30 June 2021 and of the results of its operations and its cash flows for the six-month-period then ended in all aspects in accordance with the Turkish Accounting Standard 34 Interim Financial Reporting (“TAS 34”).

EREN Bağımsız Denetim A.Ş.
Member Firm of Grant Thornton International

A circular blue stamp with the text "T.C." at the top and "EREN BAĞIMSIZ DENETİM A.Ş." around the bottom. The stamp is crossed out with a large handwritten "X" in blue ink. Below the stamp is a handwritten signature in blue ink.

Nazım Hikmet
Partner

Istanbul, 19 August 2021



FONET INFORMATION TECHNOLOGIES INC.

INTERIM PERIOD ACTIVITY REPORT OF THE BOARD OF DIRECTORS

1 January 2021 – 30 June 2021

“Strong Accumulation Innovative Technology”

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I. ABOUT US

Fonet Information Technology A.Ş (the company) is subject to the laws of the Republic of Turkey, Capital Market Law, and the provisions of the Turkish Commercial Code relating to the establishment of joint stock companies. Therefore, it operates in accordance with the provisions contained in the Turkish Commercial Code and Capital Market Law especially the provisions contained in the articles of Association of the company and on condition that it stays within the scope of business.

Accordingly, the main business issue of the company is “IT sector” and its activity is defined in detail in Article 3 titled purpose and subject of the articles of association.

Trade Name	Fonet Bilgi Teknolojileri A.Ş
Establishment Date	10.01.2001
Area of Activity	Software/Informatics
Capital Receipts	40.000.000 TL
Upper Limit of Registered Capital	100.000.000 TL
Address	Kızılırmak Mahallesi 1445. Sokak No: 2B/1 The Paragon Tower Çankaya / ANKARA
Phone	+90 312 438 59 19
Fax	+90 312 440 36 52
Trade Registry No	350735
E-Mail Address	fonet@fonetyazilim.com
Website	www.fonetyazilim.com

FONET; has been founded in 1997 to service in healthcare IT area. It is the It company that turned in to limited liability Corporation in 2001 and then turned in to joint-stock company in 2011. It gives services turnkey projects in Healthcare IT field which are related to Information Management System, System Integration and Consultancy services. Despite of healthcare information technology is the main activity subject of Fonet, it can be also in different information technology projects with field expertise.

Within the scope of the transformation in the health sector in our country in the late 90s and early 2000s, we focused on the health sector in line with the works of using information technologies in health sector and having Health Institutions serving at international standards and started to produce solutions in this context. It follows improving technology and regarding regulations closely and it keeps itself update. Fonet's aim is reaching all international standards all hospitals which has been given service by Fonet in the healthcare informatics system field.

Mission

Developing advanced technology and also develop. In this way we contribute Turkey's economy and we intended to strengthen Turkey's position in global marketplace.

Vision

To be a leader company in its sector that providing development and change with advanced technology in information sector, continuously increase value created for its customers, give a quality service with knowledge of technology, professional team, entrepreneur and customer oriented approach.

II. CAPITAL STRUCTURE

The company, which has adopted the registered capital system, has set its registered capital ceiling (upper limit) to 100.000.000 Turkish Liras until the year of 2023 along with the permission of the Capital Markets Board.

The company's issued capital is 40.000.000,00 Turkish Liras that has been paid in full within the upper limit of registered capital.

The company started trading in Istanbul on May 04, 2017. Details of the shares that form the capital of the company, which has started trading in the BIST MAIN / BIST TECHNOLOGY / BIST INITIAL PUBLIC OFFERING / BIST ALL SHARES / BIST ALL SHARES-100 / BIST ANKARA markets, are as shown in the table below;

SHAREHOLDER	SHARE IN CAPITAL (TL)	RATIO IN CAPITAL (%)	VOTING RIGHT RATIO (%)
ABDÜLKERİM GAZEN	19.333.333,10	48,33	70,94
AZİMUT PYS ÇOKLU VARLIK DEĞİŞKEN FON	2.205.043,00	5,51	3,10
DİĞER	18.461.623,90	46,16	25,96
TOPLAM	40.000.000,00	100	100

III. INFORMATION ON PRIVILEGED SHARES

Privileged Share Amount (Number): 2.222.222 A Group Equity

Privileged Share Amount (TL): 2.222.222 TL

Explanations on Voting Rights of Privileged Shares

Each share in the General Assembly has 15 Voting Rights. If the company's Board of Directors consists of five members, two board members; consists of six or seven members, three board members; consists of eight or nine members, four board members of the Board of Directors (A) are elected by the General Assembly among the candidates to be determined by the shareholders.

