

YÜKSELEN ÇELİK A.Ş.

FINANCIAL STATEMENTS FOR
THE INTERIM PERIOD BETWEEN
JANUARY 01- SEPTEMBER 30, 2023

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YÜKSELEN ÇELİK ANONİM ŞİRKETİ

AS OF SEPTEMBER 30, 2023 REVIEWED FINANCIAL POSITION STATEMENT (BALANCE SHEET)

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

	Notes	Current Period 30.09.2023 TRY	Prior Period 31.12.2022 TRY
ASSETS		1.128.168.315	1.281.591.966
CURRENT ASSETS		1.021.573.817	1.214.472.831
Cash and Cash Equivalents	53	130.698.967	97.271.072
Financial Investments	8	63.883.999	6.562.674
Trade Receivables		329.781.571	556.319.922
- Trade Receivables from Related Parties	7-6-22	3.278.826	--
- Trade Receivables from Third Parties	7-22	326.502.745	556.319.922
Other Receivables		21.129.248	14.420.199
- Other Receivables from Third Parties	9	21.129.248	14.420.199
Derivative Instruments	46	1.612.690	--
Inventories	10	411.104.106	369.175.067
Prepaid Expenses		44.767.071	147.203.652
- Other Prepaid Expenses from Third Parties	12	44.767.071	147.203.652
Current Tax Assets	40	--	--
Other Current Assets	29	18.596.165	23.520.245
Subtotal		1.021.573.817	1.214.472.831
Total Current Assets		1.021.573.817	1.214.472.831
NON-CURRENT ASSETS		106.594.498	67.119.135
Investments in Affiliates, Shareholders and Subsidiaries	4	13.402	13.402
Tangible Assets	14	97.785.631	59.114.699
Right-of-Use Assets	20	8.013.731	7.699.941
Intangible Assets		250.732	291.093
- Other Intangible Assets	17	250.732	291.093
Deferred Tax Assets	40	531.002	--
Total Non-Current Assets		106.594.498	67.119.135
TOTAL ASSETS		1.128.168.315	1.281.591.966

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

YÜKSELEN ÇELİK ANONİM ŞİRKETİ
AS OF SEPTEMBER 30, 2023 REVIEWED FINANCIAL POSITION STATEMENT (BALANCE SHEET)

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

	Notes	Current Period 30.09.2023 TRY	Prior Period 31.12.2022 TRY
LIABILITIES		1.128.168.315	1.281.591.966
Short-Term Liabilities		682.747.640	841.458.464
Short-Term Borrowings		457.044.141	7.188.998
- Other Short-Term Borrowings	47	457.044.141	7.188.998
- Bank Loans		307.044.141	7.188.998
- Issued Debt Instruments		150.000.000	--
Short Term Portion of Long-Term Borrowings		107.617.887	605.494.159
- Other Short-Term Portion of Long-Term Borrowings	47	107.617.887	605.494.159
- Bank Loans		105.061.192	598.761.433
- Debts from Lease Transactions		2.556.695	6.732.726
Other Financial Liabilities		439.795	421.526
Trade Payables		84.481.289	206.044.971
- Trade Payables to Related Parties	7-6	--	739
- Trade Payables to Others	7	84.481.289	206.044.232
Liabilities Under Employee Benefits	27	2.617.070	685.776
Other Payables		8.995.874	2.729.394
- Other Payables	9	8.995.874	2.729.394
Derivatives	46	--	956.712
Deferred Income		13.474.498	14.520.610
- Deferred Income from Third Parties	12	13.474.498	14.520.610
Tax liabilities for The Period Profit	40	7.360.216	3.128.633
Short-Term Provisions		716.870	133.252
- Short-Term Provisions for Employee Benefits	25	716.870	133.252
Other Short-Term Liabilities	29	--	154.433
Subtotal		682.747.640	841.458.464
Total Short-Term Liabilities		682.747.640	841.458.464
Long-Term Liabilities		21.379.463	27.806.354
Long-Term Borrowings		20.141.132	22.013.505
- Other Long-Term Debts	47	20.141.132	22.013.505
- Bank Loans		14.874.270	21.035.703
- Debts from Lease Transactions		5.266.862	977.802
Long Term Provisions		1.238.331	955.811
- Long-Term Provisions for Employee Benefits	25	1.238.331	955.811
Deferred Tax Liabilities	40	--	4.837.038
Total Long-Term Liabilities		21.379.463	27.806.354
TOTAL LIABILITIES		704.127.103	869.264.818
EQUITY		424.041.212	412.327.148
Parent Company Shareholder's Equity		424.041.212	412.327.148
Paid in Capital	30	125.000.000	125.000.000
Accumulated Other Comprehensive Income/(Expenses)		(110.543)	(110.543)
That will Not Be Classified In Profit Or Loss Statement			
- Revaluation and Measurement Gains (Losses)		(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
Accumulated Profit/Losses	30	280.488.095	114.417.854
Net Profit/Loss for The Period		11.714.064	166.070.241
Total Equity		424.041.212	412.327.148
TOTAL EQUITY AND LIABILITIES		1.128.168.315	1.281.591.966

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

YÜKSELEN ÇELİK ANONİM ŞİRKETİ
REVIEWED STATEMENT OF INCOME STATEMENT FOR THE PERIOD BETWEEN JANUARY 1 – SEPTEMBER 30 2023

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

		Current	Prior	Current	Prior
		Period	Period	Period	Period
		1.01.2023	1.07.2023	1.01.2022	1.07.2022
		30.09.2023	30.09.2023	30.09.2022	30.09.2022
	Note	TRY	TRY	TRY	TRY
Revenue	31	743.297.879	276.018.076	1.081.539.318	319.597.595
Cost of Sales (-)	31	(594.915.899)	(197.295.095)	(834.582.566)	(295.875.401)
GROSS PROFIT / LOOSS FROM BUSINESS OPERATION		148.381.980	78.722.981	246.956.752	23.722.194
GROSS PROFIT/LOSS		148.381.980	78.722.981	246.956.752	23.722.194
General Administrative Expenses (-)	28-33	(36.594.091)	(20.252.945)	(13.255.271)	(3.927.864)
Marketing Expenses (-)	28-33	(43.252.262)	(18.376.490)	(34.994.842)	(9.649.346)
Other Income from Operations	34	32.983.714	6.433.198	50.727.608	18.246.285
Other Expenses from Operations (-)	34	(44.770.090)	(19.003.296)	(24.096.293)	3.931.750
OPERATING PROFIT/LOSS		56.749.251	27.523.448	225.337.954	32.323.019
Income from Investing Activities	35	7.421.992	6.359.662	170.000	170.000
Loss for implementing TFRS 9	35	(562.637)	(796.601)	(1.085.578)	(66.634)
OPERATING PROFIT/LOSS BEFORE FINANCIAL INCOME/EXPENSES		63.608.606	33.086.509	224.422.376	32.426.385
Financial Income	37	41.098.220	17.276.388	3.059.182	442.128
Financial Expenses (-)	37	(86.515.261)	(34.054.235)	(71.814.179)	(27.532.365)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		18.191.565	16.308.662	155.667.379	5.336.148
Continuing Operations Tax Income/(Expense)		(6.477.501)	(10.201.062)	(33.053.115)	(1.605.910)
-Tax Income/(Expense) for The Period	40	(11.845.541)	(9.314.423)	(34.575.566)	(1.291.593)
-Deferred Tax Income /(Expense)	40	5.368.040	(886.639)	1.522.451	(314.317)
PROFIT/(LOSS) CONTINUING OPERATIONS FOR THE PERIOD		11.714.064	6.107.600	122.614.264	3.730.238
PROFIT/(LOSS) FOR THE PERIOD		11.714.064	6.107.600	122.614.264	3.730.238
Profit (Loss) for The Period Distribution		11.714.064	6.107.600	122.614.264	3.730.238
-Parent Company Shares		11.714.064	6.107.600	122.614.264	3.730.238
PROFIT/(LOSS) FOR THE PERIOD		11.714.064	6.107.600	122.614.264	3.730.238
OTHER COMPREHENSIVE INCOME		--	--	(34.933)	183.374
Items that will not be reclassified subsequently to profit or loss		--	--	(34.933)	183.374
Defined Benefit Plans Re-Measurement Gains (Losses)	30	--	--	(43.666)	229.217
Items that will not be reclassified subsequently to profit or loss Tax Effects		--	--	8.733	(45.843)
Defined Benefit Plans Re-Measurement Gains (Losses), Tax Effect	30	--	--	8.733	(45.843)
OTHER COMPREHENSIVE INCOME		--	--	(34.933)	183.374
TOTAL COMPREHENSIVE INCOME (EXPENSES)		11.714.064	6.107.600	122.579.331	3.913.612
Distribution of the Total Comprehensive Income (Expenses)					
-Minority Interest		--	--	--	--
-Parent Company Shares		11.714.064	6.107.600	122.579.331	3.913.612

