

YÜKSELEN ÇELİK A.Ş.
FINANCIAL STATEMENTS AS OF MARCH 31,2023

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YÜKSELEN ÇELİK ANONİM ŞİRKETİ**THE UNAUDITED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED MARCH 31, 2023**

(Amounts expressed in Thousand Turkish Liras (TRY) unless otherwise indicated.)

	Notes	Current Period 31.03.2023 TRY	Prior Period 31.12.2022 TRY
ASSETS		1.267.906.499	1.281.591.966
CURRENT ASSETS		1.194.382.530	1.214.472.831
Cash and Cash Equivalents		130.953.777	97.271.072
Financial Investments	8	34.380.265	6.562.674
Trade Receivables	7	514.464.193	556.319.922
- Other Trade Receivables	7	514.464.193	556.319.922
Other Receivables	9	17.151.904	14.420.199
- Other Receivables	9	17.151.904	14.420.199
Derivative Instruments	46	--	--
Inventories	10	399.148.938	369.175.067
Prepaid Expenses	12	72.193.451	147.203.652
- Other Prepaid Expenses	12	72.193.451	147.203.652
Other Current Assets	29	26.090.002	23.520.245
Subtotal		1.194.382.530	1.214.472.831
Total Current Assets		1.194.382.530	1.214.472.831
NON-CURRENT ASSETS		73.523.969	67.119.135
Investments in Affiliates, Shareholders and Subsidiaries	4	13.402	13.402
Tangible Assets	14	65.763.067	59.114.699
Right-of-Use Assets	20	7.467.080	7.699.941
Intangible Assets	17	280.420	291.093
- Other Intangible Assets	17	280.420	291.093
Total Non-Current Assets		73.523.969	67.119.135
TOTAL ASSETS		1.267.906.499	1.281.591.966

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

YÜKSELEN ÇELİK ANONİM ŞİRKETİ**THE UNAUDITED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED MARCH 31, 2023**

(Amounts expressed in Thousand Turkish Liras (TRY) unless otherwise indicated.)

	Notes	Current Period 31.03.2023 TRY	Prior Period 31.12.2022 TRY
LIABILITIES		1.267.906.499	1.281.591.966
Short-Term Liabilities		823.379.242	841.458.464
Short-Term Borrowings	47	165.048.618	7.610.524
- Other Short Term Borrowings	47	165.048.618	7.610.524
Short Term Portion of Long Term Borrowings	47	476.784.827	605.494.159
- Other Short Term Portion of Long Term Borrowings	47	476.784.827	605.494.159
Trade Payables	7	156.620.179	206.044.971
- Trade Payables to Related Parties	6	--	739
- Other Trade Payables	7	156.620.179	206.044.232
Liabilities Under Employee Benefits	27	1.572.322	685.776
Other Payables	8	7.216.344	2.883.827
- Other Payables	8	7.216.344	2.883.827
Derivative Instruments	46	355.483	956.712
Deferred Income	12	13.248.725	14.520.610
- Other Deferred Income	12	13.248.725	14.520.610
Tax liabilities for The Period Profit	40	1.825.195	3.128.633
Short-Term Provisions	25	707.549	133.252
- Short-Term Provisions for Employee Benefits	25	707.549	133.252
Subtotal		823.379.242	841.458.464
Total Short-Term Liabilities		823.379.242	841.458.464
Long-Term Liabilities		11.577.311	27.806.354
Long-Term Borrowings	47	10.205.762	22.013.505
- Other Long Term Debts	47	10.205.762	22.013.505
Long Term Provisions	25	993.333	955.811
- Long-Term Provisions for Employee Benefits	25	993.333	955.811
Deferred Tax Liabilities	40	378.216	4.837.038
Total Long-Term Liabilities		11.577.311	27.806.354
SHEOLDERS' EQUITY		432.949.946	412.327.148
Parent Company Shareholder's Equity		432.949.946	412.327.148
Paid in Capital	30	125.000.000	125.000.000
Accumulated Other Comprehensive Income/(Expenses) That will Not Be Classified In Profit Or Loss Statement	30	(110.543)	(110.543)
- Revaluation and Measurement Gains (Losses)	30	(110.543)	(110.543)
- Defined Benefit Plans Remeasurement Gains (Losses)	30	(110.543)	(110.543)
Reserves on Retained Earnings	30	6.949.596	6.949.596
Retained Profits/Losses	30	280.488.095	114.417.854
Net Profit/Loss for The Period		20.622.798	166.070.241
Total Equity		432.949.946	412.327.148
TOTAL EQUITY AND LIABILITIES		1.267.906.499	1.281.591.966

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

YÜKSELEN ÇELİK ANONİM ŞİRKETİ
UNAUDITED INCOME STATEMENT FOR THE PERIOD BETWEEN JANUARY 01 – MARCH 31, 2023

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

	Notes	Current Period 1.1.2023 - 31.03.2023 TRY	Prior Period 1.1.2022 - 31.03.2022 TRY
Revenue	31	328.031.985	375.744.222
Cost of Sales (-)	31	(276.088.133)	(283.251.534)
GROSS PROFIT/LOSS		51.943.852	92.492.688
General Administrative Expenses (-)	28,33	(8.585.318)	(3.709.503)
Marketing Expenses (-)	28,33	(12.076.536)	(8.865.448)
Research and Development Expenses (-)		--	--
Other Income from Operations	34	8.987.137	13.841.254
Other Expenses from Operations (-)	34	(13.032.951)	(13.834.641)
OPERATING PROFIT/LOSS		27.236.184	79.924.350
Income from Investing Activities	35	118.438	--
Loss for implementing TFRS 9	35	90.930	(923.769)
OPERATING PROFIT/LOSS BEFORE FINANCIAL INCOME/EXPENSES		27.445.552	79.000.581
Financial Income	37	6.959.718	1.359.901
Financial Expenses (-)	37	(16.287.180)	(16.034.931)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		18.118.090	64.325.551
Continuing Operations Tax Income/(Expense)		2.504.708	(12.831.423)
-Tax Income/(Expense) for The Period	40	(1.954.115)	(18.581.049)
-Deferred Tax Income /(Expense)	40	4.458.823	5.749.626
PROFIT/(LOSS) CONTINUING OPERATIONS FOR THE PERIOD		20.622.798	51.494.128
PROFIT (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS			
PROFIT/(LOSS) FOR THE PERIOD		20.622.798	51.494.128
Profit (Loss) for The Period Distribution		20.622.798	51.494.128
-Non-Controlling Shares		--	--
-Parent Company Shares		20.622.798	51.494.128
Earnings Per Share(Loss)		0,16	0,41
-Earnings per Share (Loss) from Continuing Operations	41	0,16	0,41
- Earnings Per Share (Loss) from Discontinued Operations			
Diluted Earnings Per Share (Loss)		0,16	0,41
-Earnings per Share (Loss) from Continuing Operations	41	0,16	0,41
- Earnings Per Share (Loss) from Discontinued Operations			
PROFIT/(LOSS) FOR THE PERIOD		20.622.798	51.494.128
OTHER COMPREHENSIVE INCOME		--	(218.306)
Items that will not be reclassified subsequently to profit or loss		--	(218.306)
Defined Benefit Plans Re-Measurement Gains (Losses)	38	--	(272.883)
Taxes Which Will Not Be Reclassified in Profit or Loss, Related to Other Comprehensive Income	38	--	54.577
-Defined Benefit Plans Re-Measurement Gains (Losses), Tax Effect		--	54.577
Items that will be reclassified subsequently to profit or loss		--	--
OTHER COMPREHENSIVE INCOME		--	(218.306)
TOTAL COMPREHENSIVE INCOME (EXPENSES)		20.622.798	51.275.822
Distribution of the Total Comprehensive Income (Expenses)			
-Non-Controlling Shares		--	--
-Parent Company Shares		20.622.798	51.275.822

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

YÜKSELEN ÇELİK ANONİM ŞİRKETİ
UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD BETWEEN JANUARY 01 – MARCH 31, 2023

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

Accumulated Other Comprehensive Income/(Expenses) That Will Not Be Reclassified In Profit Or Loss Statement											
Revaluation and Measurement Gain / Losses											
Accumulated Profit											
	Notes	Paid in Capital	Redeemed Shares	Share Issue Premiums / Discounts	Defined Benefit Plans Re-Measurement Gains (Losses)	Reserves on Retained Earnings	Profits / Losses of Previous Years	Net Profit/Loss for The Period	Parent Shareholders' Equity	Non-Controlling Interests	Total Equity
CURRENT PERIOD											
Balances as of 01.01.2023 (beginning of the period)		125.000.000	--	--	(110.543)	6.949.596	114.417.854	166.070.241	412.327.148	--	412.327.148
Balance After Adjustments		125.000.000	--	--	(110.543)	6.949.596	114.417.854	166.070.241	412.327.148	--	412.327.148
Transfers		--	--	--	--	--	166.070.241	(166.070.241)	--	--	--
Total Comprehensive Income (Expense)		--	--	--	--	--	--	20.622.798	20.622.798	--	20.622.798
- Profit/(Loss) For the Period		30	--	--	--	--	--	20.622.798	20.622.798	--	20.622.798
- Other Comprehensive Income (Expense)		30	--	--	--	--	--	--	--	--	--
Dividends		--	--	--	--	--	--	--	--	--	--
Increase (Decrease) Due to Other Changes		--	--	--	--	--	--	--	--	--	--
Balances as of 31.03.2023 (end of period)		125.000.000	--	--	- (110.543)	6.949.596	280.488.095	20.622.798	432.949.946	--	432.949.946
PAST PERIOD											
Balances as of 01.01.2022 (beginning of the period)		125.000.000	--	--	(110.543)	4.227.673	28.998.589	109.141.188	267.256.907	--	267.256.907
Balance After Adjustments		125.000.000	--	--	(110.543)	4.227.673	28.998.589	109.141.188	267.256.907	--	267.256.907
Transfers		--	--	--	--	(915.945)	110.057.133	(109.141.188)	--	--	--
Total Comprehensive Income (Expense)		--	--	--	(218.306)	--	--	51.494.128	51.275.822	--	51.275.822
- Profit/(Loss) For The Period		30	--	--	--	--	--	51.494.128	51.494.128	--	51.494.128
- Other Comprehensive Income (Expense)		30	--	--	(218.306)	--	--	--	(218.306)	--	(218.306)
Dividends		--	--	--	--	--	--	--	--	--	--
Increase (Decrease) Due to Share Buyback Transactions		--	--	--	--	--	--	--	--	--	--
Increase (Decrease) Due to Other Changes		--	--	--	--	--	--	--	--	--	--
Balances as of 31.03.2022 (end of period)		125.000.000	--	--	(328.849)	3.311.728	139.055.722	51.494.128	318.532.729	--	318.532.729

