Katmerciler Araç Üstü Ekipman Sanayi ve Ticaret A.Ş. and Its Subsidiaries

Convenience Translation into English Of
Consolidated Financial Statements
and Independent Auditors Report
As at and For The Year Ended
31 December 2022
(Originally Issued in Turkish)

Katmerciler Araç Üstü Ekipman Sanayi Ve Ticaret A.Ş.
And Its Subsidiaries

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CONVENIENCE TRANSLATİON OF
INDEPENDENT AUDITOR'S REPORT
(Originally issued in Turkish)

To the General Assembly of Katmerciler Araç Üstü Ekipman San.ve Tic. Anonim Şirketi

A) Audit of the Financial Statements

1) Opinion

We have audited the consolidated financial statements of Katmerciler Araç Üstü Ekipman San.ve Tic. A.Ş ("the Company") and its subsidiaries (together referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRSs").

2) Basis for Opinion

Our audit was conducted in accordance with the Standards on Independent Auditing issued by the Capital Markets Board of Turkey ("CMB") and Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	**How the matter was addressed in our audit**
Revenue Recognition	
The Company and its subsidiaries operate in all kinds of on-board equipment manufacturing, dyeing and welding work. The Group's output consists of onboard equipment manufacturing for the fire, trash, vacuum, grooving, ecological vehicles, transport vehicle, defense industry vehicles and construction industry vehicles. Revenue recognition has been identified as a key audit matter since it is an important measurement criterion in terms of evaluation of management is performance and the results of the Group strategy and inherently has risk of fraud and error. For the year ended 31 December 2022, the Company's sales revenue is TL 838.325.874 and the accounting policies and amounts related to revenue are disclosed in Note 2.2 k and Note 19.	During our audit, the following audit procedures have been applied on the recognition of the revenue: • The design and implementation of the controls that are set for the management of the relevant process are examined. In this context, the Group's sales and delivery procedures have been audited. • Trading and shipment provisions of related sales contracts signed with customers have been examined and the appropriateness of timing of revenue recognition in the financial statements has been examined. • We have focused on substantive procedures for the products for which the invoices are issued but products have not been delivered. The customers which owned high-volume and high-risk transactions have been identified from the customer sales lists, sales in the specified period have been examined and the related samples have been selected from these population for audit procedures. The completeness and accuracy of these lists have been checked. In order to test the timing of revenue recognition and the related cut-off period, the contracts, the delivery conditions of the contracts, the delivery of products and the related accounting and other documents have been audited. In addition, the adequacy of the disclosures in Note 2.2 k and Note 19-Revenue has been assessed according to TFRS 15. As a result of the procedures we have applied regarding the revenue recognition, we are not aware of any significant misstatement.

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

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

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

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

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

Responsibilities of independent auditors in an independent audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with Standards on Independent Auditing issued by the CMB and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with Standards on Independent Auditing issued by the CMB and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

B) Other Responsibilities Arising from Regulatory Requirements

1) Pursuant to the fourth paragraph of Article 398 of Turkish Commercial Code ("TCC") no. 6102; Auditors' Report on System and Committee of Early Identification of Risks is presented to the Board of Directors of the Company on 10 March 2023.

2) Pursuant to the fourth paragraph of Article 402 of the TCC; no significant matter has come to our attention that causes us to believe that for the period 1 January - 31 December 2022, the Company's bookkeeping activities and financial statements are not in compliance with TCC and provisions of the Company's articles of association in relation to financial reporting.

3) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

Aksis Uluslararası Bağımsız Denetim A.Ş.

T.C. BAĞIMSIZ DENETÇİ 1923 2971

Çetin Dönmez, SMMM

Partner

İstanbul,

10 March 2023

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022
Monetary Unit: Turkish Lira ("TL")

Assets	**Note**	**Audited 31 December 2022**	**Audited 31 December 2021**
Current assets		**2.219.300.422**	**1.571.608.931**
Cash and cash equivalents	4	47.763.271	93.945.220
Financial investments	5	112.485	4.718.787
Trade receivables		**531.390.946**	**348.880.162**
- Trade receivables from third parties	7	531.390.946	348.880.162
Other receivables		**7.127.404**	**3.363.554**
- Other receivables from third parties	8	7.127.404	3.363.554
Inventories	9	1.121.543.620	718.524.429
Prepaid expenses	10	411.463.035	329.376.440
Current tax assets	25	297.585	32.925
Other current assets	17	99.602.076	72.767.414
Total non-current assets		**524.737.124**	**195.519.408**
Other receivables		**22.676**	**20.948**
- Other receivables from third parties	8	22.676	20.948
Investment property	11	25.525.000	5.390.000
Property, plant and equipment	12	413.114.284	105.094.897
Intangible assets		**22.382.281**	**24.021.611**
- Other Intangible Assets	13	22.382.281	24.021.611
Prepaid expenses	10	62.969.283	36.436.936
Deferred tax assets	25	723.600	24.555.016
Total assets		**2.744.037.546**	**1.767.128.339**

		Audited	Audited
Liabilities	**Note**	**31 December 2022**	**31 December 2021**
Short term liabilities			
Short-term borrowings	6	110.491.128	27.544.000
Short-term portion of long-term borrowings	6	13.023.318	44.182.029
Trade payables		**251.585.152**	**124.372.243**
- Trade payables to third parties	7	251.585.152	124.372.243
Payables related to the employee benefits	16	4.176.851	1.433.156
Other payables		**3.137.402**	**2.610.816**
- Other payables to related parties	8	-	7.969
- Other payables to third parties	8	3.137.402	2.602.847
Deferred income	10	601.644.407	323.128.215
Current income tax liability		757.164	-
Short term provision		**6.747.845**	**5.172.780**
- Short term provisions for employee benefits	16	2.854.648	1.928.120
- Other short-term provisions	14	3.763.655	3.244.660
Total short-term liabilities		**991.563.267**	**528.443.239**
Long term liabilities			
Long term borrowings	6	717.016.801	591.223.495
Long term provisions		**18.005.392**	**9.900.617**
- Long term provisions for employee benefits	16	18.005.392	9.900.617
Deferred tax liability	25	20.898.164	1.145.838
Total long-term liabilities		**755.920.357**	**602.269.950**
Total liabilities		**1.747.483.624**	**1.130.713.189**
Equity			
Equity attributable to the owners of the Company		**996.345.806**	**636.286.573**
Paid-in share capital	18	652.500.000	652.500.000
Share premium	18	3.996.748	3.996.748
Other comprehensive income or expenses not to be reclassified in profit or loss		**317.641.088**	**40.150.241**
- Revaluation reserves	18	310.820.016	36.826.372
- Actuarial gain/(loss)	18	6.821.072	3.323.869
Restricted reserves	18	5.104.290	4.913.435
Reserve from common control transactions	18	(1.759.039)	(1.759.039)
Retained earnings	18	(63.705.666)	(21.820.352)
Net profit / loss for the year		82.568.385	(41.694.460)
Non-controlling interest	18	**208.116**	**128.577**
Total equity		**996.553.922**	**636.415.150**
Total equity and liabilities		**2.744.037.546**	**1.767.128.339**

		Audited	**Audited**
		01.01.2022 31.12.2022	**01.01.2021 31.12.2021**
Revenue	19	838.325.874	400.554.104
Cost of sales (-)	19	(361.234.888)	(182.551.034)
Gross Profit		**477.090.986**	**218.003.070**
General Administrative Expenses (-)	20	(63.178.651)	(37.805.502)
Marketing Expenses (-)	20	(125.282.371)	(52.079.653)
Research and Development Expenses (-)	20	(3.474.822)	(1.529.533)
Other Operating Income	22	256.742.474	223.273.533
Other Operating Expenses (-)	22	(176.320.576)	(123.862.458)
Operating Profit /(Loss)		**365.577.040**	**225.999.457**
Income from Investment Activities	23	20.922.689	5.519.273
Expenses from Investment Activities (-)	23	(9.526.394)	(201.260)
Share of profit of equity-accounted investees		-	(781)
Operating Profit/(Loss) Before Financial Income /(expenses) net		**376.973.335**	**231.316.689**
Financial Income	24	17.389.637	37.757.718
Financial Expenses (-)	24	(294.175.107)	(313.406.237)
Profit/(loss) Before Income Tax		**100.187.865**	**(44.331.830)**
Tax income / (expense)		**(17.539.941)**	**2.666.022**
- Current tax expense for the period	25	(5.364.369)	(2.759.709)
- Deferred tax income/(expense)	25	(12.175.572)	5.425.731
Profit For the Period		**82.647.924**	**(41.665.808)**
Distribution of profit or loss			
Non-Controlling Interest	18	79.539	28.652
Equity Holders of The Company		82.568.385	(41.694.460)
Earnings per share		**0,13**	**(0,06)**

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR YEAR ENDED 31 DECEMBER 2022
Monetary Unit: Turkish Lira ("TL")

	Audited	**Audited**
	01.01.2022	**01.01.2021**
	31.12.2022	**31.12.2021**
Net Profit/(Loss) For the Period	**82.647.924**	**(41.665.808)**
Total Other Comprehensive Income/(Expenses)		
Not to Be Reclassified to Profit or Loss	**277.490.848**	**1.661.756**
Gains on revaluation of Property, plant and equipment	304.357.195	-
Defined benefit plans remeasurements gains / (losses)	4.541.823	2.215.675
Other Comprehensive Income / (Loss) Not to Be Reclassified to Profit or Loss	(31.408.170)	(553.919)
- Deferred Tax Income/(Expense)	(31.408.170)	(553.919)
Total Other Comprehensive Income (After Tax)	**277.490.848**	**1.661.756**
Total Comprehensive Income	**360.138.772**	**(40.004.052)**
Distribution of Total Comprehensive Income		
Non-Controlling Interest	79.539	28.652
Equity Holders of The Company	360.059.233	(40.032.704)

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022
Monetary Unit: Turkish Lira (“TL”)

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

				Other Comprehensive Profit / (Loss) Not to be Reclassified on Profit or Loss				Retained Earnings				
	Notes	Paid in Capital	Share Premiums	Identified Benefit Plans Reclassification Income /(Loss)	Increase from Revaluation Property, Plant and Equipment	Reserve from Common Control Transactions	Restricted Reserve	Retained Profit	Net Period Profit/ Loss	Equity Holders of the Company	Non Controlling Interests	Paid-In Share Capital
PREVIOUS PERIOD												
January 2021 Opening	18	**217.500.000**	**2.590.034**	**1.662.112**	**36.826.372**	**(1.759.039)**	**4.649.846**	**15.927.638**	**(37.484.402)**	**239.912.561**	**99.926**	**240.012.487**
Transfers		--	--	--	--	--	263.589	(37.747.990)	37.484.402	--	--	--
Total Comprehensive Income	18	--	--	1.661.757	--	--	--	--	(41.694.460)	(40.032.703)	28.652	(40.004.052)
Share Issue and Capital Increase		435.000.000	1.406.714	--	--	--	--	--	--	436.406.715	--	436.406.715
Balance at 31 December 2021 Closing	18	**652.500.000**	**3.996.748**	**3.323.869**	**36.826.372**	**(1.759.039)**	**4.913.435**	**(21.820.352)**	**(41.694.460)**	**636.286.573**	**128.577**	**636.415.150**
CURRENT PERIOD												
January 2022 Opening	18	**652.500.000**	**3.996.748**	**3.323.869**	**36.826.372**	**(1.759.039)**	**4.913.435**	**(21.820.352)**	**(41.694.460)**	**636.286.573**	**128.577**	**636.415.150**
Transfers		--	--	--	--	--	190.855	(41.885.314)	41.694.460	--	--	--
Total Comprehensive Income	18	--	--	3.497.203	273.993.644	--	--	--	82.568.385	360.059.233	79.539	360.138.772
Balance at 31 December 2022 Closing	18	**652.500.000**	**3.996.748**	**6.821.072**	**310.820.016**	**(1.759.039)**	**5.104.290**	**(63.705.666)**	**82.568.385**	**996.345.806**	**208.116**	**996.553.922**

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

Monetary Unit: Turkish Lira ("TL")

	Notes	Audited 31 December 2022	Audited 31 December 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES		**53.576.842**	**(22.858.444)**
Net Profit/(Loss) for The Period		82.647.924	(41.665.809)
Adjustments to Reconcile Net Profit/(Loss)		**87.791.813**	**137.044.238**
Depreciation and Amortization		3.925.878	4.445.626
Provisions	12-13	17.343.812	8.457.982
Interest Income and Expense	14	28.937.533	12.353.267
Unrealized Exchange Loss / (Gain)		20.044.649	114.453.385
Other Profit / (Loss) Reconciliations		17.539.941	(2.666.022)
Changes in Working Capital		**(291.657.080)**	**(262.575.590)**
Increases / (Decreases) in Inventories	9 7	(403.019.191)	(144.870.192)
Increases / (Decreases) in Trade Receivables		(182.510.784)	(151.292.263)
Increases / (Decreases) in Other Receivables	7	(3.763.850)	656.027
Increases (Decreases) in Trade Payables		127.212.909	49.377.125
Increases (Decreases) in Other Payables		526.586	750.238
Other Increase / (Decreases) in Working Capital		169.897.250	(17.196.525)
Cash Flow from Operating Activities		**(121.217.343)**	**(167.197.161)**
Tax Payments / Returns	25	(5.629.029)	(2.792.634)
Other Cash Flows		180.423.212	147.131.351
B. CASHLOW PROVIDED BY INVESTING ACTIVITIES		**(27.100.393)**	**(13.299.540)**
Acquisition of Property, Plant and Equipment	12-13	(18.200.880)	(17.599.963)
Cash Inflows from the Sale of Property, Plant and Equipment and Intangible Assets	12-13	-	672.370
Interest Received		626.881	3.628.053
Other Cash Inflows / Outflows	23	(9.526.394)	-
C. CASH FLOW PROVIDED BY FINANCING ACTIVITIES		**(75.018.690)**	**116.941.894**
Payments of Borrowings		(82.820.316)	(255.856.120)
Capital increase and Sales of Company Shares		-	382.873.512
Proceeds from Borrowings		83.125.000	53.820.360
Payments due to leasing transactions		(927.180)	(1.632.237)
Interest Paid		(72.035.902)	(59.548.222)
Other Cash Inflows / Outflows	4	(2.360.292)	(2.715.399)
NET INCREASE / (DECREASE) IN CASH EQUIVALENTS BEFORE FOREIGN CURRENCY CONVERSION ADJUSTMENTS (A+B+C)		**(48.542.241)**	**80.783.910**
NET INCREASE / (DECREASE) IN CASH AND CASH QUIVALENTS(A+B+C+D)		**(48.542.241)**	**80.783.910**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**4**	**93.945.220**	**10.445.910**
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD (A+B+C+D+E)	**4**	**45.402.979**	**91.229.820**

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1. ORGANIZATION AND ACTIVITIES

Katmerciler Araç Ustu Ekipman Sanayi ve Ticaret Anonim Sirketi ("Company") was established in 1985 by registered to İzmir Trade Registry and announced at 1380 numbered and 05.11.1985 dated trade registry gazette.

