

YÜKSELEN ÇELİK A.Ş.

FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2021

**(CONVENIENCE TRANSLATION INTO ENGLISH OF THE
INDEPENDENT AUDITORS' REPORT AND FINANCIAL
STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**CONVENIENCE TRANSLATION INTO ENGLISH OF THE FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH**

**YÜKSELEN ÇELİK ANONİM ŞİRKETİ
FINANCIAL STATEMENTS FOR THE YEAR 1 JANUARY- 31 MARCH 2021**

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CONVENIENCE TRANSLATION INTO ENGLISH OF
THE FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH
YÜKSELEN ÇELİK A.Ş.

BALANCE SHEETS AT 31 March 2021 AND 31 December 2020

(Amounts on tables are expressed in “Turkish Lira” unless otherwise indicated)

		Unaudited Current Period 31.03.2021	Audited Previous Period 31.12.2020
	Notes		
ASSETS			
Current Assets		235.352.811	204.920.790
Cash and Cash Equivalents	6	1.739.589	1.170.699
Financial Investments		-	-
Trade Receivables		140.210.391	92.660.137
<i>Trade Receivables From Non-Related Parties</i>	10	140.210.391	92.660.137
<i>Trade Receivables From Related Parties</i>		-	-
Other Receivables		21.741	16.299
<i>Other Receivables From Non-Related Parties</i>	11	21.741	16.299
<i>Other Receivables From Related Parties</i>		-	-
Derivative Instruments	12	588.489	9.142.080
Inventories	13	79.000.447	81.361.581
Prepaid Expenses	15	12.882.440	20.347.389
Current Income Tax Assets		-	-
Other Current Assets	26	909.714	222.605
Total		235.352.811	204.920.790
Assets Held for Sale		-	-
Non-Current Assets		19.033.535	18.475.396
Trade Receivables		-	-
<i>Trade Receivables From Non-Related Parties</i>		-	-
<i>Trade Receivables From Related Parties</i>		-	-
Other Receivables	11	-	1.980
<i>Other Receivables From Non-Related Parties</i>		-	1.980
<i>Other Receivables From Related Parties</i>		-	-
Derivative Instruments	12	-	-
Property, Plant and Equipment	18	14.625.883	14.015.109
Right of Use Assets	18	4.145.221	4.248.921
Intangible Assets		258.677	100.941
<i>Other Intangible Assets</i>	19	258.677	100.941
<i>Goodwill</i>		-	-
Prepaid Expenses	15	3.754	5.610
Deferred Tax Asset	35	-	102.835
Other Non-Current Assets		-	-
TOTAL ASSETS		254.386.346	223.396.186

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

CONVENIENCE TRANSLATION INTO ENGLISH OF
THE FINANCIAL STATEMENTS YÜKSELEN ÇELİK A.Ş.
BALANCE SHEETS AT 31 March 2021 AND 31 December 2020
(Amounts on tables are expressed in “Turkish Lira” unless otherwise indicated)

		Unaudited Current Period 31.03.2021	Audited Previous Period 31.12.2020
	Notes		
LIABILITIES			
Current Liabilities		80.716.227	64.633.512
Short-Term Borrowings	8	26.207.766	4.147.984
Short Term Portions of Long Term Borrowings	8	261.471	591.228
Other financial liabilities		-	-
Trade Payables		44.853.096	44.542.092
<i>Trade Payables To Non-Related Parties</i>	10	44.853.096	44.542.092
<i>Trade Payables To Related Parties</i>		-	-
Employee Benefits Payables	20	586.521	255.228
Other Payables		-	522.574
<i>Other Payables To Non-Related Parties</i>	11	-	522.574
<i>Other Payables To Related Parties</i>		-	-
Derivative Instruments	12	-	9.959.027
Deferred Income	15	6.670.968	2.436.565
Current Income Tax Liabilities	35	2.136.405	2.178.814
Other Current Liabilities		-	-
Total		80.716.227	64.633.512
Liabilities Related to Assets Held for Sale		-	-
Non Current Liabilities		5.899.945	4.777.805
Long Term Borrowings	8	274.888	165.037
Other Financial Liabilities		-	-
Lease Liabilities	8	3.928.792	4.033.599
Long Term Provisions		466.996	579.169
<i>Other Long Term Provisions</i>		-	-
<i>Long Term Provisions for Employee Benefits</i>	20	466.996	579.169
Deferred Tax Liabilities	35	1.229.269	-
Other Non Current Liabilities		-	-
EQUITY		167.770.174	153.984.869
Equity Holders of the Parent		167.770.174	153.984.869
Paid in Share Capital	27	125.000.000	125.000.000
Repurchased Shares (-)	27	(2.305.632)	(2.305.632)
Other Comprehensive Income/Expense Not to Be			
Reclassified To Profit Or Loss		(119.054)	(240.843)
Defined Benefit Plans Remeasurement Gains / Losses	27	(119.054)	(240.843)
Restricted Reserves from Retained Earnings	27	2.395.783	2.395.783
Retained Earnings / (Losses)	27	29.135.561	16.474.115
Net Profit / (Loss) For the Period		13.663.516	12.661.446
Non-Controlling Interests			-
TOTAL LIABILITIES AND EQUITY		254.386.346	223.396.186

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

CONVENIENCE TRANSLATION INTO ENGLISH OF THE FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

YÜKSELEN ÇELİK A.Ş.

STATEMENTS OF INCOME

FOR THE INTERIM PERIOD ENDED 31 March 2020 AND 2020

(Amounts on tables are expressed in “Turkish Lira” unless otherwise indicated)

		Unaudited Current Period	Unaudited Previous Period
	Notes	01.01.2021 31.03.2021	01.01.2020 31.03.2020
Revenue	28	88.016.483	42.493.013
Cost of Sales (-)	28	(70.906.434)	(35.700.520)
GROSS PROFIT/(LOSS)		17.110.049	6.792.493
Marketing, Sales And Distribution Expenses (-)	30	(2.392.634)	(1.432.299)
General Administrative Expenses (-)	30	(2.313.335)	(1.265.817)
Other Operating Income	31	8.447.649	5.726.252
Other Operating Expenses (-)	31	(2.668.812)	(6.858.017)
OPERATING PROFIT / (LOSS)		18.182.917	2.962.612
Gains from Investment Activities	32	49.248	9.084
Losses from Investment Activities (-)	32	-	-
OPERATING PROFIT / (LOSS) BEFORE FINANCIAL INCOME / EXPENSE		18.232.165	2.971.696
Financial Income	33	1.513.382	741.371
Financial Expense (-)	33	(2.642.366)	(1.141.833)
PROFIT/ (LOSS) BEFORE TAX		17.103.181	2.571.234
Tax Income/(Expense)		(3.439.665)	(579.269)
- Current Income Tax Expense	35	(2.138.008)	(630.423)
- Deferred Tax Income/(Expense)	35	(1.301.657)	51.154
PROFIT / (LOSS) FOR THE PERIOD		13.663.516	1.991.965
Attributable to:			
Non-Controlling Interests		-	-
Equity Holders of the Parent		13.663.516	1.991.965
Earnings Per Share			
Earnings Per Share From Continuing Operations		0,1093	0,0460
Earnings Per Share From Discontinued Operations		-	-

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

CONVENIENCE TRANSLATION INTO ENGLISH OF THE FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

YÜKSELEN ÇELİK A.Ş.

STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE INTERIM PERIOD ENDED 31 March 2021 AND 2020

(Amounts on tables are expressed in “Turkish Lira” unless otherwise indicated)

	Notes	Unaudited Current Period	Unaudited Previous Period
		01.01.2021 31.03.2021	01.01.2020 31.03.2020
PROFIT / LOSS FOR THE PERIOD	36	13.663.516	1.991.965
OTHER COMPREHENSIVE INCOME			
Items Not be Reclassified in Profit or Loss		121.789	52.452
Intangible Asset Revaluation Increases/Decreases			
Gains/Losses on Remeasurements of Defined Benefit Plans	24	152.236	67.246
Other Comprehensive Income/Expense Not to Be			
Reclassified To Profit Or Loss	35	(30.447)	(14.794)
- Deferred Tax Income / Expense		(30.447)	(14.794)
OTHER COMPREHENSIVE INCOME/ (EXPENSE)		121.789	52.452
TOTAL COMPREHENSIVE INCOME		13.785.305	2.044.417
Attributable to:			
Non-Controlling Interests		-	-
Equity Holders of the Parent		13.785.305	2.044.417

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

CONVENIENCE TRANSLATION INTO ENGLISH OF
THE FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH
YÜKSELEN ÇELİK A.Ş.
STATEMENTS OF CHANGES IN EQUITY
FOR THE INTERIM PERIOD 31 March 2021 AND 2020
(Amounts on tables are expressed in “Turkish Lira” unless otherwise indicated)

		Accumulated Other Comprehensive Income and Expenses not to be Reclassified to Profit or Loss					Retained Earnings			
		Paid in Share Capital	Repurchased Shares (-)	Share Premiums / Discounts	Gains/Losses on Remeasurements of Defined Benefit Plans	Revaluation and Classification Gains/Losses	Restricted Reserves from Retained Earnings	Prior Years Income	Net Profit /Loss For the Period	Total Equity
Audited Current Period	Notes									
Balances at 01.01.2021	27	125.000.000	(2.305.632)	-	(240.843)	-	2.395.783	16.474.115	12.661.446	153.984.869
Transfers		-	-	-	-	-	-	12.661.446	(12.661.446)	-
Total Comprehensive Income		-	-	-	121.789	-	-	-	13.663.516	13.785.305
Balancesat 31.03.2021		125.000.000	(2.305.632)		(119.054)	-	2.395.783	29.135.561	13.663.516	167.770.174
Audited Previous Period										
Balancesat 01.01.2020	27	43.310.000	(2.305.632)	52.055.644	(118.134)	-	687.173	29.413.198	18.017.939	141.060.188
Transfers	27	-	-	-	-	-	-	18.017.939	(18.017.939)	-
Repurchased Shares	27	-	(289.713)	-	-	-	-	-	-	(289.713)
Total Comprehensive Income	27	-	-	-	52.452	-	-	-	1.991.965	2.044.417
-Other Comprehensive Income	27	-	-	-	52.452	-	-	-	-	52.452
-Net Profit /Loss for the Period	27	-	-	-	-	-	-	-	1.991.965	1.991.965
Balances at 31.03.2020	27	43.310.000	(2.595.345)	52.055.644	(65.682)	-	687.173	47.431.137	1.991.965	142.814.892