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

YÜKSELEN ÇELİK ANONİM ŞİRKETİ
NOTES TO UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED WITH MARCH 31,2023

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

	Notes	Current Period 31.03.2023 TRY	Prior Period 31.03.2022 TRY
A.CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		18.860.071	(81.781.852)
Profits (Losses) for The Period (+/-)		20.622.798	51.494.128
- Profit (Loss) from Continuing Operations		20.622.798	51.494.128
Net Profit (Loss) Reconciliation Related Adjustments		(629.410)	(12.424.591)
Adjustments for Depreciation and Amortization	14,17,20	1.245.110	905.050
Adjustments for Impairment (Reversal) (+/-)		--	923.769
- Adjustments for Impairment (Reversal) on Receivables	7	--	923.769
Adjustments for Provisions (+/-)		611.819	882.956
- Adjustments for Provisions for Employee Benefits (Reversal)	25	611.819	882.956
Adjustments for Interest Income and Expenses (+/-)		2.573.711	(9.386.740)
- Adjustments for Interest Income	37	(5.229.110)	(61.081)
- Adjustments for Interest expenses	37	--	435.146
- Deferred Financing Costs Arising from The Term Purchase	7	9.627.647	1.429.965
- Unearned Finance Income Arising from Forward Sales	7	(1.824.826)	(11.190.770)
Adjustments for fair value losses/gains (+/-)	46	(601.229)	--
-Adjustments for Fair Value Loss (Gains) of Derivative Financial Instruments	46	(601.229)	--
Adjustments for Tax Revenue/Expenditure	40	(4.458.822)	(5.749.626)
Changes in Working Capita		(1.133.317)	(120.851.390)
Decrease (Increase) in Financial Investments	8	(27.817.591)	--
Adjustments for Increase/Decrease in Trade Receivables	7	32.228.082	(129.005.794)
-Increase/Decrease in Trade Receivables from Unrelated Parties	7	32.228.082	(129.005.794)
Adjustments for Increase/Decrease in Other Receivables Related with Activities	9	(2.731.704)	31.737
-Increase/Decrease in Other Receivables Related with Activities from Unrelated Parties	9	(2.731.704)	31.737
Adjustments for Increase/Decrease in Derivative Assets	46	--	314.706
Adjustments for Increase/Decrease in Inventories	10	(29.973.871)	36.957.077
Increase/Decrease in Prepaid Expenses	12	75.010.201	(38.348.074)
Adjustments for Increase/Decrease in Trade Payables	7	(47.599.966)	(27.265.933)
- Increase/Decrease in Trade Payables from Related Parties	6	(739)	--
- Increase/Decrease in Trade Payables to Unrelated Parties	7	(47.599.227)	(27.265.933)
Increase/Decrease in Payables as Part of Employee Benefits	27	886.546	674.641
Adjustments for Increase/Decrease in Other Payables Related with Activities	8	4.332.517	8.368.961
- Increase (Decrease) in Other Operational Payables to Unrelated Parties	8	4.332.517	8.368.961
Increase (Decrease) in Deferred Income (Excluding Payables Arising From Customer Contracts)	12	(1.271.885)	21.105.046
Adjustments for Other Increase (Decrease) in Working Capital		(4.195.646)	6.316.243
-Decrease (Increase) in Other Assets Related to Activities		(3.125.068)	(193.210)
-Increase (Decrease) in Other Liabilities Related to Activities		(1.070.578)	6.509.453
The Cash Flow Generated from Operations (+/-)		18.860.071	(81.781.852)
B. CASH FLOW FROM INVESTING ACTIVITIES		(7.327.494)	(105.065)
Cash Outflows for Sales Tangible and Intangible Assets		125.000	3.006
- Cash Outflows for Sales Tangible Assets	14	125.000	3.006
Cash Outflows for Purchasing Tangible and Intangible Assets		(7.452.494)	(108.071)
-Cash Outflows for Purchasing Tangible Asset	14	(7.446.894)	(100.091)
-Cash Outflows for Purchasing Intangible Assets	17	(5.600)	(7.980)
C. CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		22.150.129	82.650.715
Cash Inflows (Outflows) Resulted from Debts		851.321.500	102.350.027
- Cash Inflows (Outflows) from Bank Loans	47	851.321.500	102.350.027
Cash Outflows Related to Debt Payments		(825.043.038)	(8.467.513)
- Cash Outflows Related to Loan Repayments	47	(825.043.038)	(8.467.513)
Interest Paid		(9.357.443)	(11.292.880)
Interest Received		5.229.110	61.081
NET INCREASE/(DECREASE) CASH AND CASH EQUIVALENTS BEFORE FOREIGN CURRENCY		33.682.705	763.797
NET INCREASE/(DECREASE) CASH AND CASH EQUIVALENTS (A+B+C+D)		33.682.705	763.797
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		97.271.072	1.741.655
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (A+B+C+D+E)		130.953.777	2.505.452

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

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

Yukselen Celik Anonim Sirketi ("the Company") was established on 20 March 1989 in Istanbul under the title of "Yukselen Celik Ticaret Limited Sirketi". The name of the Company, on Trade Registry Gazette, No. 8230 dated January 7, 2013, the trade title change has been made and Company has the title of Yukselen Celik Anonim Sirketi.

The Company's main area of activities are the manufacture of carbon, manufacturing, structural, alloy and non-alloy, tooling stainless, skilled and unskilled iron and steel products for use in all industries including machinery, automotive, formwork, iron and steel, ship, construction and railway industries and import, export, domestic buying and selling of these products.

The registered address of the Company is Osmangazi Mahallesi 2647 sokak No:34/1 Esenyurt İSTANBUL.

Contact Office 1:

Dudullu OSB Mahallesi DES- 1Caddesi DES Sanayi Sitesi Ticaret Merkez Binası No:3/37 Ümraniye/İSTANBUL

Contact Office 2:

AOSB Mahallesi 10022 Sokak No: 18 Çiğli/İZMİR

Contact Office 3:

Ataköy Towers A Blok No:142 Çobançeşme E-5 Yanyol Bakırköy/İSTANBUL

As of March 31, 2023, the Company has 74 employees. (31 March 2022: 75)

As of March 31, 2023 and 31 December 31, 2022, the capital and shareholding structure of the Company are as follows:

	March 31, 2023		December 31, 2022	
	Share Amount	Share Ratio	Share Amount	Share Ratio
Barış GÖKTÜRK	35.158.450	28,20%	35.158.450	28,20%
Yüksel GÖKTÜRK	32.623.238	26,10%	32.623.238	26,10%
Burak GÖKTÜRK	17.605.634	14,08%	17.605.634	14,08%
Ferhan GÖKTÜRK	2.640.845	2,11%	2.640.845	2,11%
Halka Açık Kısım	36.971.833	29,58%	36.971.833	29,58%
Total Capital	125.000.000	100%	125.000.000	100%

(*) As of 31.03.2023 and 31.12.2022, 53,394 shares of 0.04% in the publicly traded portion belong to Yüksel Gökürk, and 270,000 shares of 0.22% belong to Barış Gökürk.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1) Basis of Presentation

- **Applied financial reporting standards**

The company and its established subsidiaries in Turkey maintain and prepare their legal books and legal financial statements in accordance with the accounting principles set out by the Turkish Commercial Code ("TCC") and tax legislation. Subsidiaries operating in foreign countries prepare their accounting records and legal financial statements in currencies and in accordance with the legislation of those countries in which they operate.

The related financial statements are prepared in accordance with the provisions of the Capital Market Board "CMB") "Principles regarding Financial Reporting in the Capital Market" ("Communiqué") no. 14.1 of Series II, published in the Official Gazette dated September 13, 2013 and numbered 28676, and are prepared in accordance with the provisions of article 5 of the Communiqué. In accordance with the article, Turkey Account Standards ("TAS") enacted by the Public Oversight Accounting and Auditing Standards Authority ("POA") and its annexes and interpretations are based on them.

In addition, financial statements and footnotes are presented in accordance with the formats announced by the POA with the announcement dated October 04, 2022.

Consolidation Basis

The Company is not subject to consolidation, The subsidiary of the Company abroad titles as "Rising Steel Inc." is inactive and stated in financial statements as its cost value.

- **Comparative Information and Adjustment Financial Statements of Previous Period**

The financial statements of the Company are prepared comparatively with the previous period in order to enable the determination of the financial situation and performance trends. When the presentation or classification of financial statement items changes, prior period financial statements are reclassified accordingly in order to ensure comparability. Accounting estimates are based on reliable information and reasonable estimation methods. However, estimates are reviewed as a result of changes in the conditions in which the forecast is made, the acquisition of new information or the emergence of additional developments. The impact of the change in accounting estimate is reflected in the financial statements in the current period of the change, in the period of the change, in the period of the change, in the period of the change, in the period of the change, and in the future, in the future and in the period of the change, to be taken into consideration in determining the profit or loss of the period. The quality and amount of a change in the accounting estimate, which has an impact on the current period activity outcome or is expected to have an impact on the subsequent periods, are explained in financial statements footnotes, except when there is no prediction of the impact on future periods. The financial statements of the Company are prepared comparatively with the previous period in order to enable the determination of the financial situation and performance trends.

For supplying comparative information, The Company reclassified its "personnel advance given" under prepaid expenses which was shown in "Other current asset" in prior period. The Company reclassified its "Loss from implementing TFRS 9" under "expenses from investing activities" which is stated in "Other Expenses from Operations" .

- **Going Concern Assumption**

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

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

• **Functional and reporting currency**

Each item in the Company's financial statements is accounted for using the currency ("functional currency"), which is valid in the underlying economic environment in which the Company operates. Financial statements are presented using TRY, the company's functional and reporting currency.

• **Declaration of Conformity to IAS**

The accompanying financial statements for Public Oversight Accounting and Auditing Standards Board ("POA") that have been put into force by International Accounting Standards ("IAS") and in accordance with the addition and interpretation of them is prepared.

Financial statements and footnotes are presented in accordance with the "2019 IFRS Taxonomy" announced by the POA with the principal decision dated June 7, 2019.

The financial statements are presented in accordance with the formats specified in the Financial Statement Examples and User Guide published by the CMB and published by the POA on April 15, 2019 ("Announcement on TMS Taxonomy").

2.2) Changes in Turkish Financial Reporting Standards

The accounting policies based on the preparation of the financial statements for the accounting period ended March31, 2023 have been implemented consistent with those used in the previous year, except for the new and changed TFRS standards and TFRYK comments as of January 1, 2023 outlined below. The impact of these standards and comments on the Company's finances and performance is described in the relevant paragraphs.

New standards effective as of March 31, 2023, and changes and comments on previous standards:

As of 31 March 2023, the new standards in force and the amendments and interpretations to the existing previous standards:

- Narrow amendments to TFRS 3, TAS 16, TAS 37 and some annual improvements to TFRS 1, TFRS 9, TAS 41 and TFRS 16

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

Standards issued but not yet effective and not early adopted

Standards and amendments published but not yet effective as of 31 March 2023:

- Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture,
- Amendments to TFRS 17– New Insurance Contracts Standard
- Amendments to TAS 8 – Definition of accounting estimates
- Amendments to TAS 12 – Deferred tax on assets and liabilities arising from a single transaction
- Amendments to TAS 16 – Proceeds before intended use,

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

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

2.3) Summary of Significant Accounting Policies

Cash and cash equivalents

Cash and cash equivalents include cash in operation, demand deposits held in financial institutions, other short-term highly liquid investments with original maturities of three months or less that can be easily converted into a certain amount of cash and have an insignificant risk of change in value, and current accounts with banks (Note 53).

Financial assets

Classification

The Company accounts its financial assets in three classes as "financial assets accounted for at amortized cost price", "fair value difference reflected in other comprehensive income statement" and "fair value difference reflected in profit or loss". Classification is based on the business model used by the business for managing financial assets and the characteristics of contractual cash flows of the financial asset. The company classifies its financial assets on the date of purchase.

Financial assets are not reclassified after their initial recognition, except in cases where the business model used by the Company in the management of financial assets changes; In case of business model change, financial assets are reclassified on the first day of the following reporting period after the change.