The Group's head office address: Ataturk Organized Industrial Zone 10032 Sokak No: 10 Çiğli / IZMIR.

Branches;

1. Malıköy Mah. 23.Cad.No:3 Başkent OSB Sincan / ANKARA Üretim Tesisi
2. Kızılırmak Mah. 1445 Sok. No: 2b/82 The Pragon İş Merkezi Çukurambar – Çankaya / ANKARA
3. Küçükbakkalköy Mah. Küçük Setli Sk. Denge Panoroma Plaza 2015 No:5 D:23 K:6 Ataşehir / İSTANBUL
4. Mahalle 213 No:27 Ev No: 15 Bağdat/IRAK
5. Malıköy Mah. 22.Cad. No:9 Başkent OSB Sincan / ANKARA Üretim Tesisi 2

The Company and its subsidiaries (together referred as the "Group") operate in all manner of onboard equipment manufacturing, painting worship and weld workship fields. The business segment which details given below underlie Group's reporting by field of activity.

Group 's main activities are as follows:

Painting Work - Painting of vehicle equipment
Weld Work - Onboard equipment weld workship
Vehicle Equipment Manufacturing- onboard equipment manufacturing for the fire, trash, vacuum, grooving, ecological vehicle, transport vehicle, defense industry vehicles and construction industry vehicles.

Company shares were offered to the public in 2010, as at 31 December 2022, 79,85% (31 December 2021: 79,85%) of shares are trading Istanbul Stock Exchange Inc. (Borsa İstanbul).

As of 31 December 2022, the total number of people employed by the Group is 411 (31 December 2021:387).

The ultimate parent of Group is İsmail Katmerci. (Note 18).

The nature of operations of the subsidiaries included in consolidation are presented as follows:

Company Title	**Nature of Business**	**Establishment Place**
Katmerciler Profil San. ve Tic. A.S.	Painting Works	Turkey
Isıpan Otomotiv ve Ust Ekipman Metal ve Makine San. ve Tic. A.S.	Weld Workship Onboard Equipment	Turkey
Gimkat Araç Ustu Ekipman San. ve Tic. A.S.	Manufacturing	Turkey

Company does not have any subsidiary whose shares are traded on the stock exchange market.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basis of Presentation

The consolidated financial statements of the Group have been prepared in accordance with Turkish Financial Reporting Standards ("TFRS") promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") that are set out in the 5th article of the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board ("CMB") on 13 June 2013 and published in Official Gazette numbered 28676.

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

Consolidated financial statements are prepared on the basis of historical cost except for in financial assets, investment properties and land and buildings recognized, property, plant and equipment measured at their fair value. When the historical cost is determined, the fair value of the amount usually paid for the assets is taken as basis. The measurement principle of fair value is disclosed in the related accounting policies.

Approval of financial statements:

The financial statements of the Company for the fiscal period ending on 31 December 2022 were approved by the management on 10 March 2023. The General Assembly and certain regulatory bodies have the right to amend the financial statements after their publication.

2.1.1. Functional and Presentation Currency

The consolidated financial statements are presented in ("TL"), which is Company's functional currency. The financial statements of the Group's subsidiaries are reported in terms of their local currencies which is ("TL") also as well.

2.1.2. Consolidation Principles

The consolidated financial statements include the accounts of the parent company, its subsidiaries on the basis set out in sections below. Control is obtained by controlling over the activities of an entity's financial and operating policies in order to benefit from those activities.

Subsidiaries

Subsidiaries are those entities on which the Group has the power to control. The Group controls the companies when it is incurred changeable returns due to relations of any companies or has a right to own these returns and has a power to affect these returns. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group to the date on which control is transferred out from the Group. The Group has made adjustments on the financial statements of the subsidiaries to be inconsistent with the basis of applied accounting standards if it is necessary.

For each business combination, the Group elects to measure any non-controlling interests in the acquire either:

- At fair value; or
- At their proportionate share of the acquires identifiable net assets, which are generally at fair value

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognized in profit or loss.

Losses in non-controlling interest of subsidiaries are transferred to non-controlling interest even if the result is negative.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

2.1. Basis of Presentation (continued)

2.1.2 Basis of Consolidation (continued)

Subsidiaries (continued)

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus of deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

The table below demonstrates the rates of the effective ownership held in terms of percentages (%) as of 31 December 2022 and 31 December 2021 for all subsidiaries directly or indirectly controlled by the Group and included in the scope of consolidation:

				Effective Ownership Rate (%)	
Subsidiaries	**Main Operation**	**Functional Currency**	**Establishment & Operation Country**	**31 December 2022**	**31 December 2021**
Katmerciler Profil San. ve Tic. A.Ş.(Katmerciler Profil)	Painting Works	Turkish Lira	Turkey	100,00	100,00
Isıpan Otomotiv ve Üst Ekipman Metal ve Makine San. ve Tic. A.Ş. (Ekipman Metal)	Weld Workship	Turkish Lira	Turkey	95,67	95,67
Gimkat Araç Üstü Ekipman San. ve Tic. A.Ş.	Onboard Equipment Manufacturing	Turkish Lira	Turkey	100,00	100,00

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

2.1. Statement of Compliance to TFRS (continued)

2.1.2 Consolidation Principles (continued)

Consolidation adjustments

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. Carrying value of shares owned by the Group and dividends arising from these shares has been eliminated in equity and profit or loss statements.

2.1.3. Correction of financial statements of hyperinflation periods

With the decision taken on 17 March 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with Turkish accounting standards. Accordingly, TAS 29 is not applied starting from 1 January 2005. Therefore, as of January 1, 2005, TAS 29 "Financial Reporting in Hyperinflationary Economies" has not been applied in the accompanying condensed consolidated interim financial statements.

POA made an announcement on January 20, 2022 in order to eliminate the hesitations about for the entities which apply Turkish Financial Reporting Standards ("TFRS") will apply TAS 29, "Financial Reporting in Hyperinflationary Economies" (IAS 29 Financial Reporting in Hyperinflationary Economies) or not for the year ended 31 December 2021. In accordance with the announcement, companies that apply TFRS should not adjust financial statements for TAS 29 - Financial Reporting in Hyperinflationary Economies, Afterwards, no new statement was made by the POA about the TMS 29 application. As of the preparation date of the consolidated interim financial statements, POA did not make an additional announcement and no adjustment was made to the condensed consolidated interim financial statements in accordance with TAS 29.

2.1.4. Significant change in the Accounting Policies

Accounting policy changes arising from the first application of a new TAS are applied retroactively or prospectively in accordance with the transition provisions of the said TAS. Significant accounting errors are applied retrospectively and prior period financial statements are restated. Changes in accounting estimates are applied in the current period when the change is made only for a period, and both in the period when the change is made and prospectively.

The new standards, amendments and interpretations

The accounting policies adopted in preparation of the financial statements as at December 31, 2022 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2022. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

(a) Amendments that are mandatorily effective from 2022

Amendments to TFRS 3	*Reference to the Conceptual Framework*
Amendments to TAS 16	*Property, Plant and Equipment - Proceeds before Intended Use*
Amendments to TAS 37	*Onerous Contracts - Cost of Fulfilling a Contract*
Annual Improvements to TFRS Standards 2018-2020	*Amendments to TFRS 1, TFRS 9 and TAS 41*
Amendments to TFRS 16	*COVID-19 Related Rent Concessions beyond 30 June 2021*

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

2.1. Statement of Compliance to TFRS (continued)

2.1.4. Significant change in the Accounting Policies (continued)

(a) Amendments that are mandatorily effective from 2022 (continued)

Amendments to TFRS 3 Reference to the Conceptual Framework

The amendments update an outdated reference to the Conceptual Framework in TFRS 3 without significantly changing the requirements in the standard.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

Amendments to TAS 16 *Property, Plant and Equipment-Proceeds before Intended Use*

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Amendments to TAS 37 *Onerous Contracts - Cost of Fulfilling a Contract*

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The amendments published today are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Annual Improvements to TFRS Standards 2018-2020 Cycle

Amendments to TFRS 1 First time adoption of Turkish Financial Reporting Standards

The amendment permits a subsidiary that applies paragraph D16(a) of TFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to TFRSs.

Amendments to TFRS 9 Financial Instruments

The amendment clarifies which fees an entity includes in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender. including fees paid or received by either the entity or the lender on the other's behalf.

Amendments to TAS 41 Agriculture

The amendment removes the requirement in paragraph 22 of TAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in TFRS 13.

The amendments to TFRS 1, TFRS 9, and TAS 41 are all effective for annual periods beginning on or after l January 2022. Early application is permitted.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

2.1. Statement of Compliance to TFRS (continued)

2.1.4. Significant change in the Accounting Policies (continued)

(a) Amendments that are mandatorily effective from 2022 (continued)

Amendments to TFRS 16 *COVID-19 Related Rent Concessions beyond 30 June 2021*

Public Oversight Accounting and Auditing Standards Authority ("POA") has published Amendments to TFRS 16 COVID-19 Related Rent Concessions beyond 30 June 2021 that extends, by one year, the June 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification.

On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021. Since lessors continue to grant COVID-19 related rent concessions to lessees and since the effects of the COVID-19 pandemic are ongoing and significant, the POA decided to extend the time period over which the practical expedient is available for use.

The new amendment is effective for lessees for annual reporting periods beginning on or after 1 April 2021. Earlier application is permitted.

The Group management assessed that the adoption of these amendments that are effective from 2022 do not have any effect on the Group's consolidated financial statements

(ii) New and revised TFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	*Insurance Contracts*
Amendments to TAS 1	*Classification of Liabilities as Current or Non Current*
Amendments to TFRS 4	*Extension of the Temporary Exemption from Applying TFRS 9*
Amendments to TAS 1	*Disclosure of Accounting Policies*
Amendments to TAS 8	*Definition of Accounting Estimates*
Amendments to TAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to TFRS 17	*Initial Application of TFRS 17 and TFRS 9 - Comparative Information (Amendment to TFRS 17)*
Amendments to TFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to TAS 1	*Non-current Liabilities with Covenants*

TFRS 17 *lnsurance Contracts*

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 Insurance Contracts as of 1 January 2023.

Amendments to TAS 1 *Classification of Liabilities as Current or Non-Current*

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TAS I are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

2.1. Statement of Compliance to TFRS (continued)

2.1.4. Significant change in the Accounting Policies (continued)

(b) New and revised TFRSs in issue but not yet effective (continued)

Amendments to TFRS 4 *Extension of the Temporary Exemption from Applying TFRS 9*

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 Insurance Contracts from applying TFRS 9, so that entities would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2023 with the deferral of the effective date of TFRS 17.

Amendments to TAS 1 Disclosure of Accounting Policies

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 8 Definition of Accounting Estimates

With this amendment, the definition of "a change in accounting estimates" has been replaced with the definition of "an accounting estimate", sample and explanatory paragraphs regarding estimates have been added, and the differences between application of an estimate prospectively and correction of errors retrospectively have been clarified.

Amendments to TAS 8 are effective-for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TFRS 17 Insurance Contracts and Initial Application of TFRS 17 and TFRS 9 - Comparative Information

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before.

Amendments are effective with the first application of TFRS 17.

Amendments to TFRS 16 Lease Liability in a Sale and Leaseback

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

Amendments to TAS 1 Non-current Liabilities with Covenants

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial position and performance of the Group.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

2.1.5. Restatement and Errors in the Accounting Policies and Estimates

The changes in estimates of accounting are about only one period, when the change is made, are about future, prospectively applied by including future periods. There is no change in accounting estimates in the current period. Determined significant accounting estimates errors are applied retrospectively and readjust prior financial statements. There is no significant accounting error that was discovered in the current period.

2.2. Summary of significant accounting policies

(a) Financial instruments

Financial Assets

Classification

Financial assets are classified in three categories of financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit of loss. The classification of financial assets is determined considering the Institute's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The appropriate classification of financial assets is determined at the time of the purchase.

Financial assets are not reclassified after initial recognition except when the Company's business model for managing financial assets changes; in the case of a business model change, subsequent to the amendment, the financial assets are reclassified on the first day of the following reporting period.

Recognition and Measurement

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

"Financial assets measured at fair value through other comprehensive income", are non-derivative assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Gains or losses on a financial asset measured at fair value through other comprehensive income is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified to retained earnings.