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

YÜKSELEN ÇELİK ANONİM ŞİRKETİ

REVIEWED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD BETWEEN JANUARY 1 – SEPTEMBER 30 2022

(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	Defined Benefit Plans Re-Measurement Gains (Losses	Reserves on Retained Earnings	Profits / Losses of Previous Years	Net Profit/Loss for The Period	Total Equity
CURRENT PERIOD		125.000.000	(110.543)	6.949.596	114.417.854	166.070.241	412.327.148
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
Balance After Adjustments		--	--	--	166.070.241	(166.070.241)	--
Transfers	30	--	--	--	--	11.714.064	11.714.064
Total Comprehensive Income (Expense)		--	--	--	--	11.714.064	11.714.064
- Profit/(Loss) For the Period	30	--	--	--	--	--	--
- Other Comprehensive Income (Expense)	30	125.000.000	(110.543)	6.949.596	280.488.095	11.714.064	424.041.212
Balances as of 30.09.2023 (end of period)		125.000.000	(110.543)	6.949.596	114.417.854	166.070.241	412.327.148
Prior 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
Balance After Adjustments		125.000.000	(110.543)	4.227.673	28.998.589	109.141.188	267.256.907
Transfers	30	--	--	2.721.923	106.419.265	(109.141.188)	--
Total Comprehensive Income (Expense)		--	(34.933)	--	--	122.614.264	122.579.331
- Profit/(Loss) For the Period)	30	--	--	--	--	122.614.264	122.614.264
- Other Comprehensive Income (Expense)	30	--	(34.933)	--	--	--	(34.933)
Repurchased Shares	30	--	--	--	(21.000.000)	--	(21.000.000)
Balances as of 30.09.2022 (end of period)		125.000.000	(145.476)	6.949.596	114.417.854	122.614.264	368.836.238

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

YÜKSELEN ÇELİK ANONİM ŞİRKETİ
REVIEWED STATEMENT OF CASH FLOWS FOR THE PERIOD BETWEEN JANUARY 01 – SEPTEMBER 30, 2022

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

		Current Period 1.01.2023 30.09.2023 TRY	Prior Period 1.01.2022 30.09.2022 TRY
	Notes		
A.CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		178.482.520	(286.045.435)
Profits (Losses) for The Period (+/-)		11.714.064	122.614.264
- Profit (Loss) from Continuing Operations	30	11.714.064	122.614.264
Net Profit (Loss) Reconciliation Related Adjustments		49.149.998	55.640.036
Adjustments for Depreciation and Amortization	14,17,20	4.041.897	4.930.892
Adjustments for Impairment (Reversal) (+/-)	7	(4.622.508)	1.085.578
- Adjustments for Impairment (Reversal) on Receivables	7	(4.622.508)	1.085.578
Adjustments for Provisions (+/-)	25	866.138	479.166
- Adjustments for Provisions for Employee Benefits (Reversal)	25	866.138	479.166
Adjustments for Interest Income and Expenses (+/-)	34,37	50.000.928	83.965.105
- Adjustments for Interest Income	37	(33.317.298)	(813.654)
- Adjustments for Interest expenses	37	85.510.432	65.161.520
- Deferred Financing Costs Arising from The Term Purchase	34	4.442.538	(1.967.152)
- Unearned Finance Income Arising from Forward Sales	34	(6.634.744)	21.584.391
Adjustments for Tax Revenue/Expenditure	40	(1.136.457)	(34.820.705)
Changes in Working Capital		117.618.458	(443.299.735)
Decrease (Increase) in Financial Investments	47	(57.321.325)	18.621
Adjustments for Increase/Decrease in Trade Receivables	6,7	226.718.321	(177.454.393)
- Increase/Decrease in Trade Receivables from Related Parties	6	(3.278.826)	(128.820)
- Increase/Decrease in Trade Receivables from Unrelated Parties	7	229.997.147	(177.325.573)
Adjustments for Increase/Decrease in Other Receivables Related with Activities	8	(6.709.049)	(2.386.380)
- Increase/Decrease in Other Receivables Related with Activities from Unrelated Parties	8	(6.709.049)	(2.386.380)
Adjustments for Increase/Decrease in Derivative Assets		(1.612.690)	234.145
Adjustments for Increase/Decrease in Inventories	10	(41.929.039)	(169.458.988)
Increase/Decrease in Prepaid Expenses	12	102.436.581	(123.756.220)
Adjustments for Increase/Decrease in Trade Payables	6,7	(114.928.938)	20.294.251
- Increase/Decrease in Trade Payables to Related Parties	6	(739)	--
- Increase/Decrease in Trade Payables to Unrelated Parties	7	(114.928.199)	20.294.251
Increase/Decrease in Payables as Part of Employee Benefits	27	1.931.294	506.135
Adjustments for Increase/Decrease in Other Payables Related with Activities	8	6.266.480	--
- Increase/Decrease in Other Payables Related with Activities to Related Parties	8	6.266.480	--
Adjustments for Increase/Decrease in Derivative Liabilities		(956.712)	--
Increase (Decrease) in Deferred Income (Excluding Payables Arising From Customer Contracts)	12	(1.046.112)	4.059.263
Adjustments for Other Increase (Decrease) in Working Capital	29	4.769.647	4.643.830
- Decrease (Increase) in Other Assets Related to Activities	29	4.924.080	(13.973.694)
- Increase (Decrease) in Other Liabilities Related to Activities	29	(154.433)	18.617.525
The Cash Flow Generated from Operations (+/-)		178.482.520	(265.045.435)
Cash Outflows from Participation (Profit) Shares and Other Financial Instruments		--	(21.000.000)
B. CASH FLOW FROM INVESTING ACTIVITIES		(40.917.148)	(23.150.399)
Cash Outflows Due to Share Acquisition or Capital Increase in Subsidiaries and/or Joint Ventures		--	(13.402)
Cash Outflows for Sales Tangible and Intangible Assets	14	1.473.272	2.382
- Cash Outflows for Sales Tangible Assets	14	1.473.272	2.382
Cash Outflows for Purchasing Tangible and Intangible Assets	14	(42.390.420)	(23.953.033)
- Cash Outflows for Purchasing Tangible Asset	14	(42.384.820)	(23.916.146)
- Cash Outflows for Purchasing Intangible Assets		(5.600)	(36.887)
Interest Received		--	813.654
C. CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		(104.137.477)	341.233.991
Cash Inflows (Inflows) Resulted from Debts	47	370.857.575	1.919.127.024
- Cash Inflows (Outflows) from Bank Loans	47	370.839.306	1.919.127.024
- Cash Inflows (Outflows) from Other Financial Loans		18.269	--
Cash Outflows Related to Debt Payments	47	(420.732.812)	(1.507.339.325)
- Cash Outflows Related to Loan Repayments	47	(420.732.812)	(1.507.339.325)
Cash Outflows from Loan Payments Arising from Lease Agreements	20	(2.069.106)	(5.392.188)
Interest Paid	37	(85.510.432)	(65.161.520)
Interest Taken	37	33.317.298	--
NET INCREASE/(DECREASE) CASH AND CASH EQUIVALENTS BEFORE FOREIGN CURRENCY		33.427.895	32.038.157
NET INCREASE/(DECREASE) CASH AND CASH EQUIVALENTS (A+B+C+D)		33.427.895	32.038.157
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		97.271.072	1.722.654
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (A+B+C+D+E)		130.698.967	33.760.811