Accounting and Measurement

"Financial assets measured at amortized cost" are non-derivative financial assets held under a business model aimed at collecting contractual cash flows, which include interest payments only from principal and principal balances on certain dates in the terms of the contract. The Company's financial assets, which are accounted for at the amortized cost price, include "cash and cash equivalents", "commercial receivables", "other receivables" and "financial investments". The relevant assets are measured on their fair values in their first record in the financial statements and their discounted fees using the effective interest rate method in subsequent accounting. Gains and losses as a result of the valuation of non-derivative financial assets, measured on the amortized cost, are accounted for in the profit or loss statement.

"Financial assets reflected in other comprehensive income, the difference in actual value is a derivative non-derivative financial assets with cash flows on certain dates, including interest payments due to principal and principal balance, which are obtained under a business model aimed at collecting contractual cash flows and selling financial assets. Gains or losses arising from related financial assets, impairment gains or losses, and those other than currency difference income or expenses are reflected in other comprehensive income.

For investments in equity-based financial assets, the Company may irrevocably choose the method of reflecting subsequent changes in its fair value to other comprehensive income during the first-time financial statements. In the event of such a choice, the dividends obtained from the related investments are accounted for in the profit or loss table.

"Financial assets whose fair value difference is reflected in profit or loss" consists of financial assets other than financial assets measured at amortized cost and whose fair value difference is reflected in other comprehensive income. The gains and losses resulting from the valuation of these assets are accounted for in the income statement.

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

2.3) Summary of Significant Accounting Policies (CONT.)

Write off

The company removes the financial asset from its records when its rights to the cash flows generated under the agreement on financial assets are terminated or when it transfers the ownership of all risks and returns related to this financial asset with a trading transaction. Any rights created or held by financial assets transferred by the company are accounted for as a separate entity or liability.

Impairment

Impairment of financial and contract assets is calculated using the "Expected Credit Loss" (EXP) model. The impairment model is applied to amortized cost financial assets and contract assets.

Losses are measured on the following basis;

The lifetime ECL measurement is applied if, at the reporting date, the credit risk associated with a financial asset increases significantly after initial recognition. In all other cases where the relevant increase was not experienced, the 12-month ECL calculation was applied. The Company may determine that if the financial asset's credit risk has a low credit risk at the reporting date, the financial asset's credit risk has not increased significantly. However, lifetime ETC measurement (simplified approach) always applies to trade receivables and contract assets without a significant financing element.

Trade Receivables

Commercial receivables resulting from the provision of products or services to the buyer are accounted for from the amortized value of the amounts to be obtained in the following periods from the original invoice value. Short-term receivables without a set interest rate are shown from the invoice amount if the effect of the original effective interest rate is not too great. In the financial statements, the "simplified approach" is applied within the scope of devaluation calculations of commercial receivables that are accounted for at the amortized cost price and do not contain a significant financing component (less than 1 year term). With this approach, in cases where commercial receivables are not depreciated for certain reasons (except for realized impairment losses), the provisions of losses related to commercial receivables are measured at an amount equal to "lifetime expected credit losses". If all or part of the depreciated credit amount is collected after the devaluation provision is allocated, the amount collected is deducted from the allocated impairment and recorded in other income from the principal activities. Interest income/expenses related to trade transactions and currency difference profits/losses are accounted for in the "Other Income/Expenses from Core Activities" account in the profit or loss table.

Trade Payables

Commercial liabilities refer to mandatory payments for goods and services provided by suppliers for the Company's usual activities. If the expected period for the payment of commercial debts is 1 year or less (or longer but is within the normal operating cycle of the enterprise), these debts are classified as short-term liabilities. Otherwise, they are classified as long-term liabilities.

Commercial debts are recorded with their true values and are accounted for in subsequent periods by alteration of the value from the discredited value using the effective rate method.

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

2.3) Summary of Significant Accounting Policies (CONT.)

Inventories

Inventories are valued at less than the net net realizable value or cost value. The cost determination method is the monthly weighted average for all stocks, and semi-finished products and products take a share of production costs. The net feasible value is the value after deducting marketing and sales expenses, with expenses made to get stocks ready for sale at the estimated sales price. For stocks that are unavailable or unsold, the value is recorded for impairment.

Tangible assets

Tangible assets are accounted for by deducting the accumulated depreciation and, if any, accumulated impairment on cost values. When tangible assets are sold, the cost and accumulated depreciations and provisions for impairment, if any, are included in the income or expense, profit or loss statement after deducting them from the relevant accounts.

The cost value of the tangible asset consists of the purchase price, import taxes and non-refundable taxes and the costs to make the tangible asset ready for use. Costs such as repair and maintenance after the use of tangible assets are recorded at the time of their occurrence. If the expenditure provides an economic increase in future use of the relevant tangible asset, these expenditures are added to the cost of the asset.

Depreciated assets are subjected to depreciation according to linear depreciation method with rates based on their estimated economic lifespan. The method of economic life and depreciation is regularly reviewed and therefore it is examined whether the method and depreciation period are in line with the economic benefits to be obtained from the relevant asset.

If there is an indication that the value of the asset has decreased, the net realizable value of the related asset is re-estimated and the provision for impairment is reflected in the financial statements.

If the registered value of an asset is higher than the recoverable value of the asset, the registered value is immediately reduced to recoverable. The recoverable value is the net sale price or high value of the related asset in use. The net sale price is determined by deducting the costs to be bearable to realize the sale from the reasonable value of the asset. The value in use is determined by adding residual values to the reduced amounts of estimated cash flows to be obtained in the future as of the reporting period by continuing to use the relevant asset. Profits and losses resulting from the sale of tangible assets are included in the income and expenses accounts from investment activities.

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

2.3) Summary of Significant Accounting Policies (CONT.)

Intangible assets

Intangible assets purchased

Intangible assets purchased are indicated by their accumulated amortization shares from cost values and their amounts after deducting accumulated impairments. These assets are amortized using linear amortization method according to their expected economic lifespan. The expected economic lifespan and amortization method is reviewed annually to determine the possible impact of changes in forecasts, and changes in estimates are accounted for going forward. These costs cover acquisition costs and are subject to amortization according to their economic lifespan.

Computer software

Purchased computer software is activated at the cost of purchase and in the time it takes to be ready for use. These costs are amortized according to their economic life (3-15 years).

The costs associated with developing and maintaining computer software are recorded in the comprehensive income statement during their occur time. Expenditures that are in control of the Company, which can be directly associated with detectable and distinctive software products and that will provide economic benefits above cost for more than a year, are considered intangible assets. Costs include the costs of employees developing the software and some of the overall production costs. Computer software development costs, which are considered as intangible assets, are subject to amortization over their economic life.

Impairment of Non-financial Assets

For all its tangible and intangible assets, the Company evaluates at each report date whether there is any indication of impairment for the asset. If such an indication exists, the carrying value of that asset is compared with the net realizable value, which is the higher of the amounts to be obtained through use or sale. An impairment has occurred if the carrying amount of the asset, or any cash-generating unit to which that asset belongs, is greater than the amount to be recovered through use or sale. In this case, impairment losses are recognized in the profit or loss statement.

The increase in the carrying value of the asset (or cash-generating unit) due to the reversal of the impairment should not exceed the carrying amount (net amount after depreciation) that would have occurred had the impairment been recognized in previous years. The reversal of the impairment is recognized in the profit or loss statement.

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

2.3) Summary of Significant Accounting Policies(CONT.)

Financial Leases

Operating lease (as lessee)

Leases in which a significant portion of the risks and rewards of ownership belong to the lessor are classified as operating leases. Payments made as operating leases (less incentives received from the lessor) are charged to the statement of profit or loss on a straight-line basis over the lease term.

Operating lease (as lessor)

In the operating leasing, the leased assets are classified under tangible assets in the financial situation table, excluding real estate, land and properties held for investment purposes, and the rental income obtained is reflected in the profit or loss statement in equal amounts during the rental period. Rental income is reflected in the profit or loss statement by linear method during the rental period.

Recording of Revenue

As of January 1, 2018, the Company has started to use the following five-stage model for accounting for revenue in accordance with TFRS 15 "Revenue Standard from Customer Contracts"

- Identification of contracts with customers
- Definition of performance obligations in contracts
- Determine the transaction price in contracts
- Distribution of transaction price to performance obligations
- Revenue recognition

According to this model, the goods or services committed in each contract with the customers are evaluated and each commitment to transfer such goods or services is determined as a separate operating obligation. Then it is determined whether the step obligations will be fulfilled as a time spread or at a certain time. If the Company transfers control of a goods or services over time and therefore fulfills its operations obligations for related sales in a timely way, it measures the progress towards the full fulfillment of such action obligations and puts the proceeds in the financial statements as a time spread.

Revenue related to performance obligations, which are in the nature of a commitment to transfer goods or services, are recognized when the control of the goods or services is in the hands of the customers.

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

2.3) Summary of Significant Accounting Policies(CONT.)

While the company evaluates the transfer of the control of the sold goods or services to the customer,;

- Ownership of the Company's right to collect goods or services,
- The customer's legal ownership of the goods or services,
- Transfer of possession of goods or services,
- The customer's ownership of the significant risks and rewards of owning the goods or services,
- It considers the conditions of the customer's acceptance of the goods or services.

The Company does not make corrections to the impact of a significant financing component on the promised price if it anticipates that at the beginning of the contract, the period between the transfer date of the goods or services committed to the customer and the date on which the customer pays for this goods or services will be one year or less. On the other hand, if there is an important financing element in the proceeds, the value of the proceeds is determined by reducing the future collections with the interest rate included in the financing element. The difference is recorded in the relevant periods as other income from the main activities on the basis of accrual.

Interest income

Interest income is accrued in the relevant period on the basis of the effective interest method that brings the estimated cash inflows from the remaining principal balance and the corresponding financial asset to the net book value of that asset.

Interest income and exchange income related to trade transactions are accounted for as other income from the main activities.

Dividend income

Dividend income from stock investments is reflected in financial statements when shareholders are entitled to receive dividends. Dividend liabilities are reflected in financial statements as an obligation after the general assembly's approval as a component of the profit distribution.

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

2.3) Summary of Significant Accounting Policies (CONT.)**Borrowings**

Borrowings are accounted for at fair value less transaction costs incurred during initial recognition. Borrowings are measured at amortized cost after initial recognition. The difference between the amount collected (deducted transaction costs) and the amount recovered is recognized in profit or loss for the period using the effective interest method. Fees paid to obtain the loan facility are recognized as the transaction cost of the loan if it is probable that some or all the loan facility will be used. In this case, these fees are deferred until the loan is used. Where there is no evidence that it is probable that some or all the credit facility will be utilized, these fees are capitalized as a down payment for the liquidity service and amortized over the period for which the credit facility relates.

Borrowing costs

The costs of general and special purpose borrowings that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset over the period necessary to get those assets ready for their intended use or sale. Such costs are included in the cost of the asset if they can be measured in a reliable way and it is likely that the enterprise will benefit from economic benefits in the future. Investment income earned by the temporary management of special purpose liabilities that are expected to be spent on featured assets is deducted from borrowing costs that meet the conditions of capitalization. Borrowing costs that are not covered by this scope are eliminated on the date they occur.

Current tax expense and deferred tax

Period tax expense includes current period tax expense and deferred tax expense. Current tax and deferred tax are recognized as income or expense in the statement of profit or loss, provided that the tax is not directly related to a transaction accounted for under equity or other comprehensive income. In this case, the tax is recognized in other comprehensive income or equity, respectively.

Current tax expense is calculated based on tax laws in the countries in which the Company and its subsidiaries operate, or close to the period of entry into force. The company periodically evaluates the tax returns if the applicable tax law is open to interpretation and, where necessary, a provision is made for the debts to be paid to the tax authorities.