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

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

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

2.2. Summary of significant accounting policies (continued)

(a) Financial instruments (continued)

Derecognition

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

Impairment

Impairment of the financial and contractual assets measured by using "Expected credit loss model" (ECL). The impairment model applies for amortized financial and contractual assets.

Provision for loss measured as below;

- 12- Month ECL: results from default events that are possible within 12 months after reporting date.
- Lifetime ECL: results from all possible default events over the expected life of financial instrument

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since 12-month ECL measurement if it has not.

The Company may determine that the credit risk of a financial asset has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement (simplified approach) always apply for trade receivables and contract assets without a significant financing.

Trade receivables

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

The Company has preferred to apply "simplified approach" defined in IFRS 9 for the recognition of impairment losses on trade receivables, carried at amortized cost and that do not comprise of any significant finance component (those with maturity less than 12 months). In accordance with the simplified approach, The Company measures the loss allowances regarding its trade receivables at an amount equal to "lifetime expected credit losses" except incurred credit losses in which trade receivables are already impaired for a specific reason.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other operating income.

Unearned finance income/expense due to commercial transactions are accounted for under "Other Operating Income/Expenses" in the consolidated statement of income or loss.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank deposits with original maturities of more than three months and shorter than 1 year are classified under short-term financial investments.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

2.2. Summary of significant accounting policies (continued)

(a) Financial instruments (continued)

Financial liabilities

Financial liabilities are measured initially at fair value. Transaction costs which are directly related to the financial liability are added to the fair value. Financial liabilities are classified as equity instruments and other financial liabilities.

Equity instruments

Ordinary shares are classified as equity. Additional costs attributed directly to the issuance of ordinary shares are recognized as a decrease in shareholders' equity after deduction of tax effect.

Other financial liabilities

Other financial liabilities are subsequently measured at amortized cost using the effective interest method plus the interest expense recognized on an effective yield basis.

The effective interest method calculates the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate discounts the estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Trade payables

Trade payables are payments to be made arising from the purchase of goods and services from suppliers within the ordinary course of business. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(b) Property, plant and equipment

(i) Recognition and measurement

Except from which were recognized by revaluation method, items of property, plant and equipment are stated historical costs less accumulated depreciation and accumulated impairment losses

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of assets includes the following items:

- The material and direct labor costs;
- Expenses made in accordance to the company's purpose which are directly attributable to assets.
- Expenses; in case of disposal of the asset, de-structuring, relocating and also restoration of the area
- Capitalized borrowing costs.

Cost also includes transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Lands have been recognized by using revaluation method. Increases of value are recognized under equity as "revaluation reserves".

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

Property, plant and equipment of the subsidiaries and joint ventures that operate in Turkey and acquired before 1 January 2005 are stated at restated cost until 31 December 2004 less accumulated depreciation and permanent impairment losses. Property, plant and equipment of such entities acquired after 1 January 2005 are stated at cost, less accumulated depreciation and permanent impairment losses.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

2.2. Summary of significant accounting policies (continued)

(b) Property, plant and equipment (continued)

(ii) Subsequent expenditure

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated from the date that they are available for use, or in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is recognized on a straight-line basis over the estimated useful lives of each component of an item of property and equipment. Depreciation is recognized in profit or loss unless it is included in the carrying amount of another asset Leased assets are depreciated over the shorter of the lease term and the useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(c) Intangible assets

(I) Recognition and measurement

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization:

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(d) Research and development expenses

Research expenditure is recognized as an expense as incurred. Costs, except for listed below are classified as development expenditures and recognized as expense as incurred:

- If the cost related to the products can be defined and only if the cost can be measured reliably,
- If the technological feasibility can be measured,
- If the good will be sold or will be used within the Company
- If there's a potential market or can be proved that it is used within the Company,
- If necessary technological, financial and other resources can be provided to complete the project.

Development costs previously recognized as expense are not recognized as an asset in a subsequent period. Development costs that have been capitalized are amortized from the commencement of the commercial production of the product on a straight-line basis over the project lifetime.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

2.2. Summary of significant accounting policies (continued)

(e) Inventories

Inventories consist of the raw materials owned by the Group, real estates under construction (semi-finished), ready for sale properties (goods) and other inventories as of the reporting date. Related stocks are held for production and sales. As of the reporting date, the goods on the road are shown in stocks if the right of use and ownership have been transferred to the Group.

Inventories are valued at the lower of cost and net realizable value.

Net realizable value refers to the amount obtained by subtracting the estimated total sales cost and estimated sales costs required to realize the sales within the normal flow of the business.

The cost of stocks includes all purchasing costs, conversion costs and other costs incurred to bring the stocks to their current state and position.

(f) Investment Property

Investment property is a land, building or part of a building or both held (by the owner or by the lessee under a finance lease) to earn rentals of for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment properties are measured initially at cost. Transaction costs are included in the initial measurement. Investment properties are measured in accordance with fair value model. Related changes are recognized in profit or loss in the period.

If the Group determines that the fair value of an investment property under construction is not reliably determinable but expects that the fair value of the property to be reliably determinable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). Costs incurred during the acquisition and construction of these assets and subsequent expenditures are capitalized if it is probable that they will increase the future economic benefits obtained from that asset.

Leased properties are not classified as investment property in the context of operating leases.

g) Impairment of Assets

Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that one not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognized if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

2.2. Summary of significant accounting policies (continued)

g) Impairment of Assets (continued)

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(h) Employee Benefits

(I) Severance Indemnities

In accordance with existing labor law in Turkey, the Company is required to make lump-sum severance indemnities to each employee who has completed over one year of service with the Company and whose employment is terminated without cause or who retire, are called up for military service or die.

In the financial statements, the Company has recognized a liability using the actuarial method. As a result of the adoption of TAS 19 (2011), all actuarial losses are recognized immediately in other comprehensive income. Actuarial gains and losses are recognized over the average remaining working lives of the employees. The employee severance indemnities are discounted to the present value of the estimated future cash flows using the discount rate estimate of qualified actuaries.

Provision for severance pay for each year is calculated based on total gross salary and other benefits. As of 31 December 2022, it is maximum 15.371 TL (31 December 2021: 8.285 TL).

TMS 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the Company's obligation under defined benefit plans.

(ii) Other short-term employee benefits

Short-term employee benefits are calculated without discount and identified as an expense when they are serviced. If expected payables are measurable reliably, they are recorded for the short-term vacation pay liabilities originated from the past services of employees. According to Turkish Business Law, if employment is terminated without due cause by the Company, the Company is subject to pay the gross amount of the dates of unused vacations employee considering the gross amount of salary.

(I) Subsequent Events

Events after the reporting period include all events up to the date when the financial statements are authorized for issue, even if those events occur after the public announcement of profit or of other selected information.

The Group adjusts the amounts recognized in its consolidated financial statements to reflect adjusting events after the reporting period. Non adjusting events are disclosed in the notes to the consolidated financial statements, if material.

(j) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

2.2. Summary of significant accounting policies (continued)

(j) Provisions (continued)

(I) Onerous contracts

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

(k) Revenue

The Company transfers its revenue to a committed product or service customer and brings the proceeds to our financial statements. It is conceptually transferred when it passes (or passes).

The Company records the proceeds in the financial statements in accordance with the following basic principles:

(a) Determination of contracts with customers

(b) Determination of performance obligations in the contract

(c) Determination of the transaction price in the contract

(d) Dividing the transaction price into the contractual performance obligations.

(e) Revenue recognition when each performance obligation is met

In the event that all of the following conditions are met, the Company recognizes a contract with its customer as revenue:

(a) The parties to the Convention have ratified the contract (in accordance with written, oral or other commercial practices) and undertakes to carry out their own actions,

(b) The Company may define rights related to the goods or services to be transferred by each party,

(c) The Company may define payment terms for the goods or services to be transferred,

(d) The contract is essentially commercial,

(e) It is probable that the Company will be charged for the goods or services to be transferred to the customer.

When evaluating whether the collectability of a price is probable, the entity shall consider only the customer's ability to pay the price at the due date and its intent.

Service revenues are recognized as income in the period of service. Service revenues within the scope of maintenance contracts for more than one year are recognized by spreading equally to the contract periods and the amounts for the future periods are reflected to the financial statements as deferred income.

In the event that there is an important financing cost in the sales, the fair value is determined by discounting the future collections with the implied interest rate included in the financing cost. The difference between the fair value and the nominal value is considered as interest income on an accrual basis.

Interest income is accrued in the related period at the effective interest rate that reduces the estimated cash inflows from the financial asset to the carrying value of the asset during the expected life of the remaining principal amount.

(l) Government Subsidies and Incentives

Unconditional government grants received are recognized in profit or loss under other revenues if these incentives become receivable. Other government incentives are recorded as deferred income at fair value if there is sufficient assurance that the Group will meet the necessary conditions for the incentive and that this incentive will be received, and then they are systematically recognized under other income in profit or loss throughout the useful life of the asset.

The incentives given to the Group regarding the costs incurred are systematically recognized under other revenues in profit or loss in the periods when the costs occur.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

2.2. Summary of significant accounting policies (continued)

(m) Related Parties

Parties are considered related to the Company if:

(a) directly, or indirectly through one or more intermediaries, the party:

(i) controls, is controlled by, or is under common control with the Company (this includes Parent, subsidiaries and fellow subsidiaries);

(ii) has an interest in the Company that gives it significant influence over the Company; or

(iii) has joint control over the Company;

(b) the party is an associate of the Company

(c) the party is a joint venture in which the Company is a venturer;

(d) the party is member of the key management personnel of the Company as its parent;

(e) the party is a close member of the family of any individual referred to in (a) or (d);

(f) the party is an entity that is controlled or significantly influenced by, or for which significant voting power in such entity resides with directly or indirectly, any individual referred to in (d) or (e)

(g) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

A related party transaction is a transfer of resources, services or obligation between related parties, regardless of whether a price is charged.

A number of transactions are entered into with related parties in the normal course of business.

(n)Leases

Right of use asset

The right of use asset is initially recognized at cost comprising of:

a) Amount of the initial measurement of the lease liability;
b) Any lease payments made at or before the commencement date, less any lease incentives received;
c) Any initial direct costs incurred by the Group; and
d) The costs assumed by the Group related to the restoration of the underlying asset to bring it in line with the terms and conditions of the lease (except those assumed for manufacturing inventory).

To apply a cost model, the Group measure the right-of-use asset at cost:

a) Less any accumulated depreciation and any accumulated impairment losses; and
b) Adjusted for any remeasurement of the lease liability

The Group applies IAS 16 "Property, Plant and Equipment" to amortize the right of use asset and to assess for any impairment.

The Group apply IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease Liability

At the commencement date, The Group measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group use the lessee's incremental borrowing rate.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

2.2. Summary of significant accounting policies (continued)

(m) Related Parties (continued)

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

a) Fixed payments, less any lease incentives receivable;
b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
c) Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, the Group measure the lease liability by:

a) Increasing the carrying amount to reflect interest on the lease liability;
b) Reducing the carrying amount to reflect the lease payments made; and
c) Remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Extension and termination options

In determining the lease liability, the Group considers the extension and termination options. The majority of extension and termination options held are exercisable both by the group and by the respective lessor. Extension options are included in the lease term if the lease is reasonably certain to be extended. The group remeasures the lease term, if a significant event or a significant change in circumstances occurs which affects the initial assessment.

Facilitative practices

Lease agreements with lease periods of 12 or fewer months, and agreements related to information technology equipment identified as impaired by the Group (mostly printers, laptops, mobile phones and the like), are considered within the scope of the exemption in the TFRS 16 lease standard, and payments related to these agreements continue to be recognized as expenses in the period in which they occur.

(o) Finance income and finance cost

Financial income consists of interest income and foreign exchange gains from cash and cash equivalents.

Financial expenses consist of interest and commission expenses of bank loans and impairment losses and exchange differences recognized on cash and cash equivalents and financial liabilities.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit and loss using the effective interest method. Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(p) Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

(I) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends. Implementation details in Turkey are given in Note:25

. 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

2.2. Summary of significant accounting policies (continued)

(p) Taxation (continued)

(ii) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit. Deferred tax is not recognized for the following temporary differences:

- the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit;
- differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and

Taxable temporary differences related to initial recognition of goodwill.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that is probable that future taxable profits will available against which they can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

(iii) Tax Risk

The company takes into consideration whether it has the uncertain tax positions and tax surcharges and also interest surcharges. This assessment relate to the future events includes assumptions and judgments. Existence of new information about the Company's current tax liability will change the current tax expense which occurred during the term.

(q) Cash Flow Statement

Cash flows for the period are classified as cash flows from operations, investing activities and financing activities. Cash flows from operations are the cash flows generated from the principal activities of the Group. The Group presents the cash flows from operating activities by using the indirect method such as adjusting the accruals for cash inflows and outflows from gross profit/loss, other non-cash transactions, prior and future transactions or deferrals.

Cash flows from investing activities represent the cash flows used in/provided from investing activities (purchase of property, plant and equipment and intangible assets and financial investments).

Cash flows from financing activities represent the funds used in and repayment of the funds during the period.

Cash and cash equivalents are short term investments with high liquidity that comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value.

(r) Dividends

Dividend receivables are recorded as income in the period of declaration. Dividend payments are recognized in consolidated financial statements when a distribution of profit decided by General Assembly

. 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

2.2. Summary of significant accounting policies (continued)

(s) Segment Reporting

The Group does not conduct segment reporting of financial information since there are no different types of products and different geographical regions which require segment reporting.

(t) Gain or losses from investing activities

Gain on investing activities comprises profit on sales of property, plant and equipment, profit on sales of securities rental income and time deposit interest income.

Loss from investing activities comprises losses from sales of securities.