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CONVENIENCE TRANSLATION INTO ENGLISH OF THE FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH
YÜKSELEN ÇELİK A.Ş.
STATEMENTS OF CASH FLOW
FOR THE INTERIM PERIOD 31 March 2021 AND 2020
(Amounts on tables are expressed in "Turkish Lira" unless otherwise indicated)

		Unaudited Current Period 01.01.2021 31.03.2021	Unaudited Previous Period 01.01.2020 31.03.2020
	Notes		
A) CASH FLOWS FROM OPERATING ACTIVITIES		(17.697.137)	(1.733.936)
PROFIT / (LOSS) FOR THE PERIOD		13.663.516	1.991.965
Adjustments to reconcile profit for the period to cash generated from operating activities:		5.442.477	2.160.212
Depreciation and amortization	Note:18,19	1.106.024	577.975
Adjustments for impairment loss/ (reversal of impairment loss)		-	(21.595)
Adjustments for Receivables Impairment (Reversal)	Note:10	-	(21.595)
Adjustments for provisions		40.063	(67.061)
Adjustments for Provision (Reversal) for Employee Benefits	Note:24	40.063	(67.061)
Interest Income/Expenses, Net		856.725	1.091.624
Adjustments for Interest Income	Note:33	(29.193)	(2.236.610)
Adjustments for Interest Expenses	Note:33	1.610.437	2.019.436
Deferred Financial Expense from Term Purchases	Note:10	-	2.298.649
Unearned Financial Income from Term Sales	Note:10	(724.519)	(989.851)
Adjustments for Unrealized Currency Translation Differences		-	-
Adjustments for Fair Value Losses (Gains)	Note:35	-	-
Adjustments for Tax Income/ (Expenses)	Note:35	3.439.665	579.269
Losses/(Gains) Arising from the Disposal of Non Current Assets		-	-
Adjustments for Losses/(Gains) Arising from the Disposal of Property, Plant and Equipment		-	-
Changes in Working Capital		(34.622.713)	(2.631.095)
Adjustments for Decrease/(Increase) in Trade Receivables		(47.550.254)	1.689.709
Increase/(Decrease) in Trade Receivables from Non-Related Parties	Note:10	(47.550.254)	1.689.709
Adjustments for (Increase) In Other Receivables Related To Operations		(3.462)	9.247
Increase/(Decrease) In Other Receivables Related To Operations from Related Parties	Note:11	-	-
Increase/(Decrease) In Other Receivables Related to Operations from Non-Related Parties	Note:11	(3.462)	9.247
Adjustments for (Increases) / Decreases in Inventories	Note:13	2.361.134	(11.304.245)
Prepaid Expenses Decrease/(Increase)	Note:15	-	695.670
Adjustments for Increase/(Decrease) In Trade Payables		1.035.523	7.087.321
Increase/(Decrease) in Trade Payables to Related Parties		-	43.306
Increase/(Decrease) in Trade Payables to Non-Related Parties	Note:10	1.035.523	7.044.015
Adjustments Related to Decrease / (Increase) In Other Payables Related to Operations		(522.574)	(44.710)
Increase/(Decrease) in Other Payables to Related Parties		-	-
Increase/(Decrease) in Other Payables to Non-Related Parties	Note:11	(522.574)	(44.710)
Decrease/(Increase) in Payables Related to Employee Benefits	Note:20	331.293	(33.506)
Decrease/(Increase) in Deferred Income	Note:15, 24, 26, 34, 35	4.234.403	339.685
Changes in net working capital		5.491.224	(1.070.266)
Total Cash Flows from Operating Activities		(15.516.720)	1.521.082
Tax Returns / (Payments)	Note:35	(2.180.417)	(3.255.018)
Payments Within Provisions Related to Employee Benefits		-	-
B) CASH FLOWS FROM INVESTING ACTIVITIES		(1.574.816)	(3.516.923)
Cash Inflows from Disposal of Property, Plant and Equipment and Intangible Assets		-	-
Cash Outflows from Acquisition of Property, Plant and Equipment and Intangible Assets	Note:18,19	(1.604.009)	(3.516.923)
Cash Inflows from Disposal of Investment Properties	Note:33	29.193	-
C) CASH FLOWS FROM FINANCING ACTIVITIES		19.840.843	(16.427.457)
Cash Inflows from Issue of Share and Equity Based Instruments		-	(289.713)
Cash Inflows from Acquisition of Own Shares	Note:27	-	(289.713)
Cash Inflows from Borrowings	Note:8	30.819.155	35.094.869
Cash Outflows on Debt Payments	Note:8	(9.138.057)	(50.875.108)
Cash Outflows from Payments of Lease Liabilities	Note:8,18	(229.818)	(173.926)
Dividends Paid		-	-
Interest paid	Note:33	(1.610.437)	(183.579)
Net Increase (Decrease) In Cash And Cash Equivalents Before Effect Of Exchange Rate Changes		568.890	(21.678.316)
D) EFFECT OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENT		-	-
Net Increase/(Decrease) in Cash and Cash Equivalents		568.890	(21.678.316)
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	Note:6	1.170.699	33.782.770
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	Note:6	1.739.589	12.104.454
The accompanying notes form an integral part of these financial statements.			

NOTE 1 COMPANY'S ORGANIZATION AND NATURE OF OPERATIONS

Yükselen Çelik Anonim Şirketi ("the Company") was established on 20 March 1989 in Istanbul under the corporate title of "Yükselen Çelik Ticaret Limited Şirketi". The corporate title of the Company, on Trade Registry Gazette, No. 8230 dated January 7, 2013, has been changed and the Company has the corporate title of Yükselen Çelik Anonim Şirketi.

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

The registered address of the Company is as follows:

Osmangazi Mahallesi 2647 sokak No:34/1 Esenyurt İSTANBUL.

Contact Office 1:

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

Contact Office 2:

AOSB Mahallesi 10022 Sokak No: 18 Çiğli/İZMİR

Contact Office 3:

Ataköy 7-8-9-10. Kısım Mah. Çobançeşme E-5 Yan Yol Cad. Ataköy Towers A Blok No:20/1/140 Kat:10 Bakırköy / İSTANBUL

As of 31 March 2021, the average number of personel employed by the Company is 57. (31 March 2021: 45)

As of 31 March 2021 and 31 December 2020, the capital and shareholding structure of the Company are as follows:

	31.03.2021		31.12.2020	
	Shareholding Amount	Shareholding Rates	Shareholding Amount	Shareholding Rates
Yüksel GÖKTÜRK	41.373.238	33,10%	41.373.238	%33,10
Barış GÖKTÜRK	26.408.450	21,13%	26.408.450	%21,13
Burak GÖKTÜRK	17.605.634	14,08%	17.605.634	%14,08
Ferhan GÖKTÜRK	2.640.845	2,11%	2.640.845	%2,11
Other	36.971.833	29,58%	36.971.833	%29,58
Total	125.000.000	%100	125.000.000	%100

NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Preparation and Presentation Principles of Financial Statements

The Company maintains their books of account and prepares their statutory financial statements in TL in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The accompanying financial statements have been prepared in accordance with the provisions of Capital Markets Board ("CMB") Communiqué No: II-14.1-"Communiqué on Principles of Financial Reporting in Capital Markets" ("Communiqué") in the Official Gazette numbered 28676 dated June 13, 2013 reference to Article 5 of the Public Oversight Accounting and Auditing Standards Board ("POA") that have been put into force by Turkey Accounting Standards and interpretations related to these additional ("TAS") are considered. The accompanying financial statements have been prepared in accordance with Communiqué No: II-14.1 and financial statements and notes are presented in accordance with the formats required by the CMB dated on 7 June 2013 It was presented in accordance with the "Announcement regarding to TAS Taxonomy", or "TFRS 2019" which was published on April 15, 2019.

The Company's financial statements are presented with the Company's functional currency which is used primary economic conditions. Accordingly, the Company's financial position and operation results are expressed in Turkish Lira. (The penny digits of the figures in the Company's financial statements are rounded to integer).

These financial statements as of and for the year ended 31 March 2021 have been approved for issue by the Board of Directors ("BOD") on 28 April 2021. These financial statements will be finalized following their approval in the General Assembly.

NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Dealing with the Inflation Effects in Hyper-Inflationary Periods

Capital Markets Board ("CMB"), has a decision which was taken on 17 March 2005 no 11/367, companies operating in Turkey and for companies that prepare financial statements in accordance with CMB Accounting Standards, it is not necessary the inflation accounting application, to be effective from January 1, 2005 as announced, as of this date Turkey Accounting Standard 29 "Financial Reporting in Hyper inflationary Economies" practice of preparation and presentation of financial statements has ended.

2.1.2. Consolidation Principles

The Company is not subject to consolidation.

2.1.3 Offsetting

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.1.4 Comparatives and Adjustment of Prior Period Financial Statements

The current period financial statements of the Company include comparative financial information to enable the determination of the trends in financial position and performance. Comparative figures are reclassified, where necessary, to conform to the changes in the presentation of the current period financial statements. Accounting estimates are based on reliable information and reasonable estimation methods. However, estimates are revised as a result of changes in the circumstances under which the forecast is made, new information or additional developments. If the effect of the change in accounting estimate is only for one period, it is reflected to the financial statements in the current period when the change is made and if it is related to future periods, both in the period in which the change is made and in the future periods, to be taken into consideration in determining the profit or loss for the period. The nature and amount of any change in the accounting estimate, which has an impact on the current period activity result or is expected to have an impact on subsequent periods, is disclosed in the notes to the financial statements, except in cases where it is not possible to estimate the effect of future periods. In order to allow for the determination of the financial position and performance trends, the Company's financial statements are prepared comparatively with the previous periods.

2.1.5 Changes in Accounting Policies

Any change in accounting policies and accounting estimates, the amended significant changes and the identified significant accounting errors are made retrospectively or prospectively in accordance with the prior periods Company's financial statements. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period financial statements. There are no any changes in accounting policies.