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

YÜKSELEN ÇELİK ANONİM ŞİRKETİ

NOTES TO REVIEWED FINANCIAL STATEMENTS, FOR THE PERIOD SEPTEMBER 30,2023

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

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:40/1 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 September 30, 2023, the Company has 73 employees. (31 December 2022: 75)

As of September 30, 2023, and 31 December 2022, the capital and shareholding structure of the Company are as follows:

	September 30, 2023		December 31, 2022	
	Share Amount	Share Ratio	Share Amount	Share Ratio
Bariş GÖKTÜRK	35.158.450	28,13%	35.158.450	28,13%
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%
Public	36.971.833	29,58%	36.971.833	29,58%
Total Capital	125.000.000	100%	125.000.000	100%

(*) As of September 30, 2023, within the publicly traded portion, 450,000 shares, equivalent to 0.36%, belong to Barış Gökürk, 290,797 shares, equivalent to 0.23%, belong to Yüksel Gökürk, and 271,208 shares, equivalent to 0.22%, belong to Ferhan 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 September 30, 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 September 30, 2023, and changes and comments on previous standards:

- **Narrow-scope amendments to TAS 1, Application Statement 2 and TAS 8;**

It is valid for annual reporting periods beginning on or after January 2023. These changes are intended to improve accounting policy disclosures and help users of financial statements distinguish between changes in accounting estimates and changes in accounting policies.

- **TAS 12, Amendment regarding deferred tax on assets and liabilities arising from a single transaction;**

It is valid for annual reporting periods beginning on or after January 1, 2023. These changes require companies to recognize deferred tax on transactions that cause taxable and deductible temporary differences to occur in equal amounts when first recognized in the financial statements.

- **TFRS 17, 'Insurance Contracts';**

It is valid for annual reporting periods beginning on or after January 1, 2023. This standard replaces TFRS 4, which already allows a wide range of applications. TFRS 17 will fundamentally change the accounting of all businesses that issue insurance contracts and investment contracts with optional participation features.

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

2.2) Changes in Turkish Financial Reporting Standards (Cont.)

However, in the letter dated 06.04.2023 sent by the Public Oversight Authority (KGK) to the Association of Insurance, Reinsurance and Pension Companies of Turkey, insurance, reinsurance companies and pension companies, banks with partnerships/investments in these companies and banks with partnerships/investments in these companies It has been reported that it has been concluded that it would be appropriate to apply TFRS 17 in the consolidated and individual financial statements of other companies as of 1/1/2024.

These changes do not have a significant impact on the financial position and performance of the Company.

Standards and amendments that have been published but have not yet entered into force as of 30.09.2023:

- TAS 1, Amendment regarding long-term obligations with contractual conditions;

It is valid for annual reporting periods beginning on or after January 1, 2024. These changes clarify how the requirements that an entity must comply with within twelve months after the reporting period affect the classification of a liability.

- TFRS 16, Sale and leaseback transactions;

It is valid for annual reporting periods beginning on or after January 1, 2024. These changes include the sale and leaseback provisions in TFRS 16, which explain how an entity accounts for a sale and leaseback transaction after the transaction date. Sale and leaseback transactions where some or all of the lease payments consist of variable lease payments that are not tied to an index or rate are likely to be affected.

The effects of these changes on the financial position and performance of the Company are evaluated.

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.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS(CONT.)**2.3) Summary of Significant Accounting Policies (Cont.)**

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.

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.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS(CONT.)**2.3) Summary of Significant Accounting Policies (CONT.)****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.

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.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS(CONT.)**2.3) Summary of Significant Accounting Policies (CONT.)**

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.

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 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 September 30, 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, the establishment procedures of the subsidiary, which was decided to be established with the title of Rising Steel Inc, in the organized industrial area close to the Chicago region in the state of Illinois, USA, were completed as of 08.02.2022 and registered on 10.02.2022. Since the company was inactive in the relevant period, it was not consolidated 1.000 USD (13.402 TRY) and was shown in the financial statements at cost.

YÜKSELEN ÇELİK ANONİM ŞİRKETİ

NOTES TO REVIEWED FINANCIAL STATEMENTS, FOR THE PERIOD SEPTEMBER 30,2023

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

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

	30.09.2023	31.12.2022
RISING STEEL INCORPORATED	3.278.826	-
	3.278.826	--

(b) Other Short-Term Payables

	30.09.2023	31.12.2022
SKY Fuarçılık A.Ş.	--	739
Total	--	739

(c) Short Term Prepaid Expenses

None (December 31, 2022: None)

(d) Purchases

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

	30.09.2023	30.09.2022
SKY Fuarçılık A.Ş. (*)	--	120.000
Real Person Shareholders (**)	5.400.000	1.552.500
Total	5.400.000	1.672.500

(*) It is resulted from rent expense.