(u) Other operating income and expenses

Other operating income comprises of allowance for bad debt receivables which are no longer required, foreign exchange differences arising from financial instruments other than debt instruments, rediscount interest income and income from other activities.

Other operating expenses comprises of allowance for bad debt receivables, grants, foreign exchange differences arising from financial instruments other than debt instruments, rediscount interest expenses and other operating expenses.

(v) Determination of fair value

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(I) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes

(ii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. Fair values of trade and other receivables are determined as their costs and are assumed to approximate to their carrying value

2.3 Summary of Significant Accounting Judgements, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with TFRS requires management to make judgments, estimates and assumptions that affect both the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The accounting judgements, estimates and assumptions used in preparing the consolidated financial statements, are consistent with the accounting judgements, estimates and assumptions used in preparing the consolidated financial statements as at 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3. SEGMENT REPORTING

Since the proportion of the revenues from the departments other than "On-Board Equipment Production ", which is the main section reported earlier, is lower than 1% of the total revenues, and the " Weld Workship " and "Painting Work" sections are inseparable part of main section and cannot generate revenue by themselves.

4. CASH AND CASH EQUIVALENTS

	31.12.2022	31.12.2021
Cash on Hand	204.875	23.948
Banks	**47.558.396**	**93.921.272**
-Demand Deposits	**47.558.396**	**92.784.258**
TL	14.621.645	6.663.739
USD	5.188.096	18.919.653
EURO	27.748.655	67.200.866
-Time Deposit (*)	**--**	**1.137.014**
TL	--	1.137.014
Total	**47.763.271**	**93.945.220**

As of 31 December 2022, there are cash blockages amounting to TL 2.360.292 (31.12.2021: TL : 2.715.399) in the accounts of the Group

(*) Time Deposit

	31.12.2022	31.12.2021
Between 30-60 Days	-	1.137.014

Explanations on the nature and level of risks in cash and equivalents are made on note 29.

5. FINANCIAL INVESTMENTS

	31.12.2022		31.12.2021	
Financial assets at fair value through profit or loss	**Nominal Value**	**Carrying Value**	**Nominal Value**	**Carrying Value**
SekerBank Bonds	100.000	109.720	100.000	190.084
Halkbank Bonds	2.917	2.765	2.917	2.309
Viop Transactions	-	-	1.202.077	4.526.394
Total	**102.917**	**112.485**	**1.304.994**	**4.718.787**

6. FINANCIAL BORROWINGS

	31.12.2022	31.12.2021
a) Bank Borrowing	829.209.558	653.057.885
b) Financial Leases	11.321.689	9.891.639
Total	**840.531.247**	**662.949.524**

a) Bank Loans

31.12.2022

Currency	Average Interest Rate (%)	Short-Term	Short-Term Portion of Long-Term Borrowings	Long-Term	Total
TL	9,5 – 22,5	94.018.958	9.573.350	101.524.384	**204.581.015**
USD	7,57	12.974.776	535.677	7.033.159	**20.543.612**
EURO	2,40 – 7,45	1.407.888	2.914.291	599.227.075	**604.084.931**
Total		**108.401.622**	**13.023.318**	**707.784.618**	**829.209.558**

31.12.2021

Currency	Average Interest Rate (%)	Short-Term	Short-Term Portion of Long-Term Borrowings	Long-Term	Total
TL	15 – 25	--	37.695.995	123.652.018	**161.348.013**
USD	7,57	--	4.339.623	14.363.530	**18.703.153**
EURO	2,40 – 7,45	26.039.752	2.146.411	444.820.556	**473.006.719**
Total		**26.039.752**	**44.182.029**	**582.836.104**	**653.057.885**

	31.12.2022	31.12.2021
Less than a year	121.424.940	70.221.781
Between 1-2 year	243.140.114	110.603.537
Between 2-3 year	200.274.831	242.148.167
Between 3-4 year	172.041.001	133.971.128
More than 4 year	92.328.672	96.113.272
Total	**829.209.558**	**653.057.885**

As of the reporting date, the bank loans have been secured over the values of the buildings of EUR 14.430.000, TL 365.000.000. (31.12.2021: EUR 3.680.000, USD 5.000.000 and TL 77.750.000).

6. FINANCIAL BORROWINGS (continued)

b) Financial Lease Obligations

Financial lease obligations show the unpaid portion of leasing obligations of plant, machinery and equipment acquired through financial leasing.

- Net carrying value of financial lease assets as at balance sheet dates:

Net Value	**31.12.2022**	**31.12.2021**
Machinery, Equipment and Instalments (net)	11.321.689	9.891.639

31.12.2022

	Less than 1 year	**Between 1-5 years**	**Total**
Amount of minimum lease payments			
TL denominated financial lease	74.362	260.344	334.706
EUR denominated financial lease	2.832.214	10.448.825	13.281.039
USD denominated financial lease	5.050	39.008	44.058
Total	**2.911.626**	**10.748.177**	**13.659.803**
Present value of payments			
TL denominated financial lease	26.262	163.852	190.114
EUR denominated financial lease	2.063.244	9.038.309	11.101.553
USD denominated financial lease	-	30.022	30.022
Total	**2.089.506**	**9.232.183**	**11.321.689**

31.12.2021

	Less than 1 year	**Between 1-5 years**	**Total**
Amount of minimum lease payments			
TL denominated financial lease	95.327	334.706	430.033
EUR denominated financial lease	2.113.351	9.781.649	11.895.000
USD denominated financial lease	47.703	30.578	78.280
Total	**2.256.381**	**10.146.933**	**12.403.313**
Present value of payments			
TL denominated financial lease	40.778	190.123	230.901
EUR denominated financial lease	1.421.482	8.176.431	9.597.914
USD denominated financial lease	41.987	20.837	62.824
Total	**1.504.247**	**8.387.392**	**9.891.639**

Financial leasing's are related to purchasing of machinery and fixtures whose rental periods are 5 years. Company has options to buy these machinery and fixtures. The Company's obligations under finance leases, the lessor of the leased asset is secured by property right on.

The interest rates are fixed for the entire rental period. Contract average effective interest rate is about 7% per annum.

7. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables:

As at balance sheet date, the details of Group's trade receivables are as follows:

Short-Term Trade Receivables	31.12.2022	31.12.2021
Current Accounts	493.047.837	350.305.032
Postdated Checks	40.961.186	364.800
Less: Unrealized Finance Income	(2.375.380)	(452.598)
Doubtful Trade Receivables (*)	18.112.012	11.514.054
Less: Provisions for Doubtful Trade Receivables	(18.112.012)	(11.514.054)
Expected Credit Loss	(242.697)	(1.337.072)
Total	**531.390.946**	**348.880.162**

Current Accounts, Notes Receivables and Checks maturity details are as follows:

Customers, Notes Receivables and Postdated Checks	31.12.2022	31.12.2021
Maturity between 1-3 months	347.105.864	205.200.949
Maturity between 3-6 months	186.903.159	145.468.883
Total	**534.009.023**	**350.669.832**

As of 31 December 2022, the weighted average interest rates to calculate unrealized finance income for the short-term trade receivables in terms of TL, USD and EUR are respectively %9,64, %4,94 and 192 days. (31.12.2021: respectively % 21,20, %0,28 and 249 days.)

As of 31 December 2022, the trade receivables amounting of TL 18.112.012 (31.12.2021: 11.514.054 TL) are doubtful receivables. As of 31 December 2022, a provision of TL 242.697 has been made for the expected credit loss. (31.12.2021: TL 1.337.072). As of 31 December 2022, TL 1.369.922 provision has been made during the period. (31 December 2021: - TL)

The details of doubtful trade receivables are as follows:

Doubtful Trade Receivables	31.12.2022	31.12.2021
Opening	11.514.054	8.975.499
Period Expense	1.369.922	-
Exchange Differences	5.228.036	3.699.771
Less: Cancelled within the Period	-	(1.161.216)
Closing	**18.112.012**	**11.514.054**

b) Trade Payables:

As at balance sheet date, the details of Group's trade payables are as follows:

Short-term Trade Payables	31.12.2022	31.12.2021
Suppliers (*)	129.704.223	51.393.196
Notes Payables (*)	92.342.725	59.973.577
Less: Unrealized Finance Expense	(1.965.449)	(1.715.583)
Other Trade Payables	31.503.653	14.721.053
Total	**251.585.152**	**124.372.243**

7. TRADE RECEIVABLES AND PAYABLES (devamı)

b) Trade Payables (devamı)

(*) Details of suppliers and notes payables are as follows:

* Suppliers and Notes Payables	31.12.2022	31.12.2021
Maturity between 0-6 months	144.330.515	85.111.366
Maturity between 6-9 months	77.716.433	26.255.407
Total	**222.046.948**	**111.366.773**

As of 31 December 2022, the weighted average interest rates to calculate unrealized finance expense for the short-term trade payable in terms of TL, USD and EUR are respectively % 9,64, %4,94. Weighted average maturity of debts is 190 days (31.12.2021: %21,20 %0,28 and 199 days)

8. OTHER RECEIVABLES AND PAYABLES

Short-Term Other Receivables	31.12.2022	31.12.2021
Deposits and Guarantees	393.082	163.870
Receivables from Tax Office	6.709.943	2.711.016
Receivables from Social Security Institution	5.845	355.841
Other Receivables	18.534	132.827
Total	**7.127.404**	**3.363.554**

Long-Term Other Receivables	31.12.2022	31.12.2021
Deposits and Guarantees	22.676	20.948
Total	**22.676**	**20.948**

Short-Term Other Payables	31.12.2022	31.12.2021
Tax and funds Payables	2.998.305	2.482.190
Other Payables	139.097	120.657
Sub Total	**3.137.402**	**2.602.847**
Related Parties (*)	-	7.969
Total	**3.137.402**	**2.610.816**

(*) The amount consists of the cash given to the company by the controlling shareholder of the company İsmail Katmerci.

9. INVENTORIES

	31.12.2022	31.12.2021
Raw Materials and Supplies	584.673.786	332.410.841
Work-in Progress	467.072.775	347.344.268
Finished Goods	51.636.916	23.022.269
Other Inventories	18.160.143	15.747.051
Total	**1.121.543.620**	**718.524.429**

As of 31 December 2022, the Group has TL 54.850.000 insurance on its inventories. (31.12.2021: 34.500.000TL)

Group does not have any pledged inventory in return for loans as at 31 December 2022. (31.12.2021: None).

10. PREPAID EXPENSES AND DEFERRED INCOME

Short-Term Prepaid Expenses

	31.12.2022	31.12.2021
Advances Given for Inventories	405.419.890	327.214.741
Prepaid Expenses for Future Months	6.043.145	2.161.699
Total	**411.463.035**	**329.376.440**

Long-Term Prepaid Expenses

	31.12.2022	31.12.2021
Advances Given (*) (Not 23)	49.026.274	36.434.724
Prepaid Expenses for Future Years (**)	13.943.009	2.212
Total	**62.969.283**	**36.436.936**

(*) Advances Given: Result from the amounts given for ongoing investments in Ankara Başkent Organized Industrial Zone.

(**) TL 12.975.120 is due to prepaid interest expenses of rediscount credits.

Short-Term Deferred Income

	31.12.2022	31.12.2021
Deferred Income	601.644.407	323.128.215
Total	**601.644.407**	**323.128.215**

11. INVESTMENT PROPERTY

	01.01.2022		31.12.2022
Fair Value	Opening Balance	Increase in Value	Closing Balance
Land	4.000.000	15.505.000	19.505.000
Building	1.390.000	4.630.000	6.020.000
Investment Property	**5.390.000**	**20.135.000**	**25.525.000**

	01.01.2021		31.12.2021
Fair Value	Opening Balance	Increase in Value	Closing Balance
Land	4.000.000	-	4.000.000
Building	1.390.000	-	1.390.000
Investment Property	**5.390.000**	-	**5.390.000**

TSKB Gayrimenkul Değerleme A.S., which is an independent expertise company licensed by CMB, which is independent from the Group, valuated the Group's lands, buildings and apartments located in Gaziemir / İzmir and its buildings located in Guzelbahçe / İzmir and Atasehir. The Group Management believes that the valuation companies have professional background and have up-to-date information about the class and location of the investment properties.

According to expertise report dated 30 September 2022, the total fair value of the value of the lands in Guzelbahçe / İzmir is 19.505.000 TL and the fair with the amount of buildings in Atasehir / İstanbul TL 6.020.000. The fair value of real estate is determined by the methods of market value, cost method and discounted cash flow methods respectively.

As of the balance sheet date, there are no liabilities resulting from the construction or development, maintenance, repair or improvement contracts of the investment property.
In the current period, the Group earned TL 142.834 rent income from investment property (31.12.2021: TL 106.276). The mortgage on the investment properties of the Group amounts to TL 45.000.000, EURO 5.830.000 (31.12.2021: TL 4.250.000, EURO 1.080.000).