Deferred tax is calculated using the liability method based on the temporary differences between the values of assets and liabilities in the financial statements and the tax values. Deferred tax assets and liabilities are calculated at the tax rates expected to be applied during the period in which the tax asset will occur, or its liability will be executed, taking into account the tax rates and tax legislation that are in force or come into force as of the balance sheet date. Deferred tax assets are calculated provided that it is highly likely to benefit from temporary differences by making taxable profits in the future.

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

2.3) Summary of Significant Accounting Policies (CONT.)

The Company calculates a deferred tax liability for all taxable temporary differences related to its subsidiaries, except that it can control the time when taxable temporary differences are closed and the temporary difference is unlikely to be closed within a predictable period of time.

The company can determine the deferred tax asset and deferred tax liability of the same taxpayer or different taxpayers who intend to net the deferred tax asset or liability if and only if they have the legal right to set off the current tax assets against the current tax liabilities. If it is the same with the tax administration that made the arrangement, it is deducted.

Provision for Employment Termination Benefits

In accordance with the current labor law, the company is obliged to pay a certain amount of severance pay to the personnel who quit their job due to retirement or who are dismissed for reasons other than resignation and bad behavior and who have served for at least one year.

In the related financial statements, the Company calculated the severance pay return using the "Projection Method" and based on the Company's past experience in completing its staff service period and qualifying for severance, and discounted government bonds at the earnings ratio on the balance sheet date.

The current service cost for defined benefit plans, reflected in the income statement as employee expenses, refers to benefit change reductions and an increase in payments in defined benefit liability resulting from employee services in the current year, excluding those added to the cost of an asset. Historical service costs are recorded in the income statement during the period in which they occurred.

Net interest expense is calculated by applying a discount rate to the net value of the defined benefit obligation and the actual value of the planned asset. This cost is accounted for under employee expenses in the profit or loss table.

Defined benefit plans re-measurement gains and losses arising from difference corrections and actuarial assumption changes between actuarial assumption and realized are reflected in equity as other comprehensive income during the period in which they occurred.

Provision for unused permission

The unused permission rights accrued in financial statements represent the estimated total return for future potential liabilities related to the days of the well-deserved leave that employees do not use as of the balance sheet date.

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

2.3) Summary of Significant Accounting Policies(CONT.)

Earnings per share

Earnings per share reported in the profit or loss statement is calculated by dividing net profit by the weighted average number of shares outstanding throughout the reporting period.

In Turkey, companies can increase their capital through "bonus shares", which they distribute to their existing shareholders from previous years' earnings and inflation adjustment differences. Such "bonus shares" distributions are treated as issued shares in earnings per share calculations. Accordingly, the weighted average number of shares used in these calculations is calculated by taking into account the retrospective effects of the said share distributions.

Provisions, Contingent Assets and Liabilities

A provision is made in the financial statements if there is a present obligation as a result of past events, it is probable that the obligation will be settled and the amount of the obligation can be estimated reliably.

The amount recognized as a provision is calculated by estimating the expense to settle the obligation as of the report date, taking into account the risks and uncertainties associated with the obligation.

Where the effect of the time value of money is material, the amount of the provision is determined as the present value of the expenses expected to be necessary to settle the obligation. In determining the discount rate to be used in reducing the provisions to their present values, the interest rate in the relevant markets and the risk related to the said liability are taken into account. This discount rate is determined pre-tax and does not include the risk associated with estimating future cash flows.

Where some or all of the economic benefit required to pay the recompense is expected to be covered by third parties, the amount to be collected is accounted for as an asset if the collection of the relevant amount is almost certain and measured reliably.

Transactions in Foreign Currency

The financial statements of each business of the Company are presented in the currency (functional currency) valid in the main economic environment in which they operate. The financial position and operating results of each business are expressed in Turkish Lira ("TRY"), which is the functional currency of the Company and the presentation currency for the financial statements. During the preparation of the financial statements of each enterprise, transactions in foreign currency (currencies other than TRY or currencies other than the functional currency of the relevant enterprise) are recorded based on the exchange rates on the date of the transaction. Monetary assets and liabilities indexed to foreign currency in the statement of financial position are translated into TRY using the exchange rates prevailing on the report date.

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

2.3) Summary of Significant Accounting Policies(CONT.)

Those recorded in foreign currency from non-monetary items that are monitored with fair value are converted to TRY based on the exchange rates at the time the fair value is determined. Non-monetary items in foreign currency measured in historical costs are not subject to translation.

The assets and liabilities of the company's foreign activities are expressed in TRY using the rates valid at the date of the report in financial statements. Income and expense items are translated using average rates during the period unless there is significant fluctuation in exchange rates during the period at which the rates were to be used (in case of significant fluctuations, rates at the date of the transaction are used). The exchange difference is classified as equity and transferred to the Company's foreign currency translation differences fund. These loop differences are recorded in the profit or loss table during the period of the disposal of foreign activity.

Goodwill and fair value corrections arising from the purchase of activities abroad are treated as assets and burdens of activity abroad and translated using the end-of-term rate.

Net Off

The fact that a financial asset and debt are offset together, and the net amount is shown on the balance sheet, but the it may be possible if it has a legal right to clarify the amounts accounted for and intends to make payments on a net basis or to obtain the asset and to pay the debt simultaneously. The legal right should not be linked to a future event and should be available in normal operational flow and even in the event of default, incapacitated or bankruptcy of the company or the other party.

Government Grants

Government donations are recorded on their fair value when there is a reasonable assurance that donations will be received and that the Company meets the conditions it is obliged to comply with.

Events after the balance sheet date

Events after the balance sheet date; covers all events between the balance sheet date and the date of authorization for the publication of the balance sheet, even if they occurred after any announcement of the profits of the period or other selected financial information was made public. The Company adjusts the amounts received in the financial statements in accordance with this new situation in the event of incidents that require correction after the balance sheet date. Non-correction issues arising from the date of balance sheet are explained in the financial statement footnotes if they are issues that affect the economic decisions of the financial statement users.

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

2.3) Summary of Significant Accounting Policies (CONT.)

Related Parties

In the presence of one of the following criteria, the party is deemed to be related to the Company:

- (a) The said party, directly or indirectly, through one or more of its intermediaries:
 - (i) Controls, is controlled by, or is under joint control with the entity (including parents, subsidiaries, and subsidiaries in the same line of business);
 - (ii) Having a share that will enable it to have significant influence on the company; or
 - (iii) Has joint control over the Company.
- (b) The party is an affiliate of the Company;
- (c) The entity is a partnership with which the Company is a joint entrepreneur;
- (d) The entity is a member of the Key Executive Staff of the Company or its parent partnership;
- (e) The entity is a close family member of any individual mentioned in (a) or (d);
- (f) The entity is a business where any individual, controlled, co-controlled or under significant influence, or referred to in (d) or (e), has the right to a significant vote directly or indirectly; or,
- (g). The entity must be a benefit plan provided to employees of a business or business that is associated with the business, after leaving work.

Cash Flow Statement

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

Cash flows from operating activities indicate cash flows from Company activities. The company chose to present its cash in and out of operating activities in financial statements in a clear (indirect) way.

Cash flows related to investment activities show the cash flows that the Company uses and achieves in investment activities (fixed investments and financial investments).

Cash flows related to financing activities indicate the resources used by the Company in its financing activities and the reimbursements of these resources.

2.4) Changes and Errors in Accounting Estimates

Changes in accounting estimates are applied only for one period, during the current period of the change, and in the future, both during the period of the change and in the future. Important estimates used during the preparation of financial statements for the period ending on March 31, 2023 are consistent with the estimates used during the preparation of financial statements for the period that ended on December 31, 2022. The key accounting errors identified are retroactively applied and the previous financial statements are reorganized.

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

2.5) Significant accounting judgments, estimates and assumptions

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

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

- The cost of defined benefit plans is determined using actuarial valuations which involve making assumptions about discount rates, future salary increases and employee turnover. Due to the long- term nature of these plans, such estimates are subject to significant uncertainty.
- The possibility of loss of lawsuits and any liability arising in the event of loss are assessed by the Company's management by taking the advice of the Company's Legal Counsel and the expert. Company management determines the amount of provision for the case based on best estimates.
- Company management has made assumptions based on the experience of the technical staff in determining the useful life of tangible and intangible assets.
- Deferred tax assets and liabilities are recorded using tax rates that are widely used for temporary differences between the notebook values and matrahs of assets and liabilities. Based on the evidence available, it has been considered possible that all or part of the deferred tax assets may not be converted or converted into cash. Key factors considered include potential for future income, losses accumulated from previous years, tax planning strategies that will be implemented if necessary, and the nature of revenue that can be used to convert the deferred tax asset into cash.

NOTE 3 – BUSINESS COMBINATIONS

None (December 31, 2022: None)

NOTE 4 – SHARES IN OTHER COMPANIES

In order to support the export activities of the Company, Rising Steel Inc. is located in the organized industrial area close to the Chicago region in Illinois, USA. The establishment procedures of the subsidiary, which was decided to be established with its title, were completed as of 08.02.2022 and were registered on 10.02.2022. The company has just started its new activities in the relevant period, and therefore, since the transaction volume and its effect on the financial statements are insignificant, it has not been consolidated and has been reflected in the financial statements with a cost value of 1,000 USD (TL 13,402 in acquisition).

NOTE 5 – SEGMENT REPORTING

The methods which are used in the company's field of activity, quality of service, characteristics of economic, the classification of customers in accordance with risk, and the distribution of services are similar. In addition, the company's organizational structure, all different activities of the company are managed and considered as part of a single activity instead of including different activities. The company's operating results, the identification of resources to be allocated to these activities and review of the performance of these activities are considered in this context.

NOTE 6 – RELATED PARTY DISCLOSURES

The details of the transactions between the Company and other related parties are explained below:

(a) Other Short-Term Receivables

None (December 31, 2022: None)

(b) Other Short-Term Payables

	31.03.2023	31.12.2022
SKY Fuarçılık A.Ş.	--	739
Total	--	739

(c) Other Short-Term Receivables and Payables

None (December 31, 2022: None)

(d) Short Term Prepaid Expenses

None (December 31, 2022: None)

(e) Purchases

The details of the company's purchases from related parties are as follows:

	31.03.2023	31.03.2022
SKY Fuarçılık A.Ş.		60.000
Gerçek Kişi Ortaklar (*)	1.800.000	517.500
Toplam	1.800.000	577.500

(*) Includes rental fees paid for the office rented from company partners Ferhan Göktürk and Yüksek Göktürk.

(f) Sales

None (December 31, 2022: None)

NOTE 6 – RELATED PARTY DISCLOSURES (CONT.)**(g) Key Management Compensation and Benefits**

The details of the remuneration and similar benefits provided to the senior executives of the company are as follows:

	31.03.2023	31.03.2022
Salary and attendance payments	729.381	418.928
Total	729.381	418.928

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

The details of the company's short-term trade receivables are as follows:

	31.03.2023	31.12.2022
Checks received	374.647.202	425.926.272
Trade receivables	149.500.988	135.969.148
Notes receivable	400.000	400.000
Rediscount of notes (-)	(9.627.647)	(5.428.218)
Trade receivables Tfrs 9 expected credit loss	(456.350)	(547.280)
Provision for doubtful receivables	4.700.951	4.700.951
Provision for doubtful trade receivables (-)	(4.700.951)	(4.700.951)
Total	514.464.193	556.319.922

Average collection maturity of trade receivables is 148 days (31.12.2022; 108 days). The company allocates a loss provision for its trade receivables that have become problematic. Provision amounts include the receivables that the relevant customers cannot repay or the value of the collaterals received for the receivables in question cannot be realized.

