SAY YENİLENEBİLİR ENERJİ EKİPMANLARI SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS TOGETHER WITH AUDITOR'S REPORT AS AT 31 DECEMBER 2021

Convenience Translation into English from the Original Report Issued in Turkish

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Say Yenilenebilir Enerji Ekipmanları Sanayi Ve Ticaret A.Ş.

A) Audit of the Consolidated Financial Statements

1) Opinion

We have audited the accompanying consolidated financial statements of Say Yenilenebilir Enerji Ekipmanları Sanayi ve Ticaret A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at December 31, 2021, consolidated statements of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards ("TFRS").

2) Basis for Opinion

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

3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters have been addressed within the framework of our audit of the consolidated financial statements as a whole, and in the formation of our opinion on the consolidated financial statements, and we do not express a separate opinion on these matters.

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3) Key Audit Matters (Continued)

Key Audit Matters	How the matter was addressed in the audit
Accounting for Revenue Revenue is recognized when the Group fulfills a performance obligation by transferring a promised good or service to its customer. Group's revenue includes; Renewable Energy Sales, Corporate Identity Sales. Group's accounting policies and amounts of the revenue detailed in Note 2.7 and Note 19 respectively.	Our audit procedures included, in addition to others, the following: - Group's revenue process controlled, sales and delivery processes analyzed. - It was controlled whether the Group has inventories sold and invoiced, but whose ownership rights and risks do not pass to the customer, by examining the shipping conditions and by evaluating the timing of revenue recognition for different shipping arrangements. - As part of the audit, sales invoices and accounting records were tested on a sample basis. It has been tested that the sales are recorded in the correct period in accordance with the periodicity principle. - Trade Receivable balances have been tested with the verification method. As a result of the audit procedures we have implemented, we have not had any significant findings regarding the recording of revenue.

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

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

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

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

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

In an independent audit, our responsibilities as the auditors are:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and IAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

B) Report on Other Legal and Regulatory Requirements

1) Auditors' report on Risk Management and Risk Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on 2 March 2022.

2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January — 31 December 2021 and consolidated financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.

3) ln accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Birol Kabaca.

SUN BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
An Exclusive Correspondent of PKF
International

2 March 2022

Birol Kabaca, YMM
Partner

İzmir, Turkey

CONTENTS

SAY YENİLENEBİLİR ENERJİ EKİPMANLARI SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2021 AND 31 DECEMBER 2020
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

Assets	Notes	Current Period 31 December 2021	Prior Period 31 December 2020
Current Assets			
Cash and Cash Equivalents	4	24.653.466	4.801.710
Trade Receivables	5-6	78.703.702	49.375.224
- Trade Receivables Due from Related Parties	*5*	*55.372.412*	*18.111.720*
- Trade Receivables Due from Unrelated Parties	*6*	*23.331.290*	*31.263.504*
Other Receivables	5-7	3.343.226	5.079.303
- Other Receivables Due from Related Parties	*5*	*194.916*	*295.171*
- Other Receivables Due from Unrelated Parties	*7*	*3.148.310*	*4.784.132*
Inventories	8	63.417.105	63.837.712
Prepayments	5-12	12.220.458	11.776.584
- Prepayments to Related Parties	*5*	*1.505.156*	*5.744.820*
- Prepayments to Unrelated Parties	*12*	*10.715.302*	*6.031.764*
Current Tax Assets	26	-	20.999
Other Current Assets	17	1.569.961	2.284.495
- Other Current Assets Due from Unrelated Parties	*17*	*1.569.961*	*2.284.495*
Sub Total		**183.907.918**	**137.176.027**
Total Current Assets		**183.907.918**	**137.176.027**
Non-Current Assets			
Other Receivables	7	3.207	-
Property, Plant, and Equipment	9	11.477.336	7.017.366
Right of Use Assets	10	1.629.212	-
Intangible Assets	11	650.246	706.582
- Other Rights	*11*	*444.751*	*289.739*
- Computer Softwares	*11*	*156.417*	*118.916*
-Other Intangible Assets	*11*	*49.078*	*297.927*
Prepayments	12	77.215	2.940
-Prepayments to Unrelated Parties	*12*	*77.215*	*2.940*
Deferred Tax Assets	26	1.872.689	2.354.561
Total Non-Current Assets		**15.709.905**	**10.081.449**
Total Assets		**199.617.823**	**147.257.476**

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

SAY YENİLENEBİLİR ENERJİ EKİPMANLARI SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2021 AND 31 DECEMBER 2020
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

Liabilities	**Notes**	**Current Period 31 December 2021**	**Prior Period 31 December 2020**
Current Liabilities			
Current Borrowings	13	6.528.844	24.589.263
- Current Borrowings from Unrelated Parties	*13*	*6.528.844*	*24.589.263*
- Bank Loans	*13*	*6.045.560*	*24.321.330*
- Lease Liabilities	*13*	*471.752*	*243.659*
- Other Short-Term Borrowings	*13*	*11.532*	*24.274*
Current Portion of Noncurrent Borrowings	13	3.077.281	1.853.205
- Current Portion of other Noncurrent Borrowings	*13*	*3.077.281*	*1.853.205*
- Bank Loans	*13*	*3.077.281*	*1.853.205*
Trade Payables	5-6	33.834.140	20.748.170
-Trade Payables to Related Parties	*5*	*4.246.989*	*62.435*
- Trade Payables to Unrelated Parties	*6*	*29.587.151*	*20.685.735*
Employee Benefit Obligations	16	381.407	1.013.434
Other Payables	5-7	11.392.500	11.034.447
-Other Payables to Related Parties	*5*	*10.970*	*333*
-Other Payables to Unrelated Parties	*7*	*11.381.530*	*11.034.114*
Contract Liabilities	12	16.204.399	33.397.632
- Contract Liabilities from Sale of Goods and Service Contracts	*12*	*16.204.399*	*33.397.632*
Deferred Income Other Than Contract Liabilities	12	2.608.705	1.844.943
- Deferred Income Other Than Contract Liabilities from Unrelated Parties	*12*	*2.608.705*	*1.844.943*
Current Tax Liabilities, Current	26	7.884.073	5.296.715
Current Provisions	15-16	696.478	505.045
- Current Provisions for Employee Benefits	*16*	*665.078*	*459.045*
- Other Current Provisions	*15*	*31.400*	*46.000*
Other Current Liability	17	1.882	77.400
- Other Current Provisions	*17*	*1.882*	*77.400*
Sub Total		**82.609.709**	**100.360.254**
Total Current Liabilities		**82.609.709**	**100.360.254**
Non - Current Liabilities			
Long-Term Borrowing	13	12.996.932	9.947.056
- Long-Term Borrowings from Unrelated Parties	*13*	*12.996.932*	*9.947.056*
- Bank Loans	*13*	*12.010.508*	*9.049.974*
- Lease Liabilities	*13*	*986.424*	*897.082*
Non-Current Provisions	16	2.590.318	1.818.524
- Non-Current Provisions for Employee Benefits	*16*	*2.590.318*	*1.818.524*
Total Non - Current Liabilities		**15.587.250**	**11.765.580**
Total Liabilities		**98.196.959**	**112.125.834**

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

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Current Period 31 December 2021	Prior Period 31 December 2020
Equity			
Equity Attributable to Owners Of Parent	**18**	**101.437.230**	**35.180.738**
Issued Capital		25.750.000	25.750.000
Share Premium / Discounts		7.120.331	7.120.331
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		(686.234)	(499.147)
- *Gains /Losses on Revaluation and Remeasurement*		*(686.234)*	*(499.147)*
- *Gains (Losses) on Remeasurements of Defined Benefit Plans*		*(686.234)*	*(499.147)*
Restricted Reserves Appropriated From Profits		2.210.052	1.117.222
Prior Years' Profits or Losses		599.502	(16.953.059)
Current Period Net Profit		66.443.579	18.645.391
Non-Controlling Interest		**(16.366)**	**(49.096)**
Total Equity		**101.420.864**	**35.131.642**
Total Liabilities		**199.617.823**	**147.257.476**

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

SAY YENİLENEBİLİR ENERJİ EKİPMANLARI SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEARS 1 JANUARY- 31 DECEMBER 2021 AND 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Current Period 1 January 2021 31 December 2021	Prior Period 1 January 2020 31 December 2020
Revenue	19	347.937.197	151.666.873
Cost of Sales (-)	19	(263.174.336)	(116.183.838)
Gross Profit / (Loss) from Commercial Operations		**84.762.861**	**35.483.035**
GROSS OPERATING PROFIT / (LOSS)		**84.762.861**	**35.483.035**
General Administrative Expenses (-)	20	(5.430.520)	(3.425.299)
Marketing Expenses (-)	20	(10.485.738)	(3.919.330)
Research and Development Expenses (-)	20	(1.520.438)	(1.629.851)
Other Operating Income from Operating Activities	23	50.306.333	6.475.987
Other Operating Expenses from Operating Activities (-)	23	(29.749.672)	(8.099.501)
NET OPERATING PROFIT (LOSS)		**87.882.826**	**24.885.041**
Other Income from Operating Activities	24	376.272	1.854.080
Other Expenses from Operating Activities (-)	24	(2.710)	(14.496)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		**88.256.388**	**26.724.625**
Finance Income	25	22.347.218	2.626.518
Finance Expenses (-)	25	(22.332.624)	(6.070.015)
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		**88.270.982**	**23.281.128**
Tax (Expense) Income, Continuing Operations (+/-)		**(21.794.474)**	**(4.612.277)**
Current Period Tax Income (Expense)	26	(21.265.782)	(5.296.715)
Deferred Tax Income (Expense)	26	(528.692)	684.438
PROFIT (LOSS) FROM CONTINUING OPERATIONS		**66.476.508**	**18.668.851**
PROFIT (LOSS)		**66.476.508**	**18.668.851**
Profit (Loss) Attributable to:		**66.476.508**	**18.668.851**
Non-Controlling Interest	18	32.929	23.460
Owners of Parent		66.443.579	18.645.391
Earnings Per Share			
Basic Earnings (Loss) Per Share from Continuing Operations	27	2,5803	0,7241

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

SAY YENİLENEBİLİR ENERJİ EKİPMANLARI SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED
1 JANUARY – 31 DECEMBER 2021 AND 2020
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

Other Comprehensive Income:	**Notes**	**Current Period 1 January 2021 31 December 2021**	**Prior Period 1 January 2020 31 December 2020**
Other Comprehensive Income that will not be Reclassified to Profit or Loss		**66.476.508**	**18.668.851**
Gains (Losses) on Remeasurements of Defined Benefit Plans		(234.106)	(541.508)
Taxes Relating to Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit or Loss	26	46.820	108.301
Taxes Relating to Remeasurements of Defined Benefit Plans	*26*	*46.820*	*108.301*
Other Comprehensive Income		**(187.286)**	**(433.207)**
Total Comprehensive Income		**66.289.222**	**18.235.644**
Total Comprehensive Income Attributable to:			
Non-Controlling Interest (+/-)		36.810	23.800
Equity Holders of the Parent (+/-)		66.252.412	18.211.844
Earnings Per Share	**27**	**2,5729**	**0,7073**
Number of Shares	**18**	**25.750.000**	**25.750.000**

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

SAY YENİLENEBİLİR ENERJİ EKİPMANLARI SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

					Other Comprehensive Income or Expense Not to be Reclassified to Profit or Loss		Retained Earnings				
	Notes	Paid-in Share Capital	Treasury Shares (-)	Share Premium Discounts	Defined Benefit Plans Remeasurement Gains / Losses	Restricted Reserves	Previous Year's Profit / (Loss)	Net Profit/(Loss) for the Period	Equity of Parent	Non-Controlling Interest	Equity
					Defined Benefit Plans Revaluation and Measurement Profit / Losses						
01 January 2020		**25.750.000**	**(360.560)**	**7.120.331**	**(69.595)**	**1.117.222**	**(16.307.202)**	**(486.832)**	**16.763.364**	**(71.744)**	**16.691.620**
Adjustments to Changes in Accounting Policies		-	-	-	3.315	-	(159.025)	-	(155.710)	(472)	(156.182)
Mandatory Adjustments to Changes in Accounting Policies		-	-	-	*3.315*	-	*(159.025)*	-	*(155.710)*	*(472)*	*(156.182)*
Balance After Adjustments		**25.750.000**	**(360.560)**	**7.120.331**	**(66.280)**	**1.117.222**	**(16.466.227)**	**(486.832)**	**16.607.654**	**(72.216)**	**16.535.438**
Transfers		-	-	-	-	-	(486.832)	486.832	-	-	-
Increase / (Decrease) Due to Share Buyback Transactions		-	360.560	-	-	-	-	-	360.560	-	360.560
Total Comprehensive Income		-	-	-	(432.867)	-	-	18.645.391	18.212.524	23.120	18.235.644
Other Comprehensive Income (Loss)		-	-	-	*(432.867)*	-	-	-	*(432.867)*	*(340)*	*(433.207)*
Net Profit and (Loss)		-	-	-	-	-	-	*18.645.391*	*18.645.391*	*23.460*	*18.668.851*
31 December 2020	**18**	**25.750.000**	**-**	**7.120.331**	**(499.147)**	**1.117.222**	**(16.953.059)**	**18.645.391**	**35.180.738**	**(49.096)**	**35.131.642**
01 January 2021	**18**	**25.750.000**	**-**	**7.120.331**	**(499.147)**	**1.117.222**	**(16.953.059)**	**18.645.391**	**35.180.738**	**(49.096)**	**35.131.642**
Transfers		-	-	-	-	1.092.830	17.552.561	(18.645.391)	-	-	-
Total Comprehensive Income		-	-	-	(187.087)	-	-	66.443.579	66.256.492	32.730	66.289.222
Other Comprehensive Income (Loss)		-	-	-	*(187.087)*	-	-	-	*(187.087)*	*(199)*	*(187.286)*
Net Profit and (Loss		-	-	-	-	-	-	*66.443.579*	*66.443.579*	*32.929*	*66.476.508*
31 December 2021	**18**	**25.750.000**	**-**	**7.120.331**	**(686.234)**	**2.210.052**	**599.502**	**66.443.579**	**101.437.230**	**(16.366)**	**101.420.864**

SAY YENİLENEBİLİR ENERJİ EKİPMANLARI SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 1 JANUARY - 31 DECEMBER 2021 AND 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Current Period 31 December 2021	Prior Period 31 December 2020
A-CASH FLOWS FROM OPERATING ACTIVITIES		**42.982.553**	**(21.316.628)**
Net Profit for the Period (+/-)		**66.476.508**	**18.668.851**
Profit (Loss) from Continuing Operations (+/-)		66.476.508	18.668.851
Adjustments To Reconcile Profit for The Period		**26.371.939**	**9.035.889**
Adjustments for Depreciation and Amortization Expense	9-10-11	2.914.268	2.563.563
Adjustments for Impairment Loss (Reversal of Impairment Loss) (+/-)	6-8-12	752.140	365.988
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Receivables	*6*	*500.721*	*102.931*
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories	*8*	*251.419*	*263.057*
Adjustments for Provisions (+/-)	15-16	955.454	613.562
Adjustments for (Reversal of) Provisions Related with Employee Benefits	*16*	*970.054*	*567.562*
Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions	*15*	*(14.600)*	*46.000*
Adjustments for Interest Income and Expense (-)	6	329.064	1.347.981
Adjustments for Interest Expense	*13-14-25*	*770.678*	*985.971*
Deferred Financial Expense from Credit Purchases	*6*	*23.260*	*(106.761)*
Unearned Financial Income from Credit Sales	*6*	*(464.874)*	*468.771*
Adjustments for Tax (Income) Losses (+/-)	26	21.794.475	4.612.277
Adjustments For Losses (Gains) On Disposal of Noncurrent Assets (+/-)	24	(373.462)	(467.482)
Adjustments for Losses (Gains) Arised From Sale of Tangible Assets	*24*	*(373.462)*	(467.482)
Changes In Working Capital		**(30.961.136)**	**(48.872.484)**
Adjustments For Decrease (Increase) In Trade Accounts Receivable (+/-)	5-6	(29.342.588)	(45.217.959)
Decrease (Increase) in Trade Accounts Receivables from Related Parties	*5*	*(36.790.042)*	*(17.522.768)*
Decrease (Increase) in Trade Accounts Receivables from Unrelated Parties	*6*	*7.447.454*	*(27.695.191)*
Adjustments for Decrease (Increase) in Other Receivables Related with Operations (+/-)	5-7	1.732.870	(4.450.632)
Decrease (Increase) in Other Related Party Receivables Related with Operations	*5*	*100.255*	*(13.637)*
Decrease (Increase) in Other Unrelated Party Receivables Related with Operations	*7*	*1.632.615*	*(4.436.995)*
Adjustments for Decreases (Increases) in Inventories	8	169.188	(45.246.780)
Decreases (Increases) in Prepaid Expenses	12	(539.886)	(1.501.354)
Adjustments for Increase (Decrease) in Trade Accounts Payables (+/-)	5-6	13.062.710	8.143.298
Increase (Decrease) in Trade Accounts Payables to Related Parties	*5*	*4.220.805*	*(60.669)*
Increase (Decrease) in Trade Accounts Payables to Unrelated Parties	*6*	*8.841.905*	*8.203.967*
Increase (Decrease) in Employee Benefit Liabilities	16	(632.027)	876.147
Adjustments For Increase (Decrease) in Other Operating Payables	5-7	358.053	6.510.344
Increase (Decrease) in Other Operating Payables to Related Parties	*5*	*10.637*	*333*
Increase (Decrease) in Other Operating Payables to Unrelated Parties	*7*	*347.416*	*6.510.011*
Increase (Decrease) in Deferred Income	12	(16.429.471)	33.950.024
Other Adjustments for Other Increase (Decrease) in Working Capital	17	660.015	(1.935.572)
Decrease (Increase) in Other Assets Related with Operations	*17*	*735.533*	*(2.012.972)*
Increase (Decrease) in Other Payables Related with Operations	*17*	*(75.518)*	*77.400*
Cash Flows from Operating Activities		**61.887.311**	**(21.167.744)**
Payments Related with Provisions for Employee Benefits	16	(226.333)	(127.885)
Income Taxes Refund (Paid)		(18.678.425)	(20.999)