2.1.6 Changes in Accounting Policies, Estimates and Errors

Accounting estimates are based on reliable information and reasonable estimation methods. However, estimates are revised as a result of changes in circumstances, estimating new information or additional developments. If changes in accounting forecasts are related to only one period, amendments are made in the current period. If amendments are related to the forthcoming periods, changes are applied in both current period and forthcoming periods.

The nature and amount of a change in the accounting estimate, which has an impact on the outcome of the current period or is expected to have an impact on subsequent periods, is disclosed in the notes to the financial statements, except when the estimation of the effect on the future periods is not possible. There are no changes in the accounting estimates expected to have an impact on the results of operations in the current period.

NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1.7 Significant Accounting Estimates and Assumptions

Preparation of financial statements requires the usage of estimations and assumptions which may affect the reported amounts of assets and liabilities as of the balance sheet date, disclosure of contingent assets and liabilities and reported amounts of income and expenses during the financial period. The accounting assessments, forecasts and assumptions are reviewed continuously considering the past experiences, other factors and the reasonable expectations about the future events under current conditions. Although the estimations and assumptions are based on the best estimates of the management's existing incidents and operations, they may differ from the actual results.

Estimates and assumptions that may cause significant adjustments in the book value of assets and liabilities in the next financial reporting period are as follows:

- a) Provision for employment termination benefits is determined by using actuarial assumptions (discount rates, future salary increases and employee exit rates). (Note:24)
- b) The Company depreciates its property, plant and equipment on a straight-line basis over their useful lives. Expected useful life residual value and amortization method are reviewed every year for possible effects of changes in estimates and are accounted for prospectively if there is a change in estimates. (Note:18,19)
- c) Provision for doubtful receivables represents the amounts that the Company believes will compensate future losses of receivables which are present as of the balance sheet date but which are not subject to collection in current economic conditions. The past performance of borrowers assessed for impairment of receivables impairment, credits on the market and their performance from the balance sheet date to the date of approval of the financial statements are also taken into consideration. As of the balance sheet date, the related provisions are disclosed in Note 10.
- d) Inventories are valued at the lower of cost and net realizable value.
- e) In cases where the net realizable value is below the cost value, provision for inventory impairment is recognized.
- f) The Company does not have Inventory Impairment at the end of the periods.

Cash and Cash Equivalents

Cash and cash equivalents are carried at cost value in the balance sheet. Cash and cash equivalents include cash in hand, deposits held in banks with maturities of 3 months or less, government bonds/treasury bills classified as available for sale financial assets with original maturities of 3 months or less, other short-term liquid investments and blocked deposits. (Note:6)

Related Parties

Related parties are the person or entity that is associated with the Company (reporting company) that prepares its financial statements.

a) A person or a member of the family of such person shall be deemed to be associated with the reporting company if:

- (i) has control or joint control over the reporting company;
- (ii) has significant impact on the reporting company;
- (iii) The reporting company or a parent company of the reporting company is a member of key management personnel.

(b) An entity is considered to be associated with a reporting company if any of the following conditions exist:

- (i) the entity and the reporting company are members of the same group (ie each parent, subsidiary and other subsidiary is associated with others).
- (ii) the entity is an associate or joint venture of the other company (or member of a group of which the other company is a member),
- (iii) If both companies are joint ventures of the same third party.
- (iv) one of the companies is a joint venture of a third entity and the other entity is an associate of that third entity,
- (v) If the Company has post-employment benefit plans for employees of the reporting entity or of an entity that is associated with the reporting entity, if the reporting entity itself has such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) If the entity is controlled or jointly controlled by a person identified in paragraph (a).
- (vii) a person identified in paragraph (a) of (a) has significant influence on the company or is a member of the senior management personnel of that company (or its parent company).

NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

A transaction with a related party is the transfer of resources, services or liabilities between a reporting entity and a related party, regardless of whether there is a price or not.

Pursuant to the above explanations, in accordance with TAS 24, the Company may directly or indirectly; real and legal person shareholders with sole or joint control, their family members (up to the second degree) and legal companies controlled directly or indirectly by them, alone or together, and / or their senior management personnel legal entities in which the Company acts as; The Company's subsidiary and its members of the Board of Directors, senior management personnel and their family members (up to the second degree) and legal entities controlled directly or indirectly, alone or together, are considered as related parties (**Note 37**).

Trade receivables and Provision for Doubtful Receivables

Trade receivables that are created by the Company by way of providing goods or services directly to a debtor are carried at amortized cost. Trade receivables after unaccrued financial income are measured at amortized cost using the effective interest method, less any uncollectible amounts received. Short-term receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant (**Note 10**). The effective interest method is that the current value is calculated on a "compound interest basis. The rate used in this method and determined on the basis of compound interest is called "effective interest rate". Effective interest rate; is the rate that discounts estimated future cash receipts or payments through the expected life of the financial asset.

When the Company's ordinary business activity cycle is taken into consideration, for the trade receivables whose maturities extend beyond this ordinary business activity cycle, whether the trade receivable is in administrative and / or legal follow-up, whether it is secured or unsecured, and to make a provision for doubtful receivables is assessed by evaluating objective findings and similar situations. The amount of the provision is the difference between the carrying amount of the receivable and the recoverable amount. The recoverable amount is the present value of the expected cash flows, including amounts recoverable from guarantees and collaterals, discounted value based on the original effective interest rate of the original receivable. The Company management evaluates the provision for doubtful receivables for its administrative and / or legal follow-up, unsecured and collection receivables that are out of the Company's ordinary business cycle.

If all or part of the doubtful receivable is collected after the provision for doubtful receivables is collected, the collected amount is deducted from the provision for doubtful receivables and recognized in other operating income.

Inventories

Inventories are valued at the lower of cost and net realizable value. In cases where the net realizable value is below the cost value, provision for impairment is recognized.

The weighted average cost method is used in the calculation of the cost of inventories. Net realizable value is calculated with the estimated selling price in the ordinary course of business, less the costs of completion and estimated costs necessary to make the sale.

Revenue Recognition

Revenues are recognized on an accrual basis at the fair value of the consideration of receivable if the amount of revenue can be determined reliably and the economic benefits associated with the transaction are likely to flow to the Company.

Net sales represent the invoiced value of goods shipped less sales returns and sales discounts.

The Company's sales of goods consist of sales of tools, alloys, carbon and structural steels used in the machinery, mold, automotive, defense and manufacturing industries, and revenue from sales of goods is recognized when the following conditions are met:

- The Company transfers all significant risks and gains related to ownership to the buyer,
- The Company's lack of ongoing administrative involvement and effective control of goods sold and associated with ownership,
- Reliable measurement of revenue,
- It is probable that the economic benefits associated with the transaction will flow to the Company,
- Reliable measurement of transaction costs

NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

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.

In the event that there is an important financing element in sales, the fair value is determined by discounting the future cash flows with the hidden interest rate within the financing element. The difference is recognized in the financial statements on an accrual basis.

Borrowing Costs

Borrowings are recognized initially at the financial liabilities received; net of transaction costs incurred. Financial liabilities are subsequently measured at amortized cost using the effective interest method. Any difference between financial liabilities, net of transaction costs, and the redemption value is recognized in the statement of profit or loss as financial expense over the period of the borrowings.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (which requires a long period of time to be ready for use and sale as intended) may be capitalized as part of the cost of that asset. As of 31 March 2021, the Company has no capitalized financing expenses.

Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company considers following indicators for the assessment of whether a contract conveys the right to control the use of an identified asset for a period of time or not:

- (a) The contract includes an identified asset (contract includes a definition of a specified asset explicitly or implicitly),
- (b) A capacity portion of an asset is physically distinct or represents substantially all of the capacity of an asset (if the supplier has a substantive right to substitute the asset and obtain economic benefits from use of the asset, then the asset is not an identified asset),
- (c) The Company has the right to obtain substantially all of the economic benefits from use of the identified asset,
- (d) The Company has the right to direct the use of an identified asset. The Company has the right to direct the use of the asset throughout the period of use only if either:
 - i) The Company has the right to operate the asset (or to direct others to operate the asset in a manner that it determines) throughout the period of use, without the supplier having the right to change those operating instructions; or
 - ii) The Company designed the asset (or specific aspects of the asset) in a way that predetermines how and for what purpose the asset will be used throughout the period of use

Right of Use Asset

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- a) The 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 Company, and
- d) An estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

When applying the cost model, Company measures 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 Company applies the depreciation requirements in TAS 16 Property, Plant and Equipment Standard in depreciating the right-of-use asset. In the event that the supplier transfers the ownership of the underlying asset to the Company at the end of the lease term or if the cost of use rights indicates that the Company will use a purchase option, the Company depreciates the right of use asset from the effective date of the lease to the end of the useful life of the underlying asset. In other cases, the Company depreciates the right of use assets on the basis of the shorter of the useful life or the lease term of the asset, starting from the effective date of the lease.

The Company applies TAS 36 Impairment of Assets Standard 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 Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease, if that rate can be readily determined, or by using the Company's incremental borrowing rate.

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 lessee exercising an option to terminate the lease

After the commencement date, the Company measures 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. The Company recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The interest on the lease liabilities for each period in the lease term is the amount found by applying a fixed periodic interest rate to the remaining balance of the lease liabilities. The periodic interest rate, if easily determined, is the implied interest rate on the lease. If this rate cannot be easily determined, the Company uses the Company's incremental borrowing interest rate.

After the effective date of the lease, the Company remeasures the lease liabilities to reflect changes in lease payments. The Company reflects the remeasurement amount of the lease liabilities to the financial statements as an adjustment to the right of use assets.

The Company remeasures its lease liabilities by deducting the adjusted lease payments at a revised discount rate if either of the following conditions occurs:

- (a) A change in the lease term. The Company determines adjusted lease payments based on the adjusted lease term.
- (b) Changes in the assessment of the option to purchase the underlying asset. The Company determines adjusted lease payments to reflect the change in the amounts payable under the purchase option.

The Company calculates the adjusted discount rate for the remainder of the lease term if the implicit interest rate in the lease can be easily determined; if it cannot be easily determined, the Company determines the alternative borrowing interest rate at the date of the revaluation.

The Company remeasures its lease liabilities by reducing the adjusted lease payments if either of the following conditions incurred:

- (a) Changes in the amounts expected to be paid under a residual value commitment. The Company determines the adjusted lease payments to reflect the change in the amounts expected to be paid under the residual value commitment.
- (b) A change in these payments as a result of an index or rate change used to determine future lease payments. The Company remeasures the lease liabilities to reflect the adjusted lease payments only when there is a change in cash flows.

NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The Company determines the adjusted lease payments for the remaining lease term based on the adjusted contractual payments.

In this case, the Company uses an unchanged discount rate.

The Company recognizes the restructuring of the lease as a separate lease if both of the following conditions are met:

- (a) The restructuring shall extend the scope of the lease by adding the right of use on one or more underlying assets; and
- (b) The increase in the lease amount by the appropriate price adjustment to reflect the price of the increase alone and the terms of the relevant contract.

Company as Lessor

The Company classifies each of the leases as operational leases or financial leases.

A lease is classified as a financial lease when all risks and gains of ownership of the underlying asset are substantially transferred. A lease is classified as an operational lease if all risks and gains of ownership of the underlying asset are not substantially transferred.

For a contract that includes one or more additional leasing components or not carrying a component, the Company distributes the contractual value by applying TFRS 15, "Revenue from Customer Contracts" standard.

Property, Plant and Equipment and related depreciation

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is provided for property, plant and equipment on a straight-line basis over their estimated useful lives. Land is not depreciated as it is deemed to have an indefinite useful life.

The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

Type	Economic Life (Year)
Plant, Machinery and Equipment	5-20
Vehicles	4-7
Furniture and Fixtures	5-33
Leasehold Improvements	2-20

Useful life and the depreciation method are constantly reviewed, and accordingly, parallels are sought between the depreciation method and the period and the useful life to be derived from the related asset. Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with their net carrying amounts and are classified under "gains/losses from investing activities" in the current period.

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset's net selling price or value in use. Recoverable amount of the property, plant and equipment is the higher of future net cash flows from the utilisation of this property, plant and equipment or its fair value less cost to sell.

Repairs and maintenance expenses are charged to the income statements during the period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with their net carrying amounts and are classified under "gains/losses from investing activities" in the current period.

NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Intangible Assets and related amortisation

Intangible assets acquired before 1 January, 2005 are carried at acquisition costs adjusted for inflation; whereas those purchased in and purchased after 2005 are carried forward at their acquisition cost less accumulated amortization.

Amortization is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being recognized for on a prospective basis.

Intangible assets purchased are amortized on a straight-line basis over their estimated useful lives. The useful lives of intangible assets vary between 5 and 20 years.

Impairment of Assets

For assets that are subject to amortization, an impairment test is applied if events or events occur where it is not possible to recover the carrying amount. An impairment loss is recognized if the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Foreign Currency Translation

Foreign currency transactions are translated into Turkish Lira using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Turkish Lira using the exchange rates at the balance sheet date. Foreign exchange gains / losses resulting from trading activities and collections of foreign currency transactions are included in the income statement. The Company's financial position and results of operations are expressed in TL, which is the functional currency of the Company.

Transactions in foreign currencies during the preparation of the financial statements of the Company are recognized at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Turkish Lira at the exchange rates prevailing at the balance sheet date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized as profit or loss in the period in which they are incurred.

Earnings Per Share

Earnings per share disclosed in the income statement are determined by dividing net income attributable to equity holders of the parent by the weighted average number of shares outstanding during the period concerned. In Turkey, companies can increase their share capital through a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and inflation adjustment to equity. For the purpose of earnings per share computations, the weighted average number of shares in existence during the period has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier period as if the event had occurred at the beginning of the earliest period reported.

Events After the Balance Sheet Date

Subsequent events cover all events that occur between the balance sheet date and the publication date of the financial statements.

If there is substantial evidence that the subsequent events existed or arise after the balance sheet date, these events are disclosed and explained in the notes to the financial statements. The Company adjusts the financial statements accordingly when events after balance sheet date requires adjustments to be made.

Provisions, Contingent Assets and Liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

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

NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Taxes on Income

Income tax expense is the sum of the current tax expense and deferred tax expense (or income).

Current Tax

Current year tax liability is calculated over the taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it excludes items that cannot be taxed or deducted. The Company's liability for current tax is calculated using legal statutory tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax

Deferred tax assets and liabilities are determined by calculating the temporary differences between the amounts shown in the financial statements and the amounts considered in the statutory tax base in accordance with the balance sheet method. Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax liability or asset is not calculated in respect of temporary timing differences arising from the initial recognition of assets or liabilities other than goodwill or business combinations and which do not affect both commercial and financial profit /loss.

Deferred tax liabilities are calculated for all taxable temporary differences related to the investments in subsidiaries and associates and shares in joint ventures, except in cases where the Company is able to control the discontinuation of temporary differences and in the near future it is unlikely that such difference will be eliminated. Deferred tax assets resulting from taxable temporary differences related to such investments and shares are calculated on the condition that it is highly probable that future taxable profit will be available and that it is probable that future differences will be eliminated.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that financial profit will be available to allow the benefit of some or that entire amount.

Deferred tax assets and liabilities are calculated over the tax rates that are expected to be valid in the period when the assets are realized or the liabilities are fulfilled and legalized or substantially legalized as of the balance sheet date (tax regulations). During the calculation of deferred tax assets and liabilities, the tax consequences of the methods that the Company expects to recover or settle the carrying amount of the assets as of the balance sheet date are taken into consideration

Deferred tax assets and liabilities are recognized when there is a legal right to offset current tax assets and current tax liabilities, or if such assets and liabilities are associated with the income tax collected by the same tax authority, or if the Company intends to pay off the current tax assets and liabilities.

Current and Deferred Tax for the Period

The deferred tax, other than those directly attributable to debt or liability recognized in equity (in which case deferred tax is recognized directly in equity) or deferred tax, other than those arising from initial recognition of business combinations, is recognized as income or expense in the income statement. In business combinations, the tax effect is taken into consideration in the calculation of goodwill or in determining the part of the purchaser that exceeds the acquisition cost of the share of the acquiree's identifiable assets, liabilities and contingent liabilities in the fair value.

The taxes included in the financial statements include current period tax and the change in deferred taxes. The Company calculates current and deferred tax on the results for the period.

Offsetting in Tax Assets and Liabilities

The amount of corporate tax payable is offset because it is related to prepaid corporate tax amounts. Deferred tax assets and liabilities are also offset in the same way.

Provision for Employment Termination Benefits

The provision for employment termination benefits, as required by Turkish Labor Law represents the present value of the future probable obligation of the Company arising from the retirement of its employees based on the actuarial projections.

TAS 19 "Employee Benefits" requires actuarial assumptions (net discount rate, turnover rate to estimate the probability of retirement etc.) to estimate the entity's obligation for employment termination benefits. The effects of differences between the actuarial assumptions and the actual outcome together with the effects of changes in actuarial assumptions compose the actuarial gains / losses and recognized under other comprehensive income.

NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Statement of Cash Flow

Cash and cash equivalents are stated at their fair values in the statement of financial position. The cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments. In the statement of cash flows, cash flows are classified according to operating, investing and financing activities.

Cash flows from operating activities represent cash flows generated from the Company's main operations. Cash flows from investing activities (asset investment and financial investment) represent the cash flows that are used in or provided from the investing activities of the Company.

Cash flows related to financing activities represent the resources that the Company uses in financing activities and the repayments of these resources.

2.1.9 Amendments in International Financial Reporting Standards

The accounting policies applied in the preparation of the financial statements as of 1 January-31 March 2021 are consistent with those applied in the preparation of the financial statements as of 1 January 2021, except for the new and amended TFRS standards which are valid as of 1 January 2021 and Turkey Financial Reporting Interpretations Committee's ("TFRIC") interpretations summarized below.

i) Standards, amendments and interpretations effective as of 1 January 2021:

- Indicative Interest Rate Reform - Phase 2 - Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16
- Facilitating implementation for changes in the basis for determining contractual cash flows as a result of the IBOR reform
- Privileges regarding termination of the Hedge Accounting relationship

The Company has evaluated the effects of new standards, amendments and interpretations and it had no significant impact on the financial statements.

ii) New standards, amendments and interpretations that are issued and not entered into force:

The new standards, interpretations and amendments that have been published as of the reporting date of the financial statements but have not yet entered into force for the current accounting period and have not applied earlier by the Company are as follows. Unless otherwise stated, the Company will make the necessary changes that will affect the financial statements and notes after the new standards and interpretations become effective.

- TFRS 10 and TAS 28: Sales or Contributions of Assets between an Investor and its Associate/Joint Venture – Amendment
- TFRS 17 – Insurance Contracts Standard
- Amendments to TAS 1 – Classification of Liabilities as Current or Non-Current
- Amendments to TFRS 3 – Reference to the Conceptual Framework
- Amendments to TAS 16 – Proceeds before intended use
- Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract
- Amendments to TFRS 16 – Covid-19 Rent Related Concessions
- Annual Improvements – 2018–2020 Cycle

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

NOTE 3 BUSINESS COMBINATIONS

As of 31 March 2021, and 31 December 2020, the Company does not have any Business Combinations.

NOTE 4 DISCLOSURE OF INTERESTS IN OTHER ENTITIES

As of 31 March 2021, and 31 December 2020, the Company does not have any Disclosure of Interests Other Entities.

NOTE 5 SEGMENT REPORTING

As of 31 March 2021, and 31 December 2020, the Company does not have any Segment Reporting.

NOTE 6 CASH AND CASH EQUIVALENTS

The Company's Cash and Cash Equivalents as of 31 March 2021 and 31 December 2020 are as follows

	31.03.2021	31.12.2020
Cash in hand	10.625	1.116
Banks	1.728.964	1.169.583
<i>Demand Deposit</i>	1.428.730	848.205
<i>Time Deposit</i>	300.234	321.378
Other	-	-
Total	1.739.589	1.170.699

The interest rates of time deposits in terms of currency are given below:

	31.03.2021			31.12.2020		
Currency	Currency Amount	TL Amount	Interest Rate	Currency Amount	TL Amount	Interest Rate
TL	300.234	300.234	%6	321.378	321.378	%6
USD	-	-	-	-	-	-
Total		300.234			321.378	

The Company does not have any blocked deposits as of the end of the periods.

NOTE 7 FINANCIAL INVESTMENTS

As of 31 March 2021, and 31 December 2020, the Company does not have any Short- and Long-Term Financial Investments.