If the shareholders of group (A) does not nominate to the Board of directors, the election shall be held by the General Assembly within the framework of the Capital Markets legislation and the provisions of the Turkish commercial code.

Articles of Association Article 6:

Group (A) shares have privileged about determination Members of the Board of Directors and use of voting rights.

Group (B) shares have no privileges.

Articles of Association Article 10:

At Ordinary and Extraordinary General Assembly Meetings (A) group shareholders have 15 voting rights for each share, (B) group shareholders have 1 voting rights for each one share.

IV. COMPANY MANAGEMENT AND EMPLOYEE INFORMATION

The management and representation of the Company belongs to the Board of Directors. The company's activity and management are carried out by 6 members of the board of Directors elected by the General Assembly in accordance with the provisions of the Turkish commercial code. Members of the Board of Directors can be elected for a maximum of 3 years. The Board of Director Members whose term of office expire can be elected again.

The chairman of the Board of Directors is elected by the members of the Board of Directors that the (A) group of shareholders offer. The Members of The Board of Directors can also be The Members of The Board of Directors of the other companies.

The Members of The Board of Directors do not have activities within the scope of Prohibition of competing with the company through transactions on behalf of the company, itself or others.

Board of Directors

NAME and SURNAME	ROLE	DUTY TERM
Abdülkerim GAZEN	Chairman of the Board	05.04.2019 - 03.04.2022
Yasemin ŞAH	Vice Chairman	05.04.2019 - 03.04.2022
Dr. Emre SEZGİN	Board Member	05.04.2019 - 03.04.2022
Daniel Anders Henrik WERNER	Board Member	05.04.2019 - 03.04.2022
Mahmut İBİŞ	Board Member	05.04.2019 - 03.04.2022
Nisabeyim GAZEN	Board Member	05.04.2019 - 03.04.2022
İlker SALTOĞLU	Independent Board Member	12.05.2020 – 12.05.2023
Yusuf Serdar GÜRBÜZ	Independent Board Member	12.05.2020 – 12.05.2023

Members of Executive Board

NAME and SURNAME	ROLE	TITLE
Mehmet GAZEN	Chairman of the Board	General Manager
Muhammed Fatih AKTAÇ	Member of Executive Board	Deputy General Manager
Ömer GAZEN	Member of Executive Board	Deputy General Manager
Mehmet Yaşar KEŞKÜŞ	Member of Executive Board	Product Development and Implementation Director
Yusuf ARSLANTÜRK	Member of Executive Board	Director of Information Technologies
Mehmet ARSLAN	Member of Executive Board	Director of Corporate Relations

COMMITTEES

In order for the Board of Directors to perform its duties and responsibilities in a sound manner, Pursuant to Article 4.5 of the corporate governance communiqué no: II-17.1 of the Capital Markets Board, the Board of Directors has decided to create that “Audit Committee”, “Early Detection of Risk Committee” and “Corporate Governance Committee” and determine job definitions; The board of Directors has decided not to establish a different “Nomination Committee” and “Compensation Committee”, in place of this regarding committee’s duties has been undertaken by the “Corporate Governance Committee”.

Audit Committee

The audit committee; it supervises the company's accounting system, public disclosure of financial information, independent audit and the functioning and effectiveness of the company's internal control and internal audit system.

NAME SURNAME	ROLE	TITLE
Yusuf Serdar GÜRBÜZ	Chairman of the Audit Committee	Independent Board Member
İlker SALTOĞLU	Member of the Audit Committee	Independent Board Member

Early Detection of Risk Committee

Early Detection of Risk Committee; it is responsible for early identification of risks that may endanger the existence, development and continuation of the company, taking necessary measures regarding the identified risks, and carrying out activities to manage the risk and it reviews risk management systems at least once a year.

NAME SURNAME	ROLE	TITLE
Yusuf Serdar GÜRBÜZ	Early Detection of Risk Committee Chairman	Independent Board Member
Dr. Emre SEZGİN	Early Detection of Risk Committee Member	Board Member

Corporate Governance Committee

Corporate governance committee determines whether corporate governance principles are applied in the company, if not, its rationale and conflicts of interest that arise from not fully complying with these principles and advises the board of directors to improve corporate governance practices and it supervises the work of the investor relations department.