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Current Period 31 December 2021	Prior Period 31 December 2020
B. CASH FLOW FROM INVESTMENT ACTIVITIES (+/-)		**(8.573.652)**	**217.841**
Proceeds From Sales of Property, Plant, Equipment and Intangible Assets	9-24	506.913	2.030.281
Proceeds From Sales of Property, Plant and Equipment	*9-24*	*506.913*	*2.030.281*
Purchase of Property, Plant and Equipment and Intangible Assets	9-11-24	(9.080.565)	(1.812.440)
Purchase of Property, Plant and Equipment (-)	*9-24*	*(8.944.949)*	*(1.805.772)*
Purchase of Intangible Assets (-)	*11*	*(135.616)*	*(6.668)*
C. CASH FLOW FROM FINANCING ACTIVITIES (+/-)		**(14.557.145)**	**24.742.195**
Proceeds from Issuing Shares or Other Equity Instruments		-	360.560
Proceeds from Issuing Other Equity Instruments		-	*360.560*
Proceeds from Borrowing	13	21.142.732	36.559.068
Proceeds from Loans	*13*	*21.155.474*	*36.559.068*
Proceeds from Other Financial Borrowings	*13*	*(12.742)*	-
Repayments of Borrowings (-)	13	(34.942.427)	(11.480.626)
Loan Repayments	*13*	*(34.942.427)*	*(11.115.110)*
Cash Outflows from Other Financial Liabilities	*13*	-	*(365.516)*
Interest Paid	25	(757.550)	(697.501)
Interest Received	24	100	694
NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS BEFORE THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE (+/-) (A+B+C)		**19.851.756**	**3.643.408**
D. EFFECT OF THE FOREIGN EXCHANGE CHANGES ON CASH AND CASH EQUIVALENTS		**-**	**-**
NET INCREASE AND DECREASE AT THE CASH AND CASH EQUIVALENTS (+/-) (A+B+C+D)		**19.851.756**	**3.643.408**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**4**	**4.801.710**	**1.158.302**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	**4**	**24.653.466**	**4.801.710**

NOTE 1 – ORGANIZATION AND OPERATIONS OF THE GROUP

Say Yenilenebilir Enerji Ekipmanları Sanayi ve Ticaret A.Ş. ("Say Renewable Energy" or "Company") was established in 1989 as a sole proprietorship. The Company, which started its activities in Izmir, continued its activities with the business title Say Reklamcılık Sanayi ve Ticaret Ltd. Sti. As of 27.08.2004, the company changed its type and took the title of Say Reklamcılık Yapı Dekorasyon Proje Taahhüt Sanayi ve Ticaret Anonim Şirketi. In 2017, the company started research and development studies in the field of renewable energy equipment in order to diversify its activities and started mass production in 2018. In 2019, it was determined that the company's field of activity had actually changed, and this situation was presented to the approval of the general assembly and got accepted. The company amended its articles of association in 2020 to be compatible with its field of activity and changed its trade name to Say Renewable Energy Equipment Industry and Trade Anonim Şirketi.

In the field of renewable energy equipment, the company produces parts and integrating parts (especially interior and exterior parts of wind turbine towers, parts of wind turbine generators and wind turbine parts transport equipment) for the purpose of electricity generation from renewable energy sources, engages in their trade, marketing and sales activities within and outside the country. In addition, it carries out designing, production and assembly of all visual communication products of buildings and open spaces in the field of industrial signage (Corporate Identity Applications), interior and exterior furniture and decoration works, production, purchase, sale of all kinds of steel and reinforced concrete structures, and project contracting works. In addition, it carries out exterior industrial coating works.

The company's production facilities are located in İzmir Kemalpaşa Organized Industrial Zone, Gölcük area. 10.850 m² of the factory, which is established on a total land of 16.975 m² in parcels 142/5 and 142/6, consiste of closed area. The factory has metal form, aluminum, acrylic, wood, thermoform, vacuum, wet paint, powder paint, varnish, foil and special production departments. The Company's related parties, Plaka Mobilya Taahhüt San. ve Tic. A.Ş. and Hamax Europe Endüstri Sanayi ve Ticaret A.Ş. are located on the same campus as the company and share some facilities.

The headquarters and factory address of the Company are as follows:

Kemalpaşa Organize Sanayi Bölgesi Mahallesi İzmir - Ankara Yolu (Devecihavlısı) No:318 İzmir – Turkey.

In the Integrated Management and Quality Standardization studies, which started with the ISO 9001 Quality Management System accreditation in 2005, the Company has also received ISO 14001 Environmental Management System and OHSAS 18001 Occupational Health and Safety accreditations, becoming one of the rare companies in the sector with this triple standardization. In 2020, the ISO 45011 adjustment was completed. The company also has DIN EN ISO 17660-1:2006, EN ISO 3834-2 and EN 1090:1:2009+A1:2011 certificates.

The Company is traded in the Regular Market with the transaction code "SAYAS". As of 31 December 2021, the share of the shares in actual circulation is 48,57.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 1 – ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

The shareholder structure of the Company according to historical values is as follows:

	31 December 2021		31 December 2020	
Shareholder	**Rate of Shares**	**Amount**	**Rate of Shares**	**Amount**
Erkan Güldoğan	28,67%	7.382.213	28,67%	7.382.213
Ercan Güldoğan	20,04%	5.159.258	20,00%	5.150.000
Evren Güldoğan	1,88%	483.175	1,88%	483.175
Emre Güldoğan Uzar	0,76%	194.427	0,76%	194.427
Murat Özel	0,04%	11.573	0,04%	11.573
Metin Arısan	0,04%	11.573	0,04%	11.573
Tahir Başaloğlu	0,00%	-	0,06%	14.813
Publicly Traded	48,57%	12.507.781	48,55%	12.502.226
Total	**100%**	**25.750.000**	**100%**	**25.750.000**

The average number of employees of the Company are 212. (31 December 2020-194)

Subsidiaries

The subsidiary of Say Yenilenebilir Enerji, which were consolidated with full consolidation method as of 31 December 2021, is Say Kurumsal Kimlik ve Tasarım Hizmetleri A.Ş.

Say Kurumsal Kimlik ve Tasarım Hizmetleri A.Ş. (Say Kurumsal)

Say Kurumsal, "Say Kurumsal Kimlik ve Tasarım Hizmetleri A.Ş." was established in Istanbul on 21 September 2015. The Company's field of activity is import and export of corporate identity solutions and their field application processes. The purpose of the company's establishment was to ensure efficiency, especially in the use of outsourcing. However, this business model has already been abandoned. Say Kurumsal has also started to work on export development in different products..

Say Kurumsal changed its headquarters to Kemalpaşa OSB Mahallesi, İzmir Ankara Yolu (Ansızca Devecihavlısı) No:318 Kemalpaşa/İzmir.

As of 31 December 2021, the average number of personnel of the Company is 1 person. (31 December 2020: 1)

As of 31 December 2021, and 31 December 2020, the capital structure is as follows:

	31 December 2021		31 December 2020	
Shareholder	**Share Rate**	**Amount**	**Share Rate**	**Amount**
Say Reklamcılık Yapı Dekorasyon Proje Taahhüt San. ve Tic. A.Ş.	95%	475.000	95%	475.000
Metin Arısan	5%	25.000	5%	25.000
Total	**100%**	**500.000**	**100%**	**500.000**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 1 – ORGANIZATION AND OPERATIONS OF THE GROUP(Continued)

Say Kurumsal Kimlik ve Tasarım Hizmetleri A.Ş. (Say Kurumsal) (Continued)

Say Kurumsal Kimlik ve Tasarım Hizmetleri A.Ş. Trading Capital has made an announcement to Metin Arısan, whose unpaid capital is 75.000 TL, in the Turkish Trade Registry Gazette dated 12 April 2019 and numbered 9808, in accordance with the provisions of the Turkish Commercial Code and other relevant legislation. After the company announced for the second time in the Turkish Trade Registry Gazette dated 12 June 2019 and numbered 9846, and after the passing of the deadline, the shares of Metin Arısan were transferred to Say Yenilenebilir Enerji with a nominal value of 75.000 TL. Say Yenilenebilir Enerji also paid its outstanding capital commitment in cash. Since the purchase price of Say Kurumsal's shares is higher than the nominal value, the nominal price is taken as the basis for the share purchase.

In the consolidated financial statements of the Company as of 31 December 2021 and 31 December 2020, its subsidiaries are consolidated using the full consolidation method.

	31 December 2021		31 December 2020	
	Direct or Indirect Share Rate %	Effective Share Rate %	Direct or Indirect Share Rate %	Effective Share Rate %
Corporate Name				
Say Kurumsal Kimlik ve Tasarım Hizmetleri A.Ş.	95	95	95	95

Related Parties

The related parties of the Company are as follows:

- Ateş Çelik İnş. Taah. Proje Müh. San. Tic. A.Ş.
- Promaya Danışmanlık ve Ekon. Araş. Ltd. Şti.
- SSC Ateş Wind Rüzgar Enerji Santralleri Montaj Servis Mühendislik San. ve Tic. A.Ş.
- AFG Proje Mühen. Yapı İnş. Tah. San. ve Tic. Ltd. Şti.
- Verite Veri Analitik Çözümler A.Ş.
- Hamax Europe Endüstri San. ve Tic. A.Ş.
- Plaka Mobilya Taahhüt Sanayi ve Ticaret A.Ş.
- Promaya Proje Tasarım Mim. Müh. San. ve Tic. A.Ş.

Approval of the Consolidated Financial Statements

The consolidated financial statements are approved by the Board of Directors and authorized to be published on **2 March 2022**.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1) Basis of Presentation

<u>Basis of Preparation and Summary of Significant Accounting Policies</u>

The Company and its subsidiaries in Turkey maintains its accounting records and prepares its statutory financial statements in accordance with the accounting principles determined by Turkish Commercial Code (the "TCC"), tax legislation and the uniform chart of accounts issued by the Ministry of Finance.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

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

2.1) Basis of Presentation (Continued)

Basis of Preparation and Summary of Significant Accounting Policies (Continued)

Consolidated financial statements are prepared on the basis of historical cost in Turkish Liras except for financial assets and liabilities presented with their fair values. These consolidated financial statements are based on the statutory records with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the TAS/ TFRS.

Functional and Reporting Currency

Functional and reporting currency of the Group is TL.

Monetary assets in foreign currency in the balance sheet are valued at the buying rate and monetary liabilities in foreign currency are valued at the selling rate as of 31 December 2021. The closing rates used are as follows:

	31 December 2021	31 December 2021	31 December 2020
Currency Type	**Buying Rate**	**Selling Rate**	**Buying Rate**
USD	13,3290	13,3530	7,3405
EURO	15,0867	15,1139	9,0079

Preparation of Consolidated Financial Statements in Hyperinflationary Periods

In accordance with the CMB's resolution No: 11/367 issued on 17 March 2005, companies operating in Turkey which prepare their consolidated financial statements in accordance with the CMB Accounting Standards (including the application of IFRS) are not subject to inflation accounting effective from 1 January 2005. Therefore, as of 1 January 2005, TAS 29 "Financial Reporting in Hyperinflationary Economies" is not applied in the accompanying consolidated financial statements.

According to the statement made by the Public Oversight, Accounting and Auditing Standards Authority on January 20, 2022, since the cumulative change in the general purchasing power of the last three years according to the Consumer Price Index (CPI) is 74.41%; it has been stated that there is no need to make any adjustments in the consolidated financial statements for 2021 within the scope of TAS 29 Financial Reporting Standard in Hyperinflationary Economies. In this respect, while preparing the consolidated financial statements as of 31 December 2021, no inflation adjustment was made according to TAS 29.

With the "Law Amending the Tax Procedure Law and the Corporate Tax Law", which was accepted on the agenda of the Turkish Grand National Assembly on January 20, 2022, the application of inflation accounting was postponed starting from the balance sheet dated December 31, 2023.

Going Concern

The consolidated financial statements have been prepared on the basis of the continuity of the business, assuming that the Company and its subsidiaries will benefit from its assets and fulfill its obligations in the next year and within the natural flow of its operations.

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

2.2) Statement of Compliance to TAS

The accompanying consolidated financial statements are prepared in accordance with Communiqué Serial II, No: 14,1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, consolidated financial statements are prepared in accordance with the Turkish Accounting Standard issued by Public Oversight Accounting and Auditing Standards Authority ("POA/ASA"), TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations ("IFRIC"). In addition, the consolidated financial statements have been presented in accordance with the TFRS taxonomy published in the Official Gazette on 7 June 2019 by "POAASA" with the decision numbered 30794 and revised on 15 April 2019. The consolidated financial statement and notes are presented in accordance with the formats recommended by the CMB including the compulsory information.

2.3) Changes in Accounting Policies

The significant changes made in accounting policies are applied retrospectively and the prior year consolidated financial statements are restated. The effect of a change in an accounting estimate shall be recognized prospectively by including it in profit and loss in the period of the change if the change effects that period only or in the period of the change and future periods if the change affects both. Prior period errors are corrected retrospectively.

An error is corrected by restating the comparative amounts for the prior periods in which the error occurred or if the error occurred before the earliest prior period by restating the opening balances of retained earnings. If the re-arrangement of the data causes excessive cost, the comparative data related to the previous periods are not rearranged; retained earnings account for the next period is adjusted with the cumulative impact of the error (misstatement) at the beginning of the corresponding period.

The accounting policies adopted during the preparation of the consolidated financial statements for the period ending 1 January 2021 – 31 December 2021 have been applied consistently with the consolidated financial statements prepared as of 1 January 2020 - 31 December 2020.

Basis of Consolidation

The consolidated financial statements include the accounts of the Group, on the basis set out in sections below. The consolidated financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with POAASA Financial Reporting Standards applying uniform accounting policies and presentation. The results of subsidiaries and joint ventures are included or excluded from their effective dates of acquisition or disposal respectively.

Subsidiaries

Control is obtained by controlling over the activities of an entity's financial and operating policies in order to benefit from those activities.

Subsidiaries are companies over which the parent company controls the financial and operating policies for the benefit of the parent company, either (a) through the power to exercise more than 50% of the voting rights relating to shares in the companies owned directly and indirectly by itself; or (b) although not having the power to exercise more than 50% of the voting rights, otherwise having the power to exercise control over the financial and operating policies

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Note 1 sets out all subsidiaries included in the scope of consolidation and it shows their ownership and effective interests as of 31 December 2021 and 31 December 2020.

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

2.3) Changes in Accounting Policies (Continued)

Subsidiaries (Continued)

Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that control ceases. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

The result of operations of subsidiaries are included or excluded in these consolidated financial statements subsequent to the date of acquisition or date of sale respectively.

The statements of consolidated financial position and statements of income of the Subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by the Parent Company and its Subsidiaries is eliminated against the related equity. Intercompany transactions and balances between the Parent Company and its Subsidiaries are eliminated during the consolidation. The cost of, and the dividends arising from, shares held by the Parent Company in its Subsidiaries are eliminated from equity and income for the period, respectively.

The non-controlling interests' shares in the subsidiaries' net assets are separately disclosed in the equity of the Group. The non-controlling interests represent the sum of the shares issued during the initial business combinations and the non-controlling interests' shares in the equity changes from the date of business combination. When the losses applicable to the non-controlling portion exceed the non-controlling interest in the equity of the subsidiary, the excess loss and the further losses applicable to the non-controlling are charged against the non-controlling interest.

Goodwill/Negative Goodwill

Business combination is the bringing together of two separate businesses or business activities to form a separate reporting unit. Business combinations are recognized for using the acquisition method within the scope of IFRS 3 "Business Combinations".

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than it carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the statements of income. An impairment loss recognized for goodwill is not reversed in subsequent periods.

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

2.3) Changes in Accounting Policies (Continued)

Goodwill/Negative Goodwill (Continued)

IFRS 3, "Business Combinations", which is about business combinations, requires the acquisition cost to be recognized by determining the fair values of the identifiable assets, liabilities and contingent liabilities at the acquisition date, including the intangible assets that were not previously included in the consolidated financial statements of the acquired business.