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

NOTE 6 – RELATED PARTY DISCLOSURES (Cont.)**(e) Sales**

None (September 30, 2022: None)

(f) Key Management Compensation and Benefits

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

	30.09.2023	30.09.2022
Salary and attendance fee payments	3.076.209	1.507.973
Total	3.076.209	1.507.973

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

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

	30.09.2023	31.12.2022
Trade receivables	136.074.038	135.969.148
Trade Receivables from Related Parties (Note: 6)	3.279.199	--
Rediscount of Trade Receivables from Related Parties (-) (Note: 6)	(373)	--
Trade Receivables Rediscount (-)	(3.461.971)	(5.428.218)
Doubtful Trade Receivables	78.443	4.700.951
Provision for Doubtful Trade Receivables (-)	(78.443)	(4.700.951)
Notes Receivable	195.000.594	426.326.272
Trade Receivables TFRS 9 Expected Credit Loss	(1.109.916)	(547.280)
Total	329.781.571	556.319.922

The average maturity for trade receivables is 161 days (December 31,2022: 108 days). The Company has booked provision for their doubtful receivables. The provision amount consists of uncollectable amount and deduction of guaranteed amount received for the related receivable amount.

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

The Company has agreement with Euler Hermes Sigorta A.Ş. including following details;

- The policy is valid from June 1, 2023, to May 31, 2024, with a duration of one year. The policy covers damages in both USD and EUR currencies.
- The coverage rate for commercial receivables with credit limit requests is set at 90%. Additionally, the Company has receivables and collateral letters of credit under the Direct Billing System (DBS).
- As of September 30, 2023, within Euler Hermes Sigorta A.Ş, the Company has insurance coverage limits allocated for 511 customers, totaling 11,068,178 USD, and for 24 customers, totaling 1,944,000 EUR. Moreover, the Company holds a DBS collateral limit of 63,455,000 TL for 148 customers, allocated across 13 banks, with 100% bank collateralization. Furthermore, there is a total collateral letter limit of 900,000 TL for 3 customers.

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

	30.09.2023	31.12.2022
Opening	4.700.951	4.255.926
Increase during the period	--	445.025
Provisions no longer required	(4.622.508)	--
Closing	78.443	4.700.951

(b) Short Term Trade Payables

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

	30.09.2023	31.12.2022
Trade Payables	82.378.030	157.557.852
Trade Payables To Related Parties (Note: 6)	--	739
Trade Payables Rediscount (-)	(1.206.526)	(980.194)
Debt Securities	3.309.785	49.466.574
Total	84.481.289	206.044.971

The average payment term of trade payables is 66 days (31.12.2022: 45 days).

The Company has no Long-Term Trade Payables as of 30 September 2023 and 31 December 2022.

NOTE 8 – RECEIVABLES AND PAYABLES FROM FINANCE SECTOR ACTIVITIES

As of September 30, 2023, the Company's financial investments consist of 45,633,318 TL in short-term borrowing instruments funds, 26,431 TL in bond investments, and 18,224,250 TL in stock investments. The Company does not have any restricted bank balances on that date. (As of December 31, 2022, the Company's financial investments consisted of 6,509,644 TL in short-term borrowing instrument funds. As of December 31, 2022, the Company had a restricted bank balance of 53,030 TL.)

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NOTES TO REVIEWED FINANCIAL STATEMENTS, FOR THE PERIOD SEPTEMBER 30,2023

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

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

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

	30.09.2023	31.12.2022
Deposits and Guarantees Given	39.137	33.346
Receivables From Personnel	326.600	340.000
VAT Receivables From The Tax Office	20.763.511	14.004.847
Other	--	42.006
	21.169.532	14.420.199

(b) Other Long-Term Receivables

None (December 31, 2022: None)

(c) Other Short-Term Liabilities

The details of the Company's other short-term payables are as follows:

	30.09.2023	31.12.2022
Taxes and Funds Payable	5.872.288	2.729.394
Overdue, Deferred Taxes and Other Liabilities	3.123.586	--
Total	8.995.874	2.729.394

(d) Other Long-Term Liabilities

None (December 31, 2022: None)

NOTE 10 – INVENTORIES

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

	30.09.2023	31.12.2022
Trade goods	409.624.106	367.695.067
Other	1.480.000	1.480.000
Total	411.104.106	369.175.067

As of 30 September 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:

	30.09.2023	31.12.2022
Expenses for the Next Month	10.086.190	3.869.204
Advances Given to Personnel	--	206.681
Order Advances Given	33.903.800	143.127.767
Business Advances Given	777.081	--
	44.767.071	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:

	30.09.2023	31.12.2022
Liabilities arising from customer contracts	13.474.498	14.520.610
Total	13.474.498	14.520.610

(d) Long Term Deferred Revenues

None (December 31, 2022: None)

NOTE 13 – INVESTMENT PROPERTIES

None (December 31, 2022: None)

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NOTES TO REVIEWED FINANCIAL STATEMENTS, FOR THE PERIOD SEPTEMBER 30,2023

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NOTE 14 – TANGIBLE ASSETS

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

	1.01.2022	Additions	Transfers	Disposals	31.12.2022	Additions	Transfers	Disposals	30.09.2023
Cost									
Lands and Parcels	15.425.000	--	--	--	15.425.000	--	--	--	15.425.000
Buildings		--	--	--	--	--	--	--	--
Machinery, plant and equipment	7.736.026	1.576.107	(323.737)	--	8.988.397	1.449.529	--	(1.473.273)	8.964.653
Vehicles	4.050.063	1.513.948	--	--	5.564.011	8.935.740	--	--	14.499.751
Furniture and Fixtures	5.127.513	401.268	--	--	5.528.781	805.490	--	--	6.334.271
Improvements on Leaseholds	10.540.883	--	(10.540.883)	--	--	--	--	--	--
Construction-in-Progress	192.652	30.659.186	--	--	30.851.838	31.194.061	--	--	62.045.899
							--	--	
	43.072.137	34.150.509	(10.864.620)	--	66.358.027	42.384.820	--	(1.473.273)	107.269.574
Accumulated Depreciation									
Machinery, plant and equipment	1.820.311	814.183	(98.737)	--	2.535.757	645.495	--	(231.495)	2.949.757
Vehicles	1.842.432	1.031.617	--	--	2.874.049	1.328.588	--	--	4.202.637
Furniture and Fixtures	1.206.683	626.839	--	--	1.833.522	498.027	--	--	2.331.549
Improvements on Leaseholds	5.171.727	--	(5.171.727)	--	--	--	--	--	--
	10.041.153	2.472.638	(5.270.464)	--	7.243.328	2.472.110	--	(231.495)	9.483.943
Net Book Value	33.030.984				59.114.699				97.785.631

As of 30 September 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;

	1.01.2022	Addition	Transfers	Disposal	31.12.2022	Addition	Transfers	Disposal	30.09.2023
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)	(45.966)	--	--	(229.930)
Total	(130.799)	(53.165)	--	--	(183.964)	(45.966)	--	--	(229.930)
Net Book Value	231.058				291.093				250.732

NOTE 18 – GOODWILL

None (December 31, 2022: None)

NOTE 19 – INVESTIGATION AND EVALUATION OF MINERAL RESOURCES

None (December 31, 2022: None)

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NOTES TO REVIEWED FINANCIAL STATEMENTS, FOR THE PERIOD SEPTEMBER 30,2023