NAME SURNAME	ROLE	TITLE
İlker SALTOĞLU	Corporate Governance Committee Chairman	Independent Board Member
Dr. Emre SEZGİN	Corporate Governance Committee Member	Board Member
Deniz ÖZLÜK	Corporate Governance Committee Member	Investor Relations Manager

As of 30th June, 2021, the number of personnel is 468 and distribution is as follows;

EMPLOYEE DISTRIBUTION	NUMBER	
Administrative Staff	15	
Technical Staff	105	
Company Headquarters Total		120
Field Staff *	348	
Total		468

**Personnel working in hospitals related to certain fixed term service contract within the scope of the contracts.*

V. CORPORATE ACTIVITIES

In the relevant accounting period, there is no legal action taken for the benefit of the company, its parent company and its subsidiary, or its subsidiary with the guidance of the parent company, or any measures taken or avoided for the benefit of the parent partner or its subsidiary.

In the relevant accounting period, all of the commercial activities performed between both its controlling shareholder and its subsidiary were realized with accordance with market conditions. The company has no share in its acquisition. There are no administrative or judicial sanctions imposed on company and its managers due to practices contrary to the provisions of the law. Detailed information on other activities that are conducted is summarized under "XIII other issues".

VI. FINANCIAL CONDITION OF THE COMPANY

Budget objective has been attained.

- The net profit of our company for the period of 1st January 2021 – 30th June 2021 is 14.444.248 Turkish Lira; the size of assets is 123.594.322 Turkish Lira and the total equity is 109.391.281 Turkish Lira.
- The financial statements of the company for the period of 1st January 2021 – 30th June 2021 are presented below.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	30 June 2021	30 June 2020
CONTINUING OPERATIONS		
Revenue	37.309.166	30.532.680
Cost of Sales (-)	-18.601.422	-13.918.706
Gross Profit (Loss) From Commercial Operations	18.707.744	16.613.974
General Administrative Expenses (-)	-3.355.696	-3.353.666
Marketing Expenses (-)	-237.426	-634.978
Research and Development Expense (-)	-1.535.949	-1.677.000
Other Income from Operating Activities	1.529.467	1.573.910
Other Expenses from Operating Activities (-)	-1.307.564	-762.638
PROFIT (LOSS) FROM OPER. ACTIVITY (-)	13.800.576	11.759.602
Investment Activity Income	629.364	40.790
Investment Activity Costs	-	-
PROFIT (LOSS) BEF. FIN. INCOME (EXPENSE)	14.429.940	11.800.392
Finance Incomes	5.988	19.759
Finance Costs (-)	-225.236	-106.353
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX	14.210.692	11.713.798
Tax (Expense) Income, Continuing Ops. (-)	233.556	-516.593
Current Income Tax Expense	0	0
Deferred Tax (Expense) Income (-)	233.556	-516.593
PROFIT (LOSS) FROM CONTINUING OPS.	14.444.248	11.197.205
PROFIT (LOSS)	14.444.248	11.197.205

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

ASSETS	30 June 2021	31 December 2020
Current Assets	34.813.553	27.622.292
Non-Current Assets	88.780.769	81.108.700
TOTAL ASSETS	123.594.322	108.730.992
LIABILITIES	30 June 2021	31 December 2020
Current Liabilities	9.948.161	9.355.333
Non-Current Liabilities	4.254.880	4.503.984
Equity	109.391.281	94.871.675
TOTAL LIABILITIES	123.594.322	108.730.992

RATIOS

LIQUIDITY RATIOS	30 June 2021	31 December 2020
Current Ratio	3,50	2,95
Liquid Ratio	3,34	2,81
Cash Ratio	0,79	0,92

FINANCIAL STRUCTURE RATIOS	30 June 2021	31 December 2020
Leverage Ratio	0,11	0,13
Financing Ratio	7,70	6,85
Debt Equity Ratio	0,13	0,15

PROFITABILITY RATIOS	30 June 2021	31 December 2020
Asset Profitability	0,12	0,26
Equity Profitability	0,13	0,29