In addition, according to IFRS 3 (Revised), if the work on the initial recognition of the business combination has not been completed at the end of the reporting period in which the business combination takes place, the acquiring business has the opportunity to report the provisional amounts in its consolidated financial statements for the items whose accounting has not been completed. During the measurement period, the acquirer retrospectively adjusts the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that were effective at the acquisition date and which, if known, could affect the measurement of the amounts recognized as of that date. The acquiring entity also recognizes such additional assets and liabilities during the measurement period if it has new information on facts and circumstances valid at the acquisition date that would have required recognition of additional assets and liabilities as of that date if known.

The measurement period ends as soon as the acquirer obtains the information it seeks regarding facts and circumstances existing as of the acquisition date, or learns that further information is not available, and in any event may not exceed one year from the acquisition date.

2.4) Changes in Accounting Estimates and Errors

If the application of changes in the accounting estimates affects the financial results of a specific period, the effect of a change in accounting estimate is applied in this specific period, if it affects the financial results of current and following periods, the accounting policy estimate is applied prospectively in the period in which such change is made. The effect of change in accounting estimate is recognized prospectively in consolidated financial statements as to determine net profit or loss for the period. The accounting estimates used in the preparation of these consolidated financial statements for the period ended 1 January 2021 - 31 December 2021 are consistent with those used in the preparation of consolidated financial statements for the year ended 1 January 2020 - 31 December 2020.

Significant accounting errors that are detected in the current period are applied retrospectively and prior year consolidated financial statements are restated accordingly. If the presentation or classification of the consolidated financial statements is changed, in order to maintain consistency, consolidated financial statements of the prior periods are also reclassified in line with the related changes, and a disclosure on the related changes is made in the consolidated financial statements. When reclassification and correction cost is high, comparative data are not corrected, retaining earnings account of consequent period statements is corrected as to cumulative effect of errors relating to prior periods.

2.5) Changes in TAS/TFRS

The New Standards, Amendments and Interpretations

The accounting policies applied in the preparation of the consolidated financial statements as of 31 December 2021 are consistent with those applied in the preparation of the consolidated financial statements, except for the new and amended Turkish Accounting Standards ("TAS")/TFRS which are valid as of 1 January 2021 and Turkey Financial Reporting Interpretations Committee's ("TFRIC") interpretations summarized below.
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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5) Changes in TAS/TFRS (Continued)

The New Standards, Amendments and Interpretations (Continued)

i) The new standards, amendments and interpretations which are effective as at 1 January 2021 are as follows:

Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 - Interest Rate Benchmark Reform – Phase 2

This amendment is effective for annual reporting periods beginning on or after 1 January 2021. This amendment addresses issues arising from the implementation of reforms, including replacing a benchmark interest rate with an alternative. Phase 2 amendments provide temporary additional ease in applying certain TAS 39 and TFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform. This change has no impact on the consolidated financial position and performance of the Group.
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Amendments to TFRS 16 "Leases"- Covid-19-Related Rent Concessions Extension of the Practical Expedient

Amendment on April 7, 2021 was extended until June 2022 and is effective from April 1, 2021. As a result of coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. The amendment did not have a significant impact on the consolidated financial position or performance of the Company.

ii) Standards issued but not yet effective and not early adopted:

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

TAS 1 – Presentation of Consolidated Financial Statements

The amendment is effective for annual reporting periods beginning on or after 1 January 2022. These narrow-scope amendments to TAS 1, "Presentation of consolidated financial statements", 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 TAS 16 – Property, Plant and Equipment - Proceeds before intended use

The amendment made in TAS 16 does not allow the income from the sale of the produced items to be deducted from the cost of the related asset while the related property, plant and equipment is brought to the required location and condition for the management to operate under the intended conditions and requires such sales revenues and related costs to be reflected in profit or loss. This amendment is applied for annual accounting periods beginning on or after January 1, 2022. Early application is permitted.

Amendments to TFRS 3 – Reference to the Conceptual Framework

With the amendment made in TFRS 3, an exception has been made to the provision of TFRS 3, which requires businesses to refer to the Conceptual Framework in terms of what assets and liabilities consist of. Pursuant to this exception, the entity must rely on TAS 37 for some obligations and contingent liabilities.

This amendment applies to business combinations whose acquisition date is on or after the start date of the first annual accounting period beginning on or after January 1, 2022.

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

2.5) Changes in TAS/TFRS (Continued)

The New Standards, Amendments and Interpretations (Continued)

ii) Standards issued but not yet effective and not early adopted (Continued):

Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract

With the amendment made in TAS 37, the estimated costs of fulfilling the contract in order to determine whether the contract is an economically disadvantageous contract consist of both the variable costs incurred to fulfill the contract and the amounts distributed from other costs directly related to fulfilling the contract.

This amendment is applicable for annual accounting periods beginning on or after 1 January 2022. Early application is permitted.

TFRS 17 - Insurance Contracts

With this standard, the TFRS 4 standard is abolished. Insurance contracts will fundamentally change the accounting of all transactions that issue investment contracts with discretionary participation. It is applicable for annual accounting periods beginning on or after 1 January 2023.

Amendment to TAS 12 - Deferred tax on assets and liabilities arising from a single transaction

It requires deferred tax recognition on transactions that cause taxable and deductible temporary differences to occur in equal amounts when they are first recognized by companies. It is applicable for annual accounting periods beginning on or after 1 January 2023.

Annual Improvements – 2018–2020 Cycle

- TFRS 1 First-time Adoption of International Financial Reporting Standards – With the amendment made in TFRS 1, the implementation costs of those who started to apply TFRSs for the first time have been reduced thereby cumulative translation differences are included in the scope of the exemption for the measurement of assets and liabilities to the subsidiary that started to apply TFRSs at a later date than its parent in paragraph D16(a) of the standard. This amendment is applied for annual accounting periods beginning on or after January 1, 2022.

- TFRS 9 Financial Instruments – With the amendment made in TFRS 9, it has been clarified regarding the fees that are taken into account when evaluating whether the terms of the new or changed financial liability differ materially from the terms of the original financial liability. This amendment is applied for annual accounting periods beginning on or after January 1, 2022.

- TAS 41 Agriculture – With the amendment made in TAS 41, the provision requiring that cash flows arising from taxation should not be included in the calculation in determining the fair value has been removed. The amendment brought the fair value measurement provisions of TAS 41 into line with the fair value measurement provisions of other standards. This amendment is applied to fair value measurements at the beginning or after the first annual accounting period beginning on or after 1 January 2022.

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

2.6) Comparatives and Restatement of Prior Periods' Consolidated Financial Statements

In order to allow for the determination of the financial situation and performance trends, the Group's consolidated financial statements have been presented comparatively with the prior year. The Group presented the consolidated statement of financial position as of 31 December 2021 comparatively with the consolidated statement of financial position as of 31 December 2020 and presented the consolidated statement of profit or loss, statement of other comprehensive income, statement of cash flows and statement of changes in equity for the period 1 January 2021 -31 December 2021 comparatively with the period 1 January 2020 -31 December 2020. Comparative information is reclassified when deemed necessary in order to comply with the presentation of the current period consolidated financial statements. As at December 31, 2020, the Group reclassified interest income amounting to TL 694 from financial income to income from investment activities.

2.7) Summary of Significant Accounting Policies

The consolidated financial statements for the period ended 31 December 2021 have been prepared by applying accounting policies that are consistent with the accounting policies applied during the preparation of the consolidated financial statements for the year ended 31 December 2020.

2.7.1) Revenue

The Group recognizes revenue when the goods or services are transferred to the customer and when performance obligation is fulfilled. Goods are counted to be transferred when the control belongs to the customer

The Group recognizes revenue in its consolidated financial statements in line with the following basic principles:

a) Identification of customer contracts
b) Identification of performance obligations
c) Determination of transaction price in the contract
d) Allocation of price to performance obligations
e) Recognition of revenue when the performance obligations are fulfilled

The Group recognized revenue from its customers only when all of the following criteria are met:

a) The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations,
b) The Group can identify each party's rights regarding the goods or services to be transferred,
c) The Group can identify the payment terms for the goods or services to be transferred,
d) The contract has commercial substance
a) It is probable that Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.

Dividends and Interest Revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Dividend revenue from investments is recognized when the shareholders' rights to receive payment have been established.

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

2.7) Summary of Significant Accounting Policies (Continued)

2.7.2) Inventories

Inventories are valued at the lower of cost or net realizable value. Cost elements included in inventory are materials, labor and an appropriate amount of factory overheads. Cost comprises purchase cost and, where applicable, conversion costs and those overheads that have been incurred in bringing the inventories to their present locations and conditions. Inventories include; raw materials, semi-finished goods, trade goods and goods in transit (Note 8).

2.7.3) Related Parties

A related party is a person or entity that is related to the entity that is preparing its consolidated financial statements (referred to as the 'reporting entity')

a) A person or a close member of that person's family is related to a reporting entity if that person:

i. has control of joint control over the reporting entity;
ii. has significant influence over the reporting entity; or
iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b) An entity is related to a reporting entity if any of the following conditions applies:

i. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others
ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group which the other entity is a member).
iii. both entities are joint ventures of the same third party.
iv. one of the entities is a business partnership of a third entity and the other is a subsidiary of the third entity in question.
v. one entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related with the reporting entity
vi. the entity is controlled or jointly controlled by a person defined in (a).
vii. a person identified in (a) i. has a significant influence over the entity or the entity or is a member of key management personnel of the entity (or of a parent of the entity).

For the purpose of the consolidated financial statements, shareholders, key management personnel and Board members of Board of Directors with their families and companies controlled by them or affiliated, are considered and referred to as related parties. (Note 5)

2.7.4) Investment Properties

Buildings and lands held for obtaining rental income, earning from valuation increase or both of them, rather than held for production and procurement of goods and services or administrative purposes or selling under normal business flow, are classified as Investment Properties.

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

2.7) Summary of Significant Accounting Policies (Continued)

2.7.4) Investment Properties (Continued)

Investment property is valued according to the fair value method. Gain or loss arising from change in fair value of investment properties valued by the fair value method, are accounted in profit or loss of the period that changes occurred.

Fair value of an Investment Property is determined by considering the market value of these real estates. The Group has no investment property.

2.7.5) Property, Plant and Equipment

Property, plant and equipment except for land and construction in progress are carried at cost, less accumulated depreciation and impairment. Depreciation and amortization are provided on the restated amounts of property and equipment on the straight-line method. Depreciation is not provided for lands due to unlimited useful life. The estimated economic lives for property, plant and equipment which approximate the economic useful lives of such assets, are as follows:

Property, Plant and Equipment	Useful Lives
Machinery and Equipment	2 – 20 years
Vehicles	4 – 5 years
Furniture and Fixtures	3 – 20 years
Leasehold Improvements	5 – 20 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down by allocating the provision to its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset plus the residual value of the related assets.

The gain or loss arising from the disposal or otherwise derecognition of an item of property, plant and equipment which is the difference between the net sales proceeds, if any, and the restated carrying amount is recognized in profit or loss.

The costs of an item of property, plant and equipment comprises its purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner as intended by management. Other directly attributable costs are those arising directly from the construction or acquisition of an item of property, plant and equipment, costs of site preparation, initial delivery and handling costs, installation and assembly costs. Costs subsequent to the acquisition of an item of property, plant and equipment may be capitalized if they increase the economic useful lives of the assets. All other repair and maintenance costs are expensed in the statements of income.

Costs of operating a new facility, costs of introducing a new product or service (including costs of advertising and promotional activities); costs of conducting business in new locations or with a new class of customer including costs of staff training; administration and other general overhead costs are not costs of an item of property, plant and equipment and are not included in the carrying amount of property, plant and equipment.

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

2.7) Summary of Significant Accounting Policies (Continued)

2.7.6) Intangible Assets

Intangible assets consist of IT systems, software rights, license prices. Intangible assets are booked at purchasing value and amortization is calculated over economic life beginning from purchasing date using straight-line method. If impairment occurs, book value of intangible assets is discounted to recoverable amount. There are no intangible assets internally generated. Estimated economic lives of intangible assets are as follows:

Intangible Assets	Useful Life
Rights	3 – 16 years
Other Intangible Assets	3 – 10 years
Computer Software	5 years

2.7.7) Impairment of Assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets' recoverable amounts are estimated. An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. Value in use is the present value of estimated future cash flows resulting from continuing use of an asset and from disposal at the end of its useful life. Impairment losses are accounted at the statement of income.

An impairment loss recognized in prior periods for an asset is reversed if the subsequent increase in the asset's recoverable amount is caused by a specific event since the last impairment loss was recognized. Such a reversal amount is recognized as income in the consolidated financial statements and can note exceed the previously recognized impairment loss and shall not exceed the carrying amount that would have been determined, net of amortization or depreciation, had no impairment loss been recognized for the asset in prior years.

2.7.8) Financial Assets

Company classifies its financial assets in three categories of financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit of loss. The classification of financial assets is determined considering the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Company classifies its financial assets at the date of the purchase. TFRS 9 eliminates the categories of available-for-sale financial assets, loans and receivables and available-for-sale financial assets included in the existing TAS 39.

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

2.7) Summary of Significant Accounting Policies (Continued)

2.7.8) Financial Assets (Continued)

Accounting and Measurement

"Financial assets measured at amortized cost", are non-derivative assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Group's financial assets measured at amortized cost comprise "cash and cash equivalents", "trade receivables", "other receivables" and "financial investments". Financial assets carried at amortized cost are measured at their fair value at initial recognition and by effective interest rate method at subsequent measurements. Gains and losses on valuation of non- derivative financial assets measured at amortized cost are accounted for under the statement of income.

"Financial assets whose fair value difference is reflected in other comprehensive income", is a non-derivative financial asset that includes cash flows that are held only on principal dates and interest on certain dates under contractual terms and that are held within a business model aimed at collecting contractual cash flows and selling the financial assets. Gains or losses arising from the aforementioned financial assets are recognized in other comprehensive income with the exception of impairment gain or loss and foreign exchange gain or loss. Gains and losses arising from the valuation of the aforementioned assets are recognized in the income statement.

Group may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, to present subsequent changes in fair value in other comprehensive income. In such cases, dividends from those investments are accounted for under consolidated statement of income.

"Financial assets measured at fair value through profit or loss", are assets that are not measured at amortized cost or at fair value through other comprehensive income. Gains and losses on valuation of these financial assets are accounted for under the statement of income.

Impairment

Impairment of the financial and contractual assets measured by using "Expected Credit Loss" (ECL). The impairment model is applied for amortized financial and contractual assets.

Measurement and recognition of expected credit losses

Measurement of expected credit losses is a function related to probability of default, default losses and balance subject to risk in default. The probability of default and consideration of default losses are based on retrospective information adjusted with prospective information. Financial assets subject to default risk are recognized on the gross book value of the assets at the reporting date.

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

2.7) Summary of Significant Accounting Policies (Continued)

2.7.8) Financial Assets (Continued)

Derecognition

The Group derecognized a financial asset when the contractual rights to the cash flows from the asset expired, or it transferred the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset were transferred. Any interest in such transferred financial assets that was created or retained by the Company was recognized as a separate asset or liability.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The carrying amount of these assets approximates their fair value

Financial Liabilities

Financial liabilities are recognized at fair value cleaned of transaction costs first. At the end of the following periods, financial liabilities are booked over amortized cost value calculated by effective yield method with interest amount.

Effective Interest Method; It is the method of calculating the amortized costs of the financial liability and allocating the related interest expense to the related period. Effective Interest Rate; It is the rate that exactly discounts estimated future cash payments over the expected life of the financial instrument or, where appropriate, a shorter period of time, to the net present value of the financial liability.

2.7.9) Effects of Changes in Exchange Rates

In preparing the consolidated financial statements, transactions in currencies other than TL (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

Effective yield method is to calculate financial liabilities' amortized cost and distribution of related interest expense to related period. Effective interest rate is the rate that discounts estimated future cash payments of a financial liability to its net present value within expected life of related financial instrument or less time frame if more convenient.

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- *Exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings;*

- *Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedging accounting policies); and*

- *Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.*

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

2.7) Summary of Significant Accounting Policies (Continued)

2.7.10) Earnings Per Share

Earnings per share disclosed in the accompanying consolidated statement of income is determined via dividing net income by the weighted average number of shares circulating during the year concerned.

In Turkey, companies can increase their share capital by making a pro rata distribution of shares "bonus shares" to existing shareholders without consideration for amounts resolved to be transferred to share capital from retained earnings and revaluation surplus. For the purpose of the earnings per share calculation such bonus share issues are regarded as stock dividends. Dividend payments, which are immediately reinvested in the shares of the Company, are regarded similarly (Note 27)

2.7.11) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company is not included in the consolidated financial statements and treated as contingent liabilities.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in the consolidated financial statements since this may result in the recognition of income that may never be realized. A contingent asset is disclosed in explanatory notes where an inflow of economic benefit is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the consolidated financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the consolidated financial statements of the period in which the change occurs.