12. PROPERTY, PLANT AND EQUIPMENT

								31.12.2022
Costs	**Land and Lands**	**Land Improvements**	**Buildings**	**Plant, Machinery and Equipment**	**Vehicles**	**Furniture and Fixtures**	**Construction in Progress**	**Total**
Opening Balance	**45.380.000**	**3.005.426**	**46.373.849**	**15.368.170**	**4.293.038**	**4.858.029**	**101.370**	**119.379.884**
Purchases	-	-	-	11.000	5.071.411	664.279	708.226	**6.454.916**
Revaluation	171.901.000	3.830.500	127.904.008	-	-	-	-	**303.635.508**
Transfer to İntangible Assets	-	-	-	-	-	559.597	(59.833)	**499.764**
Transfer from Construction in Progress	-	-	-	-	-	-	(684.598)	**(684.598)**
Closing Balance	**217.281.000**	**6.835.926**	**174.277.857**	**15.379.170**	**9.364.449**	**6.081.905**	**65.165**	**429.285.472**
Accumulated Depreciation and Impairment								
Opening Balance	**-**	**(488.189)**	**(1.347.393)**	**(8.086.875)**	**(1.183.658)**	**(3.178.872)**	**-**	**(14.284.987)**
Period Charge	-	(266.865)	(1.680.175)	(658.411)	(274.818)	(439.562)	-	**(3.319.831)**
Transfer to Tangible Assets	-	-	-	-	-	(401.931)	-	**(401.931)**
Revaluation	-	488.189	1.347.393	-	-	-	-	**1.835.582**
Adjustment	-	-	-	(252)	5	227	-	**(20)**
Closing Balance	**-**	**(266.865)**	**(1.680.175)**	**(8.745.538)**	**(1.458.471)**	**(4.020.138)**	**-**	**(16.171.187)**
Carrying Value, net	**217.281.000**	**6.569.061**	**172.597.682**	**6.633.632**	**7.905.978**	**2.061.767**	**65.165**	**413.114.284**

12. PROPERTY, PLANT AND EQUIPMENT (continued)

31.12.2021

Costs	Land and Lands	Underground and Surface Arrangements	Buildings	Plant, Machinery and Devices	Vehicles	Fixtures	Ongoing investments	Total
Opening Balance	**45.380.000**	**3.005.426**	**40.006.159**	**14.968.094**	**1.509.845**	**4.546.688**	**256.174**	**109.672.388**
Purchases	-	-	6.367.690	17.724	3.010.376	302.757	33.017	**9.731.564**
Disposals	-	-	-	-	(227.182)	-	-	**(227.182)**
Transfer to Intangible Assets	-	-	-	382.352	-	-	(175.318)	**207.034**
Transfer from Construction in Progress	-	-	-	-	(1)	12.503	(12.503)	**1**
Adjustments	-	-	-	-	-	(3.919)	-	**(3.919)**
Closing Balance	**45.380.000**	**3.005.426**	**46.373.849**	**15.368.170**	**4.293.038**	**4.858.029**	**101.370**	**119.379.884**
Opening Balance	**-**	**-**	**-**	**(7.106.182)**	**(1.097.991)**	**(2.805.173)**	**-**	**(11.009.346)**
Period Charge	-	(488.189)	(1.347.393)	(768.507)	(267.512)	(373.697)	-	**(3.245.298)**
Transfer to Intangible Assets	-		-	(212.081)	-	-	-	**(212.081)**
Adjustment	-		-	(105)	367	(2)	-	**260**
Disposals	-		-	-	181.478	-	-	**181.478**
Closing Balance	**-**	**(488.189)**	**(1.347.393)**	**(8.086.875)**	**(1.183.658)**	**(3.178.872)**	**-**	**(14.284.987)**
Carrying Value, net	**45.380.000**	**2.517.237**	**45.026.456**	**7.281.295**	**3.109.380**	**1.679.157**	**101.370**	**105.094.897**

TSKB Gayrimenkul Değerleme A.S., which is an independent expertise company with CMB license, which is independent from to the Group, has valued the factory building and lands in Çiğli / İzmir and the Factory Building construction in Ankara. The group management believes that the valuation companies have professional background and have up-to-date information about the class and location of the investment property.

According to expertise report dated 30 September 2022, total fair values of factory building and lands located in Çiğli / İzmir amounts TL 254.458.257, the total value of lands and factory building located in Ankara Industrial Estate set as TL 132.705.060 and the total value of office building located in Çankaya / Ankara set as TL 4.090.000. Property fair values are calculated according to market value method and discounted cash flow methods.

12. PROPERTY, PLANT AND EQUIPMENT (continued)

	Useful life
Land Improvements	5
Buildings	50
Plants, Machinery and Equipment	2-10
Plants, Machinery and Equipment (Leasing)	3-10
Vehicles	5
Furniture and Fixtures	2-10

The total depreciation expenses for the current year is 3.319.831 TL (31.12.2021: 3.245.298). 2.741.797 TL (31.12.2021: 2.694.085 TL) of this amount belongs to the cost of goods sold (Note 21), 3.335 TL (31.12.2021: 22.037 TL) to Research and Development Expenses, 39.574 TL (31.12.2021: 37.638 TL) is included in marketing, sales and distribution expenses (Note 21), 535.125 TL (31.12.2021: 491.538 TL) is included in general administrative expenses (Note 21).

As of 31.12.2022, there is a mortgage amounting to 8.600.000 EUR and TL 320.000.000 on Tangible Fixed Assets. There is an insurance coverage of TL 66.560.413 on property, plant and equipment.

13. INTANGIBLE ASSETS

					31.12.2022
Acquisition Cost	**Rights**	**Capitalized Development Costs**	**Other Intangible Assets**	**Other İntangible Assets (restructured)**	**Total**
January 1, 2022	**1.957.051**	**22.916.496**	**6.193.603**	**476.330**	**31.543.480**
Purchases	151.700	11.594.264	-	-	11.745.964
Transfers to property, plant and equipment	-	-	(559.597)	-	(559.597)
Transfers to İnventories	-	(9.092.806)	-	-	(9.092.806)
Reclassification to research and development expenses	-	(3.464.619)	-	-	(3.464.619)
Adjustment	(64.163)	-	-	-	(64.163)
Closing Balance	**2.044.588**	**21.953.335**	**5.634.006**	**476.330**	**30.108.259**
Accumulated Amortization	(1.663.333)	(1.645.668)	(4.212.868)	-	(7.521.869)
Period Charge	(124.171)	(8.834)	(473.039)	-	(606.044)
Transfers to property, plant and equipment	-	-	401.931	-	401.931
Adjustment	5	-	(1)	-	4
Closing Balance	**(1.787.499)**	**(1.654.502)**	**(4.283.977)**	**-**	**(7.725.978)**
Carrying Value	**257.089**	**20.298.833**	**1.350.029**	**476.330**	**22.382.281**

13. INTANGIBLE ASSETS (continued)

					31.12.2021
Acquisition Cost	**Rights**	**Capitalized Development Costs**	**Other Intangible Assets**	**Other İntangible Assets (restructured)**	**Total**
1 Ocak 2021	**1.760.323**	**21.874.644**	**6.971.029**	**287.908**	**30.893.905**
Purchases	21.410	7.844.132	-	-	7.865.542
Transfers to property, plant and equipment	175.318	-	(382.352)	-	(207.034)
Transfers to İnventories	-	(5.767.456)	-	-	(5.767.456)
Reclassification to research and development expenses	-	(1.034.824)	-	-	(1.034.824)
Difference from restructured financial lease contracts	-	-	-	188.422	188.422
Adjustment	-	-	50.114	-	50.114
Disposals	-	-	(445.189)	-	(445.189)
Closing Balance	**1.957.051**	**22.916.496**	**6.193.603**	**476.330**	**31.543.480**
Accumulated Amortization	(1.550.442)	(1.311.985)	(3.935.213)	-	(6.797.644)
Period Charge	(112.891)	(333.683)	(753.753)	-	(1.200.327)
Disposals	-	-	264.022	-	264.022
Transfers to property, plant and equipment	-	-	212.081	-	212.081
Adjustment	-	-	(4)	-	(4)
Closing Balance	**(1.663.333)**	**(1.645.668)**	**(4.212.868)**	**-**	**(7.521.869)**
Intangible Assets, net	**293.718**	**21.270.828**	**1.980.735**	**476.330**	**24.021.611**

The sum of amortization expenses in the current year is 606.044 TL. (31.12.2021: 1.200.328 TL) Of this amount, 540.069 TL part goes to cost of sales (31.12.2021: 627.727 TL) (Note 21), 52.230 TL part belongs to general administrative expenses (31.12.2021: 73.787 TL) (Note 21) , TL 11.956 is included in Research and Development expenses (31.12.2021: TL 498.327), TL 1.789 is included in Marketing expenses (31.12.2021: TL 486) (Note 21).

The amortization periods for intangible assets are as follows:

	Useful Lives
Rights	3-15 years
Other Intangible Assets	3 years
Capitalized Development Expenses	5 years

Borrowing Cost

None. (31.12.2021: None.)

14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short-Term Payable Provision	31.12.2022	31.12.2021
Warranty Expense Provision	2.955.947	2.625.655
Provisions for Lawsuits	807.708	619.005
Total	**3.763.655**	**3.244.660**

Ongoing Lawsuits and Execution Proceedings

There are 7 lawsuits amounting TL 807.708 filed and continuing as of 31 December 2022 which Group raised a full provision (31.12.2021: TL 619.005).

Collateral, Pledges, Mortgages, Bails

Collaterals, Pledges, Mortgages and Sureties position table as of 31 December 2022 ve 31 December 2021 as below:

					31.12.2022
CPMB's given by the Company (Collaterals, Pledges, Mortgages, Sureties)	**TL Equivalent**	**USD**	**EUR**	**QAR**	**TL**
A. CPMB's given for company's own legal personality	898.856.988	4.369.443	18.229.405	740.380	472.740.011
B. CPMB's given on behalf of fully consolidated Companies	-	-	-	-	-
C. CPMB's given of behalf of third parties for ordinary course of business	-	-	-	-	-
D. CPMB's given within the scope of Corporate Governance Communique's 12/2 clause	-	-	-	-	-
I) Total amount of CPMB's given on behalf of majorly shareholder	-	-	-	-	-
ii) Total amount of CPMB's given on behalf of other Group companies which are not in scope of B and C	-	-	-	-	-
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total	**898.856.988**	**4.369.443**	**18.229.405**	**740.380**	**472.740.011**

14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

					31.12.2021
CPMB's given by the Company (Collaterals, Pledges, Mortgages, Sureties)	TL Equivalent	USD	EUR	QAR	TL
A. CPMB's given for company's own legal personality	398.914.946	9.033.312	10.784.804	1.025.020	119.706.433
B. CPMB's given on behalf of fully consolidated Companies	-	-	-	-	-
C. CPMB's given of behalf of third parties for ordinary course of business	-	-	-	-	-
D. CPMB's given within the scope of Corporate Governance Communique's 12/2 clause	-	-	-	-	
I) Total amount of CPMB's given on behalf of majorly shareholder	-	-	-	-	-
ii) Total amount of CPMB's given on behalf of other Group companies which are not in scope of B and C	-	-	-	-	-
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total	**398.914.946**	**9.033.312**	**10.784.804**	**1.025.020**	**119.706.433**

Group have not been given any "Other CPM". (31.12.2021: None).

Collaterals, Pledges, Mortgages and Sureties position table as of 31 December 2022 ve 31 December 2021 as below:

	31.12.2022					31.12.2021				
Collaterals, Pledges, Mortgages	Total TL Equivalents	USD	EUR	QAR	TL	Total TL Equivalents	USD	EUR	QAR	TL
Collaterals	246.196.381	4.369.443	3.799.405	740.380	84.990.011	202.246.582	4.033.312	7.104.804	1.025.020	41.956.433
Mortgages	652.660.607	-	14.430.000	-	365.000.000	196.668.364	5.000.000	3.680.000	-	77.750.000
Total	**898.856.988**	**4.369.443**	**18.229.405**	**740.380**	**449.990.011**	**398.914.946**	**9.033.312**	**10.784.804**	**1.025.020**	**119.706.433**

15. GOVERNMENT INCENTIVES AND AID

The incentives received by the Group, which are accounted for under other income or not directly included in possible expenses by receiving incentives, are as follows:

- Within the scope of various laws enacted by the Social Security Institution, the employer's share exemption from SGK premiums amounting to TL 3.327.167 was utilized during the period. (31.12.2021: 2.169.190 TL).
- Due to the R&D activities it carried out in 2022, the company benefited from the tax and social security premium support of 1.568,569 TL (31.12.2021: 982.873 TL) belonging to the personnel carrying out the R&D activities.
- Corporate tax deduction of 21.920.248 TL in total related to R&D activities has been deducted from previous period losses. (31.12.2021: 10.311.248 TL)

15. GOVERNMENT INCENTIVES AND AID (continued)

- The company benefited from the Teydep project incentive of 3.308 TL (31.12.2021: 349.035 TL) for the projects it carried out in 2022.
- The company benefited from the Turquality brand support incentive of 1.315.807 TL (31.12.2021:-) in 2022.
- The company benefited from the stamp tax exemption for tender decision, contract and payment of 290.985 TL (31.12.2021:-) in 2022.

16. EMPLOYEE BENEFITS

Provision for Short-Term Employee Benefits	**31.12.2022**	**31.12.2021**
Unused Vacation Provision	2.984.190	1.928.120
Total	**2.984.190**	**1.928.120**

Provision for Long-Term Employee Benefits	**31.12.2022**	**31.12.2021**
Provision for employee termination benefits	18.005.392	9.900.617
Total	**18.005.392**	**9.900.617**

Scope of Employee Benefit Obligations	**31.12.2022**	**31.12.2021**
Payables to Personnel	1.928.204	201.355
Social Security Premiums Payable	2.248.647	1.231.801
Total	**4.176.851**	**1.433.156**

Under the Turkish Legislations, the 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, is called up for military service, dies or who retires after completing 20 years of service and reaches the retirement age (58 for women and 60 for men).

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. IAS 19 ("Employee Benefits") stipulates the development of Company's liabilities by using actuarial valuation methods under defined benefit plans.

Provisions at the balance sheet date have been calculated based on an expected annual salary increase rate of %5, a discount rate of %9.64 and the retirement assumptions below. (31.12.2021: %5 expected salary increase rate, %21.19 discount rate).

Main assumption is that maximum liability amount increases parallel to inflation rate for every service year. Therefore, discount rate used is the expected real rate adjusted for the future inflationary effects. Because of this, provisions in the accompanying financial statements as of December 31, 2022 are calculated by estimating present value of probable liabilities arising due to retirement of employees.