NOTE 8 BORROWINGS

The Company's Borrowings as of 31 March 2021 and 31 December 2020 are as follows:

	31.03.2021	31.12.2020
Short Term Financial Liabilities	26.207.766	4.147.984
-Short Term Borrowings from Related Parties	507.342	473.778
<i>Payables from Short Term Lease Transactions (**)</i>	507.342	473.778
-Short-Term Borrowings from Unrelated Parties	25.700.424	3.674.206
<i>Short Term Bank Borrowings</i>	25.278.481	3.295.000
<i>Other (*)</i>	124.070	89.584
<i>Payables from Short Term Lease Transactions (**)</i>	297.873	289.622
Principal and Installments of Long-Term Loans	261.471	591.228
-Short Term Portion of Long-Term Borrowings from Related Parties	-	-
-Short Term Portion of Long-Term Borrowings from Non-Related Parties	261.471	591.228
Total Short-Term Borrowings	26.469.237	4.739.212
Long Term Financial Liabilities		
-Long Term Borrowings from Related Parties		
<i>Payables from Long Term Lease Transactions (**)</i>	2.424.056	2.449.509
-Long Term Borrowings from Unrelated Parties		
<i>Long Term Bank Loans</i>	274.888	165.037
<i>Payables from Long Term Lease Transactions (**)</i>	1.504.736	1.584.090
Total Long-Term Borrowings	4.203.680	4.198.636
Total Borrowings	30.672.917	8.937.848

(*) Includes credit card balances.

(**) In accordance with TFRS 16 "Leases" standard, lessors are required to recognize the lease liabilities they will pay in the future for almost all lease agreements and a right of use of assets on their balance sheets. Payables from short- and long-term lease transactions comprise long term lease liabilities to be paid in accordance with the existing lease agreements.

NOTE 8 BORROWINGS (Continued)

The redemption schedule of bank loans is as follows:

Maturities	31.03.2021	31.12.2020
0-3 months	1.731.443	3.295.000
4-12 months	23.694.678	591.228
1-5 years	388.719	165.037
Total	25.814.840	4.051.265

The effective interest rates of the bank loans in terms of foreign currencies are as follows:

31.03.2021

Type	Currency Amount	TL Amount	Annual Effective Interest Rate (%)
TL Borrowings	-	25.814.840	% 11,40 - % 20,00
Total	-	25.814.840	

31.12.2020

Type	Currency Amount	TL Amount	Annual Effective Interest Rate (%)
TL Borrowings	4.051.265	4.051.265	% 15,14-20,15
Total		4.051.265	

NOTE 9 OTHER FINANCIAL LIABILITIES

31 March 2021 and 31 December 2020, the Company does not have any Other Short and Long Term Other Financial Liabilities.

NOTE 10 TRADE RECEIVABLES AND PAYABLES

The Company's Short-Term Trade Receivables as of 31 March 2021 and 31 December 2020 are as follows.

	31.03.2021	31.12.2020
Trade Receivables from Non-Related Parties	140.210.391	92.660.137
<i>Customers</i>	41.440.666	34.060.146
<i>Notes Receivables</i>	98.769.725	64.131.483
<i>Rediscount on Notes Receivables (-)</i>	-	(5.531.492)
Total	140.210.391	92.660.137

The average collection term of trade receivables is 123 days (31.12.2020; 171 days). The compound interest rates of Government Debt Securities are used as the effective interest rate for TL receivables and payables in the rediscount of trade receivables (31.12.2020: 17,50 %). The Company allocates provision for losses on customer basis for its trade receivables, which become problematic. Provision amounts include receivables that are considered to be non-refundable by customers or the value of guarantees received for such receivables cannot be realized.

NOTE 10 TRADE RECEIVABLES AND PAYABLES

The Company has no Long-Term Trade Receivables as of 31 March 2021 and 31 December 2020.

The Company ensuring the trade receivables within the borders of Turkey with Euler Hermes Sigorta A.Ş. and a credit insurance policy detailed below.

- The policy is between 1 November 2020 – 31 October 2021 and has been issued as one year.
- The currency of the claims subject to the policy is determined as TL.
- The guarantee rate is 90% for trade receivables with credit limit requests.

In addition, the Company has letters of guarantee and receivables within the scope of Government Debt Securities.

- As of March 31, 2021, the Company has an insurance coverage limit of 75.405.000 TL allocated for 525 customers of Euler Hermes Sigorta A.Ş. There is a DBS collateral limit of TL 28,754,556 for 102 customers of which 10 banks are secured at the bank and 100% fee collateral. In addition, there is a total limit of 780,000 TL for letters of guarantee for 5 customers.

As of 31 March 2021, and 31 December 2020, the Company's Short-Term Trade Payables are as follows:

	31.03.2020	31.12.2020
Trade Payables to Non-Related Parties	44.853.096	44.542.092
Suppliers	25.148.965	22.559.286
Notes Payables	20.428.650	23.697.458
Rediscount on Notes Payables (-)	(724.519)	(1.714.652)
Trade Payables to Related Parties (Note:37)	-	-
Total	44.853.096	44.542.092

The average payable period for trade payables is 57 days (31.12.2020; 116 days). The compound interest rates of Government Debt Securities are used as the annual effective interest rate for TL receivables and payables in the rediscount of trade payables. (31.12.2020: 17,50%)

As of 31 March 2021, and 31 December 2020, the Company does not have Long Term Trade Payables.

NOTE 11 OTHER RECEIVABLES AND PAYABLES

As of 31 March 2021, and 31 December 2020, the details of Short-term Other Receivables are as follows:

Account Name	31.03.2021	31.12.2020
Other Receivables from Non-Related Parties	21.741	16.299
Deposits and Guarantees Given	5.541	3.561
Other Receivables	16.200	12.738
Total	21.741	16.299

As of 31 March 2021, and 31 December 2020, the details of Long-term Other Receivables are as follows:

Account Name	31.03.2021	31.12.2020
Other Receivables from Non Related Parties	-	1.980
Deposits and Guarantees Given	-	1.980
Other Receivables from Related Parties (Note:37)	-	-
Total	-	1.980

As of 31 March 2021, and 31 December 2020, the Company does not have any guarantees received against Short- and Long-Term Receivables.

NOTE 11 OTHER RECEIVABLES AND PAYABLES (Continued)

As of 31 March 2021, and 31 December 2020, the details of Short-Term Other Payables are as follows:

Account Name	31.03.2021	31.12.2020
Payables to Related Parties (Not:37)	-	-
Taxes Payable	-	522.574
Deferred Liabilities to Public Institutions	-	522.574
Total	-	522.574

As of 31 March 2021 and 31 December 2020, the Company does not have Long Term Other Payables.

As of 31 March 2021 and 31 December 2020, the Company does not have guarantees given for Short and Long Term Other Payables

NOTE 12 DERIVATIVE INSTRUMENTS

Derivative instruments which is included in Current Assets are as follows:

Account Name	31.03.2021	31.12.2020
Derivative Financial Instruments in Current Assets (*)	588.489	9.142.080
Total	588.489	9.142.080

Derivative instruments which is included in Short Term liabilities are as follows:

Account Name	31.03.2021	31.12.2020
Derivative Financial Instruments in Liabilities (*)	-	9.959.027
Total	-	9.959.027

(*) Forward transactions includes 4.447.500 TRY and 500.000 EURO.

NOTE 13 INVENTORIES

The Company's Inventories as of 31 March 2021 and 31 December 2020 are as follows:

Account Name	31.03.2021	31.12.2020
Merchandise	79.000.447	81.361.581
Total	79.000.447	81.361.581

There are no inventories given as guarantee against liabilities.

	31.12.2020	31.12.2020
Cost Value	-	-
Provision for Impairment in Inventory	-	-
Net Realizable Value (a)	-	-
Carried at Cost Value (b)	79.000.447	81.361.581
Total Inventories (a+b)	79.000.447	81.361.581

31 March 2021 and 31 December 2020, the Company does not have any inventory impairment.

NOTE 14 RIGHT OF USE ASSETS

As of 31 March 2021 and 31 December 2020, the Company does not have live assets.

NOTE 15 PREPAID EXPENSES AND DEFERRED INCOME

As of 31 March 2021 and 31 December 2020, the Company's Short Term Prepaid Expenses are as follows:

Account Name	31.03.2021	31.12.2020
Short Term Prepaid Expenses	212.590	290.968
Advances Given for Purchases	12.669.850	20.056.421
Total	12.882.440	20.347.389

As of 31 March 2021 and 31 December 2020, the Company's Long Term Prepaid Expenses are as follows:

Account Name	31.03.2021	31.12.2020
Long Term Prepaid Expenses	3.754	5.610
Total	3.754	5.610

As of 31 March 2021 and 31 December 2020 and, the Company's Short Term Deferred Income is as follows:

Account Name	31.03.2021	31.12.2020
Advances Received (*)	6.670.968	2.436.565
Total	6.670.968	2.436.565

(*) Includes of advances given for sale of inventory.

As of 31 March 2021 and 31 December 2020, the Company does not have Long Term Deferred Income.

NOTE 16 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

As of 31 March 2021 and 31 December 2020, the Company has no Investments Accounted for Using the Equity Method.

NOTE 17 INVESTMENT PROPERTIES

As of 31 March 2020 and 2019, the Company does not have Investment Properties

NOTE 18 PROPERTY, PLANT AND EQUIPMENT

As of 31 March 2021, and 2020, the Company's property, plant and equipment and related accumulated depreciation movements are as follows:

31.03.2021

Cost

Account Name	01.01.2021	Acquisitions (+)	Disposals (-)	31.03.2021
Plant, Machinery and Equipment	5.534.100	1.193.248	-	6.727.348
Motor Vehicles	2.984.003	182.269	-	3.166.272
Furniture and Fixtures	2.529.904	55.479	-	2.585.383
Leasehold Improvements	9.730.516	4.233	-	9.734.749
Total	20.778.523	1.435.229	-	22.213.752

Accumulated Depreciation

Account Name	01.01.2021	Current Period Depreciation (+)	Disposals (-)	31.12.2021
Plant, Machinery and Equipment	(1.087.766)	(182.316)	-	(1.270.082)
Motor Vehicles	(1.274.897)	(151.171)	-	(1.426.068)
Furniture and Fixtures	(747.282)	(67.639)	-	(814.921)
Leasehold Improvements	(3.653.468)	(423.330)	-	(4.076.798)
Total	(6.763.413)	(824.456)	-	(7.587.869)
Net Book Value	14.015.110			14.625.883

As of 31.03.2021, the Company has no pledges, mortgages or restrictions on property, plant and equipment.