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

2.7) Summary of Significant Accounting Policies (Continued)

2.7.12) - Financial Leases

a) The Group as the Lessee

- Financial Leases

Leasing of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leasing. Finance leased is capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Financial costs of leasing are distributed over the lease period with a fixed interest rate. The property, plant and equipment acquired under financial leases are depreciated over the useful lives of the assets. If there is a decrease in the value of the property, plant and equipment under financial leasing, the Company provides impairment. The foreign exchange and interest expenses related with financial leasing have been recorded in the income statement. Lease payments are deducted from leasing debts.
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- Operating Leases

The Company evaluates whether a contract is a lease or includes the terms of a lease at the beginning of the contract. The Company accounts for the right of use and the related lease liability for all lease agreements to which it is a tenant, except for short-term leases (leases with a lease term of 12 months or less) and lease of low-value assets. In the absence of any other systematic basis that better reflects the timing structure in which the economic benefits obtained from the leased assets are used, the Group recognizes the lease payments as operating expenses during the lease period by linear method.

In the initial recognition, the lease liabilities are discounted at the lease rate of the lease payments not paid at the start date of the contract and are accounted at their present value. If this rate is not specified before, the Group uses the alternative borrowing rate to be determined by itself.

The lease payments included in the measurement of the lease liability include:

- The amount obtained by deducting all kinds of lease incentives from fixed lease payments (essentially fixed payments);
- Variable rental payments made using an index or rate at the date when the first measurement was actually started, which is based on an index or rate;
- The amount of debt expected to be paid by the lessee under residual value collaterals;
- In cases where the tenant will reasonably apply the payment options, the application price of the payment options, and
- The lease cancellation penalty payment in case of the right to cancel the lease during the rental period.

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

2.7) Summary of Significant Accounting Policies (Continued)

2.7.12) Financial Leases (Continued)

a) The Group as the Lessee (Continued)

The lease liability is presented as a separate item in the consolidated financial statements. Lease liabilities are then measured by increasing the carrying value (using the effective interest method) to reflect the interest on the lease liability and by reducing the carrying value to reflect the rent payment made. The Group re-measures the lease liability (and makes appropriate changes to the relevant right of use asset):

- When there is a change in the evaluation of the rental period or the application of a purchase option, when the rental liability is re-measured by using the revised discount rate and discounting the revised lease payments.
- When changes in lease payments occur due to changes in the index, rate or expected payment change in the promised residual value, when the lease liability is re-measured by using the first discount rate and the lease liability is re-measured (if the change in the lease payments is caused by the change in the variable interest rate, the revised discount rate is used).
- When a lease agreement is changed and the lease change is not accounted for as a separate lease, the revised lease payments are discounted and the lease liability is rearranged using the revised discount rate

The Company has not made any such changes during the periods presented in the consolidated financial statements.

The right of use assets includes the initial measurement of the corresponding lease liability, lease payments made on or before the lease actually starts, and other direct initial costs. These assets are subsequently measured at cost by deducting accumulated depreciation and impairment losses.

A provision is recognized in accordance with TAS 36 in cases where the Company is exposed to the costs required to disassemble and eliminate a lease asset, to restore the area on which the asset is located, or to restore the main asset in accordance with the terms and conditions of the lease. These costs are included in the relevant right of use asset, unless they are incurred for inventory production.

The right of use assets is depreciated according to the shorter of the main asset's lease period and useful life. When ownership of the main asset is transferred in the lease or according to the cost of the right of use asset, when the Group plans to implement a purchase option, the related usage right asset is depreciated over the useful life of the main asset. Depreciation starts on the date the lease actually starts

The right of use assets is presented in a separate item in the statement of financial. (Note 10)

b) The Group as the Lessor

- Operating Leases

Assets leased out under operating leases, are included in investment properties or assets related to operating lease in the statements of consolidated financial position and obtained rental income over the lease term is recognized in the statement of income evenly. Rental income is recognized in the statement of income on a straight-line basis over the lease term.

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

2.7) Summary of Significant Accounting Policies (Continued)

2.7.13) Employee Benefits / Retirement Pay Provision

The provision for employment termination benefits, as required by Turkish Labor Law represents the present value of the future probable obligation of the Group arising from the retirement of its employees as the reporting date

Under the Turkish Law and union agreements, severance payments are made to employees for retiring or involuntarily leaving the company. Such payments are considered as being part of defined retirement benefit plan as per Turkish Accounting Standard No: 19 (revised) “Employee Benefits” (“TAS 19”). In this extent, in addition to the salary, social rights such as employee benefits including bonuses, fuel, leave of absence, military benefits, marriage, birth and death are provided to the Company’s employees.

The retirement benefit obligation recognized in the statement of consolidated financial position represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses. (Note 16)

The liabilities related to employee termination benefits are accrued when they are entitled.

2.7.14) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale. Borrowing costs which cannot be associated with the related asset are recognized in the statements of income.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in the statement of profit or loss in the period in which they are incurred.

2.7.15) Trade Receivables

Trade receivables that are created by way of providing goods or services directly to a debtor are carried at amortized cost. Trade receivables, net of unearned financial income, are measured at amortized cost, using the effective interest rate method, less the unearned financial income. Short duration receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant.

A credit risk provision for trade receivables is recognized by the Group if there is objective evidence for the inability to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount. The recoverable amount is the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception. The Group has preferred to apply “simplified approach” defined in TFRS 9 for the recognition of impairment losses on trade receivables, carried at amortized cost and that do not comprise of any significant finance component (those with maturity less than 12 months). In accordance with the simplified approach, Company measures the loss allowances regarding its trade receivables at an amount equal to “lifetime expected credit losses” except incurred credit losses in which trade receivables are already impaired for a specific reason.

If the amount of the impairment subsequently decreases due to partial/full collection, the release of the provision is credited to other income.

Credit finance income/expenses and foreign exchange gains/losses arising from trading activities are accounted for under “other operating income/expense” in the statement of income.

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

2.7) Summary of Significant Accounting Policies (Continued)

2.7.16) Trade Payables

Trade payables are payments to be made arising from the purchase of goods and services from suppliers within the ordinary course of business.

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

2.7.17) Taxation

The Company is subject to corporation tax applicable in Turkey. Provision is made in the accompanying consolidated financial statements for the estimated charged based on the Company’s results for the period.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

The corporate tax rate is 25% as of December 31, 2021 (31 December 2020 – 22%). By the Article 11 of the Law on the Collection Procedure of Public Receivables and Law No. 7316, which came into force after being published in the Official Gazette dated April 22, 2021 and numbered 31462, and the Law No. 5520, With the Temporary Article 13 added, the Corporate Tax rate will be applied as 25% for the corporate earnings for the 2021 taxation period and 23% for the corporate earnings for the 2022 taxation period.

In Turkey, temporary tax is accounted and accrued for three-month periods.

Losses can be carried forward for offsetting against future taxable income for up to 5 years. Losses cannot be carried back for offset against profits from previous periods.

Deferred tax liability or asset is recognized on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. The main temporary differences are from the recognition of income and expenses in different reporting periods according to tax laws and communiques of POAASA, and losses carried forward tax reductions and incentives.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized.

Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Companies that ended last period with loss, could carry deferred tax assets arising from unused losses and tax reductions and exceptions calculated as to tax legislations to the consolidated financial statements on condition that qualified evidence exists convincing enough profit will be written that unused losses and tax reductions and exceptions calculated as to tax legislations could be deducted from. In this circumstance, amount of deferred tax asset and qualification of evidence are explained at related consolidated financial statement notes.

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

2.7) Summary of Significant Accounting Policies (Continued)

2.7.18) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of consolidated financial position when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and the liability simultaneously.

2.7.19) Discontinued Operations

The Group does not have any activity within discontinued operations.

2.7.20) Government Grant and Incentives

Grant from the government is recognized at fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all the required conditions. Government grants related to costs are accounted as income on a consistent basis over the related periods with costs. Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the statements of income on a straight-line basis over the expected lives of the related assets.

2.7.21) Subsequent Events

An explanation for any event between the reporting date and the publication date of the statement of consolidated financial position, which has positive or negative effects on the Group (should any evidence come about events that were prior to the reporting date or should new events come about) will be explained in the relevant note. The Group restates its consolidated financial statements if such subsequent events arise. In case that events occur subsequent to the reporting date that do not require a correction to be made, those events are disclosed in the notes to the consolidated financial statement within the compass of the economic decisions of consolidated financial statement users are affected.

2.7.22) Statement of Cash Flows

In the statement of cash flows, cash flows during the period are classified under operating, investing or financing activities. The cash flows raised from business activities indicate Group's cash flows due to operating activities. The cash flows due to investing activities indicate the Group's cash flows that are used for and obtained from investments and its repayments. The cash flows due to financing activities indicate the Group's cash flows obtained from financial arrangements and used in their repayment.

2.8) Critical Accounting Estimates and Assumptions

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of reporting date. Actual results may vary from the current estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in statement of income in the periods in which they become known.

Significant judgments which may affect the amounts reflected to the consolidated financial statements and significant estimates and judgments made considering the key sources which exist as of the reporting date or may exist in the future are as follows:

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

2.8) Summary of Significant Accounting Policies (Continued)

a) The Group recognizes deferred tax assets and liabilities for temporary differences which arising from the differences between taxable statutory consolidated financial statements and financial statements prepared in accordance with TFRS. Partially or fully recoverable amount of deferred tax assets have been estimated in the present circumstances. During the assessment, projections of future profits, current period losses, expiration dates of unused losses and other tax assets and tax planning strategies which can be used when necessary are considered. According to the obtained data if the Group's taxable profit in the future not enough to meet all of the deferred tax assets, provisions are made for whole or part of the deferred tax assets.

b) The Group Management has made assumptions over the useful life of property, plant and equipment and intangible assets based on the expertise of the technical departments.

c) The cost of defined benefit plans is determined using actuarial valuations which involve making assumptions about discount rates, future salary increases and employee turnover rates by the Group's Management. (Note 16)

d)The Group creates a doubtful receivable provision in the trade receivables in case of a situation that shows that it cannot collect the amounts to be paid. The amount of this provision is the difference between the carrying amount and recoverable amount. The Group's management has made provision for doubtful trade receivables amounting to TL 4.442.961 (31 December 2020- 3.942.240 TL) in the consolidated financial statements for the year ended 31 December 2021. (Notes 6, 7 and 12)

e) When the net realizable value of inventories decreases below its cost, the inventories are reduced to their net realizable value and are charged to the income statement in the year in which the impairment occurred. As a result of the calculations the Group Management, since the net realizable value of the inventories decrease below its cost, some parts of the inventories were reduced to their net realizable value. Group management has made a provision for inventory impairment amounting to TL 625.237 (31 December 2020: TL 373.818) in the consolidated financial statements for the period as of 31 December 2021. (Note 8)

f) Provisions for litigation are determined by estimating the probability of losing related lawsuits and potential consequences if they are lost by the Company management in line with the opinions of the Company's legal advisers. The management of the company allocated a provision for a lawsuit amounting to TL 31.400 (31 December 2020 - TL 46.000) in the consolidated financial statements as of 31 December 2021. (Note 15)

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 3 – SEGMENT REPORTING

1 January - 31 December 2021	**Renewable Energy Sales**	**Corporate Identity**	**Elimination Note**	**Consolidated**
Sales	326.785.638	25.839.169	(4.687.610)	347.937.197
Cost of Sales (-)	(254.465.326)	(13.716.762)	5.007.752	(263.174.336)
Gross Operating Profit (Loss) (+/-)	**72.320.312**	**12.122.407**	**320.142**	**84.762.861**
General Administrative Expenses (-)	(4.851.571)	(590.949)	12.000	(5.430.520)
Marketing, Sales and Distribution Expenses (-)	(8.956.093)	(1.531.874)	2.229	(10.485.738)
Research and Development Expenses (-)	(1.444.416)	(76.022)	-	(1.520.438)
Other Operating Income/ Expenses (-)	19.120.388	1.450.502	(14.229)	20.556.661
Operating Profit/Loss	**76.188.620**	**11.374.064**	**320.142**	**87.882.826**
Investment Income and Expenses, Net	213.914	162.358	(2.710)	373.562
Operating Profit (Loss) Before Financial Expense (+/-)	**76.402.534**	**11.536.422**	**317.432**	**88.256.3898**
Financial Income (Expenses)	(392.749)	407.343	-	14.594
Continued Operations Profit (Loss) Before Taxation (+/-)	**76.009.785**	**11.943.765**	**317.432**	**88.270.982**
Tax Income (Expense) for the Period (+/-)	(20.174.592)	(1.091.190)	-	(21.265.782)
Deferred Tax Income (Expense) (+/-)	(401.384)	(66.071)	(61.237)	(528.692)
Profit (Loss) For the Period (+/-)	**55.433.809**	**10.786.504**	**256.195**	**66.476.508**

Statement Of Financial Position (31 December 2021)				
Total Assets	185.300.434	15.469.425	(1.152.035)	199.617.823
Total Liabilities	92.380.108	6.318.390	(501.539)	98.196.959
Depreciation and Amortization	2.680.934	233.334	-	2.914.268

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 3 – SEGMENT REPORTING (Continued)

1 January - 31 December 2020	**Renewable Energy Sales**	**Corporate Identity**	**Elimination Note**	**Consolidated**
Sales	140.596.839	13.136.949	(2.066.915)	151.666.873
Cost of Sales (-)	(106.844.531)	(11.086.078)	1.746.771	(116.183.838)
Gross Operating Profit (Loss) (+/-)	**33.752.308**	**2.050.871**	**(320.144)**	**35.483.035**
General Administrative Expenses (-)	(3.012.895)	(422.574)	10.170	(3.425.299)
Marketing, Sales and Distribution Expenses (-)	(3.436.806)	(482.524)	-	(3.919.330)
Research and Development Expenses (-)	(1.548.358)	(81.493)	-	(1.629.851)
Other Operating Income/ Expenses (-)	(1.466.515)	(143.543)	(13.456)	(1.623.514)
Operating Profit/Loss	**24.287.734**	**920.737**	**(323.430)**	**24.885.041**
Investment Income and Expenses, Net	-	1.854.011	(14.427)	1.839.584
Operating Profit (Loss) Before Financial Expense (+/-)	**24.287.734**	**2.774.748**	**(337.857)**	**26.724.625**
Financial Income (Expenses)	(1.460.104)	(1.986.679)	3.286	(3.443.497)
Continued Operations Profit (Loss) Before Taxation (+/-)	**22.827.630**	**788.069**	**(334.571)**	**23.281.128**
Tax Income (Expense) for the Period (+/-)	(4.237.372)	(1.059.343)	-	(5.296.715)
Deferred Tax Income (Expense) (+/-)	547.550	69.974	66.914	684.438
Profit (Loss) For the Period (+/-)	**19.137.808**	**(201.300)**	**(267.657)**	**18.668.851**
Statement Of Financial Position (31 December 2020)				
Total Assets	122.520.765	29.276.042	(4.539.331)	147.257.476
Total Liabilities	34.772.339	80.986.132	(3.632.637)	112.125.834
Depreciation and Amortization	2.050.850	512.713	-	2.563.563

NOTE 4 – CASH AND CASH EQUIVALENTS

4.1. Cash and Cash Equivalents

	31 December 2021	**31 December 2020**
Cash	525	1.399
Banks	24.652.941	4.800.311
Demand Deposits	*24.652.941*	*4.800.311*
Total	**24.653.466**	**4.801.710**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 4 – CASH AND CASH EQUIVALENTS (Continued)

4.1. Cash and Cash Equivalents (Continued)

	31 December 2021		31 December 2020	
	Original Amount	**TL Equivalent**	**Original Amount**	**TL Equivalent**
EURO	1.631.356	24.611.779	451.076	4.063.248
USD	9	120	86.100	632.017
Total		**24.611.899**		**4.695.265**

Cash and cash equivalents which are situated in statement of consolidated cash flow shown below as of 31 December 2021 and 31 December 2020:

	31 December 2021	31 December 2020
Cash and Cash Equivalents	24.653.466	4.801.710
Minus: Blocked Deposits	-	-
Total	**24.653.466**	**4.801.710**

NOTE 5 – RELATED PARTY TRANSACTIONS

5.1) Related Parties Receivables and Payables:

a) Trade Receivables Due from Related Parties	31 December 2021	31 December 2020
Ateş Çelik İnş. Taah. Proje Müh. San. Tic. A.Ş.	55.366.201	18.172.957
Hamax Europe Endüstri San. ve Tic. A.Ş.	8.379	1.318
Plaka Mobilya Taahhüt Sanayi ve Ticaret A.Ş.	-	400.000
Promaya Danışmanlık ve Ekon. Araş. Ltd. Şti.	-	10.263
Rediscount from Related Parties (-)	(2.168)	(472.818)
Total	**55.372.412**	**18.111.720**

b) Trade Payables Due to Related Parties	31 December 2021	31 December 2020
Ateş Çelik İnş. Taah. Proje Müh. San. Tic. A.Ş.	4.263.576	-
Promaya Danışmanlık ve Ekon. Araş. Ltd. Şti.	11.089	5.501
Plaka Mobilya Taahhüt Sanayi ve Ticaret A.Ş.	9.072	57.431
Rediscount from Related Parties (-)	(36.748)	(497)
Total	**4.246.989**	**62.435**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 5 – RELATED PARTY TRANSACTIONS (Continued)