Group's retirement pay provision calculated over amounting to TL 15.371 (31.12.2021: TL 8.285) which is effective from 1 July 2022.

The movement of provision for severance pay are as follows:

	1 January- 31 December 2022	**1 January- 30 September 2021**
Provision as of 1 set January	9.900.617	8.015.389
Service Cost	2.947.131	1.670.593
Interest Cost	3.120.424	1.063.270
Cancellation / Adjustments	6.579.043	1.367.040
Actuarial Gain / Loss (*)	(4.541.823)	(2.215.675)
Total Provisions as of Period End	**18.005.392**	**9.900.617**

(*) For the year ended 31 December 2022, TL 4.541.823 (31.12.2021: TL 2.215.675) actuarial gain / losses recognized in other comprehensive income. The total other service cost and interest costs have been included to the general administrative, marketing and general production expenses.

17. OTHER ASSETS AND LIABILITIES

Other Current Assets	31.12.2022	31.12.2021
Deferred VAT	90.015.596	70.731.942
Work Advances	4.351.040	2.033.365
Other	56.218	2.107
Total	**94.422.854**	**72.767.414**

18. CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS

a) Capital

Company's capital structure as of 31 December 2022 and 31 December 2021 are as follows:

	31.12.2022		31.12.2021	
	%Rate	Share Amount	Share Rate	Share Amount
Shareholders	(%)	TL	(%)	TL
İsmail Katmerci	9,26	60.409.802	9,26	60.409.802
Havva Katmerci	2,69	17.550.000	2,69	17.550.000
Mehmet Katmerci	2,82	18.390.000	2,82	18.390.000
Aysenur Orancı	2,69	17.550.000	2,69	17.550.000
Furkan Katmerci	2,69	17.550.000	2,69	17.550.000
Listed (*)	79,85	521.050.198	79,85	521.050.198
Paid-in Capital	**100,00**	**652.500.000**	**100,00**	**652.500.000**

(*) The listed part of the capital is trading in Istanbul Stock Exchange, Inc. (BIST).

Company's paid-in capital is TL 652.500.000 (31.12.2021: 652.500.000 TL) The paid-in capital consists of 652.500.000 registered shares. Each share nominal value is 1 TL. 52.200.000 pcs. of shares nominative A Group and 600.300.000 pcs. of shares are nominal B Group shares. A group shares are privileged and 41.760.000 pcs. owned by İsmail Katmerci, 2.610.000 pcs. own by Havva Katmerci, 2.610.000 pcs owned by Mehmet Katmerci, 2.610.000 pcs owned by Aysenur Orancı and 2.610.000 pcs owned by Furkan Katmerci. Privileged shares give right to owner as mentioned below;

Company manages by the board of management consist of 5 people chosen by general assembly from the A group shareholders accordingly with Turkish Commercial Code. (Articles of Association article 10) issued shares are fully paid.

b) Share Premium

	31.12.2022	31.12.2021
Share Premium	3.996.748	3.996.748
	3.996.748	**3.996.748**

c) Revaluation and Remeasurement Reserve

	31.12.2022	31.12.2021
Property, Plant and Equipment Revaluation and Remeasurement Gain / (Loss)	310.820.016	36.826.372
	310.820.016	**36.826.372**

Property, Plant and Equipment Revaluation and Remeasurement Gain / (Loss)	31.12.2022	31.12.2021
Opening Balance	36.826.372	36.826.372
Increase in Value	304.357.195	--
Deferred Tax Effect	(30.363.551)	--
Closing Balance	**310.820.016**	**36.826.372**

18. CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS (continued)

d) Other Cumulative Comprehensive Income / Expense not to be Reclassified in Profit or Loss

	31.12.2022	31.12.2021
Defined Benefit Plans Actuarial Gain / Loss	6.821.072	3.323.869
	6.821.072	**3.323.869**

e) Restricted Reserves

	31.12.2022	31.12.2021
Legal Reserves	5.104.290	4.913.435
Total	**5.104.290**	**4.913.435**

f) Retained Profit / (Loss)

	31.12.2022	31.12.2021
Retained Profit / (Loss)	(63.705.666)	(21.820.352)
Total	**(63.705.666)**	**(21.820.352)**

g) Net Profit/(Loss) for the Period	31.12.2022	31.12.2021
Net Profit/(Loss) for the Period	82.568.385	(41.694.460)
Total	**82.568.385**	**(41.694.460)**

h) Non-Controlling Interests	31.12.2022	31.12.2021
Balance at 1 January	128.577	99.926
Non-Parent Profit / Loss Share	79.539	28.652
Non-Parent Shares	**208.116**	**128.577**

ı) Merge Effect of Common Controlled Entity and Business	31.12.2022	31.12.2021
Merge Effect of Common Control Transactions (*)	(1.759.039)	(1.759.039)
Total	**(1.759.039)**	**(1.759.039)**

(*) Company has been purchased Isıpan and Profil's TL 89.000 and TL 466.677 nominal amount of shares by paying respectively TL 89.000 and TL 4.017.133 from shareholder İsmail Katmerci. This operation considered as "Merging of Common Controlled Entity and Business" and TL 1.759.039 difference between purchasing price and fair value discounted from purchasing price and presented as "Merge Effect of Common Control Transactions" in equity

ı) Dividend Distribution

Publicly held companies make their dividend distribution according to CMB's announcement No-II-19, which published at 1 February 2014.

Partnerships, profits will be determined by the General Assembly in accordance with the dividend distribution policy and in accordance with the provisions of the relevant legislation by the General Assembly distributes. Comes within the scope of the notification a minimum distribution rate has not been determined. Companies based in contract or in the manner specified in the dividend distribution policy will pay dividends. In addition, dividends may be paid in installments of equal or different, consistent and interim financial statements of the profits in advance may distribute dividends in cash.

TCC based on separation of reserves required by the articles of association or dividend distribution policy for the shareholders determine dividend allotted other reserves to allocate to the next year to transfer profit and dividend shareholders , management board members subsidiaries to their employees and shareholders, persons other than the profit share to be distributed could not be given , as determined for the shareholders in cash dividends are paid on these shares may not be distributed to persons on the card.

19. SALES AND COST OF SALES

Sales Revenues (net)	01.01-31.12.2022	01.01-31.12.2021
Domestic Sales	257.061.492	144.029.917
Export Sales	588.872.514	258.917.252
Profit/loss after tax	**845.934.006**	**402.947.169**
Sales discount (-)	(60.397)	(88.630)
Return from Sales (-)	(7.547.735)	(2.304.435)
Sales Revenues, (net)	**838.325.874**	**400.554.104**

Cost of Sales (-)	01.01-31.12.2022	01.01-31.12.2021
-Cost of Services	-	(580.361)
-Cost of Finished Goods Sold	(348.168.390)	(171.456.381)
-Cost of Commercial Goods Sold	(13.066.498)	(10.514.292)
Cost of Sales	**(361.234.888)**	**(182.551.034)**
Gross Profit / (Loss)	**477.090.986**	**218.003.070**

20. GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

	01.01.-31.12.2022	01.01.-31.12.2021
General and administrative expenses (-)	63.178.651	37.805.502
Marketing Expenses (-)	125.282.371	52.079.653
Research and Development Expenses (-)	3.474.822	1.529.533
Total	**191.935.844**	**91.414.688**

General and administrative expenses	01.01.-31.12.2022	01.01.-31.12.2021
Personnel expenses	27.042.150	12.221.139
Consultancy Expenses	1.001.972	802.856
Taxes, Duties and Fees	2.869.686	7.145.734
Depreciation and Amortization Expenses	587.355	565.325
Travel Expenses	2.733.881	783.672
Capital Increase Expenses	-	2.006.367
Advertisement and Advertising Expenses	227.839	288.767
Fair Expenses	6.976	1.016.844
Rental Expenses	1.107.614	748.986
External Benefit and Services	728.899	383.386
Electricity, Water, Fuel Expenses	982.429	303.590
Consulting Expenses	2.344.518	903.051
Subscription and Subscription Expenses	878.036	352.959
IT Expenses	936.693	357.240

20. GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES (continued)

General and administrative expenses	**01.01.-31.12.2022**	**01.01.-31.12.2021**
Maintenance and Repair Expenses	617.527	165.344
Communication Expenses	225.099	169.274
Litigation, Enforcement and Notary Expenses	346.933	285.506
Representation Hospitality Expenses	2.909.544	980.406
Insurance Expenses	350.570	173.640
Covid-19 Expenses	211.436	295.841
Turquality Expenses	606.819	277.330
Other expenses	16.464.675	7.578.245
Total	**63.178.651**	**37.805.502**

Marketing Expenses (-)	**01.01.-31.12.2022**	**01.01.-31.12.2021**
Personnel expenses	6.765.826	4.262.803
Sales, Service etc.	11.584.025	2.211.397
Export Commissions	69.180.175	27.743.147
Export Expenses	26.405.325	11.083.974
Taxes, Duties and Fees	720.113	238.698
Fair Expenses	810.140	-
Rent Expenses	572.589	403.870
Travel Expenses	2.045.762	969.353
Services Rendered from 3rd Parties	283.026	190.822
Transportation Expense	277.257	356.954
Tender Expenses	414.276	116.691
Representation Expenses	2.077.415	2.057.145
Insurance Expenses	21.895	1.664
Electricity, Water, Fuel Expenses	360.381	117.636
Court case Execution and Notary Expense	164.014	128.715
Depreciation Expenses	41.363	38.124
Advertisement Expenses	3.360	-
Communication Expenses	29.363	60.718
Maintenance and Repair Expenses	21.938	13.175
Other expenses	3.504.128	2.084.767
Total	**125.282.371**	**52.079.653**

Research and Development Expenses (-)	**01.01.-31.12.2022**	**01.01.-31.12.2021**
Depreciation Expenses	1.543	5.365
Equipment Expenses	1.373.545	737.925
Consultancy Expenses	5.125	4.212
Personnel expenses	2.078.067	777.977
Other expenses	16.542	4.054
Total	**3.474.822**	**1.529.533**

21. EXPENSES BY NATURE

Depreciation Expenses	**01.01-31.12.2022**	**01.01-31.12.2021**
General Production Expenses	2.741.797	2.694.085
Research and Development Expenses	3.335	22.037
Marketing Expenses	39.574	37.638
General and administrative expenses	535.125	491.538
Total	**3.319.831**	**3.245.298**

Amortization and Exhaustion Shares	**01.01-31.12.2022**	**01.01-31.12.2021**
General Production Expenses	540.069	627.728
Research and Development Expenses	11.956	498.327
Marketing Expenses	1.789	486
General Administrative Expense	52.230	73.787
Total	**606.044**	**1.200.328**

Personnel expenses	**01.01-31.12.2022**	**01.01-31.12.2021**
Personnel expenses	40.742.241	20.473.758
Severance Pay Expenses	6.067.555	2.733.863
Permit Expenses	1.056.070	584.995
Total	**47.865.866**	**23.792.616**

Audit Fee

	01.01-31.12.2022	**01.01-31.12.2021**
Independent audit fee for the reporting period	110.000	82.000
Fees for tax advisory services	-	-
Fee for other assurance services	-	-
Fees for services other than independent audit	-	-
Total	**110.000**	**82.000**

22. INCOME AND EXPENSES FROM MAIN ACTIVITIES

Other Income from Main Operations	**01.01.-31.12.2022**	**01.01.-31.12.2021**
Reversal of Provisions	4.589.185	4.019.272
Foreign Exchange Differences from Trading Operations	243.631.843	216.458.525
Rediscount Interest Income	452.598	130.917
Other Income and Profits	8.068.848	2.664.819
Total	**256.742.474**	**223.273.533**

Other Expenses from Main Operations	**01.01.-31.12.2022**	**01.01.-31.12.2021**
Provision Expenses (-)	(1.848.929)	(1.813.710)
Foreign Exchange Differences from Trading Operations (-)	(173.682.201)	(121.755.930)
Rediscount Interest Expenses (-)	(789.446)	(292.818)
Total	**(176.320.576)**	**(123.862.458)**

23. INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES (continued)

Other Income from Investment Activities	01.01-31.12.2022	01.01-31.12.2021
Rental Income (Note 11)	142.834	106.276
Change in Fair Value of Investment Property (Note 11)	20.135.000	-
Securities Sales Profits	-	3.628.053
Interest Income	626.881	589.639
Fixed Asset Sales Profits	-	1.195.305
Other	17.974	-
Total	**20.922.689**	**5.519.273**

Other Expenses from Investment Activities	01.01-31.12.2022	01.01-31.12.2021
Losses on Sale of Marketable Securities (-) (*)	(9.526.394)	(1.260)
Lika AS. Share Transfer Loss (-)	-	(200.000)
Total	**(9.526.394)**	**(201.260)**

(*) Result from forward transactions (VIOP).