VII. STOCK INFORMATION

Public Offering Date: 27-28 Nisan 2017

Total Equity: 40.000.000,00 TL

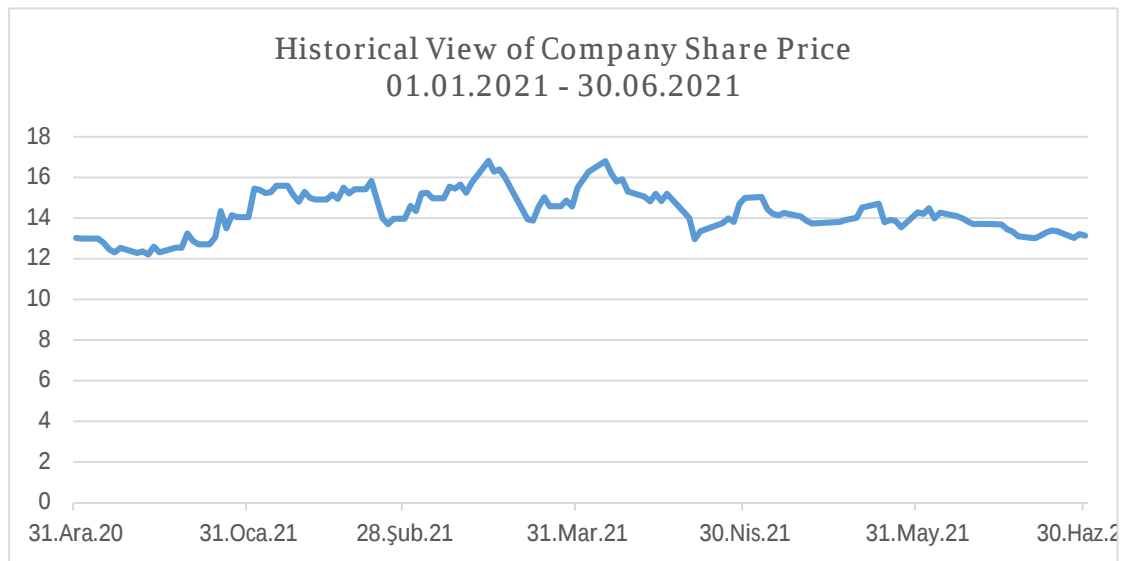
Free Float Rate: %51,67

Stock Market Code: FONET

ISIN Code: TREFONT00028

Involving Group in Stock Market: BIST MAIN

Involving Index: BIST MAIN / BIST TECHNOLOGY / BIST INITIAL PUBLIC OFFERING / BIST ALL SHARES / BIST ALL SHARES-100 / BIST ANKA



The public offering date of the company's shares is 27-28 April 2017. The shares are started to be traded on Borsa Istanbul on 04 May 2017. The market price of the company's shares is 13,13 TL as of June 30, 2021. Between 01.01.2021 and 30.06.2021, it is seen that there is a 0,77% increase in the market price of the company's shares. In this period, the Borsa Istanbul BIST 100 Index decreased by 8,15%.

VIII. SOURCES OF FINANCE

Finance sources of the company is own equity and bank loans.

IX. CHANGES IN THE COMPANY'S ARTICLES OF ASSOCIATION

The Company's Articles of Association did not change during the period.

X. BENEFITING FROM THE GOVERNMENT PROMOTIONS

Being R&D Center

As a result of the evaluation made by the Ministry of Science, Industry and Technology Evaluation and Audit Commission, it was deemed appropriate to give the company R & D center certificate. Thus, the company has been entitled to benefit from promotions and exemptions provided to R & D centers within the scope of Law No. 5746.

Gaining R & D center status, in addition to the fact that the company creates cost advantages in production activities, will increase cooperation with universities and other R & D institutions, this will clear the way for the company to focus its R & D efforts for the use of innovative and advanced technology and we believe that it will contribute positively to turnover and profitability by creating an important competitive advantage in the markets.

XI. RESEARCH AND DEVELOPMENT ACTIVITIES

R & D activities are continuing within the scope of the new HIMS project that works in Java-based cloud architecture.

XII. SUBSIDIARIES AND BRANCHES OF THE COMPANY

Subsidiaries

Pidata has been founded as wholly-owned subsidiary of Fonet in 2018 to develop projects except HIMS and to achieve another information technology investment targets.

Activity Areas of Pidata:

- To make R&D researches,
- To research and develop value added products which are needed in the market,
- To develop products except HIMS (expert system, hardware components, etc.) able to value added in Healthcare IT sector,
- To develop informatics solutions for the private sector,
- To develop e-state projects.

Branches

We have two branches in Istanbul and Şanlıurfa, and a liaison office at Stockholm, Sweden.