5.1) Related Parties Receivables and Payables (Continued):

c) Other Short-Term Receivables Due from Related Parties	31 December 2021	31 December 2020
Metin Arısan	149.715	262.962
Verite Veri Analitik Çözümler A.Ş.	44.502	32.154
Hamax Europe Endüstri San. ve Tic. A.Ş.	699	-
Other	-	55
Total	**194.916**	**295.171**

d) Other Short-Term Payables Due to Related Parties	31 December 2021	31 December 2020
Promaya Danışmanlık ve Ekon. Araş. Ltd. Şti.	9.737	-
Evren Güldoğan	1.233	333
Total	**10.970**	**333**

e) Other Short-Term Payables Due to Related Parties	31 December 2021	31 December 2020
Plaka Mobilya Taah. San. ve Tic. A.Ş.	1.505.156	5.744.820
Total	**1.505.156**	**5.744.820**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 5 – RELATED PARTY TRANSACTIONS (Continued)

5.2 Sales to / Purchases from Related Parties:

	1 January 2021 – 31 December 2021							
	Goods		Interest		Fixed Assets		Other/ Leasing	
	Purchases	Sales	Purchases	Sales	Purchases	Sales	Purchases	Sales
Ateş Çelik İnş. Taah. Proje Müh. San ve Tic. A.Ş.	3.233.769	160.581.988	54.315	-	456.417	-	2.030.129	8.815
Plaka Mobilya Taah. San. ve Tic. A.Ş.	5.845.010	76.792	1.004	633.208	88.595	262.554	2.950	354.466
Verite Veri Analitik Çözümleri A.Ş.	-	-	-	-	-	-	-	12.348
Hamax Europe Endüstri San. Ve Tic. A.Ş.	-	4.438	-	-	-	-	-	8.026
Promaya Danışmanlık ve Ekon. Araş. Ltd. Şti.	-	-	-	-	-	-	40.929	1.247
Total	**9.078.779**	**160.663.218**	**55.319**	**633.208**	**545.012**	**262.554**	**2.074.008**	**384.902**

	1 January 2020 – 31 December 2020							
	Goods		Interest		Fixed Assets		Other/ Leasing	
	Purchases	Sales	Purchases	Sales	Purchases	Sales	Purchases	Sales
Ateş Çelik İnş. Taah. Proje Müh. San ve Tic. A.Ş.	727.203	106.544.443	131.115	-	10.000	-	1.331.829	15.766
Plaka Mobilya Taah. San. Ve Tic. A.Ş.	3.594.854	131.331	452.589	1.093.528	1.414.483	2.399.205	134.037	343.370
Promaya Proje Tas. Mimar. Müh. San. Ve Tic. A.Ş.	-	8.183	-	-	-	-	9.656	-
Verite Veri Analitik Çözümleri A.Ş.	-	-	-	-	-	-	87.500	-
Hamax Europe Endüstri San. Ve Tic. A.Ş.	-	200	-	-	-	-	-	7.261
AFG Proje Mühendislik Proje Mühendislik Yapı İnş. Taah. San. Ve Tic. Ltd. Şti.	-	3.803	-	-	-	-	-	1.300
Promaya Danışmanlık ve Ekon. Araş. Ltd. Şti.	4.660	-	-	-	3.457	4.231	63.535	6.370
Total	**4.326.717**	**106.687.960**	**583.704**	**1.093.528**	**1.427.940**	**2.403.436**	**1.626.557**	**374.067**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 5 – RELATED PARTY TRANSACTIONS (Continued)

5.3) Compensation to Key Management Personnel

	31 December 2021	31 December 2020
Compensation to Key Management Personnel	1.020.282	685.331
Total	**1.020.282**	**685.331**

NOTE 6 – TRADE RECEIVABLES AND PAYABLES

6.1. Balance Sheet Amounts of Trade Receivables and Trade Payables

a) Trade Receivables

Short-Term Trade Receivables	**31 December 2021**	**31 December 2020**
Trade Receivables	23.341.556	31.217.994
Trade Receivables from Related Parties (Note 5)	55.374.580	18.184.538
Doubtful Trade Receivables	2.456.015	1.977.031
Provision for Doubtful Trade Receivables (-)	(2.456.015)	(1.977.031)
Notes Receivables	-	50.000
Notes Receivables from Related Parties (Note 5)	-	400.000
Rediscount on Trade Receivables (-)	(10.266)	(2.610)
Rediscount on Trade Receivables from Related Parties (-) (Note 5)	(2.168)	(465.658)
Rediscount on Notes Receivables (-)	-	(1.880)
Rediscount on Notes Receivables from Related Parties (-) (Note 5)	-	(7.160)
Total	**78.703.702**	**49.375.224**

b) Trade Payables

Short-Term Trade Payables	**31 December 2021**	**31 December 2020**
Trade Payables	29.674.030	20.832.125
Trade Payables to Related Parties (Note 5)	4.283.737	62.932
Rediscount on Trade Payables (-)	(86.879)	(146.390)
Rediscount on Trade Payables from Related Parties (-) (Note 5)	(36.748)	(497)
Total	**33.834.140**	**20.748.170**

6.2. Maturity Allocations of Trade Receivables and Trade Payables

The Group's maturity allocations of trade receivables and note receivables are as follows:

Maturity (Current)	**31 December 2021**	**31 December 2020**
0-1 month	593.777	29.833.198
1-3 month	78.122.359	19.569.334
Total	**78.716.136**	**49.402.532**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 6 – TRADE RECEIVABLES AND PAYABLES (Continued)

6.2. Maturity Allocations of Trade Receivables and Trade Payables (Continued)

The Group's maturity allocations of trade receivables and note receivables are as follows:

Maturity (Note Receivables)	**31 December 2021**	**31 December 2020**
1-3 month	-	400.000
3-6 month	-	50.000
Total	**-**	**450.000**

The Group's maturity allocations of trade payables are as follows:

Maturity (Current)	**31 December 2021**	**31 December 2020**
0-1 month	18.862.937	7.486.530
1-3 month	15.094.830	13.408.527
Total	**33.957.767**	**20.895.057**

The movement of the allowance for doubtful receivables is as follows:

	31 December 2021	**31 December 2020**
01 January	(1.977.031)	(1.874.100)
Effect of TFRS 9	(32.356)	(48.700)
Charge for the Period	(495.328)	(74.338)
Reversal of the Charge	48.700	20.107
Balance at the end of the Period	**(2.456.015)**	**(1.977.031)**

NOTE 7 – OTHER RECEIVABLES AND PAYABLES

7.1. Balance Sheet Amounts of Other Receivables and Payables

a) Other Short-Term Receivables

	31 December 2021	**31 December 2020**
Receivables from Shareholder (Note 5)	149.715	263.017
Other Receivables	525.613	250.797
Receivables of VAT Return	2.622.697	4.533.335
Other Receivables from Related Parties (Note 5)	45.201	32.154
Doubtful Other Receivables	153.855	153.855
Provision for Doubtful Other Receivables (-)	(153.855)	(153.855)
Total	**3.343.226**	**5.079.303**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 7 – OTHER RECEIVABLES AND PAYABLES (Continued)

7.1. Balance Sheet Amounts of Other Receivables and Payables (Continued)

b) Other Short-Term Liabilities

	31 December 2021	31 December 2020
Taxes and Funds Payable	335.946	476.763
Other Liabilities Payable	-	6.098
Other Payables	11.045.584	10.551.253
Other Payables to Related Parties (Note 5)	9.737	-
Due to Shareholders (Note 5)	1.233	333
Total	**11.392.500**	**11.034.447**

c) Other Long-Term Receivables

	31 December 2021	31 December 2020
Deposits and Guarantees Given	3.207	-
Total	**3.207**	**-**

NOTE 8 – INVENTORIES

	31 December 2021	31 December 2020
Raw Material and Supplies	32.363.787	15.566.613
Semi-Finished Goods	7.721.510	10.761.808
Finished Goods (*)	12.963.519	27.056.090
Trade Goods	-	328.502
Goods in Transit	10.993.526	10.498.517
Provision For Inventories (-)	(625.237)	(373.818)
Total	**63.417.105**	**63.837.712**

(*) In accordance with TFRS 15, the Group recognized the sales as finished goods whereas the obligation is not fulfilled against the customer.

Provision For Impairment of Inventory (-)	31 December 2021	31 December 2020
Provisions Amount at the Beginning of the Year	(373.818)	(110.761)
Addition	(341.348)	(286.435)
Disposal (-)	89.929	23.378
Total	**(625.237)**	**(373.818)**

Insurance on the Group's inventory is TL 7.750.000. (31 December 2020 – TL 7.500.000)

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT

9.1. Changes in Property, Plant and Equipment

31 December 2021

Property, Plant and Equipment	1 January 2021	Additions	Disposals	Transfer (*)	Elimination	31 December 2021
Plants Machinery and Equipment	12.869.840	6.842.763	(152.932)	(1.138.908)	-	18.420.763
Vehicles	370.500	530.000	-	-	-	900.500
Furniture and Fixtures	2.530.805	234.890	(170.561)	-	-	2.595.134
Leasehold Improvements	2.696.254	463.690	(73.100)	-	-	3.086.844
Construction in Progress	-	102.212	-	(102.212)	-	-
Total	**18.467.399**	**8.173.555**	**(396.593)**	**(1.241.120)**	**-**	**25.003.241**

Accumulated Depreciation (-)	1 January 2021	Additions	Disposals	Transfer	Elimination	31 December 2021
Plants Machinery and Equipment (-)	(7.696.694)	(1.537.070)	133.240	124.112	6.144	(8.970.268)
Vehicles (-)	(139.158)	(126.730)	-	-	-	(265.888)
Furniture and Fixtures (-)	(1.764.685)	(305.688)	81.169	-	(2.594)	(1.991.798)
Leasehold Improvements (-)	(1.849.496)	(490.931)	48.733	-	(6.257)	(2.297.951)
Total	**(11.450.033)**	**(2.460.419)**	**263.142**	**124.112**	**(2.707)**	**(13.525.905)**
31 December 2021 Property, Plant and Equipment (Net)	**7.017.366**					**11.477.336**

As at December, 31, 2021, there is insurance on the property plant and equipment of the Group amounting to TL 61.016.000.

(*) The amount of 1.241.120 TL has been reclassified to right-of-use assets.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT (Continued)

9.1. Changes in Property, Plant and Equipment

31 December 2020

Property, Plant and Equipment	**1 January 2020**	**Additions**	**Disposals**	**Transfer**	**Elimination**	**31 December 2020**
Plants Machinery and Equipment	11.553.751	1.516.585	(2.058.281)	1.857.785	-	12.869.840
Operational Lease Assets	1.959.835	-	-	(1.959.835)	-	-
Vehicles	260.740	-	(110.070)	219.830	-	370.500
Furniture and Fixtures	2.301.560	233.145	(105.950)	102.050	-	2.530.805
Leasehold Improvements	2.696.254	-	-	-	-	2.696.254
Construction in Progress	-	219.830	-	(219.830)	-	-
Total	**18.772.140**	**1.969.560**	**(2.274.301)**	**-**	**-**	**18.467.399**

Accumulated Depreciation (-)	**1 January 2020**	**Additions**	**Disposals**	**Transfer**	**Elimination**	**31 December 2020**
Plants Machinery and Equipment (-)	(6.601.776)	(1.260.477)	466.311	(306.895)	6.143	(7.696.694)
Operational Lease Assets (-)	(329.392)	-	-	329.392	-	-
Vehicles (-)	(176.671)	(34.068)	71.581	-	-	(139.158)
Furniture and Fixtures (-)	(1.462.459)	(300.446)	24.252	(22.497)	(3.535)	(1.764.685)
Leasehold Improvements (-)	(1.344.367)	(488.092)	-	-	(17.037)	(1.849.496)
Total	**(9.914.665)**	**(2.083.083)**	**562.144**	**-**	**(14.429)**	**(11.450.033)**
31 December 2020 Property, Plant and Equipment	**8.857.475**					**7.017.366**

As at December, 31, 2020, there is insurance on the property, plant and equipment of the Group amounting to TL 20.135.000.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT (Continued)

9.1. Changes in Property, Plant and Equipment (Continued)

As of 31 December 2021, and 31 December 2020, property, plant and equipment, intangible assets and right of use assets distribution of amortization and depreciation expenses are as follows:

Distribution of Depreciation Expenses	31 December 2021	31 December 2020
Cost of Goods Sold (-)	1.813.640	1.393.135
Marketing and Sales Expenses (-)	398.291	398.263
Research and Development Expenses (-)	238.770	176.675
General Administrative Expenses (-)	463.567	595.490
Total	**2.914.268**	**2.563.563**

NOTE 10 – RIGHT OF USE ASSETS

Right of Use Assets	1 January 2021	Addition	Transfer	31 December 2021
Plants machinery and Equipment	-	-	1.241.120	1.241.120
Plants machinery and Equipment Accumulated Depreciation (-)	-	(31.028)	(124.112)	(155.140)
Vehicles	-	651.878	-	651.878
Vehicles Accumulated Depreciations (-)	-	(108.646)	-	(108.646)
Right Of Use Assets (NET)	**-**			**1.629.212**

Right of Use Assets	1 January 2020	Addition	Disposal	31 December 2020
Vehicles	149.358	-	(149.358)	-
Accumulated Depreciations (-)	(77.926)	(71.432)	149.358	-
Right of Use Assets (NET)	**71.432**			**-**

NOTE 11 – INTANGIBLE ASSETS

Intangible Assets	1 January 2021	Addition	Transfer	31 December 2021
Rights	679.505	198.616	-	878.121
Rights Accumulated Depreciations (-)	(389.766)	(43.604)	-	(433.370)
Computer Software	386.294	59.223	-	445.517
Computer Software Accumulated Depreciations (-)	(267.378)	(21.722)	-	(289.100)
Other Intangible Assets	1.322.635	-	-	1.322.635
Other Intangible Assets Accumulated Depreciations (-)	(1.024.708)	(248.849)	-	(1.273.557)
31 December 2021 Intangible Assets (NET)	**706.582**			**650.246**

Intangible Assets	1 January 2020	Addition	Disposal	31 December 2020
Rights	679.505	-	-	679.505
Rights Accumulated Depreciations (-)	(282.445)	(107.321)	-	(389.766)
Computer Software	379.626	6.668	-	386.294
Computer Software Accumulated Depreciations (-)	(230.177)	(37.201)	-	(267.378)
Other Intangible Assets	1.322.635	-	-	1.322.635
Other Intangible Assets Accumulated Depreciations (-)	(760.182)	(264.526)	-	(1.024.708)
31 December 2020 Intangible Assets (NET)	**1.108.962**			**706.582**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 12 – PREPAYMENTS, CONTRACT LIABILITIES, DEFERRED INCOME

a) Short-Term Prepaid Expenses

	31 December 2021	31 December 2020
Advances Given	10.580.016	5.936.011
Advances Given to Related Parties (Note 5)	1.505.156	5.744.820
Doubtful Advances Given (*)	1.833.091	1.811.354
Provision for Doubtful Advances Given (-)	(1.833.091)	(1.811.354)
Prepaid Expenses for Future Months	135.286	95.753
Total	**12.220.458**	**11.776.584**

(*) Ada Satın Alma ve Tedarik Hizmetleri Ltd. Sti. agency relations have been terminated and a provision of TL 1.807.369 recognized. (31 December 2020 – TL 1.807.369)

b) Long-Term Prepaid Expenses

	31 December 2021	31 December 2020
Prepaid Expenses	77.215	2.940
Total	**77.215**	**2.940**

c) Liabilities Arising from Customer Contracts

	31 December 2021	31 December 2020
Liabilities From Goods and Services (*)	16.204.399	33.397.632
Total	**16.204.399**	**33.397.632**

(*) In accordance with TFRS 15, the Group recognized the sales as finished goods whereas the obligation is not fulfilled against the customer.

d) Short-Term Deferred Income

	31 December 2021	31 December 2020
Advances Received	2.608.705	1.844.943
Total	**2.608.705**	**1.844.943**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 13 – LIABILITIES

13.1. Financial Liabilities

a) Current Borrowings

	31 December 2021	31 December 2020
Bank Loans	6.045.560	24.321.330
Liabilities from Financial Leasing Operations (*)	600.065	412.039
Costs of Interest Payables of Deferred Lease (-) (*)	(128.313)	(168.380)
Credit Card Payables	11.532	24.274
Total	**6.528.844**	**24.589.263**

(*) TFRS 16 is included.

b) Current Portion of Non-Current Borrowings

	31 December 2021	31 December 2020
Current Maturities of Long-Term Credits and Accrued Interest	3.064.053	1.845.270
Interest Expense Accruals	13.228	7.935
Total	**3.077.281**	**1.853.205**

c) Long-Term Borrowings

	31 December 2021	31 December 2020
Bank Loans	12.010.508	9.049.974
Borrowings from Financial Leasing Operations (*)	1.095.138	1.134.109
Deferred Leasing Interest Payables (-) (*)	(108.714)	(237.027)
Total	**12.996.932**	**9.947.056**

(*) TFRS 16 is included.