As of 31.03.2021, the Company's total insurance coverage on assets is TL 3.005.513.

NOTE 18 PROPERTY, PLANT AND EQUIPMENT (Continued)

31.03.2020

Cost

Account Name	01.01.2020	Acquisitions (+)	Disposals (-)	31.03.2020
Plant, Machinery and Equipment	3.710.417	1.452.500	-	5.162.917
Motor Vehicles	2.298.654	111.272	-	2.409.926
Furniture and Fixtures	1.425.492	152.400	-	1.577.892
Leasehold Improvements	3.617.833	1.795.150	-	5.412.983
Total	11.052.396	3.511.322	-	14.563.718

Accumulated Depreciation

Account Name	01.01.2020	Current Period Depreciation (+)	Disposals (-)	31.03.2020
Plant, Machinery and Equipment	(645.198)	(114.476)	-	(759.674)
Motor Vehicles	(876.270)	(102.003)	-	(978.273)
Furniture and Fixtures	(537.866)	(44.659)	-	(582.525)
Leasehold Improvements	(2.862.452)	(80.610)	-	(2.943.062)
Total	(4.921.786)	(341.748)	-	(5.263.534)
Net Book Value	6.130.610			9.300.184

The movements of the Company's right of use assets and related accumulated depreciation for the period ending on March 31, 2021 and March 31, 2020 are as follows:

31.03.2021

Cost

Account Name	01.01.2021	Contractual Additions (+)	Rent Increase Additions (+)	Other (-)	31.03.2021
Right of Use Assets	5.703.165	-	-	(239.444)	5.463.721
Total	5.703.165	-	-	(239.444)	5.463.721

Accumulated Depreciation

Account Name	01.01.2020	Current Period Depreciation (+)	Other (-)	31.12.2020
Right of Use Assets	(1.454.244)	(270.526)	406.270	(1.318.500)
Total	(1.454.244)	(270.526)	406.270	(1.318.500)
Net Book Value	4.248.921			4.145.221

As of 31 March 2020, the Company's right of use assets and related accumulated depreciation movements are as follows:

31.03.2020

Cost

Account Name	01.01.2020	Contractual Additions (+)	Rent Increase Additions (+)	Disposal (-)	31.03.2020
Right of Use Assets	3.421.924	1.357.023	1.257.132	-	6.036.079
Total	3.421.924	1.357.023	1.257.132	-	6.036.079

Accumulated Depreciation

Account Name	01.01.2020	Current Period Depreciation (+)	Disposals (-)	31.03.2020
Right of Use Assets	(570.321)	(230.294)	-	(800.615)
Total	(570.321)	(230.294)	-	(800.615)
Net Book Value	2.851.603			5.235.464

NOTE 19 INTANGIBLE ASSETS

Goodwill

The Company does not have Goodwill as of the end of the periods.

Other Intangible Assets

The Company's Other Intangible Assets as of 31 March 2021 and 2020 are as follows:

31.03.2021

Cost

Account Name	01.01.2021	Acquisitions (+)	Disposals (-)	31.03.2021
Rights	174.566	168.780	-	343.346
Total	174.566	168.780	-	343.346

Accumulated Depreciation

Account Name	01.01.2021	Current Period Depreciation (+)	Disposals (-)	31.03.2021
Rights	73.625	11.044	-	84.669
Total	73.625	11.044	-	84.669
Net Book Value	100.941	157.736	-	258.677

31.03.2020

Cost

Account Name	01.01.2020	Acquisitions (+)	Disposals (-)	31.03.2020
Rights	123.966	5.600	-	129.566
Total	123.966	5.600	-	129.566

Accumulated Depreciation

Account Name	01.01.2020	Current Period Depreciation (+)	Disposals (-)	31.03.2020
Rights	(43.854)	(5.935)	-	(49.789)
Total	(43.854)	(5.935)	-	(49.789)
Net Book Value	80.112			79.777

NOTE 20 EMPLOYEE BENEFITS PAYABLES

As of 31 March 2021 and 31 December 2020, the Company does not have any Government Grants.

Account Name	31.03.2021	31.12.2020
Payables to Personnel	343.259	-
Taxes Payables	118.533	142.160
SSI Premium Payables	124.729	113.068
Total	586.521	255.228

NOTE 21 GOVERNMENT GRANTS

As of 31 March 2021 and 31 December 2020, the Company does not have any Government Grants.

NOTE 22 SHORT TERM PROVISIONS

As of 31 March 2021 and 31 December 2020, the Company does not have any Provisions, Contingent Assets and Liabilities.

Account Name	31.03.2021	31.12.2020
Short-Term Provisions for Employee Benefits	-	-
Total	-	-

ii) Commitments, mortgages and guarantees not included in the liability

Guarantees Received and Given as of 31 March 2021 and 31 December 2020, are as follows:

		31.03.2021	31.12.2020
	Currency	Original Amount	Original Amount
Letters of Guarantee Given	TL	16.008.880	7.811.700
Bill of Guarantees Given	TL	0	6.630.000
Total		16.008.880	14.441.700
Letters of Guarantee Received	TL	780.000	780.000
Total		780.000	780.000

iii) Guarantees and mortgages on assets

31 March 2021 and 31 December 2020, the Company does not have mortgages on assets.

iii) Ratio of guarantees and mortgages to equity

31 March 2021 and 31 December 2020, the Company's collateral / pledge / mortgage position are as follows:

Collateral, Pledge, Mortgages Given by the Company	31.03.2021	31.12.2020
A. Total amount of CPM's given in the name of its own legal personality	16.008.880	7.811.700
<i>Letter of Guarantee</i>	16.008.880	7.811.700
B. Total amount of CPM's given on behalf of the fully consolidated companies	-	-
C. Total amount of CPM's given on behalf of third parties for ordinary course of business	-	6.630.000
<i>Bill of Guarantees (*)</i>	-	6.630.000(*)
D. Total amount of other CPM's given	-	-
i. Total amount of CPM's given on behalf of the majority shareholder	-	-
ii. Total amount of CPM's given to on behalf of other companies which are not in scope of B and C	-	-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-
Total	16.008.880	14.441.700

(*) The related parties of the Company are Göktürkler Çelik A.Ş. and Sky Fuarçılık A.Ş. and includes bill of guarantees given for the loan and guaranty agreement given in favor of the Company.

NOTE 23 COMMITMENTS

As of 31 March 2021 and 31 December 2020, the Company does not have any export and import commitments.

NOTE 24 LONG TERM PROVISIONS

As of 31 March 2021 and 31 December 2020, the Company's Long Term Provisions are as follows:

Provision for Employment Termination Benefits:

	31.03.2021	31.12.2020
Provision for Employment Termination Benefits	466.996	579.169
Total	466.996	579.169

Under Turkish Labour Law, Yükselen Çelik is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). As the maximum liability is revised semi-annually, the maximum amount of TL7.638,96 effective from 1 March 2021 (31 December 2020: TL 7.117,17).

The liability is not funded as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. TAS 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions are used in the calculation of total liabilities:

The principal assumption is that the maximum liability for each year of service increases in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for future inflation effects. As of 31 March 2020, the provisions in the accompanying financial statements are calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. As of the 31 March 2020, the provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 9,50% and an interest rate of 13.60%, resulting in a real discount rate of 3.74%. (31 December 2020: %3,64 real discount rate).

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

	01.01.2021 31.03.2021	01.01.2020 31.03.2020
Beginning of the Period	579.169	414.555
Current Period Service Cost	20.271	9.203
Interest Cost	19.792	12.768
Actuarial Gains / Losses	(152.236)	(67.246)
Payment/Reduction of Benefits /Loss due to Dismissal	-	(5.992)
End of the Period	466.996	363.288

As of 31 March 2021 and 31 December 2020, the Company does not have any Long Term Provision for Lawsuits.

NOTE 25 TAX ASSETS AND LIABILITIES

As of 31 March 2021 and 31 December 2020, the Company does not have any tax assets.

As of 31 March 2021 and 31 December 2020, the Company does not have any tax liabilities.

NOTE 26 OTHER ASSETS AND LIABILITIES

Other Current Assets of the Company as of 31 March 2021 and 31 December 2020 are as follows:

Account Name	31.03.2021	31.12.2020
Advances Given to Employee	254.761	222.605
Deferred VAT	654.953	-
Total	909.714	222.605

As of 31 March 2021 and 31 December 2020, the Company does not have any Other Non-Current Assets.

As of 31 March 2021 and 31 December 2020, the Company does not have Other Short Term and Long Term Liabilities.

NOTE 27 EQUITY

The Company's shareholding structures as of 31 March 2021 and 31 December 2020, are as follows:

	31.03.2021		31.12.2020	
	Shareholding Amount	Shareholding Rate	Shareholding Amount	Shareholding Rate
Yüksel GÖKTÜRK	41.373.238	33,10%	41.373.239	%33,10
Barış GÖKTÜRK	26.408.450	21,13%	26.408.450	%21,13
Burak GÖKTÜRK	17.605.634	14,08%	17.605.634	%14,08
Ferhan GÖKTÜRK	2.640.845	2,11%	2.640.845	%2,11
Other	36.971.833	29,58%	36.971.832	%29,58
Total	125.000.000	%100	125.000.000	%100

Changes in Shareholding Structure

There are no changes in shareholding structure.

i) Capital Reserves

As of 31 March 2021 and 31 December 2020, the Company has no capital reserves.

ii) Restricted Reserves from Retained Earnings

Legal reserves consist of first and second reserves as stipulated in the Turkish Commercial Code. According to Article 519 of the Turkish Commercial Code ("TCC"), the general legal reserve is allocated as 5% of the annual profit until it reaches 20% of the company's paid-in capital. After reaching this limit, 10% of the total amount will be added to the general legal reserves after the dividend payment is paid to the shareholders. According to the Turkish Commercial Code, if the general legal reserve does not exceed 50% of the share capital or the issued capital, it can be used only to close the losses, to continue the business when business is not going well or to take measures to mitigate the results.