24. FINANCIAL INCOME AND EXPENSES

Financing Incomes	01.01.2022 -31.12.2022	01.01.2021- 31.12.2021
Foreign Exchange Income	17.389.637	37.757.718
Total	**17.389.637**	**37.757.718**

Financing Expenses	01.01.2022-31.12.2022	01.01.2021-31.12.2021
Interest and Commission Expenses (-)	111.997.048	66.856.507
Foreign Exchange Expenses (-)	182.178.059	246.549.820
Total	**294.175.107**	**313.406.327**

25. INCOME TAXES

		01.01-31.12.2022		01.01-31.12.2021
Period Profit / (Loss)		82.647.924		(41.665.808)
Less: current period tax expense		(17.539.941)		2.666.022
Profit / (Loss) After Taxes	**%**	**100.187.865**	**%**	**(44.331.830)**
Calculated tax via statutory rate	23%	(23.043.209)	25%	11.082.957
Non-deductible expenses	(10)%	(9.730.623)	(19)%	(8.353.365)
Discounts / Exceptions	(22)%	21.920.248	1%	351.678
Different Tax Rates Effect and Other	7%	(6.686.358)	(1)%	(415.248)
Total Tax Income / (Expense) Recognized in Profit or Loss	**(2)%**	**(17.539.941)**	**6%**	**2.666.022**

25.INCOME TAXES (continued)

Corporate Tax

The Group is subject to corporate tax resolutions applied in Turkey. Provision is made in the accompanying financial statements for the estimated tax liabilities related to the Group's results for the current period.
Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

The effective tax rate in 2022 is %23 (2021: %25).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate is 23% in 2022 (2021: 25%). Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. However, losses occurred cannot be deducted from the profit occurred in the prior years retroactively.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Income Tax Withholding

In addition to corporate taxes, for which their share of the profit from the distribution of dividends in the event of the company's income in the statements, including non-resident institutions and branches of foreign companies in Turkey on any dividends distributed, except for the calculation of income tax withholding is required. Income tax for the period 24 April 2003 - 22 July 2006 was 10%. This rate changed starting from 22 July 2006 with the decision of Council of Minister numbered 2006/10731 to be 15%. Undistributed dividends incorporated in share capital are not subject to income tax withholding.

Deferred Tax

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable (statutory) profit. Deferred tax is calculated using tax rates that have been enacted in the period in which assets acquired and/or liabilities carried out and included in the statement of income as income or expense.

Deferred tax rate is between %10 - %23. (2021: %10-%23)

25. INCOME TAXES (continued)

	Varlıklar		Yükümlülükler		Ertelenmiş Vergi Varlıkları / Yükümlülükleri	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Property, plant and equipment and intangible assets	5.685	2.181	(32.822.740)	(2.876.336)	(32.817.055)	(2.874.155)
Provisions	11.003.170	4.129.433	--	--	11.003.170	4.129.433
Rediscount	--	--	81.449	(292.490)	81.449	(292.490)
Severance pay	3.601.078	1.980.123	--	--	3.601.078	1.980.123
Investment Properties	--	--	(2.552.500)	(539.000)	(2.552.500)	(539.000)
Tax losses carried forward	--	19.477.385	--	--	--	19.477.385
Impairment of Properties	372.817	1.462.574	--	--	372.817	1.462.574
Other	136.477	65.308	--	--	136.477	65.308
Total deferred tax asset/(liability)	**15.119.227**	**27.117.004**	**(35.293.791)**	**(3.707.826)**	**(20.174.564)**	**23.409.178**
Negotiable tax amount	(14.395.627)	(2.561.988)	14.395.627	2.561.988	--	--
Net deferred tax asset/(liability)	**723.600**	**24.555.016**	**(20.898.164)**	**(1.145.838)**	**(20.174.564)**	**23.409.178**

The details of tax income / expense for the years ended 31 December are as follows:

	31.12.2022	**31.12.2021**
Income tax expense recognized in profit or loss		
Current tax expense		
Current tax expense	(5.364.369)	(2.759.709)
Deferred tax income/(expense):	**(12.175.572)**	**5.425.731**
Arising from Temporary Differences	7.301.813	1.236.488
Arising from Tax losses carried forward	(19.477.385)	4.189.243
	(17.539.941)	**2.666.022**

Recognized in Other comprehensive Income	**31.12.2022**	**31.12.2021**
Recognized Deferred tax income/(expense):		
Tax effects of actuarial differences	(1.044.619)	(553.919)
Tax effects of revaluation	(30.363.551)	-
Total	**(31.408.170)**	**(553.919)**
Total tax effect income/ (expense)	**(48.948.111)**	**2.112.103**

Current Period Tax Assets/Liabilities

	31.12.2022	**31.12.2021**
Current tax assets	297.585	32.925
Total	**297.585**	**32.925**

Current tax reconciliation

	31.12.2022	**31.12.2021**
Balance at 1 January	(32.925)	--
Recognized in profit or loss	5.364.369	2.759.709
Paid	(5.629.029)	(2.792.634)
Total	**(297.585)**	**(32.925)**

25. INCOME TAXES (continued)

Deferred Tax Assets/Liabilities

	31.12.2022	31.12.2021
Deferred Tax Asset	723.600	24.555.016
Deferred Tax Liabilities	(20.898.164)	(1.145.838)
Total	**(20.174.564)**	**23.409.178**

Deferred tax reconciliation

	31.12.2022	30.09.2021
Balance at 1 January	23.409.178	18.538.248
Recognized in profit or loss	(12.175.572)	5.425.731
Recognized in other comprehensive income	(31.408.170)	(553.919)
Other	--	(882)
Total	**(20.174.564)**	**23.409.178**

Tax losses carried forward

Year which tax loss occurred	Expiration Date	31.12.2022		31.12.2021	
		Tax Losses	Deferred Tax	Tax Losses	Deferred Tax
2018	2023	--	-	10.219.907	2.350.579
2019	2024	--	-	16.340.659	3.758.352
2020	2025	--	--	42.014.030	9.663.227
2021	2026	--	--	16.109.682	3.705.227
Total		--	--	**84.684.279**	**19.477.385**

26. EARNING PER SHARE

Earnings Per Share	**01.01.2022 31.12.2022**	**01.01.2021 31.12.2021**
Net Profit / (Loss), Parent	82.568.385	(41.694.460)
Weighted Average Number of Shares	652.500.000	652.500.000
Earnings / (Loss) Per Share from Continuing Operations	0,13	(0,06)

27. RELATED PARTY DİSCLOSURES

	31.12.2022					
	Receivables		Liabilities		Advances	
	Short-Term		Short-Term		Long-Term	
Balances with Related Parties	Trade	Non-Trade	Trade	Non-Trade	Trade	Non-Trade
KTM Gayrimenkul Yatırım Tah.Tic.A.Ş.(**) (Not10)	-	-	-	-	49.026.274	-
Total	**-**	**-**	**-**	**-**	**49.026.274**	**-**

	31.12.2021					
	Receivables		Liabilities		Advances	
	Short-Term		Short-Term		Long-Term	
Balances with Related Parties	Trade	Non-Trade	Trade	Non-Trade	Trade	Non-Trade
Shareholders(*)	--	--	--	7.969	--	--
KTM Gayrimenkul Yatırım Tah.Tic.A.Ş.(**)	--	--	--	--	36.434.724	--
Total	**--**	**--**	**--**	**7.969**	**36.434.724**	**--**

(*)It arises from the balance remaining after the deduction of the capital increase amounts from the amount paid by the partners as capital increase advance.

(**)It arises from the advances paid for the ongoing production facilities in Ankara Başkent Organized Industrial Zone, which are shown in the prepaid expenses item in the fixed assets in the balance sheet.

Transactions with related parties between 01.01.-31.12.2022 and 01.01.-31.12.2021 as follows:

01 January - 31 December 2022

Transactions with Related Parties	**Purchases**	**Sales**
Shareholders (*)	-	10.620
Total	**-**	**10.620**

(*) It is a result of the leasing of the properties owned by the shareholders.

01 January - 31 December 2021

Transactions with Related Parties	**Purchases**	**Sales**
Shareholders (*)	--	8.195
Ktm Gayrimenkul Yatırım Tah.Tic.A.Ş.(**)	6.925.000	--
Total	**6.925.000**	**8.195**

(*) It is a result of the leasing of the properties owned by the shareholders.
(**) The amount is related production facility located in Ankara Başkent Organized Industrial Zone.

28. KEY MANAGEMENT PERSONNEL

The Group's senior executives consist of the Chairman and Members of the Board of Directors, the general manager, the vice chairman of the executive board, the financial affairs coordinator, and the foreign sales director. Benefits provided to senior management for the periods 1 January - 31 December 2022 and 1 January - 31 December 2021 are as follows:

Benefits to Senior Management	**01.01-31.12.2022**	**01.01-31.12.2021**
Salary, bonus, and other benefits	2.603.188	1.852.306
Total	**2.603.188**	**1.852.306**

29. QUALITY AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS

a) Capital Risk Management

The aims of Group are to be beneficial for all shareholders and maintaining the best capital combination to reduce capital cost and keeping on entity when managing the capital.

The Group's share capital structure consists of the financial liabilities disclosed in Note 6, the cash and cash equivalents disclosed in Note 4 and paid-in capital, other reserves, premiums / discounts on shares, revaluation gains and losses, including the restated measurement of profit / loss, defined benefit plans, retained earnings / losses, retained earnings reserves and retained earnings/losses disclosed in Note 18.

Group capital cost and each risk regarding capital evaluate by executives. According to the evaluate company aim to equalize the capital structure by borrowing, redemption, dividend payment and issuance of shares.
The Group uses Liabilities / Equity rate while they follow capital sufficiency. This rate is found by net liabilities divided by total equity. Net liabilities are counted by cash and cash equivalents minus total liabilities which appears in balance sheet.

Equity to debts ratio as of 31 December 2022 and 31 December 2021 are as follows:

	31.12.2022	**31.12.2021**
Financial Liabilities	840.531.247	662.949.524
Less: Cash and Cash Equivalents	(47.763.271)	(93.945.220)
Net Financial Liabilities	**792.767.976**	**569.004.304**
Total Equity	996.553.922	636.415.149
Liabilities / Equity Ratio	0,80	0,89

The Group's current capital risk management strategy does not differ from previous periods.

b) Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

b.1) Credit Risk

Financial losses due to Group's receivables and financial assets which result from not implementing agreement clauses related to financial assets by a customer or other party constitutes credit risk. Company trying to decrease credit risk by making operations with confidential parties and attain enough collateral. Trade receivables contain lots of customers gathered on same sector and geographical area. Credit consideration making over Customer's trade receivables permanently.

29. QUALITY AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)

b) Financial Risk Factors (continued)

b.1) Credit Risk (continued)

Types of credit risks subject to financial instruments:

31.12.2022	Receivables				Cash and Cash Equivalents
	Trade Receivables		Other Receivables		
Current Period	Related Parties	3rd Parties	Related Parties	3rd Parties	Banks Deposit
The maximum amount of exposure to credit risk at the end of the reporting period (A+B+C+D) (1)	**-**	**531.390.946**	**-**	**7.150.080**	**47.558.396**
- Total receivable that have been secured with collaterals, other credit enhancements etc.	-	-	-	-	-
A. Financial assets that are either past due or impaired (2)	-	531.633.643	-	7.150.080	47.558.396
B. The amount of financial assets that are past due as at the end of reporting period but not impaired	-	-	-	-	-
C. The amount of financial assets that are impaired (3)	-	-	-	-	-
- Overdue (gross book value)	-		-	-	-
- Impairment (-)	-	-	-	-	-
- Net value guaranteed with collateral etc.	-	-	-	-	-
- Not overdue (gross book value)	-	18.112.012	-	-	-
- Impairment (-)	-	(18.112.012)	-	-	-
- Net value guaranteed with collateral etc.	-	-	-	-	-
D. Expected credit loss	-	242.697	-	-	-

29. QUALITY AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)

b) Financial Risk Factors (continued)

b.1) Credit Risk (continued)

Types of credit risks subject to financial instruments:

31.12.2021	Receivables				Cash and Cash Equivalents
	Trade Receivables		Other Receivables		
Current Period	Related Parties	3rd Parties	Related Parties	3rd Parties	Related Parties
The maximum amount of exposure to credit risk at the end of the reporting period (A+B+C+D) (1)	**--**	**348.880.162**	**--**	**3.384.502**	**93.921.272**
- Total receivable that have been secured with collaterals, other credit enhancements etc.	--	--	--	--	--
A. Financial assets that are either past due or impaired (2)	--	350.217.234	--	3.384.502	93.921.272
B. The amount of financial assets that are past due as at the end of reporting period but not impaired	--	--	--	--	--
C. The amount of financial assets that are impaired (3)	--	--	--	--	--
- Overdue (gross book value)	--	--	--	--	--
- Impairment (-)	--	--	--	--	--
- Net value guaranteed with collateral etc.	--	--	--	--	--
- Not overdue (gross book value)	--	--	--	--	--
- Impairment (-)	--	11.514.054	--	--	--
- Net value guaranteed with collateral etc.	--	(11.514.054)	--	--	--
D. Off balance sheet credit risk amount	--	(1.337.072)	--	--	--

(1) It was not considered collaterals taken which is raising credit reliability when the amounts were determined.
(2) All of the trade receivables are receivables from clients. Company management predicted that it would not be encountered any problem regarding Collection of Receivables because of considering their past experiences.

(3) Impairment tests, Company's receivables from customers regarding the policy framework set by the management is made in doubtful receivables.

29. QUALITY AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)

b) Financial Risk Factors (continued)

b.2) Liquidity Risk Management

Liquidity risk is the risk that an entity will be unable to meet its net funding requirements The Company's objective is to maintain a balance between current assets and liabilities through close monitoring of payment plans and cash projections. The Company manages short, medium- and long-term funding and liquidity management requirements by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual payments. The Company does not have any derivative liabilities.