13.2.) Summary Information on Short-Term and Long-Term Financial Liabilities

As of 31 December 2021, and 31 December 2020, information on short and long-term payables is as follows:

31 December 2021						
Financial Liabilities						
Currency	**Maturity**	**Interest Rates**	**Original Amount**	**Short Term**	**Long Term**	**Total**
TL	2022 - 2024	18,60% - 20,46%	1.645.126	578.094	1.067.032	1.645.126
EURO	2022 - 2026	0,031% - 5%	1.386.666	9.028.031	11.929.900	20.957.931
Total				**9.606.125**	**12.996.932**	**22.603.057**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 13 – LIABILITIES (Continued)

13.2. Summary Information on Short-Term and Long-Term Financial (Continued)

31 December 2020						
Financial Liabilities						
Currency Type	**Maturity**	**Interest Rate**	**Original Amount**	**Short-Term**	**Long-Term**	**Total**
TL	2021 - 2024	18,60% - 20,46%	1.402.841	343.580	1.059.261	1.402.841
EURO	2021 - 2026	0,031% - 5%	3.884.000	26.098.888	8.887.795	34.986.683
Total				**26.442.468**	**9.947.056**	**36.389.524**

13.3. Movement of Bank Loans During the Period

Reconciliation of liabilities arising from financing activities:

Cash and non-cash changes in the Group's liabilities arising from financing operations are given in the table below. Liabilities arising from financing operations are cash flows that are or will be reclassified to cash flows from financing activities in the Group's cash flow statement.

				Non-Cash Variations		
	1 January 2021	Finance Cash Flow	Finance Cash Out-Flow	Accrual of Interest	Valuation	31 December 2021
Bank Loans and Financial Leasing	36.365.250	10.383.995	(34.942.427)	13.228	10.771.479	22.591.525
Total	**36.365.250**	**10.383.995**	**(34.942.427)**	**13.228**	**10.771.479**	**22.591.525**

				Non-Cash Variations		
	1 January 2020	Finance Out-Flow	Finance Cash Out-Flow	Accrual of Interest	Valuation	31 December 2020
Bank Loans and Financial Leasing	10.554.947	33.818.029	(11.115.110)	366.344	2.741.040	36.365.250
Total	**10.554.947**	**33.818.029**	**(11.115.110)**	**366.344**	**2.741.040**	**36.365.250**

13.4. Maturity Allocations of Bank Loans

Maturity allocations of financial liabilities as of 31 December 2021 and 31 December 2020 are as follows:

Financial Liabilities	**31 December 2021**	**31 December 2020**
Within 1 year	9.606.125	26.442.468
Within 1-2 years	3.628.026	2.142.862
Within 2-3 years	3.403.954	2.188.543
Within 3-4 years	2.982.476	2.060.532
Within 4-5 years	2.982.476	1.777.559
Over 5 years	-	1.777.560
Total	**22.603.057**	**36.389.524**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 13 – LIABILITIES (Continued)

13.5. Guarantees Given to Financial Institutions for Financial Liabilities

31 December 2021	**EURO**	**TL Equivalent**
Letter of Guarantee	1.462.000	22.096.522
Total		**22.096.522**

31 December 2020	**EURO**	**TL Equivalent**
Letter of Guarantee	3.998.200	36.015.386
Total		**36.015.386**

NOTE 14 – IMPAIRMENT OF ASSETS

a) Impairment loss recognized in profit or loss within the period is TL 890.769. (31 December 2020 – TL 409.473)

b) Reversal of impairment loss recognized in profit or loss within the period is TL 138.629. (31 December 2020 – TL 49.017)

c) There is no impairment loss related to the revaluated assets accounted directly in equity during the period. (31 December 2020 – None.)

d) There is no impairment loss reversal related to the revaluated assets accounted directly in equity during the period. (31 December 2020 – None.)

NOTE 15 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a. Provision for Lawsuit

Provision for Lawsuit	**31 December 2021**	**31 December 2020**
Provisions Amount at the Beginning of the Year	46.000	-
Addition	400	46.000
Disposal (-)	(15.000)	-
Amount at the End of the Year	**31.400**	**46.000**

b. Ongoing Cases and Conflicts:

There are 3 ongoing cases and conflicts against the Group is TL 1.207.000. (31 December 2020 - There is 1 ongoing foreclosure suit filed in favor of the Group, the amount is TL 250.000.)

There are 5 ongoing lawsuits filed against the Group. A total of 31.400 TL provision has been recognized for 3 lawsuits. (31 December 2020 – There are 2 ongoing lawsuits filed against the Group, the amount is TL 46.000 and a provision has been recognized for all of them.)

c. Compensation in Favor of the Business:

There is no claim for compensation filed in favor of the Group. (31 December 2020 – None.)

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 15 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

d. Collaterals, Pledges and Mortgages "CPM" Given and Received:

As at 31 December 2021, there is a letter of guarantee of 110.000 TL received. As at 31 December 2020, there is a letter of guarantee of 314,882 TL received. The tables regarding the Group's given collateral / pledge / mortgage ("CPM") position are as follows:

	31 December 2021			
CPMs Given by the Group	**TL Equivalent**	**USD**	**EURO**	**TL**
A. CPM's given in the name of its own legal personality	29.324.366	5.000	1.926.719	137.363
B. CPM's given on behalf of the fully consolidated companies	-	-	-	-
C. CPM's given on behalf of third party for ordinary course of business	-	-	-	-
D. Total Amount of CPM's given	-	-	-	-
-i. Total Amount of CPM's given on behalf of the majority shareholders	-	-	-	-
-ii. Total Amount of CPM's given on behalf of other group companies which are not in scope of B and C	-	-	-	-
-iii. Total Amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-
Total	**29.324.366**	**5.000**	**1.926.719**	**137.363**

* Percentage of other CPM's given by the Group to the Group's equities is 0% as of 31 December 2021.

	31 December 2020			
CPMs Given by the Group	**TL Equivalent**	**USD**	**EURO**	**TL**
A. CPM's given in the name of its own legal personality	40.138.606	5.000	4.436.034	142.553
B. CPM's given on behalf of the fully consolidated companies	-	-	-	-
C. CPM's given on behalf of third party for ordinary course of business	-	-	-	-
D. Total Amount of CPM's given	-	-	-	-
-i. Total Amount of CPM's given on behalf of the majority shareholders	-	-	-	-
-ii. Total Amount of CPM's given on behalf of other group companies which are not in scope of B and C	-	-	-	-
-iii. Total Amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-
Total	**40.138.606**	**5.000**	**4.436.034**	**142.553**

* Percentage of other CPM's given by the Group to the Group's equities is 0% as of 31 December 2020.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 16 – EMPLOYEE BENEFITS

a) Short-Term Liabilities for Employment Termination Benefits

	31 December 2021	31 December 2020
Social Security Withholdings Payable	381.407	292.878
Due to Personnel	-	720.556
Total	**381.407**	**1.013.434**

b) Short-term Provisions for Employee Benefits

Provisions for Vacation (Short Term)

	31 December 2021	31 December 2020
Vacation Provision	665.078	459.045
Total	**665.078**	**459.045**

c) Provision for Severance Payments (Long-Term)

Under the Turkish law, legislations and union agreements, severance payments are paid providing that retiring or employment termination. Also, according to the Social Security Law if employee which works 15 years and has premium 3.600 days deserves severance payment even if they resign.

Except legal liabilities shown below, the Group does not have any pension commitment agreement.

According to Turkish law legislations, the Group has to pay termination benefits to an employee that retired completing at least one-year service (for woman age of 58, for man an age of 60), break with company, called for military service or died. It is possible that employees would retire before the ages given above according to date of employment. Some transitional provisions related with retirement prerequisites have been removed due to the amendments in the relevant law on May 23, 2002. The amount payable consists of one month's salary limited to a maximum of TL 10.848,59 for each period of service as of 1 January 2022. (31 December 2020 - The retirement pay provision ceiling is TL 7.638,96 which is effective from 1 January 2021, is taken into consideration in the calculation of provision for employment termination benefits).

Liability of employment termination benefits is not subject to any funding as there is not an obligation.

Provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. IAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the Group's obligation under the defined benefit plans. The following actuarial assumptions are used in the calculation of the total liability.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 16 – EMPLOYEE BENEFITS (Continued)

c) Provision for Severance Payments (Long-Term) (Continued)

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying consolidated financial statements, the provision is calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees.

Provisions at the reporting date were calculated by assuming the annual inflation rate of 17,10 % and the discount rate of 22%, the real discount rate is approximately 4,18%. (31 December 2020 - 4,82 %). The anticipated rate of forfeitures that occurred on voluntary turnovers is considered as the rate of 93,26%. (31 December 2020 - 93,36 %).

If the discount rate is taken as 1% (low) / high, severance pay liability will be respectively TL 315.870 (more) and TL 260.744 less.

If the other assumptions are kept the same, if the probability voluntary turnover is 1% lower / (higher), the severance pay liability will be respectively TL 42.082 less and TL 45.611.

Movements in the provision for employment termination benefits are as follows:

	31 December 2021	31 December 2020
Opening as of 1 January	**1.818.524**	**1.012.293**
Interest Cost	231.550	128.239
Actuarial Gain / Loss (+/-)	234.106	541.508
Service Cost	532.471	264.369
Payments to Leavers (-)	(226.333)	(127.885)
End of the Period	**2.590.318**	**1.818.524**

NOTE 17 – OTHER ASSETS AND LIABILITIES

a) Other Current Assets:

	31 December 2021	31 December 2020
Deferred VAT	1.194.111	2.248.940
Income Accruals	294.017	-
Work Advances	6.948	157
Advances to Personnel	74.885	35.398
Total	**1.569.961**	**2.284.495**

b) Other Short-Term Liabilities:

	31 December 2021	31 December 2020
Expense Accruals	1.882	77.400
Total	**1.882**	**77.400**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 18 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS

Shareholders' equity components "Paid-in Capital", "Restricted reserves appropriated from profits" and "Share Premium", which is accounted as legal reserves in accordance with Turkish Commercial Code ("TCC"), are presented with their statutory figures in books of account. In this respect, the differences (like differences due to application of inflation accounting) caused by the application revaluations or remeasurement in accordance with POAASA, which are not subject to profit distribution or capital increase as of the date of this report, are presented in "inflation adjustment to share capital" if they are related with paid-in capital and in "retained earnings" if they are related with restricted reserves appropriated from profits or share premium.

18.1) Capital/ Investment and Share Capital Eliminating Adjustment

Capital structure of the Group as of 31 December 2021 and 31 December 2020:

	31 December 2021		31 December 2020	
Shareholder	**Share**	**Amount**	**Share**	**Amount**
Erkan Güldoğan	%28,67	7.382.213	%28,67	7.382.213
Ercan Güldoğan	%20,04	5.159.258	%20,00	5.150.000
Evren Güldoğan	%1,88	483.175	%1,88	483.175
Emre Güldoğan Uzar	%0,76	194.427	%0,76	194.427
Murat Özel	%0,04	11.573	%0,04	11.573
Metin Arısan	%0,04	11.573	%0,04	11.573
Tahir Başaloğlu	%0,00	-	%0,06	14.813
Publicly Traded	%48,57	12.507.781	%48,55	12.502.226
Total	**%100**	**25.750.000**	**%100**	**25.750.000**

TL 11.573.034 of the Group's capital of TL 25.750.000 consists of Group A shares with privileges and TL 14.176.966 of it consists of Group B shares. The publicly traded portion consists of Group B shares.

18.2) Share Premiums

	31 December 2021	31 December 2020
Share Premiums	7.120.331	7.120.331
Total	**7.120.331**	**7.120.331**

18.3) Other Comprehensive Income or Expense not to be Reclassified to Profit or Loss

a) Other Comprehensive Income / Expense not to be Reclassified to Profit or Loss

The amendment in TAS-19 "Employee Benefits" does not permit the actuarial gain/loss considered in the calculation of provision for employee termination benefits to be accounted for under the statement of income. The gains and losses arising from the changes in the actuarial assumption have been accounted for by "Revaluation Funds" under the equity. The funds for actuarial gain/loss in the employee termination benefits is not in a position to be reclassified under profit and loss.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 18 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

18.3) Other Comprehensive Income / Expense not to be Reclassified to Profit or Loss (Continued)

	31 December 2021	31 December 2020
Defined Benefit Plans Remeasurement Gain / Losses	(686.234)	(499.147)
Total	**(686.234)**	**(499.147)**

18.4) Restricted Reserves

Retained earnings in the statutory consolidated financial statements can be distributed as dividends other than judgments related to legal reserves described below.

Legal reserves consist of first and second legal reserves, calculated in accordance with the Turkish Commercial Code. The first legal reserve is calculated as 5% of the financial statutory profits per annum until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is calculated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions. However, holding companies are not subject to this application. Publicly held corporations make their dividend distributions within the framework set forth in the standards and notifications published by Capital Markets Board.

Publicly held corporations make their dividend distributions within the framework set forth in the standards and notifications published by Capital Markets Board.

"Legal Reserves", "Share Premiums" in the legal reserve status and legal reserves allocated for specific purposes other than profit distribution allocated within the framework of the related Clause of Turkish Commercial Code are reflected as their recorded amounts. Within this scope, differences arising in the evaluations made within the framework of TFRS principles and inflation adjustments not subject to profit distribution or capital increase as by the report date are related with previous year's profit / losses.

	31 December 2021	31 December 2020
Legal Reserves	2.210.052	1.117.222
Total	**2.210.052**	**1.117.222**

18.5) Previous Years' Profit / (Losses)

	31 December 2021	31 December 2020
Previous Years' Profit / (Losses)	599.502	(16.953.059)
Total	**599.502**	**(16.953.059)**

18.6) Profit/(Loss) for The Period

	31 December 2021	31 December 2020
Net Profit / Loss for the Period	66.443.579	18.645.391
Total	**66.443.579**	**18.645.391**

18.7) Non – Controlling Interest

	31 December 2021	31 December 2020
Minority Interest Capital	25.000	25.000
Minority Interest Legal Reserves	3.201	2.237
Minority Interest Funds for Actuarial Gain/Loss on Employee Termination Benefits	(2.040)	(1.842)
Minority Interest Previous Years' Profit / (Loss)	(75.456)	(97.951)
Minority Interest Net Profit / (Loss) for the Period	32.929	23.460
Total	**(16.366)**	**(49.096)**

NOTE 18 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

Distribution of Dividend

"Dividend Communiqué" numbered II-19.1 prepared within the scope of compliance with the regulations in the Capital Markets Law ("Law") numbered 6362, which was published in the Official Gazette dated 30 December 2014 and numbered 28513, and entered into force in the Official Gazette dated 23 January 2015 and numbered 28891. It was published and entered into force.

Shareholder distribute their profits within the framework of the profit distribution policies to be determined by their general assembly and in accordance with the provisions of the relevant legislation, with the decision of the general assembly. Within the scope of the said communique, a minimum distribution rate has not been determined. Companies pay dividends as determined in their articles of association or dividend policy. In addition, dividends can be paid in installments of equal or different amounts, and dividend advances can be distributed in cash over the profit included in the consolidated financial statements.

It is allowed to distribute the shares to be issued free of charge by adding cash or dividends to the capital, or to distribute a certain amount of cash and a certain amount of bonus shares, depending on the decision to be taken at the general assemblies of the companies.

Unless the reserve funds required to be set aside according to the TCC and the profit share determined for the shareholders in the articles of association or the profit distribution policy are reserved; It cannot be decided to allocate other reserves, to transfer profits to the next year, and to distribute dividends to shareholders, members of the board of directors, partnership employees and non-shareholders.

After discount of the amount must be paid or allocated by the Company like overall costs, amortization amount, statutory taxes, charges and loss of previous periods from the income determined at the end of accounting period, rest of the amount indicates the net profit and allocated as follows:

- Turkish Commercial Code (TCC) stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of paid-in share capital.

- From the rest of the amount as required by the financial regulations and laws, other taxes except Corporate Tax payable and accrued taxes according to dividend are deducted.

- From the rest amount rate of 5% paid to the paid part of the unamortized shares.

- By the general assembly decision according to administrative council's decision, rest amount could be distributed partly or as a hole to the shareholders as second reserves, could be reserved as extraordinary reserves or can be transferred to the previous year.