Euler Hermes Sigorta A.Ş. and the credit insurance policy, the details of which are given below.

- The policy is between 1 June 2022 and 31 May 2023 and has been issued for 1 year.
- Currency of the policy is determined as USD & EUR.
- The guarantee rate has been determined as 90% for commercial receivables for which a credit limit request has been made. In addition, the Company has receivables and letters of guarantee within the scope of DBS.

- As of March 31, 2023, the Company has an insurance coverage limit of USD 15.004.027 allocated to its 850 customers and EUR 3.012.000 allocated to 46 customers within the body of Euler Hermes Sigorta A.Ş. In addition, the Company has a DBS secured limit of TL 65,484,000 for its 145 customers with 100% bank guarantee, which is allocated to its customers at 12 banks. In addition, there is a total of 900.000 TL letter of guarantee limit for 3 customers.

NOTE 7 - TRADE RECEIVABLES AND PAYABLES (CONT.)

The movement table of the Company's provisions for doubtful receivables is as follows;

	31.03.2023	31.12.2022
Opening	4.700.951	4.255.926
Increase during the period	--	445.025
Provisions no longer required	--	--
Closing	4.700.951	4.700.951

(b) Short Term Trade Payables

The details of the company's short term trade payables are as follows:

	31.03.2023	31.12.2022
Sellers	134.368.578	149.669.519
Debt securities	19.814.942	49.466.574
Other Trade Payables to Related Parties	--	739
Other trade payables	4.088.021	7.888.333
Debt rediscount (-)	(1.651.362)	(980.194)
Total	156.620.179	206.044.971

The average payment term of trade payables is 49 days (31.12.2022: 45 days).

As of 31 December 2022 and 31 December 2021, the Company has no Long-Term Trade Payables.

NOTE 8 – RECEIVABLES AND PAYABLES FROM FINANCE SECTOR ACTIVITIES

32.302.513 TL (31.12.2022 : 6.509.644) of the Company's financial investments consist of short-term debt instruments fund accounts. As of 31 March 2023, the Company has a restricted bank balance amounting to TL 2.077.752 (31.12.2022 : TL 53.030).

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

The details of the company's other short-term receivables are as follows:

	31.03.2023	31.12.2022
Receivables from the tax office	16.902.681	14.004.847
Receivables from staff	213.690	340.000
Deposits and guarantees given	33.346	33.346
Various other receivables	2.187	42.006
Total	17.151.904	14.420.199

(b) Other Long-Term Receivables

None (December 31, 2022: None)

YÜKSELEN ÇELİK ANONİM ŞİRKETİ**NOTES TO UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED WITH MARCH 31,2023**

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

(c) Other Short-Term Payables		
	31.03.2023	31.12.2022
Taxes and Funds Payable	7.209.799	2.729.394
Other	6.545	154.433
Toplam	7.216.344	2.883.827

NOTE 10 – INVENTORIES

The details of the company's inventories are as follows:

	31.03.2023	31.12.2022
Trade goods	397.668.938	367.695.067
Other goods	1.480.000	1.480.000
Total	399.148.938	369.175.067

As of 31 March 2023, and 31 December 2022, the Company has no inventory impairment.

NOTE 11 – BIOLOGICAL ASSETS

None (December 31, 2022: None)

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

The details of the company's short-term prepaid expenses are as follows:

	31.03.2023	31.12.2022
Advances given	53.586.030	143.127.767
Expenses for the following months	18.340.427	3.869.204
Personnel advances	266.994	206.681
Total	72.193.451	147.203.652

(b) Long-Term Prepaid Expenses

None (December 31, 2022: None)

(c) Short Term Deferred Income

The details of the company's short-term deferred income is as follows:

	31.03.2023	31.12.2022
Liabilities arising from customer contracts	13.248.725	14.520.610
Total	13.248.725	14.520.610

NOTE 13 – INVESTMENT PROPERTIES

None (December 31, 2022: None)

YÜKSELEN ÇELİK ANONİM ŞİRKETİ**NOTES TO UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED WITH MARCH 31,2023**

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

NOTE 14 – TANGIBLE ASSETS

The movements in the company's tangible assets and related accumulated depreciation are as follows:

	31.12.2021	Addition	Transfers	Disposal	31.12.2022	Addition	Transfers	Disposal	31.03.2023
Cost									
Land and Parcel	15.425.000	--	--	--	15.425.000	--	--	--	15.425.000
Buildings		--	--	--	--	--	--	--	--
Machinery and equipment	7.736.026	1.576.107	(323.737)	--	8.988.397	5.642.323	(12.500)	--	14.618.220
Vehicles	4.050.063	1.513.948	--	--	5.564.011	--	--	--	5.564.011
Fixtures	5.127.513	401.268	--	--	5.528.781	993.529	--	--	6.522.310
Specific costs	10.540.883	--	(10.540.883)	--	--	--	--	--	--
Construction in progress	192.652	30.659.186	--	--	30.851.838	811.042	--	--	31.662.881
	43.072.137	34.150.509	(10.864.620)	--	66.358.027	7.446.894	(12.500)	--	73.792.421
Accumulated Depreciation									
Machinery and equipment	1.820.311	814.183	(98.737)	--	2.535.757	270.244	(5.938)	--	2.800.064
Vehicles	1.842.432	1.031.617	--	--	2.874.049	343.370	--	--	3.217.418
Fixtures	1.206.683	626.839	--	--	1.833.522	178.349	--	--	2.011.871
Specific costs	5.171.727	--	(5.171.727)	--	--	--	--	--	--
	10.041.153	2.472.638	(5.270.464)	--	7.243.328	791.963	(5.938)	--	8.029.354
Net Book Value	33.030.984				59.114.699				65.763.067

As of 31 March 2023, the Company does not have any pledges or mortgages on Tangible Fixed Assets.

NOTE 15 – DECOMMISSIONING OF SERVICE, RIGHTS ON FUNDS FROM RESTORATION AND ENVIRONMENT REHABILITATION

None (December 31, 2022: None)

NOTE 16 – SHARES OF MEMBERS IN COOPERATIVE BUSINESS AND RELATED FINANCIAL INSTRUMENTS

None (December 31, 2022: None)

NOTE 17 – INTANGIBLE ASSETS

The details of the company's intangible assets are as follows;

	31.12.2021	Addition	Transfers	Disposal	31.12.2022	Addition	Transfers	Disposal	31.03.2023
Cost									
Rights	361.857	113.200	--	--	475.057	5.600	--	--	480.657
Total	361.857	113.200	--	--	475.057	5.600	--	--	480.657
						--	--	--	--
Accumulated depreciation						--	--	--	--
Rights	(130.799)	(53.165)	--	--	(183.964)	(16.273)	--	--	(200.237)
Total	(130.799)	(53.165)	--	--	(183.964)	(16.273)	--	--	(200.237)
Net Book Value	231.058				291.093				280.420

NOTE 18 – GOODWILL

None (December 31, 2022: None)

NOTE 19 – INVESTIGATION AND EVALUATION OF MINERAL RESOURCES

None (December 31, 2022: None)

NOTE 20 – RENT OPERATIONS**(a) Right-of-use assets (TFRS-16)**

The balances of right-of-use assets as of 1 January and 31 March 2023 and their depreciation and amortization expenses in the relevant period are as follows:

	01.01.2021	Addition	Other	Disposal	31.12.2022	Addition	Other	Disposal	31.03.2023
Cost									
Buildings	6.354.647	--	238.062	--	6.592.709	80.514	--	--	6.673.223
Special Costs	--	881.425	--	10.540.883	11.422.308	123.500	--	--	11.545.808
Total	6.354.647	881.425	238.062	10.540.883	18.015.017	204.014	--	--	18.219.031
Accumulated Depr.									
Buildings	(2.488.270)	(1.087.233)	--	--	(3.575.503)	(10.094)	--	--	(3.585.597)
Special Costs	--	(1.567.847)	--	(5.171.727)	(6.739.574)	(426.780)	--	--	(7.166.354)
Total	(2.488.270)	(2.655.080)	--	(5.171.727)	(10.315.077)	(436.874)	--	--	(10.751.951)
Net Book Value	3.866.377				7.699.941				7.467.080

Payables from lease transactions consist of borrowings within the scope of "TFRS-16 Leases" provision made for the lease of İzmir office, Dudullu office, Representative office, Ataköy office and Head office building as right-of-use assets.

NOTE 21– PRIVILEGE SERVICE ARRANGEMENTS

None (December 31, 2022: None)

NOTE 22– IMPAIRMENT ON ASSETS

	31.03.2023	31.12.2022
Doubtful receivables	4.700.951	4.700.951
Total	4.700.951	4.700.951

NOTE 23 – GOVERNMENT INCENTIVES

None (December 31, 2022: None)

NOTE 24 – BORROWING COSTS

For the accounting period ending on March 31, 2023, there is no borrowing cost added to the cost of assets directly related to the assets. (December 31, 2021 – None) Borrowing costs are included in the profit or loss statement.

NOTE 25 – CONTINGENT ASSETS AND LIABILITIES

The details of the company's provisions are as follows:

(a) Short-Term Provisions for Employee Benefits

The details of the company's short-term provisions for employee benefits are as follows:

	31.03.2023	31.12.2022
Unused leave liability	707.549	133.252
Total	707.549	133.252

(b) Other Short-Term Provisions

None (December 31, 2022: None)

NOTE 25 – CONTINGENT ASSETS AND LIABILITIES (CONT.)**(c) Long-Term Provisions for Employee Benefits**

The details of the company's long-term provisions for employee benefits are as follows:

	31.03.2023	31.12.2022
Severance pay liability	993.333	955.811
Total	993.333	955.811

According to the Turkish Labor Law, the company is obliged to pay severance pay to each employee who completes at least one year of service and retires after 25 years of working life (aged 58 for women, 60 for men), terminated, called for military service or passed away. . As of 31 March 2023, severance pay payable is subject to a monthly ceiling of 19.983 TL (31 December 2022: 15.371 TL).

Severance pay liability is not legally subject to any funding. The provision for severance pay is calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. TAS 19 Employee Benefits requires the company's liabilities to be developed using actuarial valuation methods within the scope of defined benefit plans. Accordingly, the actuarial assumptions used in the calculation of total liabilities are as follows:

The main assumption is that the maximum liability amount for each year of service will increase in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore, provisions in the accompanying financial statements as of 31 March 2023 are calculated by estimating the present value of the future probable obligation arising from the retirement of the employees. Provisions at the relevant balance sheet dates are calculated using the real discount rate obtained as approximately 3.10%, based on the assumptions of 13.00% annual inflation and 16.50% interest rate (31 December 2022: Real discount rate obtained as 3.10%)

The important estimates used in the calculation of the severance pay liability are the discount rate and the probability of voluntary dismissal.

	01.01.2023- 31.03.2023	01.01.2022- 31.12.2022
Opening balance	955.811	576.547
Service costs	30.222	361.406
Interest cost	7.300	17.858
Severance Pay Paid	--	--
End of period	993.333	955.811

NOTE 26 – COMMITMENTS

- Letters of Guarantee Taken**

	31.03.2023	31.12.2022
Letters of guarantee taken	900.000	1.030.000
Total	900.000	1.030.000

As of March 31, 2023 and December 31, 2022, there is no mortgage on Company's assets.