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

The balances of right-of-use assets as of 1 January and 30 September 2023 and their depreciation and amortization expenses in the relevant period are as follows:

	31.12.2021	Additions	Other	Transfers	31.12.2022	Additions	Transfers	30.09.2023
Cost								
Buildings	6.354.647	--	238.062	--	6.592.709	80.514	--	6.673.223
Improvements on Leaseholds	--	881.425	--	10.540.883	11.422.308	1.998.692	--	13.421.000
Toplam	6.354.647	881.425	238.062	10.540.883	18.015.018	2.079.206	--	20.094.223
Accumulated Depreciation								
Buildings	(2.488.270)	(1.087.233)	--	--	(3.575.503)	(428.222)	--	(4.003.725)
Improvements on Leaseholds	--	(1.567.847)	--	(5.171.727)	(6.739.574)	(1.337.193)	--	(8.076.767)
Total	(2.488.270)	(2.655.080)	--	(5.171.727)	(10.315.077)	(1.765.415)	--	(12.080.492)
Net Book Value	3.866.377				7.699.941			8.013.731

As of September 30, 2023, the total of the future minimum lease liability within the framework of non-cancellable operating leases is as follows;

	30.09.2023	31.12.2022
Payables from rental transactions (Short term)	2.556.695	6.732.726
Payables from rental transactions (Long term)	5.266.862	977.802
Total	7.823.557	7.710.528

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

	30.09.2023	31.12.2022
Doubtful trade receivables	78.443	4.700.951
Total	78.443	4.700.951

NOTE 23 – GOVERNMENT INCENTIVES

None (December 31, 2022: None)

NOTE 24 – BORROWING COSTS

None (December 31, 2022: None)

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:

	30.09.2023	31.12.2022
Unused leave liability	716.870	133.252
Total	716.870	133.252

(b) Other Short-Term Provisions

None (December 31, 2022: None)

(c) Long-Term Provisions for Employee Benefits

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

	30.09.2023	31.12.2022
Severance Pay Liability	1.238.331	955.811
Total	1.238.331	955.811

Under Turkish Labour Law, Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). As the maximum liability is revised semi-annually, the maximum amount of TRY 23.490 effective from September 30,2023 (December 31,2022: TRY 15.371).

The liability is not funded as there is no funding requirement. The provision has been 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 actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions are used in the calculation of total liabilities: The principal assumption is that the maximum liability for each year of service increases in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for future inflation effects.

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

As of 30 September 2023, the provisions in the accompanying financial statements are calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. As of the 30 September 2023, the provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 13,00% and an interest rate of 16,50%, resulting in a real discount rate of 3,10%. (31 December 2022: %3,92 real discount rate).

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- 30.09.2023	01.01.2022- 31.12.2022
Opening balance	955.811	576.547
Service costs	267.023	361.406
Interest cost	15.497	17.858
Severance Pay Paid	--	--
End of period	1.238.331	955.811

NOTE 26 – COMMITMENTS

- Letters of Guarantee Taken**

	30.09.2023	31.12.2022
Letters of guarantee taken	900.000	1.030.000
Total	900.000	1.030.000

As of September 30, 2023 and December 31, 2022, there is no mortgage on Company's assets.

- Letters of Guarantee given**

	30.09.2023	31.12.2022
Letters of guarantee given	8.279.156	16.565.156
Total	8.279.156	16.565.156

NOTE 26 – COMMITMENTS (Cont.)

- **Letters of Guarantee given (Cont.)**

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

	30.09.2023	31.12.2022
A. Total amount of GMP that Issued on behalf of the legal entity	8.279.156	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	8.279.156	16.565.156
The ratio of other GSM's to the Company's equity	0	0

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:

	30.09.2023	31.12.2022
Due to Personnel	1.846.593	--
SSI Premium Payable	770.477	685.776
Total	2.617.070	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- 30.09.2023	01.07.2023- 30.09.2023	01.01.2022- 30.09.2022	01.07.2022- 30.09.2022
Personnel Expenses	(12.478.085)	(4.851.458)	(6.249.911)	(2.005.300)
Depreciation and Amortizations	(2.488.821)	(1.924.197)	(431.688)	(116.702)
Stationery and Office Material Expenses	(654.173)	(139.257)	(113.954)	(34.427)
Benefits and Services Provided Externally	(1.527.672)	(520.199)	(1.454.667)	(472.330)
Insurance Expenses	(3.476.566)	(2.731.503)	(1.085.311)	(382.227)
Stock Exchange Transaction Expenses	(896.059)	(896.059)	(82.719)	(6.954)
Dues Expenses	(2.636.054)	(1.027.735)	(194.882)	(52.684)
Food Expenses	(1.329.953)	(1.329.953)	(1.012.268)	(330.657)
Electricity, Water, Natural Gas Expenses	(544.150)	(270.472)	(295.203)	(108.704)
Communication Expenses	(104.534)	(37.164)	(51.665)	(20.085)
Tax Duties Expenses	(152.359)	(23.695)	(42.811)	(3.293)
Representation and Entertainment Expenses	(5.185.466)	(4.825.393)	--	--
Other Expenses	(5.120.199)	(1.675.860)	(2.240.192)	(394.501)
Total	(36.594.091)	(20.252.945)	(13.255.271)	(3.927.864)

(b) Marketing, Sales and Distribution Expenses

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

	01.01.2023- 30.09.2023	01.07.2023- 30.09.2023	01.01.2022- 30.09.2022	01.07.2022- 30.09.2022
Personnel Expenses	(16.561.711)	(6.281.013)	(7.159.504)	(2.931.692)
Shipping and Cargo Expenses	(3.282.376)	(1.225.352)	(5.630.912)	(1.217.210)
Depreciation and Amortizations	(1.563.175)	198.652	(2.448.271)	(1.007.612)
Maintenance and Repair Expense	(2.135.410)	(1.890.773)	(126.655)	(38.752)
Vehicle Expenses	(1.330.688)	(560.761)	(948.710)	(375.643)
Import, Export Expenses	(6.857.455)	(6.857.455)	(13.862.152)	(1.234.793)
Benefits and Services Provided Externally	(80.794)	6.009.792	--	--
Fair & Advertising Expenses & Market	(4.256.995)	(2.226.641)	(1.381.912)	(734.675)
Research Expenses	(944.522)	(176.118)	(528.579)	(250.843)
Travel Expenses	(23.500)	--	--	--
Consultancy Expenses	(6.215.637)	(5.366.822)	(2.908.147)	(1.858.126)
Other Expenses				
Total	(43.252.262)	(18.376.490)	(34.994.842)	(9.649.346)

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NOTE 28 – EXPENSES BY NATURE (Cont.)**(c) Research and Development Expenses (-)**

None (September 30, 2022: None)

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

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

	30.09.2023	31.12.2022
Income Accruals	789.084	55.369
Transferred Value Added Tax	17.807.081	23.464.876
Total	18.596.165	23.520.245

(b) Other Short Term Liabilities

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

	30.09.2023	31.12.2022
Expense Accruals	(154.433)	--
Total	(154.433)	--

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:

	September 30, 2023		December 31, 2022	
	Amount	Percentage	Amount	Percentage
Bariş GÖKTÜRK	35.158.450	28,13%	35.158.450	28,13%
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 30.09.2023, 0.36% of 450,000 shares in the public portion belong to Barış Gökürk. 290,797 shares of 0.23% belong to Yüksel Gökürk. 271,208 shares at a rate of 0.22% belong to Ferhan Gökürk.