Current Period (31.12.2022)

Terms According to Agreements	Book Value	According to the Contracts Total Cash Outflows (=I+II+III)	Less than 3 months (I)	3 to 12 months (II)	1 to 8 years (III)
Non-derivative financial liabilities	**1.095.253.801**	**1.095.253.801**	**180.539.312**	**197.697.688**	**717.016.801**
Bank Credits	816.186.240	816.186.240	1.204.042	107.197.580	707.784.618
Short Term Portion of Long-Term Credits	13.023.318	13.023.318	-	13.023.318	-
Financial Leasing Liabilities	11.321.689	11.321.689	88.262	2.001.244	9.232.183
Trade Payables	251.585.152	251.585.152	176.109.606	75.475.546	-
Other Payables	3.137.402	3.137.402	3.137.402	-	-
TOTAL	**1.095.253.801**	**1.095.253.801**	**180.539.312**	**197.697.688**	**717.016.801**

Previous Period (31.12.2021)

Terms According to Agreements	Book Value	According to the Contracts Total Cash Outflows (=I+II+III+IV)	Less than 3 months (I)	3 to 12 months (II)	1 to 8 years (III)
Non-derivative financial liabilities	**789.932.583**	**789.932.583**	**112.159.503**	**86.549.584**	**591.223.495**
Bank Credits	608.875.856	608.875.856	9.587.253	16.452.499	582.836.104
Short Term Portion of Long-Term Credits	44.182.029	44.182.029	19.288.741	24.893.288	-
Financial Leasing Liabilities	9.891.639	9.891.639	685.241	819.006	8.387.391
Trade Payables	124.372.243	124.372.243	79.987.452	44.384.791	-
Other Payables	2.610.816	2.610.816	2.610.816	-	-
TOTAL	**789.932.583**	**789.932.583**	**112.159.503**	**86.549.584**	**591.223.495**

29. QUALITY AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)

b) Financial Risk Factors (continued)

b.3) Market Risk Management

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

In the current year, the Group's exposure to market risks or exposures to the risk management and assessment, has not changed compared to the previous year.

b.3.1) Foreign Exchange Risk Management

Foreign currency transactions expose the Group to foreign currency risk. These risks are monitored and limited by the analysis of foreign currency position.

The group's foreign currency denominated monetary and non-monetary assets and liabilities as of the date of the balance sheet are as follows:

29. QUALITY AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)

b) Financial Risk Factors (continued)

b.3.1) Foreign Exchange Risk Management

CONSOLIDATED FOREIGN EXCHANGE POSITION TABLE					
31.12.2022					
	TL Equivalent	**USD**	**EURO**	**GBP**	**SE**
1.Trade Receivables	466.737.776	9.509.924	14.493.093	-	-
2a. Monetary Financial Assets (including cash and bank accounts)	35.535.130	336.165	1.467.254	-	-
2b. Non-Monetary Financial Assets	356.352.957	16.647.967	2.253.634	27.200	-
3.Other	-	-	-	-	-
4.Current Assets (1+2+3)	**858.625.863**	**26.494.056**	**18.213.980**	**27.200**	**-**
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)	**858.625.863**	**26.494.056**	**18.213.980**	**27.200**	**-**
10.Trade Payables	85.346.669	1.331.127	3.028.656	-	45.350
11.Financial Liabilities	19.895.876	722.550	320.314	-	
12a.Other Monetary Financial Liabilities	-	-	-	-	-
12b.Other Non-Monetary Financial Liabilities	513.848.765	2.200.744	23.427.180	1.117.140	-
13.Short-Term Liabilities (10+11+12)	**619.091.309**	**4.254.421**	**26.776.150**	**1.117.140**	**45.350**
14.Trade Payables	-	-	-	-	-
15.Financial Liabilities	615.328.565	377.745	30.512.588		
16a.Other Monetary Financial Liabilities	-	-	-	-	-
16b.Other Non-Monetary Financial Liabilities	-	-	-	-	-
17.Long-Term Liabilities (14+15+16)	**615.328.565**	**377.745**	**30.512.588**	**-**	**-**
18.Total Liabilities (13+17)	**1.234.419.874**	**4.632.166**	**57.288.738**	**1.117.140**	**45.350**
19.Off Balance Sheet Derivative Instruments Net Assets / (Liabilities) (19a-19b)	-	-	-	-	-
19a.Total Assets Hedged	-	-	-	-	-
19b.Total Liabilities Hedged	-	-	-	-	-
20.Net Foreign Currency Assets / (Liabilities) (9-18+19)	**(375.794.012)**	**21.861.890**	**(39.074.757)**	**(1.089.940)**	**(45.350)**
21.Monetary Items Net Foreign Currency Assets / (Liability) Position (IFRS 7.B23) (1+2a+5+6a-10-11-12a-14-15-16a)	**(218.298.204)**	**7.414.668**	**(17.901.211)**	**-**	**(45.350)**
22. Total Fair Value of Financial Instruments Used for Currency Hedge	-	-	-	-	-

29. QUALITY AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)

b) Financial Risk Factors (continued)

b.3.1) Foreign Exchange Risk Management (continued)

CONSOLIDATED FOREIGN EXCHANGE POSITION TABLE				
31.12.2021				
	TL Equivalent	**USD**	**Euro**	**SE**
1.Trade Receivables	312.728.795	8.750.863	13.564.937	-
2a. Monetary Financial Assets (including cash and bank accounts)	87.454.869	1.509.205	4.622.516	-
2b. Non-Monetary Financial Assets	269.151.216	18.766.087	1.744.572	-
3.Other	-	-	-	-
4.Current Assets (1+2+3)	**669.334.880**	**29.026.155**	**19.932.027**	**-**
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)	**669.334.880**	**29.026.155**	**19.932.024**	**-**
10.Trade Payables	46.276.799	1.500.243	1.823.219	26.880
11.Financial Liabilities	33.989.256	337.631	2.016.554	-
12a.Other Monetary Financial Liabilities	688.958	21.271	28.123	-
12b.Other Non-Monetary Financial Liabilities	304.718.638	4.485.496	16.789.476	-
13.Short-Term Liabilities (10+11+12)	**385.673.651**	**6.344.641**	**20.657.371**	**26.880**
14.Trade Payables	-	-	-	-
15.Financial Liabilities	467.381.355	1.108.408	30.853.271	-
16a.Other Monetary Financial Liabilities	-	-	-	-
16b.Other Non-Monetary Financial Liabilities	-	-	-	-
17.Long-Term Liabilities (14+15+16)	**467.381.355**	**1.108.408**	**30.853.271**	**-**
18.Total Liabilities (13+17)	**853.055.006**	**7.453.050**	**51.510.642**	**26.880**
19.Off Balance Sheet Derivative Instruments Net Assets / (Liabilities) (19a-19b)	**-**	**-**	**-**	**-**
19a.Total Assets Hedged	**-**	**-**	**-**	**-**
19b.Total Liabilities Hedged	**-**	**-**	**-**	**-**
20.Net Foreign Currency Assets / (Liabilities) (9-18+19)	**(183.720.125)**	**21.573.105**	**(31.578.618)**	**(26.880)**
21.Monetary Items Net Foreign Currency Assets / (Liability) Position (IFRS 7.B23) (1+2a+5+6a-10-11-12a-14-15-16a)	**(148.152.703)**	**7.292.514**	**(16.533.714)**	**(26.880)**
22. Total Fair Value of Financial Instruments Used for Currency Hedge	**-**	**-**	**-**	**-**

29. QUALITY AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)

b) Financial Risk Factors (continued)

b.3) Market Risk Management (continued)

b.3.1) Foreign Exchange Risk Management (continued)

The Group is exposed to foreign exchange risk arising primarily with respect to transactions denominated in USD and EURO.
The following table details the Company's sensitivity to a 10% increase and decrease in the TL against USD, Euro. 10% is used in the reporting of currency risk to the key management and it represents the management's expectation on the potential exchange rate fluctuations. Sensitivity analysis can only made on the year-end outstanding foreign currency denominated monetary items and it shows the year-end effects of the 10% of exchange currency fluctuation on the related items.

Exchange Rate Risk Analysis Table			
31.12.2022			
	Profit / Loss		**Equity**
	Appreciation of Foreign Currency	Depreciation of Foreign Currency	Appreciation of Foreign Currency
10% change in USD against TL:			
1-USD Net Assets / Liabilities	40.878.018	(40.878.018)	-
2-The Amount of USD Hedging (-)	-	-	-
3-USD Net Effect (1+2)	**40.878.018**	**(40.878.018)**	-
10% change in EUR against TL:			
4- EUR Net Assets / Liabilities	(77.895.138)	77.895.138	-
5-The Amount of EUR Hedging (-)	-	-	-
6-EUR Net Effect (4+5)	**(77.895.138)**	**77.895.138**	-
TOTAL (3+6)	**(37.017.120)**	**37.017.120**	-
10% change in Other Currency against TL:			
7- Other Net Assets / Liabilities	(562.269)	562.269	-
8- The Amount of Other Hedging (-)	-	-	-
9- Other Net Effect (7+8)	**(562.269)**	**562.269**	-
TOTAL (3+6+9)	**(37.579.390)**	**37.579.390**	-

Exchange Rate Risk Analysis Table			
31.12.2021			
	Profit/Loss		**Equity**
	Appreciation of Foreign Currency	Depreciation of Foreign Currency	Appreciation of Foreign Currency
10% change in USD against TL:			
1-USD Net Assets / Liabilities	27.996.497	(27.996.497)	-
2-The Amount of USD Hedging (-)	-	-	-
3-USD Net Effect (1+2)	**27.996.497**	**(27.996.497)**	-
10% change in EUR against TL:			
4- EUR Net Assets / Liabilities	(46.364.674)	46.364.674	-
5-The Amount of EUR Hedging (-)	-	-	-
6-EUR Net Effect (4+5)	**(46.364.674)**	**46.364.674**	-
TOTAL (3+6)	**(18.368.177)**	**18.368.177**	-
10% change in Other Currency against TL:			
7- Other Net Assets / Liabilities	(3.835)	3.835	-
8- The Amount of Other Hedging (-)	-	-	-
9- Other Net Effect (7+8)	**(3.835)**	**3.835**	-
TOTAL (3+6+9)	**(18.372.012)**	**18.372.012**	-

29. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

b) Financial Risk Factors (continued)

b.3.2) Interest rate risk management

The fact that changes in market interest rates cause fluctuations in the fair value of financial instruments or in future cash flows necessitates the Company to cope with interest rate risk. Hedging strategies are evaluated regularly to ensure that they are consistent with the interest rate expectation and defined risk. Thus, it is aimed to establish an optimal hedging strategy, to review the position of the balance sheet and to keep interest expenditures under control at different interest rates.

As of 31.12.2022 and 31.12.2021, the Group's interest position table is as follows:

Interest Position Table			
		Current Period	**Previous period**
Fixed rate financial instruments			
	Assets at fair value through profit or loss	-	-
Financial assets	Cash and Cash Equivalents	-	-
Financial liabilities		**840.531.247**	**662.949.524**
EURO Loans	-	600.634.963	470.860.308
USD Loans	-	20.007.935	14.363.530
TL Loans	-	195.543.342	123.652.018
Principal Installments of Long-Term Loans	-	13.023.318	44.182.029
Financial Leasing Debts	-	11.321.689	9.891.639
Variable rate financial instruments			
Financial assets		-	-
Financial liabilities		-	-
EURO Loans	-	-	-
USD Loans	-	-	-
TL Loans	-	-	-
Issued Bonds	-	-	-

The Group's financial liabilities arise from fixed-rate borrowings. The company's short and long-term debts to financial institutions (Banks, Leasing and Participation Banks, etc.) were structured within the framework of the protocol signed on 03.04.2019, and variable interest financial instruments were classified as fixed interest financial instruments. (31.12.2021 :-)

30. FINANCIAL INSTRUMENTS (FAIR VALUE OF FINANCIAL RISK MANAGEMENT DISCLOSURES)

Group management think that the carrying values of financial instruments represent their fair values.

31.12.2022	Financial Assets at Fair Value Through Profit or Loss	Financial Asset Measured at Amortized Cost	Financial assets at Fair Value Through Other Comprehensive Income	Financial Liabilities Measured at Amortized Cost	Book Value	Note
Financial Assets						
Cash and Cash Equivalents	-	47.763.271	-	-	47.763.271	4
Trade Receivables	-	531.390.946	-	-	531.390.946	7
Other Receivables	-	7.127.404	-	-	7.150.080	8
Financial Investments	112.485	-	-	-	112.485	5
Financial Liabilities						
Financial Payables	-	-	-	840.531.247	840.531.247	6
Trade Payables	-	-	-	251.585.152	251.585.152	7
Other Payables	-	-	-	3.137.402	3.137.402	8

31.12.2021	Financial Assets at Fair Value Through Profit or Loss	Financial Asset Measured at Amortized Cost	Financial assets at Fair Value Through Other Comprehensive Income	Financial Liabilities Measured at Amortized Cost	Book Value	Note
Financial Assets						
Cash and Cash Equivalents	-	93.945.220	-	-	93.945.220	4
Trade Receivables	-	348.880.162	-	-	348.880.162	7
Other Receivables	-	3.384.502	-	-	3.384.502	8
Financial Investments	4.718.787	-	-	-	4.718.787	5
Financial Liabilities						
Financial Payables	-	-	-	662.949.524	662.949.524	6
Trade Payables	-	-	-	124.372.243	124.372.243	7
Other Payables	-	-	-	2.602.847	2.602.847	8

30. FINANCIAL INSTRUMENTS (FAIR VALUE OF FINANCIAL RISK MANAGEMENT DISCLOSURES) (continued)

Financial Instrument fair values determine as follows;

- First Level: Financial Instruments valuated with market values of the similar instruments which traded on active market.

- Second Level: Financial Instruments valuated with data uses to find price which observable directly or indirectly on the market in addition to first level.

- Third Level: Financial Instruments valuated with data which not based on data uses to find fair value of the instruments on the market.

31. SUBSEQUENT EVENTS

31.12.2022:

- The severance pay ceiling, which was 15.371 TL on 31 December 2022, was increased to 19.983 TL, effective from 1 January 2023.

- On 06.01.2023, a 65% capital increase decision was taken and an application was made to the CMB.

-14.02.2023; The repurchase program was announced, with the fund amount of 65.000.000 TL to be met from internal resources and the maximum number of shares being 32.000.000.