- Letters of Guarantee given**

	31.03.2023	31.12.2022
Letters of guarantee given	28.304.155	16.565.156
Total	28.304.155	16.565.156

Information on the Company's given collateral position is as follows:

	31.03.2023	31.12.2022
A. Total amount of GMP that Issued on behalf of the legal entity	28.304.155	16.565.156
B. Total Amount of GSM given for partnerships which are included in full consolidation	--	--
C. Total Amount of GSM given for the purpose of guaranteeing third party loans to carry the regular trade activities	--	--
D. Total Amount of another GSM given	--	--
i. Total amount of GSM given in favor of the main partner	--	--
ii. Total amount of GSM given in favor of other group companies not covered by B and C clauses	--	--
iii. Total amount of GSM given in favor of third parties not covered by Article C	--	--
Total	28.304.155	16.565.156
The ratio of other GSM's to the Company's equity	0,00	0,00

NOTE 27 – PAYABLES FOR EMPLOYEE BENEFITS**(a) Payables within the Scope of Employee Benefits**

The details of the payables within the scope of the company's employee benefits are as follows:

	31.03.2023	31.12.2022
Payables to employees	977.411	--
SSI premium payables	594.911	685.776
Total	1.572.322	685.776

NOTE 28 – EXPENSES BY NATURE**(a) General Administrative Expenses (-)**

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

	01.01.2023- 31.03.2023	01.01.2022- 31.03.2022
Personnel expenses	(3.211.153)	(1.710.955)
Depreciation and amortization	(374.785)	(154.727)
Office Expenses	(394.033)	(38.036)
Insurance Expenses	(671.087)	(363.997)
Electricity, Water, Natural Gas Expenses	(173.378)	(53.222)
Communication Expenses	(26.968)	(14.379)
Tax Duty Fee Expenses	(3.686)	(34.860)
Dues Expenses	(1.398.584)	--
Other expenses	(2.331.644)	(1.339.327)
Total	(8.585.318)	(3.709.503)

NOTE 28 – EXPENSES BY NATURE (Cont.)**(b) Marketing, Sales and Distribution Expenses**

The details of the company's marketing, sales and distribution expenses are as follows:

	01.01.2023- 31.03.2023	01.01.2022- 31.03.2022
Personnel expenses	(5.278.813)	(2.416.217)
Depreciation and amortization	(870.325)	(750.323)
Shipping and cargo expenses	(1.500.509)	(2.766.454)
Repair and maintenance repair expenses	(84.835)	(71.124)
Consultancy expenses	(2.707.980)	(1.806.375)
Motor vehicle expenses	(357.670)	(198.562)
Fair and advertising expenses	(502.002)	(178.505)
Travel expenses	(199.072)	(89.508)
Other expenses	(575.330)	(588.380)
Total	(12.076.536)	(8.865.448)

(c) Research and Development Expenses (-)

None (March 31, 2022: None)

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

The details of the company's other current assets are as follows:

	31.03.2023	31.12.2022
Income accruals	49.393	55.369
Transferred Value Added Tax	26.040.609	23.464.876
Total	26.090.002	23.520.245

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

The company's shareholders and their shares in the capital are as follows:

	March 31, 2023		December 31, 2022	
	Share Amount	Share Percentage	Share Amount	Share Percentage
Bariş GÖKTÜRK	35.158.450	28,20%	35.158.450	28,20%
Yüksel GÖKTÜRK	32.623.238	26,10%	32.623.238	26,10%
Burak GÖKTÜRK	17.605.634	14,08%	17.605.634	14,08%
Ferhan GÖKTÜRK	2.640.845	2,11%	2.640.845	2,11%
Open to public	36.971.833	29,58%	36.971.833	29,58%
Total Capital	125.000.000	100%	125.000.000	100%

(*) As of 31 March 2023 and 31.12.2022, 53,394 shares with a rate of 0.04% in the publicly traded portion belong to Yüksel Göktürk and 270,000 shares with a rate of 0.22% belong to Barış Göktürk.

(b) Premiums/(Discounts) Related to Shares

None (December 31, 2022: None)

(c) Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss

	31.03.2023	31.12.2022
Defined Benefit Plans Re-Measurement Gains (Losses) (*)	110.543	110.543
Total	110.543	110.543

(*) With the change in TAS 19 "Employee Benefits" standard, actuarial loss and gains that are taken into account in the calculation of the severance pay provision are not allowed to be recognized in the income statement. Losses and gains resulting from changes in actuarial assumptions are accounted for under equity. Actuarial severance pay provision actuarial loss/gain fund cannot be reclassified to profit or loss.

(d) Previous Years Profit/Loss

The details of the company's previous years profit/loss account are as follows:

	31.03.2023	31.12.2022
Previous Year's Profits/(Losses)	277.692.909	111.622.668
Extraordinary Reserves	2.795.186	2.795.186
Total	280.488.095	114.417.854

NOTE 30 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Cont.)

Partnerships 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. Within the scope of the said communiqué, 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 interim financial statements.

Unless the reserves required to be set aside in accordance with the TTK and the dividend 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.

Past years losses of partnerships; The portion exceeding the total amount resulting from the adjustment of retained earnings, general legal reserves including share premiums, and equity items excluding capital, according to inflation accounting, is considered as a discount item in the calculation of net distributable profit for the period.

(e) Restricted Reserves

The details of the company's restricted reserves allocated from profit account are as follows;

	31.03.2023	31.12.2022
Legal reserves	6.949.596	6.949.596
Total	6.949.596	6.949.596

NOTE 31 – REVENUE AND COST OF SALES

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

	01.01.2023- 31.03.2023	01.01.2022- 31.03.2022
Domestic sales	293.603.157	350.634.806
Foreign sales	35.976.624	27.496.720
Other sales	309.172	159.059
Gross sales	329.888.953	378.290.585
Sales returns (-)	(1.809.269)	(2.397.269)
Sales discounts (-)	(47.699)	(149.094)
Net sales	328.031.985	375.744.222
Cost of services sold (-)	(326.662)	(141.562)
Cost of trade goods sold (-)	(275.761.471)	(283.109.972)
Cost of sales (-)	(276.088.133)	(283.251.534)
Gross Profit/(Loss)	51.943.852	92.492.688

NOTE 32 – CONSTRUCTION CONTRACTS

On 25.01.2022, the company was transferred to Grup İnşaat Tur. gay. From. Trade Ltd. Sti. has made the main contractor agreement for the rough construction part of the steel service center to be built on the industrial land in the OIZ, which is located in the Dilovası district of Kocaeli province, within the scope of the 'Construction Contract' signed.

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

Details of the general management and marketing expenses of the Company are presented below;

	01.01.2023- 31.03.2023	01.01.2022- 31.03.2022
General and administrative expenses (-)	(8.585.318)	(3.709.503)
Marketing expenses (-)	(12.076.536)	(8.865.448)
Total	(20.661.854)	(12.574.951)

NOTE 34 – OTHER INCOME AND EXPENSES FROM MAIN OPERATIONS

The details of the company's other income and expense accounts from main activities are as follows;

(a) Other Income from Main Operations

	01.01.2023- 31.03.2023	01.01.2022- 31.03.2022
Rediscount interest income	5.428.218	1.603.429
Exchange Income	2.435.151	8.859.245
Other	1.123.768	3.378.580
Total	8.987.137	13.841.254

(b) Other Expenses from Main Operations (-)

	01.01.2023- 31.03.2023	01.01.2022- 31.03.2022
Rediscount Expense	(8.956.479)	(11.537.697)
Exchange Expenses	(3.624.634)	(1.687.536)
Other	(451.838)	(609.408)
Total	(13.032.951)	(13.834.641)

NOTE 35 – INCOME / (EXPENSES) FROM INVESTMENT OPERATIONS**(a) Other Income from Investment Activities**

	01.01.2023- 31.03.2023	01.01.2022- 31.03.2022
Fixed asset sales profits	118.438	--
Total	118.438	--

(b) Impairment in Accordance with IFRS 9

	01.01.2023- 31.03.2023	01.01.2022- 31.03.2022
Impairment in Accordance with IFRS 9	90.930	(923.769)
Total	90.930	(923.769)

NOTE 36 – CLASSIFIED EXPENSES BY FUNCTION**(a) Depreciation and Amortization Expenses**

	01.01.2023- 31.03.2023	01.01.2022- 31.03.2022
General and Administrative Expenses	(374.785)	(154.727)
Marketing, Sales and Distribution Expenses	(870.325)	(750.323)
Total	(1.245.110)	(905.050)

NOTE 37 – FINANCIAL INCOME / (EXPENSE)**(a) Financial Incomes**

The details of the financial income account of the company are as follows;

	01.01.2023- 31.03.2023	01.01.2022- 31.03.2022
Interest income	5.229.110	61.081
Exchange differences income	1.730.608	1.298.820
Total	6.959.718	1.359.901

(b) Financial expenses

The details of the financial expenses account of the company are as follows:

	01.01.2023- 31.03.2023	01.01.2022- 31.03.2022
Interest expense (-)	(14.325.789)	(15.332.159)
Exchange differences expense (-)	(1.961.391)	(702.772)
Total	(16.287.180)	(16.034.931)

NOTE 38 – ANALYSIS OF OTHER COMPREHENSIVE INCOME ITEMS

	01.01.2023- 31.03.2023	01.01.2022- 31.03.2022
Defined benefit plans re-measurement gains (losses)	--	(272.883)
Taxes on Other Comprehensive Income Not to be Reclassified to Profit or Loss	--	54.577
Total	--	(218.306)

NOTE 39 – ASSETS HELD FOR SALE AND DISCONTUINED OPERATIONS

None. (December 31, 2022: None)

NOTE 40 – TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)**(a) Corporation tax**

The company is subject to corporate tax valid in Turkey. Necessary provisions have been made in the accompanying financial statements for the estimated tax liabilities of the Company regarding the current period operating results. Turkish tax legislation does not allow the parent company, its subsidiaries, to file tax returns based on their financial statements.

The corporate tax rate to be accrued on the taxable corporate income is over the remaining tax base after adding the non-deductible expenses from the tax base in the determination of the commercial income and deducting the tax-exempt gains, non-taxable incomes and other deductions (if any, previous year losses and investment allowances used if preferred). is calculated. The effective tax rate applied in 2023 is 20% (31 December 2022: 25%).

The Law No. 7061 on Amending Some Tax Laws and Some Other Laws was published in the Official Gazette dated 5 December 2017 and numbered 30261. With Article 89 of this Law, amendments are made to Article 5 of the Corporate Tax Law titled "Exceptions". The first paragraph of the article; With subparagraph (a), the 75% exemption applied to the incomes arising from the sale of the immovables in the assets of the institutions for two full years has been reduced to 50%. This regulation entered into force as of 5 December 2017.

The company's tax expenses are as follows:

	31.03.2023	31.12.2022
Corporate tax provision	1.825.195	37.792.350
Prepaid corporate tax (-)	--	(34.663.717)
(Payable)/refundable corporate tax	1.825.195	3.128.633
	01.01.2023- 31.03.2023	01.01.2022- 31.03.2022
Tax income / (expense) in the income statement		
Corporate tax provision	(1.954.115)	(18.581.049)
Deferred tax income / (expense), net	4.458.823	5.749.626
Total tax income / (expense), net	2.504.708	(12.831.423)

NOTE 40 – TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont.)**(a) Deferred Tax**

The Company recognizes deferred tax assets and liabilities for temporary timing differences arising from the differences between the tax base legal financial statements and the financial statements prepared in accordance with TAS. These differences are generally due to the fact that some income and expense items are included in different periods in tax base financial statements and financial statements prepared in accordance with TAS, and these differences are stated below. The corporate tax rate for 2023 and 2022 will be applied as 20% and 25%, respectively, within the scope of the “Law on the Collection of Public Claims and Amendments to Certain Laws” numbered 7316, which was published in the Official Gazette dated April 22, 2021. Within the scope of the said law, deferred tax assets and liabilities in the financial statements dated 31 December 2022 are calculated with a 20% tax rate for the portion of temporary differences that will have tax effects in 2023 and 2022.