(b) Premiums/(Discounts) Related to Shares

None (December 31, 2022: None)

NOTE 30 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Cont.)**(c) Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss**

	30.09.2023	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:

	30.09.2023	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

Publicly traded companies make their dividend distributions in accordance with the CMB's Dividend Communiqué no. II-19.1, which came into effect as of February 1, 2015.

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 Separated from Snow

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

	30.09.2023	31.12.2022
Legal reserves	6.949.596	6.949.596
Total	6.949.596	6.949.596

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NOTE 31 – REVENUE AND COST OF SALES

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

	01.01.2023- 30.09.2023	01.07.2023- 30.09.2023	01.01.2022- 30.09.2022	01.07.2022- 30.09.2022
Domestic Sales	645.255.629	257.156.873	1.031.164.701	314.703.104
Overseas Sales	102.914.019	21.814.444	68.111.337	9.117.274
Other Income	1.030.371	397.830	523.875	207.837
Gross Sales	749.200.019	279.369.147	1.099.799.913	324.028.215
Sales Returns (-)	(5.538.814)	(3.137.163)	(17.818.445)	(4.311.768)
Sales Discounts (-)	(363.326)	(213.908)	(442.150)	(118.853)
Net Sales	743.297.879	276.018.076	1.081.539.318	319.597.595
Cost of Sales (-)	(594.915.899)	(197.295.095)	(834.582.566)	(295.875.401)
Gross Profit / Loss	148.381.980	78.722.981	246.956.752	23.722.194

NOTE 32 – CONSTRUCTION CONTRACTS

None. (September 30, 2022: On 25.01.2022, the company, İnşaat Tur. Gay. From. Tic. Ltd. Ltd. Within the scope of the 'Construction Contract', a main contractor agreement has been made for the rough construction part of the steel service center, which will be built on the industrial land within the OIZ purchased on 24.09.2021 in Dilovası district of Kocaeli province.)

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- 30.09.2023	01.07.2023- 30.09.2023	01.01.2022- 30.09.2022	01.07.2022- 30.09.2022
General and administrative expenses (-)	(36.594.091)	(20.252.945)	(13.255.271)	(3.927.864)
Marketing expenses (-)	(43.252.262)	(18.376.490)	(34.994.842)	(9.649.346)
Total	(79.846.353)	(38.629.435)	(48.250.113)	(13.577.210)

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- 30.09.2023	01.07.2023- 30.09.2023	01.01.2022- 30.09.2022	01.07.2022- 30.09.2022
Rediscount Income	6.634.744	419.177	1.269.723	(1.085.779)
Maturity Difference Income Eliminated from Sales	--	--	8.877.005	2.866.565
Provisions No Longer Required	577.009	577.009	--	--
Exchange Difference Income	22.740.639	4.457.292	37.202.473	15.923.354
Other Income and Profits	3.031.322	979.720	3.378.407	542.145
Total	32.983.714	6.433.198	50.727.608	18.246.285

(b) Other Expenses from Main Operations (-)

	01.01.2023- 30.09.2023	01.07.2023- 30.09.2023	01.01.2022- 30.09.2022	01.07.2022- 30.09.2022
Interest Eliminated from Purchases	--	--	(870.893)	(259.199)
Exchange Expenses	(25.500.797)	(5.892.319)	(9.245.835)	(3.938.401)
Commission Expenses	--	--	(164.512)	--
Rediscount Expenses	(4.442.538)	590.404	(13.054.313)	8.168.434
Doubtful Receivables Provision Expenses	--	--	(8.212)	163.468
Other	(14.826.755)	(13.701.381)	(752.528)	(202.552)
Total	(44.770.090)	(19.003.296)	(24.096.293)	3.931.750

NOTE 35 – INCOME / (EXPENSES) FROM INVESTMENT OPERATIONS

	01.01.2023- 30.09.2023	01.07.2023- 30.09.2023	01.01.2022- 30.09.2022	01.07.2022- 30.09.2022
Securities Sales Profit	6.359.662	6.359.662	170.000	170.000
Profits on Sales of Tangible and Intangible Assets	1.062.330	--	--	--
Total	7.421.992	6.359.662	170.000	170.000

	01.01.2023- 30.09.2023	01.07.2023- 30.09.2023	01.01.2022- 30.09.2022	01.07.2022- 30.09.2022
Impairment in Accordance with IFRS 9	(562.637)	(796.601)	(1.085.578)	(66.634)
Total	(562.637)	(796.601)	(1.085.578)	(66.634)

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

	01.01.2023- 30.09.2023	01.07.2023- 30.09.2023	01.01.2022- 30.09.2022	01.07.2022- 30.09.2022
General and Administrative Expenses	(2.488.821)	(1.924.197)	(431.688)	(252.107)
Marketing, Sales and Distribution Expenses	(1.563.175)	198.652	(2.421.225)	(1.645.034)
Total	(4.051.996)	(1.725.545)	(2.852.913)	(1.897.141)

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

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

	01.01.2023- 30.09.2023	01.07.2023- 30.09.2023	01.01.2022- 30.09.2022	01.07.2022- 30.09.2022
Interest income	33.317.298	16.305.278	813.654	334.062
Exchange differences income	7.780.922	971.110	2.245.528	108.066
Total	41.098.220	17.276.388	3.059.182	442.128

(b) Financial expenses

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

	01.01.2023- 30.09.2023	01.07.2023- 30.09.2023	01.01.2022- 30.09.2022	01.07.2022- 30.09.2022
Interest expense	(85.510.432)	(36.015.626)	(70.006.930)	(26.830.329)
Exchange differences expense	(1.004.829)	1.961.391	(1.807.249)	(702.036)
Total	(86.515.261)	(34.054.235)	(71.814.179)	(27.532.365)

NOTE 38 – ANALYSIS OF OTHER COMPREHENSIVE INCOME ITEMS**That Will Not Be Reclassified to Profit or Loss**

	01.01.2023- 30.09.2023	01.07.2023- 30.09.2023	01.01.2022- 30.09.2022	01.07.2022- 30.09.2022
- Defined Benefit Plans Remeasurement Gains (Loss)	--	--	(43.666)	229.217
- Defined Benefit Plans Remeasurement Gains (Loss)	--	--	8.733	(45.843)
Tax Effects				
Toplam	--	--	(34.933)	183.374

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 Group is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Company's results for the years and periods. Turkish tax legislation does not permit a parent company and its subsidiary to file a tax return. Therefore, provisions for taxes, as reflected in the accompanying financial statements, have been calculated on a separate-entity basis. Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized. The effective tax rate in 2023 is 20% for the Company. (31.12.2022: 23%)

The Law numbered 7061 on Amendment of Certain Taxes and Laws and Other Acts was published on the Official Gazette dated December 5, 2017 and numbered 30261. Article 5 entitled "Exceptions" of the Corporate Tax Law has been amended in Article 89 of the Law. In accordance with (a) clause in the first paragraph of the Article, the exemption of 75% applied to gains from the sales of lands and buildings held by the entities for two full years has been reduced to rate of 50%. This regulation has been effective from 5 December 2017.