- Besides, according to TCC, after the first legal reserve discounted from parts that assortation to holders and others participle in profit determined by the general assembly, rate of 10% second legal reserve assorted.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 19 – SALES AND COST OF SALES

	1 January 2021 31 December 2021	**1 January 2020 31 December 2020**
Domestic Sales	166.012.783	110.060.989
Export Sales	182.026.941	40.900.232
Other Revenues	-	808.753
Sales Returns (-)	(102.527)	(71.251)
Sales Deductions (-)	-	(31.850)
Total	**347.937.197**	**151.666.873**
Cost of Sales (-)	**(263.174.336)**	**(116.183.838)**
Gross Operating Profit / (Loss)	**84.762.861**	**35.483.035**

The details of sales and cost of sales are as follows:

	1 January 2021 31 December 2021	**1 January 2020 31 December 2020**
Corporate Identity Solution Sales	21.243.489	11.127.111
Renewable Energy Sales	324.482.250	136.841.040
Trade Goods Sales	1.755.390	1.501.651
Scrap Sales	558.595	1.491.419
Other Revenues	-	808.753
Sales	**348.039.724**	**151.769.974**
Corporate Identity Solution Sales Returns (-)	(91.930)	(57.077)
Renewable Energy Sales Returns (-)	(10.597)	-
Trade Goods Sales Returns (-)	-	(46.024)
Sales Returns and Discounts (-)	**(102.527)**	**(103.101)**
Sales Revenues	**347.937.197**	**151.666.873**
Corporate Identity Solution Sales	(8.709.010)	(9.339.307)
Renewable Energy Sales	(252.878.111)	(104.016.347)
Trade Goods Sales	(1.158.630)	(1.651.831)
Scrap Sales	(428.585)	(1.176.353)
Cost of Sales	**(263.174.336)**	**(116.183.838)**
Gross Profit/Loss	**84.762.861**	**35.483.035**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 20 – GENERAL ADMINISTRATIVE EXPENSES, MARKETING, EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

	1 January 2021 31 December 2021	1 January 2020 31 December 2020
General Administrative Expenses	(5.430.520)	(3.425.299)
Marketing, Sales and Distribution Expenses	(10.485.738)	(3.919.330)
Research and Development Expenses	(1.520.438)	(1.629.851)
Total	**(17.436.696)**	**(8.974.480)**

NOTE 21 – EXPENSES BY NATURE

a) General Administrative Expenses	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Personnel Expenses (-)	(3.250.020)	(1.522.032)
Depreciation Expenses (-)	(463.567)	(595.490)
Transportation Expenses (-)	(399.084)	(271.391)
Consultancy Expenses (-)	(340.804)	(421.948)
Food Expenses (-)	(118.976)	(59.128)
Insurance Expenses (-)	(94.957)	(2.935)
Representation Hospitality Expenses (-)	(113.659)	(20.743)
Rent Expenses (-)	(68.081)	(58.166)
Post, Cargo and Communication Expenses (-)	(61.152)	(59.898)
Taxes, Fees and Duty Expenses (-)	(28.466)	(42.027)
Travel Expenses (-)	(38.152)	(10.677)
Maintenance and Repair Expenses (-)	(24.892)	(46.397)
Security Expenses (-)	(13.127)	(12.201)
Attorney Expenses (-)	(14.591)	(61.612)
Cleaning Expenses (-)	(6.281)	(14.425)
Various Expenses (-)	(394.711)	(226.229)
Total	**(5.430.520)**	**(3.425.299)**

b) Marketing, Sales and Distribution Expenses	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Export Expenses (-)	(9.001.307)	(2.429.897)
Personnel Expenses (-)	(738.494)	(901.537)
Depreciation Expenses (-)	(398.291)	(398.263)
Transportation Expenses (-)	(117.378)	(69.427)
Rent Expenses (-)	(104.593)	(12.600)
Post, Cargo and Communication Expenses (-)	(28.054)	(15.409)
Insurance Expenses (-)	(17.367)	(3.237)
Food Expenses (-)	(16.749)	(3.487)
Travel Expenses (-)	(352)	(448)
Various Expenses (-)	(63.153)	(85.025)
Total	**(10.485.738)**	**(3.919.330)**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 21 – EXPENSES BY NATURE (Continued)

c) Research and Development Expenses	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Personnel Expenses (-)	(905.959)	(1.170.554)
Consultancy Expenses (-)	(218.525)	(91.141)
Depreciation Expenses (-)	(238.770)	(176.675)
Transportation Expenses (-)	(134.393)	(105.666)
Security Expenses (-)	(2.678)	(4.605)
Post, Cargo and Communication Expenses (-)	(880)	(2.136)
Various Expenses (-)	(19.233)	(79.074)
Total	**(1.520.438)**	**(1.629.851)**

NOTE 22 – EXPENSES CLASSIFIED BY VARIETY

Expenses On Variety	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Export Expenses (-)	(9.001.307)	(2.429.897)
Personnel Expenses (-)	(4.894.473)	(3.594.123)
Depreciation Expenses (-)	(1.100.628)	(1.170.428)
Transportation Expenses (-)	(650.855)	(446.484)
Consultancy Expenses (-)	(559.329)	(513.089)
Rent Expenses (-)	(172.674)	(70.766)
Food Expenses (-)	(135.725)	(62.615)
Insurance Expenses (-)	(112.324)	(6.172)
Post, Cargo and Communication Expenses (-)	(90.086)	(77.443)
Representation Hospitality Expenses (-)	(113.659)	(20.743)
Taxes, Fees and Duty Expenses (-)	(28.466)	(42.027)
Travel Expenses (-)	(38.504)	(11.125)
Maintenance and Repair Expenses (-)	(24.892)	(46.397)
Security Expenses (-)	(15.805)	(16.806)
Attorney Expenses (-)	(14.591)	(61.612)
Cleaning Expenses (-)	(6.281)	(14.425)
Various Expenses (-)	(477.097)	(390.328)
Total	**(17.436.696)**	**(8.974.480)**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 23 – OTHER OPERATING INCOME AND EXPENSES

a) Other Operating Income

	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Foreign Exchange Profit of Receivables and Payables	46.083.133	4.516.044
Interest Income from Shareholders and Related Parties	633.271	1.098.537
Rediscount Interest Income	600.935	146.887
Reversal of Impairment on Inventories	89.929	23.378
Reversal of Provision for Unused Vacation	80.602	-
Reversal of Provision for Doubtful Receivables	63.652	16.193
Reversal of Provision for Severance Payment	38.925	-
Reversal of Provision for Lawsuit Provision	15.000	-
SSI Premium Income	1.412.431	-
Rental Income	93.000	408.944
Other	1.195.455	266.004
Total	**50.306.333**	**6.475.987**

b) Other Operating Expenses (-)

	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Foreign Exchange Loss of Receivables and Payables (-)	(28.550.241)	(7.082.800)
Provision for Impairment on Inventory (-)	(341.348)	(286.435)
Provision for Doubtful Receivables (-)	(176.856)	(49.708)
Rediscount Interest Expense (-)	(159.321)	(508.897)
Interest Expenses from Shareholders and Related Parties (-)	(54.314)	(10.466)
Provision for Lawsuits (-)	(400)	(46.000)
Other (-)	(467.192)	(115.195)
Total	**(29.749.672)**	**(8.099.501)**

NOTE 24 – INVESTMENT INCOME AND EXPENSES

a) Investment Income

	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Gain On Sales of Tangible Assets	376.172	481.978
Interest Income from Time Deposits	100	694
Income on Sale of Marketable Securities (*)	-	1.371.408
Total	**376.272**	**1.854.080**

* It is the profit obtained from the sale of the repurchased shares of the Group.

b) Investment Expenses (-)

	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Losses on Sales of Tangible Assets	(2.710)	(14.496)
Total	**(2.710)**	**(14.496)**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 25 – FINANCIAL INCOME AND EXPENSES

a) Financial Income

	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Foreign Exchange Income on Banks	22.347.218	2.626.518
Total	**22.347.218**	**2.626.518**

b) Financial Expenses (-)

	1 January 2021 31 December 2021	1 January 2020 31 December 2020
Interest, Commission Expenses (-)	(757.550)	(697.501)
Foreign Exchange Loss on Banks (-)	(21.318.440)	(5.131.786)
Letter of Guarantee Expenses (-)	(199.517)	(240.728)
Interest Expenses on Liabilities Arising from Leasing Operations (-)	(57.117)	-
Total	**(22.332.624)**	**(6.070.015)**

NOTE 26 – INCOME TAXES (INCLUDE DEFERRED TAX ASSETS AND LIABILITIES)

Deferred Tax Assets / Liabilities

By the Article 11 of the Law on the Collection Procedure of Public Receivables and Law No. 7316, which came into force after being published in the Official Gazette dated April 22, 2021 and numbered 31462, and the Law No. 5520, With the Temporary Article 13 added, the Corporate Tax rate will be applied as 25% for the corporate earnings for the 2021 taxation period and 23% for the corporate earnings for the 2022 taxation period. This change will be valid for the taxation of corporate earnings for the periods starting from January 1, 2021, starting with the declarations that must be submitted as of July 1, 2021. Within the scope of the regarded law, deferred tax assets and liabilities in the consolidated financial statements dated December 31, 2021 are calculated with a %25 tax rate for the portion of temporary differences that will have a tax effect in 2021, and a %20 tax rate for the portion of temporary differences that will have a tax effect in the following periods.

The Group recognizes deferred tax assets and liabilities based upon the temporary differences between its consolidated financial statements as reported in accordance with TFRS and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TAS/TFRS and tax purposes.

Deferred tax assets and liabilities at statements of consolidated financial position are as follows:

	31 December 2021	31 December 2020
Deferred Tax Assets (Liabilities) Beginning of the Period	2.354.561	1.718.004
Changes in Deferred Tax in Statement of Income (+/-)	(528.692)	684.438
2020 %2 Change in Tax Rate	-	(156.182)
Changes in Deferred Tax in Statement of Comprehensive Income (+/-)	46.820	108.301
Deferred Tax Assets/(Liabilities) at the End of the Period	**1.872.689**	**2.354.561**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 26 – INCOME TAXES (INCLUDE DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Deferred Tax Assets / Liabilities (Continued)

As of 31 December 2021, and 31 December 2020, deferred tax assets / liabilities of the Company calculated as to effective tax rates, representing the tax effects of temporary differences can be summarized as follows:

Temporary Differences	31 December 2021	31 December 2020
Tangible and Intangible Assets	6.871.803	6.364.594
Inventories	5.937.279	20.628.637
Trade Receivables	1.859.285	(698.112)
Cash and Cash Equivalents	659.724	-
Other Current Assets	294.017	(17.448)
Investment Property	-	(102.239)
Other Payables	(591)	832.111
Law Provision	(31.400)	(46.000)
Financial Investment	(75.000)	(75.000)
Other Receivables	(153.855)	(153.855)
Lease Liabilities (TFRS 16)	(561.096)	-
Financial Liabilities	(580.968)	71.617
Trade Payables	(671.046)	147.086
Prepaid Expenses	(1.691.199)	(3.048.996)
Provisions for Employee Benefits	(3.255.396)	(2.277.566)
Advances Received	(2.935)	-
Liabilities Arising from Customer Contract	(16.269.053)	(33.397.632)
Total	**(7.670.431)**	**(11.772.803)**

Deferred Tax Assets/(Liabilities)	31 December 2021	31 December 2020
Tangible and Intangible Assets	(1.374.361)	(1.272.919)
Inventories	(1.365.574)	(4.125.727)
Trade Receivables	(427.636)	139.622
Cash and Cash Equivalents	(151.736)	-
Other Current Assets	(67.624)	3.490
Investment Property	-	20.448
Other Payables	136	(166.422)
Law Provision	7.222	9.200
Financial Investment	17.250	15.000
Other Receivables	35.387	30.771
Lease Liabilities (TFRS 16)	129.052	-
Financial Liabilities	133.623	(14.323)
Trade Payables	154.341	(29.417)
Prepaid Expenses	388.976	609.799
Provisions for Employee Benefits	651.079	455.513
Advances Received	673	-
Liabilities Arising from Customer Contract	3.741.881	6.679.526
Total	**1.872.689**	**2.354.561**

NOTE 26 – INCOME TAXES (INCLUDE DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Corporate Tax

The Company is subject to Turkish corporate taxes. Turkish Tax Legislation does not permit that parent company and its subsidiaries to file a tax return. Therefore, tax provision in the statement of financial position is calculated on a separate legal entity basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting the revenues exempted from tax, nontaxable revenues and other discounts (if any previous year losses, if preferred investment allowances and also R&D center incentive) are deducted.

The corporate tax rate in Turkey is 20%. (With the change in the Corporate Tax Law, which was published in the Official Gazette dated April 22, 2021 and numbered 31462, the corporate tax rate, which was 20% as of 31 December 2021 in Turkey, is 25% for corporate earnings for 2021 and 23% for corporate earnings for 2022 The regarded application will be effective as of January 1, 2021.) (2020 - 22%).

In Turkey, advance tax returns are filed on a quarterly basis. 25% of temporary tax rate is applied during the taxation of corporate income covering the temporary taxation periods of financial year ended 31 December 2021. (2020– 22%)

Losses can be carried forward for offsetting against future taxable income for up to 5 years. Losses cannot be carried back for offset against profits from previous periods.

In Turkey there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-30 April following the close of the accounting year to which they relate (for those subject to special accounting period, consequent fourth month's 1-30 days following the close of the accounting year). Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Income Withholding Tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. This rate was changed to 15% for all companies as of 23 July 2006. It is applied as 10% as of 22 December 2021. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

Companies whose tax bill resulted in loss are allowed offsetting the following or the next year's tax obligations in the course of 5 years. If the loss is not offset within 5 years, this right cannot be used anymore.

In addition to corporate taxes, companies implement withholding at applicable rates for specific payments such as salary, premium, interest, dividend, contractor and commission payments. Dividend payments as of 22.12.2021 are subject to dividend distribution tax at the rate of 10%.

An advance taxation of 19,8% has to be made on the investment allowance amount benefited basing on the investment incentive certificates received before 24 April 2003. Any advance tax deduction is not made from the investment expenses without investment incentive.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 26 – INCOME TAXES (INCLUDE DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Income Withholding Tax (Continued)

Tax provisions and tax provision agreements of the Company are as follows:

a- Provision for Taxation

	31 December 2021	31 December 2020
Legal Corporate Tax Provision for the Period	(21.265.782)	(5.296.715)
Deferred Tax Income / (Expense)	(528.692)	684.438
Tax at Income Statement	**(21.794.474)**	**(4.612.277)**

Tax amounts to be paid in the balance sheet are netted with prepaid taxes and are shown as follows:

	31 December 2021	31 December 2020
Legal Corporate Tax Provision for the Period	(21.265.782)	(5.296.715)
Profit for the Period Prepaid Taxes and Other Liabilities	13.381.709	-
Prepaid Income Tax and Other Legal Liabilities (-)	-	20.999
Corporate Tax to be Paid (Return)	**(7.884.073)**	**(5.275.716)**

b- Consensus of Tax Provisions

	31 December 2021	31 December 2020
Continued Operations of Taxation Before Profit/ Loss	**88.270.982**	**23.281.128**
Tax Effects		
Tax from Continued Operations Profit	(21.798.309)	(5.208.632)
Non-Deductible Expenses	(213.785)	(106.410)
Previous Year Losses to Be Entered in an Account	217.620	702.765
Tax Provision at Income Statement	**(21.794.474)**	**(4.612.277)**

NOTE 27 – EARNINGS PER SHARE

After discount of the amount must be paid or allocated by the Company like overall costs, amortization amount, statutory taxes, charges and loss of previous periods from the income determined at the end of accounting period, rest of the amount indicates the net profit and allocated as follows:

- Turkish Commercial Code (TCC) stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of paid-in share capital.
- From the rest of the amount as required by the financial regulations and laws, other taxes except Corporate Tax payable and accrued taxes according to dividend are deducted.
- From the rest amount rate of 5% paid to the paid part of the unamortized shares.
- By the general assembly decision according to administrative council's decision, rest amount could be distributed partly or as a hole to the shareholders as second reserves, could be reserved as extraordinary reserves or can be transferred to the previous year.
- Besides, according to TCC, after the first legal reserve discounted from parts that assortation to holders and others participle in profit determined by the general assembly, rate of 10% second legal reserve assorted.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 27 – EARNINGS PER SHARE (Continued)

Profit per share accounted by dividing net period profit shown in the statements of income given within this report to weighted average number of exported shares.

Earnings Per Share	**1 January 2021 31 December 2021**	**1 January 2020 31 December 2020**
Average Number of Shares in Period	25.750.000	25.750.000
Net Profit / Loss of the Company's Shareholders	66.443.579	18.645.391
Earning Per Share (Earnings per share with a nominal value of TL 1)	**2,5803**	**0,7241**
Total Comprehensive Income / Expense of Company's Shareholders	66.252.412	18.211.844
Earnings Per Share Derived from the Total Comprehensive Income **(Earning pers hare with a nominal value of TL 1)**	**2,5729**	**0,7073**

NOTE 28 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

28.1) Capital Risk Management

The Group manages its capital to ensure that it will maintain its status as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings as explained in notes, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves, defined benefit plans revaluation and measurement profit (losses), retained earnings and net profit / (losses) for the period.

The management of the Group considers the cost of capital and the risks associated with each class of capital. The management of the Group aims to balance its overall capital structure through the payment of dividends, new share issues and the issue of new debt or the redemptions of existing debt.