İstanbul Branch:

Büyükdere Cad. Emlak Kredi BloklarıNo:33/4 Levent, İSTANBUL

Phone: +90.212 284 18 61 Fax: +90 212 284 18 63

Şanlıurfa Branch:

İpekyol Cad. No:12/1 ŞANLIURFA

Phone: +90.414 312 72 52 Fax: +90.414 315 76 04

Liaison Office:

Klarabergsviadukten 70 D4, 111 64 Stockholm Sweden

Phone: +46-8-506 36 194

XIII. OTHER ISSUES

After the operating period comes to an end, in the company, there is no special occasion or issue which may affect the rights of shareholders, creditors, other related persons and organizations.

The company has announced the following developments to the public between 01th January 2021 and 30th June 2021 through the "Public Disclosure Platform" (KAP):

- 08.04.2021: The Ordinary General Assembly Meeting of our Company for 2020 was held on Thursday, April 08, 2021, at 14:00, at Kızılırmak Mahallesi 1445. Sokak No: 2B / 18 The Paragon Tower Çankaya / ANKARA. Meeting Minutes and List of Attendants Approved are attached.
- 08.04.2021: At the Ordinary General Assembly Meeting of our company held on Thursday, April 08, 2021, it was approved to leave the remaining profit in the "Previous Year Profits" account, after the general legal reserve has been reserved based on the decision of the Board of Directors.
- 08.04.2021: At the Ordinary General Assembly Meeting of our company held on Thursday, April 08 2021, it was approved to select Eren Independent Audit and Certified Councillorship Inc (Grant Thornton) in order to carry out other activities within the scope of the relevant regulations by auditing the financial reports of our Company in the 2021 accounting period.
- 09.04.2021: Corporate Governance Information Form - Shareholders has been updated.
- 14.04.2021: The Ordinary General Assembly Meeting of our company dated 08 April 2021, was registered on 13 April 2021 and announced in the Trade Registry Gazette numbered 10309 on April 14,2021
- 14.04.2021: At the Ordinary General Assembly Meeting of our company dated 08 April 2021, it was decided to choose Eren Independent Audit and Certified Councillorship Inc. (Grant Thornton) to obtain independent audit service for the 2021 accounting period, and the decision was registered on 13 April 2021; and it was released in Trade Registry Gazette numbered 10309 on April 14,2021.
- 27.04.2021: Mr. Abdülkerim GAZEN has been elected as the Chairman of the Board of Directors of our company and Mrs. Yasemin ŞAH has been elected as the Deputy Chairman of the Board of Directors.
- 27.04.2021: At the meeting of our Board of Directors held on April 27, 2021; in accordance with the Corporate Governance Communiqué numbered II-17.1 of the Capital Markets Board and within the framework of the working principles of the Committees, it was decided to elect;

1. Mr. İlker SALTOĞLU as Chairman of the Corporate Governance Committee and Mr. Dr. Emre SEZGİN and Mr. Deniz ÖZLÜK as its members,
 2. Mr. Yusuf Serdar GÜRBÜZ as Chairman of the Early Detection of Risk Committee and Mr. Dr. Emre SEZGİN as a member,
 3. Mr. Yusuf Serdar GÜRBÜZ as the Chairman of the Audit Committee and Mr. İlker SALTOĞLU as a member,
- was selected unanimously.

- 03.05.2021: Our company signed "Hospital Information System (HIS)" Use of License Sales Agreement with "Gateway Technology Co. W.L.L." that located in Qatar on 03.05.2021 with the amount of 600.000,00 USD.
- 03.05.2021: The Independent Auditor's Report for the First Term of 2021 was announced to the public.
- 03.05.2021: First Term Activity Report of 2021 was announced to the public.
- 03.05.2021: The Declaration of Independence for the First Period of 2021 was announced to the public.
- 17.05.2021: Company General Information Form was announced to the public.
- 27.05.2021: KKTC Health Information System Project Service Procurement tender that was held on 09.03.2021 by "Türksat Uydu Haberleşme Kablo TV ve İşletme A.Ş." is finalized and our company won the tender. "The Invitation to The Contract" letter was sent to our company by the Administration and then the contract signing phase has been started. The tender price is 3.090.000 USD.
- 15.06.2021: Our Company participated in a tender of "KKTC e-Insurance Information System Service Procurement" that was made by "Türksat Uydu Haberleşme Kablo TV ve İşletme A.Ş." on the date of 15.06.2021. There were 5 (five) companies participated in regarding tender that the best offer has been given by our company with the amount of 1.364.000 USD.
- 18.06.2021: Company General Information Form was announced to the public.