The company's tax expenses are as follows:

	30.09.2023	31.12.2022
Corporate tax provision	11.845.541	37.792.350
Prepaid corporate tax (-)	(4.485.325)	(34.663.717)
(Payable)/refundable corporate tax	7.360.216	3.128.633

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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 2022 and 2023 will be applied as 23% and 20%, respectively, within the scope of the "Law on the Law on the Collection of Public Claims and Amendments to Certain Laws", which entered into force after being 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 30 September 2023 are calculated with 20% and 23% tax rates for the part of temporary differences that will have tax effects in 2022 and 2023.

		30.09.2023		31.12.2022
	Total	Deferred Tax	Total	Deferred Tax
	Temporary Differences	Assets/ (Liabilities)	Temporary Differences	Assets/ (Liabilities)
Deferred Tax Assets				
Doubtful Trade Receivables	--	--	(547.280)	109.456
Rediscunts from Receivables	(3.462.344)	692.469	(5.428.218)	1.085.644
Regulations Regarding Rentals	(5.154.059)	1.030.812	(5.264.415)	1.052.883
Derivative Instruments	--	--	(956.712)	191.342
Expected Credit Loss (Receivables)	(1.109.916)	221.983	(219.235)	43.847
Exchange Rate Differences	(200.705)	40.141	(796.244)	159.249
Unused Leave Provisions	(716.870)	143.374	(133.252)	26.650
Severance Pay Provisions	(1.238.331)	247.666	(955.811)	191.162
Tax Procedure Law Valuation Cancellations (Lands and Buildings)	(51.561.037)	10.312.207	(51.561.037)	10.312.207
Tax Procedure Law Valuation Cancellations (Others)	(4.778.974)	477.897	(4.778.974)	477.897
Deferred Tax Assets	(68.222.236)	13.166.550	(70.641.178)	13.650.338
Deferred Tax Liabilities				
Tangible And Intangible Asset Regulations	22.474.195	(4.494.839)	14.007.011	(2.801.402)
Provisions No Longer Required	577.009	(115.402)	--	--
Debt Rediscunts	1.206.526	(241.305)	980.194	(196.039)
Derivative Instruments	1.612.690	(322.538)	--	--
Regulations Regarding Stocks	30.908.977	(6.181.795)	77.404.949	(15.480.990)
Bank Loans	6.398.343	(1.279.669)	--	--
Other	--	--	44.728	(8.946)
Deferred Tax Liabilities	63.177.740	(12.635.548)	92.436.882	(18.487.376)
Net Deferred Tax Assets (Liabilities)		531.002		(4.837.038)

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

The movement table of the company's deferred tax assets/(liabilities) is as follows:

	01.01.2023- 30.09.2023	01.07.2023- 30.09.2023	01.01.2022 30.09.2022	01.07.2022- 30.09.2022
Tax income / (expense) in the income statement				
Corporate tax provision	(11.845.541)	(9.314.423)	(34.575.566)	(1.291.593)
Deferred tax income / (expense), net	5.368.040	(886.639)	1.522.451	(314.317)
Total tax income / (expense), net	(6.477.501)	(10.201.062)	(33.053.115)	(1.605.910)

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- 30.09.2023	01.07.2023- 30.09.2023	01.01.2022- 30.09.2022	01.07.2022- 30.09.2022
Net profit per share of the parent shareholder	11.714.064	6.107.600	122.614.264	3.730.238
Weighted average number of ordinary shares issued (TRY 1 each)	125.000.000	125.000.000	125.000.000	125.000.000
Earnings per share (TL)	0,09	0,05	0,98	0,03

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 September 30, 2023 is shown in the table in Note: 47, and as of the accounting period ending on September 30, 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

In the statement made by the Public Oversight Accounting and Auditing Standards Authority; “According to the CPI rates announced by the Turkish Statistical Institute, the cumulative change in the general purchasing power of the last three years has been 74,41%. In this respect, businesses applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29.” statements are included. In this context, the accompanying financial statements are presented without any adjustments within the scope of TAS 29. In this context, the accompanying financial statements are presented without any adjustments within the scope of TAS 29.

According to TAS 29 Financial Reporting Standard in Hyperinflationary Economies, one of the characteristics of a hyperinflationary economy is that the cumulative inflation rate has approached or exceeded 100% in the last three years. Within the framework of the CPI data, it is expected that the Turkish economy will be defined as a hyperinflationary economy according to the TAS 29 Standard and the TAS 29 Standard will be implemented in the upcoming periods. With the application of TAS 29, the financial statements will be expressed in the current measurement unit at the end of the reporting period. As of the end of the reporting period, non-monetary items and equity items in the statement of financial position that are not expressed in the current measurement unit, and all profit or loss and other comprehensive income statement items will be adjusted for changes in the general price index. In addition, monetary position gains or losses will appear in the profit or loss and other comprehensive income statement depending on the net monetary position situation.

The effects of TAS 29 on the financial position and performance of the Company are being evaluated.

NOTE 46 – DERIVATIVE INSTRUMENTS

Derivative instruments included in Current Assets are as follows:

	30.09.2023	31.12.2022
Account Name		
Derivative financial instruments assets (liabilities)	1.612.690	(956.712)
Total	1.612.690	(956.712)

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

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

	30.09.2023	31.12.2022
Bank credits	307.044.141	7.188.998
Bills and Notes	150.000.000	--
Other financial debts	439.795	421.526
Total	457.483.936	7.610.524

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

	30.09.2023	31.12.2022
Right of use liability	2.556.695	6.732.726
Bank credits	105.061.192	598.761.433
Total	107.617.887	605.494.159

(c) Long Term Borrowings

	30.09.2023	31.12.2022
Bank credits	14.874.270	21.035.703
Right of use liability	5.266.862	977.802
Total	20.141.132	22.013.505

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

	30.09.2023	31.12.2022
To be paid within 1 year	412.105.333	605.950.431
To be paid within 1 - 2 years	13.008.222	17.535.703
To be paid within 2 - 3 years	1.866.049	3.500.000
To be paid within 3 - 4 years	--	--
To be paid within 4 - 5 years	--	--
Total	426.979.603	626.986.134

	30.09.2023	31.12.2022
TRY	426.979.603	626.986.134
Total	426.979.603	626.986.134

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:

	30.09.2023	31.12.2022
Total debt	704.127.103	869.264.818
Less: Cash and cash equivalents	130.698.967	97.271.072
Net debt	573.428.136	771.993.746
Total equity	424.041.212	412.327.148
Debt/Equity Ratio	1,35	1,87

	30.09.2023	31.12.2022
Total financial debt	585.242.955	635.118.188
Less: Cash and cash equivalents	130.698.967	97.271.072
Net financial debt	454.543.988	537.847.116
Total Equity	424.041.212	412.327.148
Invested Capital	125.000.000	125.000.000
Net Financial Debt/Investment Capital Ratio	3,64	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.