		31.03.2023		31.12.2022
	Total	Deferred tax	Total	Deferred tax
	Temporary differences	asset/ (liability)	Temporary differences	asset/ (liability)
Deferred tax assets:				
Loan Interest Provision	44.728	8.946	44.728	8.946
Leases (TFRS 16)	(5.477.210)	(1.095.442)	(5.264.415)	(1.052.883)
Severance and Leave Compensation	(1.700.882)	(340.176)	(1.089.063)	(217.813)
Currency differences	(291.635)	(58.327)	(796.244)	(159.249)
Adjustments to trade receivables	(456.350)	(91.270)	(547.280)	(109.456)
Rediscount Correction	(9.627.647)	(1.925.529)	(5.428.218)	(1.085.644)
VUK valuation dzt building	(51.561.037)	(10.312.207)	(51.561.037)	(10.312.207)
VUK valuation dzt other	(4.778.974)	(477.897)	(4.778.974)	(477.897)
Deferred tax assets	(73.849.006)	(14.291.904)	(69.420.503)	(13.406.203)
Deferred tax liabilities				
Fixed Assets	12.543.486	2.508.697	14.007.011	2.801.402
Rediscount Correction	1.824.826	364.965	980.194	196.039
Adjustments to stocks	59.629.403	11.925.881	77.404.949	15.480.990
Derivative Instruments	(355.483)	(71.097)	(956.712)	(191.342)
Currency differences	(291.635)	(58.327)	(219.235)	(43.847)
Due Date Difference Expense Adjustment		--		--
Deferred tax liabilities	73.350.597	14.670.120	91.216.207	18.243.241
Net		378.216		4.837.038

YÜKSELEN ÇELİK ANONİM ŞİRKETİ**NOTES TO UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED WITH MARCH 31,2023**

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

NOTE 41 – EARNING PER SHARE

Earnings per share is calculated by dividing the profit for the period by the weighted average number of shares of the Company during the period.

The company's earnings per share calculation is as follows:

	01.01.2023- 31.03.2023	01.01.2022- 31.03.2022
Net profit per share of the parent shareholder	20.622.798	51.494.128
Weighted average number of ordinary shares issued (TRY 1 each)	125.000.000	125.000.000
Earnings per share (TL)	0,16	0,41

NOTE 42 – SHARE-BASED PAYMENTS

None. (December 31, 2022: None)

NOTE 43 – INSURANCE CONTRACTS

None. (December 31, 2022: None)

NOTE 44 – EFFECTS OF CURRENCY CHANGE

The foreign exchange risk of the company as of March 31, 2023 is shown in the table in Note: 47, and as of the accounting period ending on March 31, 2023, foreign exchange gain and foreign exchange loss are included in the accompanying financial statements in other income/expenses from main activities and finance income/expenses. shown.

NOTE 45 – HYPERINFLATIONARY ECONOMY REPORTING

According to TAS 29 Financial Reporting Standard in Hyperinflationary Economies, enterprises whose functional currency is the currency of a hyperinflationary economy report their financial statements according to the purchasing power of money at the end of the reporting period. TAS 29 identifies features that may indicate an economy is a hyperinflationary economy, and it is recommended that businesses start implementing the Standard at the same time. In the statement made by the Public Oversight Accounting and Standards Authority (KGK) on January 20, 2022, the financialIt is stated that there is no need to make any adjustments in the tables within the scope of TAS 29. On the other hand, no explanation has been made regarding the financial statements for the accounting period ending on March 31, 2023, whether or not the financial statements will be adjusted within the scope of TAS 29. In this context, since there is no consensus on the application of inflation accounting throughout the country, no inflation adjustment was made according to TAS 29 while preparing the financial statements dated 31 March 2023 in order to ensure comparability.

NOTE 46 – DERIVATIVE INSTRUMENTS

Derivative instruments included in Current Assets are as follows:

	31.03.2023	31.12.2022
Account Name		
Derivative financial instruments assets	--	--
Derivative financial instruments liabilities	(355.483)	(956.712)
Total	(355.483)	(956.712)

NOTE 47 – FINANCIAL INSTRUMENTS**(a) Short Term Borrowings**

The details of the company's short-term borrowings are as follows:

	31.03.2023	31.12.2022
Bank credits	164.685.465	7.188.998
Other financial debts	363.153	421.526
Total	165.048.618	7.610.524

(b) Short-Term Portions of Long-Term Borrowings

	31.03.2023	31.12.2022
Right of use liability	2.725.727	6.732.726
Bank credits	474.059.100	598.761.433
Total	476.784.827	605.494.159

(c) Long Term Borrowings

	31.03.2023	31.12.2022
Bank credits	4.366.653	21.035.703
Payables from rental transactions	5.839.109	977.802
Total	10.205.762	22.013.505

NOTE 47 – FINANCIAL INSTRUMENTS (Cont.)

Principal payment terms of bank loans and financial leasing are presented below;

	31.03.2023	31.12.2022
To be paid within 1 year	638.744.565	605.950.431
To be paid within 1 - 2 years	4.366.653	21.035.703
To be paid within 2 - 3 years	--	--
To be paid within 3 - 4 years	--	--
To be paid within 4 - 5 years	--	--
Total	643.111.218	626.986.134

- **Short Term Financial Investments**

32.302.513 TL (31.12.2022 : 6.509.644) of the Company's financial investments consist of short-term debt instruments fund accounts. As of 31 March 2023, the Company has a restricted bank balance amounting to TL 2.077.752 (31.12.2022 : TL 53.030).

NOTE 48 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The main financial instruments of the company consist of bank loans, cash and short-term deposits. The main purpose of these financial instruments is to finance the operating activities of the Company. The company also has other financial instruments such as trade payables and trade receivables arising directly from its operating activities.

(a) Capital Risk Management

In capital management, the company aims at enhancing profitability while keeping a reasonable leverage, on the other hand rendering sustainability in its operations.

The debt-to-equity ratio, which is calculated by dividing the net debt of the company, which is calculated by deducting the cash and cash equivalents of the company and short-term financial investments from the financial liabilities, by the total capital is as follows:

	31.03.2023	31.12.2022
Total debt	834.956.553	869.264.818
Less: Cash and cash equivalents	(130.953.777)	(97.271.072)
Net debt	704.002.776	771.993.746
Total equity	432.949.946	412.327.147
Debt/Equity Ratio	1,63	1,87

	31.03.2023	31.12.2022
Total financial debt	652.039.207	635.118.188
Less: Cash and cash equivalents	(130.953.777)	(97.271.072)
Net financial debt	521.085.430	537.847.116
Total Equity	432.949.946	412.327.147
Invested Capital	125.000.000	125.000.000
Net Financial Debt/Investment Capital Ratio	4,17	4,30

NOTE 48 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont.)**(b) Financial Risk Factors**

The main risks brought by the company's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The company management and the board of directors examine and accept the policies regarding the management of the following risks. The Company also considers the market value risk of all its financial instruments.

(1) Liquidity Risk

Liquidity risk is the risk that a company will not be able to meet its funding needs. The table below shows the maturity distribution of the Company's non-derivative and non-derivative financial liabilities. Non-derivative financial liabilities are prepared without discounting and based on the earliest due dates. Interests to be paid on these liabilities are included in the table below.

Derivative financial liabilities are arranged according to undiscounted net cash inflows and outflows. Futures instruments are paid net for futures transactions that have to be paid in gross and are realized over undiscounted, gross cash inflows and outflows. When receivables and payables are not fixed, the amount disclosed is determined using the interest rate derived from the yield curves at the report date.

31.03.2023	Book value	Cashflow according to the agreement	0-1 Year	1-5 years
Non-derivative financial liabilities	808.520.063	808.520.063	(804.153.410)	(4.366.653)
Financial payables	643.111.218	643.111.218	(638.744.565)	(4.366.653)
Payables under employee benefits	1.572.322	1.572.322	(1.572.322)	--
Trade and other payables	163.836.523	163.836.523	(163.836.523)	--
Derivative financial liabilities	355.483	355.483	(355.483)	--
Total	808.875.546	808.875.546	(804.508.893)	(4.366.653)

31.12.2022	Book Value	Cashflow according to the agreement	0-1 Year	1-5 years
Non-derivative financial liabilities	772.513.842	358.107.248	(336.093.743)	(22.013.505)
Financial payables	562.899.268	148.492.674	(126.479.169)	(22.013.505)
Payables under employee benefits	685.776	685.776	(685.776)	--
Trade and other Payables	208.928.798	208.928.798	(208.928.798)	--
Derivative financial liabilities	956.712	956.712	(956.712)	--
Total	773.470.554	359.063.960	(337.050.455)	(22.013.505)

NOTE 48 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont.)**(b) Financial Risk Factors (Cont.)****(2) Market Risk Management**

The Company's operations are primarily exposed to financial risks related to changes in foreign exchange rates and interest rates, as detailed below. The Company uses various non-derivative financial instruments in order to keep the risks associated with foreign exchange and interest rates under control. Market risks are also evaluated with sensitivity analysis.

- Currency Risk Management**

Transactions in foreign currencies cause exchange rate risk. The distribution of the company's monetary and non-monetary assets in foreign currency and monetary and non-monetary liabilities as of the balance sheet date is as follows:

	31.03.2023			
	TL			
	Equivalent	USD	EURO	Other
1. Trade Receivables	16.203.648	549.402	273.072	--
2a. Monetary Financial Assets (including cash, banks)	4.426.802	85.930	133.561	--
2b. non-monetary financial assets	--	--	--	--
3. Other	50.487.304	2.637.551	245	--
4. Current Assets (1+2+3)	71.117.754	3.272.882	406.878	--
5. Trade Receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	--	--	--	--
8. Non-Current Assets (5+6+7)	--	--	--	--
9. Total Assets (4+8)	71.117.754	3.272.882	406.878	--
10. Trade Payables	(75.144.671)	(3.905.797)	(4.252)	--
11. Financial Liabilities	--	--	--	--
12a. Other monetary financial liabilities	(1.871.470)	(93.830)	(3.270)	--
12b. Other non-monetary financial liabilities	--	--	--	--
13. Short-Term Liabilities (10+11+12)	(77.016.141)	(3.999.627)	(7.522)	--
14. Trade Payables	--	--	--	--
15. Financial Liabilities	--	--	--	--
16a. Other monetary financial liabilities	--	--	--	--
16b. Other non-monetary financial liabilities	--	--	--	--
17. Long Term Liabilities (14+15+16)	--	--	--	--
18. Total Liabilities (13+17))	(77.016.141)	(3.999.627)	(7.522)	--
19. Net Asset / (Liability) Position of Non-Statement of Financial Position	--	--	--	--
Derivative Instruments (19a-19b)	--	--	--	--
19a. Amount of Foreign Currency Derivative Products with Active Characters	--	--	--	--
19b. Amount of Foreign Currency Derivative Products with Liable Characters	--	--	--	--
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	(5.898.387)	(726.745)	399.356	--
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(5.898.387)	(726.745)	399.356	--
22. Fair value of derivative instruments used in foreign currency hedge	--	--	--	--
23. Amount of Hedged Part of Foreign Currency Assets	--	--	--	--
24. Amount of Hedged Part of Foreign Currency Liabilities	--	--	--	--
25. Export	35.976.623	1.459.908	416.340	--
26. Import	190.670.956	7.886.472	2.103.988	-

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NOTES TO UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED WITH MARCH 31,2023

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

NOTE 48 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont.)
(b) Financial Risk Factors (Cont.)