As of 31 March 2021 and 31 December 2020, the Company's Restricted Reserves from Retained Earnings are as follows:

Account Name	31.03.2021	31.12.2020
Statutory Reserves	2.395.783	2.395.783
Total	2.395.783	2.395.783

iii) Retained Earnings/Losses

Prior Years Income consists of Extraordinary Reserves and Other Prior Year Profit / Losses. As of 31 March 2021 and 31 December 2020, the Company's Retained Earnings/(Losses) are as follows:

Account Name	31.03.2021	31.12.2020
Other Retained Earnings/(Losses)	26.340.375	13.678.929
Extraordinary Reserves	2.795.186	2.795.186
Total	29.135.561	16.474.115

iv) Repurchased Shares

As of 31 March 2021 and 31 December 2020, the Company's Repurchased Shares are as follows:

Account Name	31.03.2021	31.12.2020
Repurchased Shares	(2.305.632)	(2.305.632)
Total	(2.305.632)	(2.305.632)

NOTE 27 EQUITY (Continued)

v) Share Premiums/Discounts

As of 31 March 2021 and 31 December 2020, the Company's Share Premiums are as follows:

Account Name	31.03.2021	31.12.2020
Share Premiums	-	-
Total	-	-

vi) Accumulated Other Comprehensive Income or Expenses to be Reclassified in Profit or Loss

As of 31 March 2021 and 31 December 2020, the Company does not have any accumulated other comprehensive income or expenses to be reclassified in profit or loss.

vii) Accumulated Other Comprehensive Income or Expenses not to be Reclassified in Profit or Loss

As of 31 March 2021 and 31 December 2020, the detailed table of other comprehensive income or expenses not to be reclassified in profit or loss recognized in equity is as follows:

Account Name	31.03.2021	31.12.2020
Gains/Losses on Remeasurement of Defined Benefit Plans	(119.054)	(240.843)
Total	(119.054)	(240.843)

NOTE 28 REVENUE AND COST OF SALES

The Company's Revenue and Cost of Sales as of 31 March 2021 and 2020, is as follows.

	01.01.2021	01.01.2020
Account Name	31.03.2021	31.03.2020
Domestic Sales	85.808.572	42.391.777
Foreign Sales	2.501.767	688.389
Other Revenue	59.201	59.534
Sales Returns (-)	(231.339)	(614.640)
Sales Discounts (-)	(121.718)	(32.047)
Net Sales	88.016.483	42.493.013
Cost of Sales (-)	(70.906.434)	(35.700.520)
Gross Profit/(Loss)	17.110.049	6.792.493

NOTE 29 GENERAL ADMINISTRATIVE EXPENSES AND MARKETING, SALES AND DISTRIBUTION EXPENSES

The Company's General Administrative Expenses, Marketing, Sales and Distribution Expenses as of 31 March 2021 and 2020, are as follows:

	01.01.2021	01.01.2020
Account Name	31.03.2021	31.03.2020
Marketing, Sales and Distribution Expenses	(2.392.634)	(1.432.299)
General Administrative Expenses	(2.313.335)	(1.265.817)
Total	(4.705.969)	(2.698.116)

NOTE 30 EXPENSES BY NATURE

Expenses by Nature of Company as of 31 March 2021 and 2020, is as follows:

Marketing, Sales and Distribution Expenses	01.01.2021	01.01.2020
	31.03.2021	31.03.2020
Personnel Expenses	(937.459)	(491.103)
Depreciation and Amortization Expenses	(446.843)	(53.102)
Shipping and Transportation Expenses	(430.973)	(325.183)
Maintenance and Repair Expenses	(156.040)	(50.609)
Consultancy and Audit Expenses	(99.509)	(198.835)
Motor Vehicle Expenses	(81.362)	(67.476)
Fair & Advertisement& Market Research Expenses	(21.890)	(99.103)
Insurance Expenses	(14.349)	(14.834)
Travel Expenses	(6.683)	(21.055)
Other Expenses	(197.526)	(110.999)
Total	(2.392.634)	(1.432.299)

General Administrative Expenses	01.01.2021	01.01.2020
	31.03.2021	31.03.2020
Personnel Expenses	(890.381)	(576.854)
Depreciation and Amortization Expenses	(659.181)	(274.845)
Consultancy and Audit Expenses	(164.774)	(38.547)
Stationary Expenses	(149.050)	(8.309)
Insurance Expenses	(75.041)	(134.810)
Electricity, Water, Natural Gas Expenses	(26.265)	(19.987)
Communication and IT Expenses	(10.303)	(9.201)
Taxes and Other Legal Dues	(6.225)	(5.790)
Other Expenses	(332.115)	(197.474)
Total	(2.313.335)	(1.265.817)

Depreciation and Amortization Expenses

	01.01.2021	01.01.2020
Account Name	31.03.2021	31.03.2020
General Administrative Expenses	(659.181)	(274.845)
Marketing, Sales and Distribution Expenses	(446.843)	(53.102)
Cost of Sales	-	(250.028)
Total	(1.106.024)	(577.975)

Personnel Expenses

	01.01.2021	01.01.2020
Account Name	31.03.2021	31.03.2020
General Administrative Expenses	(890.381)	(576.854)
Marketing, Sales and Distribution Expenses	(937.459)	(491.103)
Cost of Sales	-	(181.613)
Total	(1.827.840)	(1.249.570)

NOTE 31 OTHER OPERATING INCOME / (EXPENSES)

The Company's Other Operating Income/ (Expenses) for the periods are as follows:

	01.01.2021	01.01.2020
Other Operating Income	31.03.2021	31.03.2020
Current Period Rediscount Income	5.531.492	3.629.032
Interest Eliminated from Sales	1.704.343	1.809.746
Foreign Exchange Gains	1.142.479	146.125
Provisions No Longer Required (Doubtful Receivables)	-	87.595
Other Gains and Profits	69.335	53.754
Total	8.447.649	5.726.252

	01.01.2021	01.01.2020
Other Operating Expenses	31.03.2021	31.03.2020
Current Period Rediscount Expense	(990.133)	(3.134.876)
Interest Eliminated from Purchases	(768.866)	(1.028.160)
Foreign Exchange Losses	(724.851)	(2.567.183)
Provision for Doubtful Receivables Expenses	(129.085)	(66.000)
Other Expenses	(55.877)	(61.798)
Total	(2.668.812)	(6.858.017)

NOTE 32 GAINS/ (LOSSES) FROM INVESTMENT ACTIVITIES

The Company's Gains from Investment Activities for the periods ended are as follows:

	01.01.2021	01.01.2020
Gains from Investment Activities	31.03.2021	31.03.2020
Gains on Sale of Property, Plant and Equipment	49.248	9.084
Total	49.248	9.084

The Company's Losses from Investment Activities for the periods are as follows:

The Company does not have any Other Expenses from Investment Activities as of March 31, 2021 and March 31, 2020.

NOTE 33 FINANCIAL INCOME / EXPENSE

The Financial Income/(Expense) of the Company as of 31 March 2021 and 2020, are as follows:

	01.01.2021	01.01.2020
Financial Income	31.03.2021	31.03.2020
Foreign Exchange Gains	1.484.189	314.507
Interest Income	29.193	426.864
Total	1.513.382	741.371

	01.01.2021	01.01.2020
Financial Expenses	31.03.2021	31.03.2020
Interest Expense	(1.610.437)	(991.276)
Foreign Exchange Losses	(897.912)	(109.365)
Other	(134.017)	(41.192)
Total	(2.642.366)	(1.141.833)

NOTE 34 ASSETS HELD FOR SALE

As of 31 March 2021, and 2020, the Company has no assets held for sale.

NOTE 35 INCOME TAX

The Company's tax expense (or income) consists of current period corporate income tax expense and deferred tax expense or income.

Account Name	01.01.2021 31.03.2021	01.01.2020 31.03.2020
Current Income Tax Expense (-)	(2.138.008)	(630.423)
Deferred Tax Income/(Expense)	(1.301.657)	51.154
Total Tax Income/(Expense)	(3.439.665)	(579.269)

i) Current Period Statutory Tax Provision

Advance tax in Turkey is calculated and accrued on a quarterly basis. Accordingly, during the taxation of the Company's earnings in 2020 and 2019, the Company has calculated advance tax at the rate of 20% for 2021 and %22 for 2020.

Account Name	31.03.2021	31.12.2020
Tax Provision	(2.138.008)	(4.716.559)
Prepaid Taxes	1.603	2.537.745
Current Income Tax Liabilities	(2.136.405)	(2.178.814)

According to Turkish Corporate Tax Law, losses can be carried forward to offset the future taxable income for a maximum period of 5 years. On the other hand, such losses cannot be carried back to offset prior years income.

Pursuant to Article 24 of the Corporate Tax Law No. 5520, the corporate tax return is levied upon the declaration of the taxpayer. There is no clear and definitive agreement on tax assessment procedures in Turkey. Pursuant to Article 25 of the Corporate Tax Law No. 5520, corporations prepare and declare their tax returns from the first day of the fourth month to the evening of the twenty-fifth day of the fourth month following the end of the accounting period for their annual earnings. It is possible to carry out an inspection by the Tax Administration within the 5-year statute of limitations starting from the following accounting period.

Corporate Tax rate applied in Turkey is 20%. With Article 91 of the Law No 7061 Amending Some Tax Laws and Other Laws published in the Official Gazette dated 5 December 2017 and numbered 30261, and Provisional Article 10 added to the Corporate Tax Law No 5520, Corporate Tax Rate 2018, 2019 Corporate Tax rate is applied as 22% instead of 20% for the corporate earnings belonging to the taxation periods of 2020 and 2020 (for the companies assigned a special fiscal period). Instead of 20% of the Corporate Tax rate determined by law in 2018-2019 and 2020, the Law No 7316 on the Procedure for the Collection of Public Claims and the Law on the Amendment of Some Laws, published in the Official Gazette dated 22.04.2021 and numbered 31462, and changes in some Tax Laws after applying 22% for a period of 3 years, instead of applying 20% as of 01.01.2021; By making a 25% increase, it was determined 25% for 2021 and 23% for 2022.

Income Withholding Tax:

In addition to the corporate tax, it is required to calculate income tax withholding on any dividends, except for those distributed to all taxpayer entities and Turkish branches of foreign companies gaining dividend for such distribution and declaring these dividends within the corporate profit. The rate of income withholding tax implemented as 10% between 24 April 2003 and 22 July 2006. The rate of withholding tax has been increased from 10% to 15% upon the Cabinet decision No: 2006/10731, which was published in Official Gazette on July 23, 2006. Undistributed dividends incorporated in share capital are not subject to income withholding tax. In accordance with the Presidential Decision numbered 2813 published in the Official Gazette dated 31 July 2020, the income and corporate tax withholding rate on some lease payments has been determined as 10% until 31.12.2020.