30.09.2023	Book value	Cashflow according to the agreement	0-1 Year	1-5 years
Non-derivative financial liabilities	680.897.393	680.897.393	660.756.261	20.141.132
Financial payables	584.803.160	584.803.160	564.662.028	20.141.132
Payables under employee benefits	2.617.070	2.617.070	2.617.070	--
Trade and other payables	93.477.163	93.477.163	93.477.163	--
Derivative financial liabilities	--	--	--	--
Total	680.897.393	680.897.393	660.756.261	20.141.132

	Book Value	Cashflow according to the agreement	0-1 Year	1-5 years
31.12.2022				
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:

	30.09.2023			
	TL			
	Equivalent	USD	EURO	Other
1. Trade Receivables	27.184.716	845.613	138.979	--
2a. Monetary Financial Assets (including cash, banks)	6.572.374	218.759	20.099	--
2b. non-monetary financial assets	--	--	--	--
3. Other	20.084.901	718.278	14.496	--
4. Current Assets (1+2+3)	53.841.991	1.782.649	173.574	--
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)	53.841.991	1.782.649	173.574	--
10.Trade Payables	47.890.488	1.745.199	3.883	--
11.Financial Liabilities	--	--	--	--
12a.Other monetary financial liabilities	1.453.180	50.938	2.021	--
12b.Other non-monetary financial liabilities	--	--	--	--
13. Short-Term Liabilities (10+11+12)	49.343.669	1.796.136	5.904	--
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))	49.343.669	1.796.136	5.904	--
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)	4.498.323	(13.487)	167.670	--
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(15.586.579)	(731.765)	153.174	--
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	102.914.019	3.301.338	1.332.579	--
26. Import	397.471.025	15.986.354	2.595.814	--

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

	31.12.2022			
	TL			
	Equivalent	USD	Euro	Other
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. Monetary financial 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) (=1+2a+5+6a-10-11-12a-14-15-16a)	134.835.549	9.982.481	1.396.288	--
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.

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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
30.09.2023				
In case of appreciation/depreciation of USD against TRY at 10%				
1- USD net asset/liabilities	(36.922)	36.922	(36.922)	36.922
2- Part of hedged (-)	--	--	--	--
3- USD net effect (1+2)	(36.922)	36.922	(36.922)	36.922
In case of appreciation/depreciation of EURO against TRY at 10%				
4- EURO net asset/liabilities	486.755	(486.755)	486.755	(486.755)
5- Part of hedged (-)	--	--	--	--
6- EUR net effect (4+5)	486.755	(486.755)	486.755	(486.755)
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)	449.832	(449.832)	449.832	(449.832)
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:

	30.09.2023	31.12.2022
Fixed rate instruments		
Financial liabilities	524.534.015	635.118.188
Total	524.534.015	635.118.188
Floating rate instruments		
Financial liabilities	--	--
Total	--	--

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NOTES TO REVIEWED FINANCIAL STATEMENTS, FOR THE PERIOD SEPTEMBER 30,2023

(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.)**

- Credit Risk Management**

	Receivables					
	Trade Receivables		Other Receivables		Deposit in banks	Total
30.09.2023	Related Parties	Other Parties	Related Parties	Other Parties		
Maximum credit risk exposed as of the reporting date	3.278.826	326.502.745	--	21.129.248	130.685.657	481.596.476
- The part of the maximum risk secured by collateral	--	--	--	--	--	--
A- Net book value of financial assets that are not overdue or impaired	3.278.826	326.502.745	--	21.129.248	130.685.657	481.596.476
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	--	78.443	--	--	--	78.443
- impairment	--	(78.443)	--	--	--	(78.443)
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	--	--	--	--	--	--

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 experience of uncollectible. 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 Company 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 Company 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.

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REVIEWED FINANCIAL STATEMENTS, FOR THE PERIOD ENDED WITH SEPTEMBER 30,2023

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

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

30.09.2023	Fair value through profit And loss Financial Assets	Financial assets available to sale	Financial assets shown As its Amortized cost	Financial liabilities shown at amortized value	Book value	Note
Financial Assets						
Cash and cash equivalents	--	--	130.698.967	--	130.698.967	53
Trade receivables	--	--	326.502.745	--	326.502.745	7
Other receivables	--	--	21.129.248	--	21.129.248	9
Receivables from related parties	--	--	3.278.826	--	3.278.826	6
Other financial assets	--	--	--	--	--	29
Financial Liabilities						
Financial liabilities	--	--	--	584.803.160	584.803.160	47
Trade payables	--	--	--	84.481.289	84.481.289	7
Other liabilities	--	--	--	--	--	9
Payables from related parties	--	--	--	--	--	6
Other financial liabilities	--	--	--	--	--	29

31.12.2022	Fair value through profit And loss Financial Assets	Financial assets available to sale	Financial assets shown As its Amortized cost	Financial liabilities shown at amortized value	Book value	Note
Financial Assets						
Cash and cash equivalents	--	--	97.271.072	--	97.271.072	53
Trade receivables	--	--	556.319.922	--	556.319.922	7
Other receivables	--	--	14.420.199	--	14.420.199	9
Receivables from related parties	--	--	--	--	--	6
Other financial assets	--	--	6.562.674	--	6.562.674	29
Financial Liabilities						
Financial liabilities	--	--	--	635.118.188	635.118.188	47
Trade payables	--	--	--	206.044.971	206.044.971	7
Other liabilities	--	--	--	2.729.394	2.729.394	9
Payables from related parties	--	--	--	--	--	6
Other financial liabilities	--	--	--	--	--	29

The company management considers that the book values of its financial instruments reflect their fair values.

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 maturity date of the financial bills with a nominal value of 100,000,000-TL with a maturity of 182 days, which was offered for sale to qualified investors without a second issuance, was realized with a maturity date of 26 July 2023 and a redemption date 24 January 2024. The first issue repayment of 50,000,000 TL, with a maturity date of 04.10.2023, was made.

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.

NOTE 52 – FIRST TRANSITION TO TMS

None (December 31, 2022: None)

NOTE 53 – DISCLOSURES ON CASH FLOW STATEMENT

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

	30.09.2023	31.12.2022
Cash	13.310	2.166
Banks	130.685.657	97.268.906
-Demand deposit	9.259.530	5.333.481
-Time Deposit	121.426.127	91.935.425
Other cash equivalents	--	--
Total	130.698.967	97.271.072

As of the balance sheet date, the details of time deposits are as follows;

30.09.2023	Maturity Start Date	Due Date	Interest Rate	Amount TRY
Garanti Bankası TRY	29.09.2023	2.10.2023	Variable	350.000
İngbank TRY	29.09.2023	2.10.2023	35%	18.275.693
İş Bankası TRY	29.09.2023	2.10.2023	39%	97.000.000
Vakıfbank TRY	29.09.2023	2.10.2023	34%	455.084
Akbank TRY	29.09.2023	2.10.2023	Variable	2.348
Kuveyt Türk TRY	10.08.2023		Variable	794.333
Halkbank TRY	22.09.2023	2.10.2023	Variable	4.548.670
Total				121.426.127

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.