	31.12.2022			
	TL	USD	Euro	Other
	Equivalent			
1. Trade Receivables	10.732.501	168.840	380.011	--
2a. Monetary Financial Assets (including cash, banks)	2.241.388	90.209	27.823	--
2b. Non-monetary financial assets	--	--	--	--
3. Other	83.585.634	3.441.614	964.805	--
4.Current Assets(1+2+3)	96.559.524	3.700.663	1.372.639	--
5.Trade Receivables	--	--	--	--
6a.Monetaryfinancial assets	--	--	--	--
6b.Non-monetaryfinancial assets	--	--	--	--
7.Other	--	--	--	--
8.Non-Current Assets(5+6+7)	--	--	--	--
9.Total Assets(4+8)	96.559.524	3.700.663	1.372.639	--
10.Trade Payables	(120.326.182)	(6.420.116)	(3.233)	--
11.Financial Liabilities	--	--	--	--
12a.Other monetary financial liabilities	(1.535.477)	(30.542)	(48.239)	--
12b.Other non-monetary financial liabilities	--	--	--	--
13. Short-Term Liabilities (10+11+12)	(121.861.659)	(6.450.658)	(51.472)	--
14.Trade Payables	--	--	--	--
15.Financial Liabilities	--	--	--	--
16a.Other monetary financial liabilities	--	--	--	--
16b.Other non-monetary financial liabilities	--	--	--	--
17. Long Term Liabilities (14+15+16)	--	--	--	--
18. Total Liabilities(13+17)	(121.861.659)	(6.450.658)	(51.472)	--
19. Net Asset / (Liability) Position of Non-Statement of Financial Position	--	--	--	--
Derivative Instruments (19a-19b)	--	--	--	--
19a. Amount of Foreign Currency Derivative Products with Active Characters	--	--	--	--
19b. Amount of Foreign Currency Derivative Products with Liable Characters	--	--	--	--
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	(25.302.135)	(2.749.995)	1.321.167	--
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (TFRS 7.B23)	(25.302.135)	(2.749.995)	1.321.167	--
(=1+2a+5+6a-10-11-12a-14-15-16a)				
22. Fair value of derivative instruments used in foreign currency hedge	--	--	--	--
23. Amount of Hedged Part of Foreign Currency Assets	--	--	--	--
24. Amount of Hedged Part of Foreign Currency Liabilities	--	--	--	--
25. Export	96.159.086	886.624	4.801.060	
26. Import	677.525.012	35.942.664	3.623.813	

The Company is exposed to currency risk mainly in US Dollar and Euro.

The table below shows the sensitivity of the Company to 10% increase and decrease in USD and Euro exchange rates. The 10% rate is the rate used when reporting the exchange rate risk within the Company to the senior managers, and the said rate expresses the possible change expected by the management in the exchange rates. The sensitivity analysis covers only outstanding foreign currency denominated monetary items at year-end and shows the effects of 10% change in foreign currency rates at the end of the year. A positive value represents an increase in profit/loss and other equity items.

NOTE 48 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont.)

(b) Financial Risk Factors (Cont.)

	Profit/(Loss)		Equity	
	The appreciation of foreign currency	The depreciation of foreign currency	The appreciation of foreign currency	The depreciation of foreign currency
31.03.2023				
In case of appreciation/depreciation of USD against TRY at 10%				
1- USD net asset/liabilities	13.950.115	(13.950.115)	13.950.115	(13.950.115)
2- Part of hedged (-)	--	--	--	--
3- USD net effect (1+2)	13.950.115	(13.950.115)	13.950.115	(13.950.115)
In case of appreciation/depreciation of EURO against TRY at 10%	--	--	--	--
4- EURO net asset/liabilities	863.275	(863.275)	863.275	(863.275)
5- Part of hedged (-)	--	--	--	--
6- EUR net effect (4+5)	863.275	(863.275)	863.275	(863.275)
In case other exchange rates change by 10% on average	--	--	--	--
7- Other currency net asset/liabilities	--	--	--	--
8- Part of hedged (-)	--	--	--	--
9- Other currency net effect (4+5)	--	--	--	--
TOTAL (3+6+9)	14.813.390	(14.813.390)	14.813.390	(14.813.390)
31.12.2022				
In case of appreciation/depreciation of USD against TRY at 10%				
1- USD net asset/liabilities	18.665.542	(18.665.542)	18.665.542	(18.665.542)
2- Part of hedged (-)	--	--	--	--
3- USD net effect (1+2)	18.665.542	(18.665.542)	18.665.542	(18.665.542)
In case of appreciation/depreciation of EURO against TRY at 10%				
4- EURO net asset/liabilities	4.602.205	(4.602.205)	4.602.205	(4.602.205)
5- Part of hedged (-)	--	--	--	--
6- EUR net effect (4+5)	4.602.205	(4.602.205)	4.602.205	(4.602.205)
In case other exchange rates change by 10% on average				
7- Other currency net asset/liabilities	--	--	--	--
8- Part of hedged (-)	--	--	--	--
9- Other currency net effect (4+5)	--	--	--	--
TOTAL (3+6+9)	23.267.747	(23.267.747)	23.267.747	(23.267.747)

NOTE 48 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont.)**(b) Financial Risk Factors (Cont.)**

- Interest Rate Risk Management**

The Company's borrowing at fixed interest rates exposes the Company to interest rate risk. These risks are managed using natural methods that emerge as a result of netting assets and liabilities related to interest rates. Interest rates of financial assets and liabilities are stated in the related notes. The distribution of the company's interest rate sensitive financial instruments is as follows:

	Book Value	
	31.03.2023	31.12.2022
Fixed rate instruments		
Financial liabilities	652.039.207	635.118.188
Total	652.039.207	635.118.188
Floating rate instruments		
Financial liabilities	--	--
Total	--	--

NOTE 48 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont.)

(b) Financial Risk Factors (Cont.)

• Credit Risk Management

	Receivables					
	Trade Receivables		Other Receivables		Deposit in banks	Total
31.03.2023	Related Parties	Other Parties	Related Parties	Other Parties		
Maximum credit risk exposed as of the reporting date	--	514.464.193	--	17.151.903	130.947.879	662.563.975
- The part of the maximum risk secured by collateral	--	--	--	--	--	--
A- Net book value of financial assets that are not overdue or impaired	--	514.464.193	--	17.151.903	130.947.879	662.563.975
B- Carrying value of financial assets whose conditions have been renegotiated otherwise would be deemed to be overdue or impaired.	--	--	--	--	--	--
C- Net book value of assets that are past due but not impaired	--	--	--	--	--	--
D- Net book values of impaired assets	--	--	--	--	--	--
-overdue	--	4.700.951	--	--	--	4.700.951
- impairment	--	(4.700.951)	--	--	--	(4.700.951)
E- Factors that include off balance sheet credit risks	--	--	--	--	--	--

NOTE 48 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont.)**(b) Financial Risk Factors (Cont.)**

- Credit Risk Management**

	Receivables					
	Trade Receivables		Other Receivables		Deposit in banks	Total
31.12.2022	Related Parties	Other Parties	Related Parties	Other Parties		
Maximum credit risk exposed as of the reporting date	--	556.319.922	--	14.420.199	97.268.906	668.009.027
- The part of the maximum risk secured by collateral	--	--	--	--	--	--
A- Net book value of financial assets that are not overdue or impaired	--	556.319.922	--	14.420.199	97.268.906	668.009.027
B- Carrying value of financial assets whose conditions have been renegotiated otherwise would be deemed to be overdue or impaired.	--	--	--	--	--	--
C- Net book value of assets that are past due but not impaired	--	--	--	--	--	--
D- Net book values of impaired assets	--	--	--	--	--	--
-overdue	--	4.700.951	--	--	--	4.700.951
- impairment	--	(4.700.951)	--	--	--	(4.700.951)
E- Factors that include off balance sheet credit risks	--	556.319.922	--	14.420.199	97.268.906	668.009.027

The risk of financial loss to the Company due to the failure of one of the parties to the financial instrument to fulfill its contractual obligations is defined as credit risk. Financial instruments of the company that may cause significant concentration of credit risk mainly consist of cash and cash equivalents and trade receivables. The maximum credit risk that the company may be exposed to is as much as the amounts reflected in the financial statements.

The company has cash and cash equivalents in various financial institutions. The Company manages the aforementioned risk by constantly evaluating the reliability of the financial institutions it is in contact with.

The credit risk that may arise from trade receivables is limited due to high customer volume and the Company management's limited amount of credit applied to customers. The provision for doubtful receivables for financial assets has been determined based on past experience of uncollectibility. As of the balance sheet date, there is no collateral received for overdue trade receivables for which provision has been made.

NOTE 49 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING DISCLOSURES)

Fair value is defined as the price to be obtained from the sale of an asset or to be paid in the transfer of a debt in the usual transaction between market participants on the measurement date. Estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methods. However, estimates are required in the interpretation of market data to determine fair value. Accordingly, the estimates presented here may not show the amounts that the Group can obtain in a current market transaction.

The following methods and assumptions are used to estimate the fair values of financial instruments whose fair values are practically possible:

Financial Assets

Monetary assets whose fair value approaches book value:

- Foreign currency balances are translated at the period-end rate.
- It is assumed that the fair values of some financial assets (cash-bank) shown at cost in the statement of financial position are approximate to the values of the statement of financial position.
- The fair value of trade receivables is estimated to be close to their carrying value after provisions have been made.

Financial Liabilities

Monetary liabilities whose fair value approximates book value:

- The fair values of short-term loans and other monetary liabilities are assumed to approximate their carrying values due to their short-term nature.
- It is assumed that the fair value of long-term debts denominated in foreign currency and translated at period-end rates is equal to their book value.
- It is assumed that the book values of trade payables and accrued expenses, which represent estimated amounts to be paid to third parties, are approximate to their market values.

Fair value measurements hierarchy table

The Company classifies the fair value measurements of financial instruments reflected at fair value in the financial statements according to the source of the inputs of each financial instrument class, using a three-level hierarchy, as follows. First level: Financial assets and liabilities are valued at stock prices traded in active markets for identical assets and liabilities.

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

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

NOTE 50 – SUBSEQUENT EVENTS

Based on the Capital Markets Board's decision dated 26.01.2023 and numbered 4/103, approval was obtained for the issuance of 500.000.000 TL of Debt Instruments for a period of 1 year. Within the scope of the said approval, the 182-day maturity 50.000.000-TL nominal value financial bills, which were offered for sale to qualified investors without the first issuance, were realized with a maturity date of 5 April 2023 and a redemption date of 4 October 2023

NOTE 51 – THE OTHER MATTERS WHICH SUBSTANTIALLY AFFECT THE FINANCIAL STATEMENTS OR ARE REQUIRED TO BE DESCRIBED IN TERMS OF MAKING THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE

None (December 31, 2022: None)

NOTE 52 – FIRST TRANSITION TO TMS

None (December 31, 2022: None)

NOTE 53 – EXPLANATIONS ON CASH FLOW STATEMENT

The cash and cash equivalents of the company are as follows:

	31.03.2023	31.12.2022
Cash	5.898	2.166
Banks	130.947.879	97.268.906
-Demand deposit	25.851.994	5.333.481
-Time Deposit	105.095.885	91.935.425
Total	130.953.777	97.271.072

NOTE 54 – DISCLOSURES OF CHANGES IN EQUITY

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