The Company controls its capital using the net debt / total equity ratio. This ratio is the calculated as net debt divided by total equity. Net debt is calculated as total liabilities less cash and cash equivalents

As of 31 December 2021, and 31 December 2020, the Company's net debt/total equity ratios are as follows:

	31 December 2021	**31 December 2020**
Financial Liabilities and Trade Payables (*)	56.437.197	57.137.694
Cash and Cash Equivalents (-)	(24.653.466)	(4.801.710)
Net Debt	**31.783.731**	**52.335.984**
Total Equity	**101.420.864**	**35.131.642**
Net Debt / Total Equity Ratio	**31%**	**149%**

(*) TFRS 16 are included.

NOTE 28 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

28.2) Credit Risk

At capital management, the Group aims to increase its profit by ensuring durability of operations and by use of debt and equity balances efficiently. Principal financial instruments that the Group uses are bank credits (non-interested), cash, short term bank deposits. The Group has also financial instruments as trade receivables and trade payables, directly appears from activities. Hence the Group exposed to risk because using of these financial instruments and so if there is any market risk, it is handled separately. All risks attributable to capital items at cost of capital are reviewed by the top management of the Group. Exposed credit risks presented as a table in accordance with financial assets types.

The provision for doubtful receivables for trade receivables has been determined based on past experience of uncollectible. The Group has applied the simplified approach specified in TFRS 9 to calculate the expected allowance for credit losses on trade receivables. This approach allows for a lifetime expected credit loss provision for all trade receivables. In order to measure the expected credit loss, the Company first grouped its trade receivables by considering their maturities and credit risk characteristics. The expected credit loss ratio is calculated for each class of trade receivables grouped by using past credit loss experiences and prospective macroeconomic indicators, and the expected credit loss provision is calculated by multiplying the determined rate with the total trade receivables.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 28 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

28.2) Credit Risk (Continued)

	Receivables				
	Trade Receivables		**Other Receivables**		
31 December 2021	**Related Party**	**Third Party**	**Related Party**	**Third Party**	**Cash and Cash Equivalents**
Maximum credit risk exposure as of reporting date (A+B+C+D+E) (*)	**55.372.412**	**23.331.290**	**194.916**	**3.151.517**	**24.653.466**
- Guaranteed part of maximum risk by collateral etc.	-	110.000	-	-	-
A. Net book value of non-expired or impaired financial assets	55.372.412	23.331.290	194.916	3.151.517	24.653.466
B. Net book value of financial assets whose circumstances considered again, otherwise will be considered as non-expired	-	-	-	-	-
C. Net book value expired but not impaired financial assets	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Past Due (Gross Carrying Amount)	-	2.456.015	-	153.855	-
- Impairment (-)	-	(2.456.015)	-	(153.855)	-
- The net book value under guarantee etc.	-	-	-	-	-
- Not Past Due (Gross Carrying Amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- The net book value under guarantee etc.	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-

(*) In determining the amount, factors increasing the credit, like guarantees taken, are not considered.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 28 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

(*) In determining the amount, factors increasing the credit, like guarantees taken, are not considered.

	Receivables				
	Trade Receivables		**Other Receivables**		
31 December 2020	**Related Party**	**Third Party**	**Related Party**	**Third Party**	**Cash and Cash Equivalents**
Maximum credit risk exposure as of reporting date (A+B+C+D+E) (*)	**18.111.720**	**31.263.504**	**295.171**	**4.784.132**	**4.801.710**
- Guaranteed part of maximum risk by collateral etc.	-	314.882	-	-	-
A. Net book value of non-expired or impaired financial assets	18.111.720	31.263.504	295.171	4.784.132	4.801.710
B. Net book value of financial assets whose circumstances considered again, otherwise will be considered as non-expired	-	-	-	-	-
C. Net book value expired but not impaired financial assets	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Past Due (Gross Carrying Amount)	-	1.977.031	-	153.855	-
- Impairment (-)	-	(1.977.031)	-	(153.855)	-
- The net book value under guarantee etc.	-	-	-	-	-
- Not Past Due (Gross Carrying Amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- The net book value under guarantee etc.	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 28 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

28.3) Liquidity Risk

The Group manages its liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities through a constant monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities. Prudent liquidity risk management expresses to keep sufficient cash, sufficient availability of credit transactions and funding sources and power of closing market position. Funding risk of current and potential future debt requirements are managed by performing sustainable availability through enough and high quality of the credit provider. Term distribution of non-derivative financial liabilities of the Group is follows as:

31 December 2021							
Maturity According to the Agreement	**Notes**	**Carrying Value**	**Cash Outflows According to the Agreement (I+II+III+IV)**	**Shorter than 3 Months (I)**	**3-12 Months (II)**	**1-5 Years (III)**	**Longer than 5 Years (IV)**
Non-Derivative Financial Liabilities		**67.829.697**	**68.369.006**	**46.995.585**	**8.260.683**	**13.112.738**	**-**
Financial Liabilities (net)	13	22.603.057	23.018.739	1.645.318	8.260.683	13.112.738	-
Trade Payables (net)	6	29.587.151	29.674.030	29.674.030	-	-	-
Trade Payables to Related Parties (net)	5	4.246.989	4.283.737	4.283.737	-	-	-
Other Payables to Related Parties	5	10.970	10.970	10.970	-	-	-
Other Payables (net)	7	11.381.530	11.381.530	11.381.530	-	-	-

31 December 2020							
Maturity According to the Agreement	**Notes**	**Carrying Value**	**Cash Outflows According to the Agreement (I+II+III+IV)**	**Shorter than 3 Months (I)**	**3-12 Months (II)**	**1-5 Years (III)**	**Longer than 5 Years (IV)**
Non-Derivative Financial Liabilities		**68.172.141**	**68.792.724**	**19.481.285**	**39.096.596**	**8.437.284**	**1.777.559**
Financial Liabilities (net)	13	36.389.524	36.863.220	1.050.308	25.598.069	8.437.284	1.777.559
Trade Payables (net)	6	20.685.735	20.832.125	7.333.598	13.498.527	-	-
Trade Payables to Related Parties (net)	5	62.435	62.932	62.932	-	-	-
Other Payables to Related Parties	5	333	333	333	-	-	-
Other Payables (net)	7	11.034.114	11.034.114	11.034.114	-	-	-

28.4) Market Risk

Foreign currency position risk of the Company as of 31 December 2021 and 31 December 2020 is given below.

i - On Total Basis;

The Company's foreign currency position is presented below:

	31 December 2021	**31 December 2020**
Foreign currency assets	108.934.912	45.483.482
Foreign currency liabilities	(51.430.604)	(51.969.343)
Net foreign currency position	**57.504.308**	**(6.485.861)**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 28 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

28.4) Market Risk (Continued)

ii - TL Equivalent as to Foreign Currencies (Detailed);

	Currency Position Table 31 December 2021		
	TL Equivalent	**USD**	**EURO**
1. Trade Receivables	77.877.621	-	5.162.005
2. Financial Assets	24.611.899	9	1.631.356
2a. Monetary Financial Assets (Including Cash, Bank Deposits)	*24.611.899*	*9*	*1.631.356*
2b. Non-monetary Financial Assets	-	-	-
3. Other	6.368.177	15.172	408.701
4. Current Assets (1+2+3)	**108.857.697**	**15.181**	**7.202.062**
5. Trade Receivables	-	-	-
6. Financial Assets	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-monetary Financial Assets	-	-	-
7. Other	77.215	5.793	-
8. Non – Current Assets (5+6+7)	**77.215**	**5.793**	**-**
9. Total Assets (4+8)	**108.934.912**	**20.974**	**7.202.062**
10. Trade Payables	27.932.642	513.399	1.394.559
11. Financial Liabilities	9.028.031	-	597.333
12. Other Liabilities	*2.540.031*	*4.324*	*164.239*
12a. Other Monetary Liabilities	*2.540.031*	*4.324*	*164.239*
12b. Other Non-Monetary Liabilities	-	-	-
13. Short Term Liabilities (10+11+12)	**39.500.704**	**517.723**	**2.156.131**
14. Trade Payables	-	-	-
15. Other Liabilities	11.929.900	-	789.333
16. Other Liabilities	-	-	-
16a. Other Monetary Liabilities	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-
17. Long Term Liabilities (14+15+16)	**11.929.900**	**-**	**789.333**
18. Total Liabilities (13+17)	**51.430.604**	**517.723**	**2.945.464**
19. Off-Balance Sheet Derivative Instruments Net Assets / (Liabilities) Position (19a-19b)	**-**	**-**	**-**
19a. Amount of Off -Balance Sheet Derivative Assets by Foreign Currency	-	-	-
19b. Amount of Off -Balance Sheet Derivative Liabilities by Foreign Currency	-	-	-
20. Net Foreign Currency Assets / (Liabilities) Position (9-18+19)	**57.504.308**	**(496.749)**	**4.256.598**
21. Monetary Items Net Foreign Currency Assets / (Liabilities) Position (TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	51.058.916	(517.714)	3.847.897
22. Total Fair Value of Financial Instruments Used for Exchange Hedge	-	-	-
23. Amount of Hedged Part of Exchange Assets	-	-	-
24. Amount of Hedged Part of Exchange Liabilities	-	-	-

* Assets are valued at buying rate and liabilities at selling rate.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 28 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

28.4) Market Risk (Continued)

ii - TL Equivalent as to Foreign Currencies (Detailed) (Continued);

	Currency Position Table 31 December 2020		
	TL Equivalent	**USD**	**EURO**
1. Trade Receivables	34.657.236	-	3.847.427
2. Financial Assets	4.695.265	86.100	451.076
2a. Monetary Financial Assets (Including Cash, Bank Deposits)	*4.695.265*	*86.100*	*451.076*
2b. Non-monetary Financial Assets	-	-	-
3. Other	6.058.038	17.285	658.439
4. Current Assets (1+2+3)	**45.410.539**	**103.385**	**4.956.942**
5. Trade Receivables	-	-	-
6. Financial Assets	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-monetary Financial Assets	-	-	-
7. Other	72.943	329	7.830
8. Non – Current Assets (5+6+7)	**72.943**	**329**	**7.830**
9. Total Assets (4+8)	**45.483.482**	**103.714**	**4.964.772**
10. Trade Payables	13.470.822	1.005.922	675.724
11. Financial Liabilities	26.098.886	-	2.897.333
12. Other Liabilities	3.511.837	4.324	386.338
12a. Other Monetary Liabilities	*3.511.837*	*4.324*	*386.338*
12b. Other Non-Monetary Liabilities	-	-	-
13. Short Term Liabilities (10+11+12)	**43.081.545**	**1.010.246**	**3.959.395**
14. Trade Payables	-	-	-
15. Other Liabilities	8.887.798	-	986.667
16. Other Liabilities	-	-	-
16a. Other Monetary Liabilities	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-
17. Long Term Liabilities (14+15+16)	**8.887.798**	**-**	**986.667**
18. Total Liabilities (13+17)	**51.969.343**	**1.010.246**	**4.946.062**
19. Off-Balance Sheet Derivative Instruments Net Assets / (Liabilities) Position (19a-19b)	**-**	**-**	**-**
19a. Amount of Off -Balance Sheet Derivative Assets by Foreign Currency	-	-	-
19b. Amount of Off -Balance Sheet Derivative Liabilities by Foreign Currency	-	-	-
20. Net Foreign Currency Assets / (Liabilities) Position (9-18+19)	**(6.485.861)**	**(906.532)**	**18.710**
21. Monetary Items Net Foreign Currency Assets / (Liabilities) Position (TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(12.616.842)	(924.146)	(647.559)
22. Total Fair Value of Financial Instruments Used for Exchange Hedge	-	-	-
23. Amount of Hedged Part of Exchange Assets	-	-	-
24. Amount of Hedged Part of Exchange Liabilities	-	-	-

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 28 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

28.4) Market Risk (Continued)

iii – Import/Export

	31 December 2021	31 December 2020
Export	157.501.987	40.523.239
Import	114.011.074	77.493.994

iv – Sensitivity Analysis

iv-a. Foreign Currency Sensitivity

Group is exposed to foreign exchange risk in the currency EURO and US Dollars. The following table details the Group's sensitivity to 10% increase in the currency of EURO and US Dollars. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates.

	31 December 2021			
	Profit / Loss		**Equity**	
	Foreign Currency's Gain of Value	Foreign Currency's Loss of Value	Foreign Currency's Gain of Value	Foreign Currency's Loss of Value
	10% Change of USD exchange rate:			
1- USD net assets / liabilities	(663.359)	663.359	-	-
2- USD hedged items (-)	-	-	-	-
3- USD Net Effect (1+2)	**(663.359)**	**663.359**	**-**	**-**
	10% Change of EURO exchange rate:			
4- EURO net assets / liabilities	6.413.790	(6.413.790)	-	-
5- EURO hedged items (-)	-	-	-	-
6- EURO Net Effect (4+5)	**6.413.790**	**(6.413.790)**	**-**	**-**
TOTAL (3+6)	**5.750.431**	**(5.750.431)**	**-**	**-**

	31 December 2020			
	Profit / Loss		**Equity**	
	Foreign Currency's Gain of Value	Foreign Currency's Loss of Value	Foreign Currency's Gain of Value	Foreign Currency's Loss of Value
	10% Change of USD exchange rate:			
1- USD net assets / liabilities	(665.440)	665.440	-	-
2- USD hedged items (-)	-	-	-	-
3- USD Net Effect (1+2)	**(665.440)**	**665.440**	**-**	**-**
	10% Change of EURO exchange rate:			
4- EURO net assets / liabilities	16.854	(16.854)	-	-
5- EURO hedged items (-)	-	-	-	-
6- EURO Net Effect (4+5)	**16.854**	**(16.854)**	**-**	**-**
TOTAL (3+6)	**(648.586)**	**648.586**	**-**	**-**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 28 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

28.4) Market Risk (Continued)

iv – Sensitivity Analysis (Continued)

iv-a. Foreign Currency Sensitivity (Continued)

Since the Group's financial liabilities have fixed interest rates, the Group is not exposed to interest rate risk.

Classification of the Company's financial instruments sensitive to interest rate is given below:

31 December 2021	Floating Interest	Fixed Interest	Not Exposed to Interest Rate Risk	Total
Financial assets	**-**	**-**	**106.703.601**	**106.703.601**
Cash and cash equivalents	-	-	24.653.466	24.653.466
Trade receivables	-	-	23.331.290	23.331.290
Trade receivables due from related parties	-	-	55.372.412	55.372.412
Other receivables	-	-	3.151.517	3.151.517
Other receivables from related parties	-	-	194.916	194.916
Financial liabilities	**-**	**67.829.695**	**-**	**67.829.695**
Financial liabilities	-	22.603.055	-	22.603.055
Trade payables	-	29.587.151	-	29.587.151
Trade payables due to related parties	-	4.246.989	-	4.246.989
Other payables	-	11.381.530	-	11.381.530
Other payables due to related parties	-	10.970	-	10.970

31 December 2020	Floating Interest	Fixed Interest	Not Exposed to Interest Rate Risk	Total
Financial assets	**-**	**-**	**59.256.237**	**59.256.237**
Cash and cash equivalents	-	-	4.801.710	4.801.710
Trade receivables	-	-	31.263.504	31.263.504
Trade receivables due from related parties	-	-	18.111.720	18.111.720
Other receivables	-	-	4.784.132	4.784.132
Other receivables from related parties	-	-	295.171	295.171
Financial liabilities	**-**	**68.172.141**	**-**	**68.172.141**
Financial liabilities	-	36.389.524	-	36.389.524
Trade payables	-	20.685.735	-	20.685.735
Trade payables due to related parties	-	62.435	-	62.435
Other payables	-	11.034.114	-	11.034.114
Other payables due to related parties	-	333	-	333

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 29 – EVENTS AFTER THE REPOTING DATE

None.

(31 December 2020 – None)

NOTE 30 – FEES FOR AUDIT

Fees for Services Obtained from an Independent Auditor/Independent Audit Firm

The Group's explanation regarding the fees for the services received from independent audit firms, which is based on the letter of POAASA dated August 19,2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on March 30, 2021, are as follows:

	1 January 2021 31 December 2021	**1 January 2020 31 December 2020**
Audit fee	91.250	80.000
Total	**91.250**	**80.000**

NOTE 31 – OTHER MATTERS WHICH ARE SIGNIFICANT TO THE FINANCIAL STATEMENTS OR WHICH SHOULD BE DISCLOSED FOR THE PURPOSE OF INTERPRETATION, TRUE AND FAIR PRESENTATION OF THE FINANCIAL STATEMENTS

The possible effects of the Covid-19 (Coronavirus), which affects the world globally, on the Company's activities and financial situation are meticulously followed in every aspect, and the necessary actions are rapidly taken by the Company management for the Company's survival. It is affected as little as possible by this event.

Within the scope of preventing the spread of the Covid-19 epidemic, all necessary measures have been taken in line with the guidelines published by the World Health Organization and the General Directorate of Occupational Health and Safety in order to protect the health of employees and ensure occupational safety. Remote work of high-risk personnel is provided.

Company's sales, collection, cash flow, supply etc. There are no significant problems in the conditions.