NOTE 35 INCOME TAX (Continued)

ii) Deferred Tax:

The Company's tax basis with the statutory financial statements prepared in accordance with Turkish Financial Reporting Standards arising from differences between the financial statements for temporary differences and deferred tax assets and liabilities are accounted for published by POA. These differences usually result in the recognition of revenue and expenses in different reporting periods for tax purposes and for the purposes of the POA and disclosed below.

Temporary differences are result of recognizing certain income and expense items differently for accounting and tax purposes. Temporary differences are calculated off of the tangible assets (except land), intangible assets, inventories, the revaluation of prepaid expenses, discount of receivables, provision for severance payments, and prior years losses. Every accounting year, the Company reviews the deferred tax asset and in circumstances, where the deferred tax assets cannot be used against the future taxable income, the Company writes-off the recognized deferred tax asset. Corporate tax rate is used in the calculation of deferred taxes. The breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates are as follows:

	Cumulative Temporary Differences		Deferred Tax	
	31.03.2021	31.12.2020	31.03.2021	31.12.2020
Inventories	7.002.830	6.149.113	(1.400.566)	(1.352.805)
Prekont	724.519	1.714.652	(144.904)	(377.223)
Derivative Instruments	588.489	(816.947)	(117.698)	179.728
Provision for Doubtful Receivables	(838.819)	(709.734)	167.763	156.141
Leases (TFRS 16)	(588.786)	(548.078)	117.758	120.577
Provision Employment Termination Benefits	(466.996)	(579.169)	93.399	127.417
Property, Plant and Equipment and Intangible Assets	(268.292)	(157.000)	53.658	34.540
Provision for Loan Interests	(6.606)	11.229	1.321	(2.470)
Rediscount Expenses	-	(5.531.492)	-	1.216.930
Deferred Tax Assets / (Liabilities), Net	6.146.339	(467.426)	(1.229.269)	102.835
			01.01.2021	01.01.2020
			31.03.2021	31.03.2020
Deferred Tax Asset/(Liabilities) at Beginning of the Period (Net)			102.835	(4.233.957)
Deferred Tax Liabilities Offset in Equity			(30.447)	(14.794)
Deferred Tax Income / (Expense)			(1.301.657)	51.154
Deferred Tax Assets/(Liabilities) at the End of the Period			(1.229.269)	(4.197.597)

The reconciliation of the tax provisions for the ends of the periods are as follows:

	01.01.2021	01.01.2020
Reconciliation of Tax Provision	31.03.2021	31.03.2020
Profit/Loss Before Tax	17.103.181	2.571.234
Corporate Tax Rate %20 (2020; %22)	(3.420.636)	(565.671)
Tax Effect:		
- Tax Free Income	(9.032)	10.016
- Expenses Not Accepted By Law	(9.997)	(23.614)
Tax Provision Expense in the Income Statement	(3.439.665)	(579.269)

NOTE 36 EARNINGS PER SHARE

Earnings/Losses per share amounts for the periods are calculated is as follows:

	01.01.2021	01.01.2020
Earnings Per Share	31.03.2021	31.03.2020
Profit/(Loss) for the Period	13.663.516	1.991.965
Weighted Average Number of Shares	125.000.000	43.310.000
Earnings /(Losses) Per Share	0,1093	0,0460

NOTE 37 RELATED PARTY DISCLOSURES

a) Related parties' balances are as follows:

None. (31.12.2020 None.)

b) Related parties' transactions are as follows:

As of 31 March 2021 and 31 March 2020, purchases from related parties are as follows;

31.03.2021

Purchases

Related Parties	Goods	Interest	Rent	Service	Total
Shareholders			383.333		383.333
Sky Fuarçılık A.Ş.	17.168			165.000	182.168
Total	17.168	-	383.333	165.000	565.501

Sales

None.

31.03.2020

As of 31 March 2020, the Company does not have related parties transactions.

Total Key Management Compensation

As of 31 March 2021, the total amount of key management compensation is TL 339.417. (31 March 2020: TL 214.766)

NOTE 38 THE NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial Instruments and Financial Risk Management

Financial Risk Management

The Company is exposed to variety of financial risks due to its operations. These risks include credit risk, market risk (foreign exchange risk, interest rate risk and commodity price risk) and liquidity risk. The Company's overall risk management strategy focuses on the unpredictability of financial markets and targets to minimize potential adverse effects on the Company's financial performance. The Company also has financial instruments such as trade receivables and trade payables that arise directly from its operations.

The risk arising from the financial instruments used is foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Company management manages these risks as follows. The Company also monitors the market risk that may arise from the use of financial instruments.

Foreign Exchange Risk

The difference between the foreign currency denominated and foreign currency indexed assets and liabilities for USD and EURP of the Company are defined as the "Net foreign currency position" and it is the basis of the currency risk.

Another important dimension of the currency risk exposure is the transactions of the Company. These risks arise from the Company's purchase and sale of goods and services in a foreign currency.

The Company's exposure to foreign exchange risk arises from its loans and finance lease liabilities. In order to minimize this risk, the Company monitors its financial position and cash inflows / outflows with detailed cash flow statements.

NOTE 38 THE NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The foreign exchange position of the Company as of 31 March 2021 and 31 December 2020 is presented below:

Foreign Exchange Position Table						
	31.03.2021			31.12.2020		
	TL Equivalent	USD	EURO	TL Equivalent	USD	EURO
1. Trade Receivables	832.580	100.000	-	13.489	1.838	-
2a. Monetary Financial Assets	1.203.070	142.739	1.500	632.037	21.741	52.448
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	8.819.631	774.515	242.729	-	-	-
4. Total Current Assets (1+2+3)	10.855.281	1.017.254	244.229	645.526	23.578	52.448
5. Trade Receivables	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Total Non Current Assets(5+6+7)	-	-	-	-	-	-
9. Total Assets (4+8)	10.855.281	1.017.254	244.229	645.526	23.578	52.448
10. Trade Payables	8.564.308	1.026.797	-	26.435.725	2.105.203	1.219.206
11. Financial Liabilities	-	-	-	-	-	-
12a. Other Monetary Liabilities	-	-	-	-	-	-
12b. Other Non- Monetary Liabilities	-	-	-	-	-	-
13. Total Short-Term Liabilities (10+11+12)	8.564.308	1.026.797	-	26.435.725	2.105.203	1.219.206
14. Trade Payables	-	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-	-	-
16b. Other Non- Monetary Liabilities	-	-	-	-	-	-
17. Total Long-Term Liabilities (14+15+16)	-	-	-	-	-	-
18. Total Liabilities (13+17)	8.564.308	1.026.797	-	26.435.725	2.105.203	1.219.206
19. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b)	-	-	-	-	-	-
19a. Total Asset Amount of Hedged	-	-	-	-	-	-
19b. Total Liabilities Amount of Hedged	-	-	-	-	-	-
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	2.290.973	(9.543)	244.229	(25.790.199)	(2.081.625)	(1.166.757)
21. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (1+2a+3+5+6a-10-11-12a-14-15-16a)	2.290.973	(9.543)	244.229	(25.790.199)	(2.081.625)	(1.166.757)
22. Total Fair Value of Financial Instruments Used for Foreign Exchange Hedge	-	-	-	-	-	-
23. Foreign Exchange Hedged Portion Amount of Assets	-	-	-	-	-	-
24. Foreign Exchange Hedged Portion Amount of Liabilities	-	-	-	-	-	-
25. Export	2.501.767	10.376	274.305	3.700.138,00	-	315.253
26. Import	24.268.446	1.995.925	1.038.473	62.793.641	7.855.880	1.298.370

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NOTE 38 THE NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The table below shows the position in which the net foreign exchange position of the Company's balance sheet will be reached by the changes in the exchange rates.

Exchange Rate Sensitivity Analysis Table		
31.03.2021		
	Profit / Loss	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
The impact of 10% USD increase in income statement		
1- USD Net Asset / Liability	(7.960)	7.960
2- Hedged portion of USD Risk (-)	-	-
3- USD Net Effect (1+2)	(7.960)	7.960
The impact of 10% EURO increase in income statement		
4- EURO Net Asset / Liability	238.582	(238.582)
5- Hedged portion of Euro Risk (-)	-	-
6- EURO Net Effect (4+5)	238.582	(238.582)
TOTAL	230.623	(230.623)

Exchange Rate Sensitivity Analysis Table		
31.12.2020		
	Profit / Loss	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
The impact of 10% USD increase in income statement		
1- USD Net Asset / Liability	(1.528.017)	1.528.017
2- Hedged portion of USD Risk (-)	-	-
3- USD Net Effect (1+2)	(1.528.017)	1.528.017
The impact of 10% EURO increase in income statement		
4- EURO Net Asset / Liability	(1.051.003)	1.051.003
5- Hedged portion of Euro Risk (-)	-	-
6- EURO Net Effect (4+5)	(1.051.003)	1.051.003
TOTAL	(2.579.020)	2.579.020

Credit Risk

Credit risk is the risk that the other party will incur a financial loss as a result of the failure of a party to fulfill its obligation with respect to a financial instrument. The Company tries to manage the credit risk by limiting the transactions with certain parties and continuously evaluating the reliability of the related parties. Total credit risk of the Company is shown in the balance sheet.

Credit risk concentration is related to the fact that certain companies operate in similar business areas and are located in the same geographical region or that changes in economic, political and other conditions may affect their contractual obligations under similar economic conditions. Concentration of credit risk indicates the sensitivity of the Company's performance to developments affecting a particular sector or geographic region.

The Company tries to manage its credit risk, sales and service activities by avoiding unwanted concentration on individuals or companies in the sector or region in its new field of activity.

The Company insuring its trade receivables within the borders of Turkey with Euler Hermes Sigorta A.Ş. and credit insurance policy in detail explained below.

In addition, the Company has letters of guarantee and receivables obtained within the scope of Government Debt Securities

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NOTE 38 THE NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Liquidity Risk

Liquidity risk comprises the risks arising from the inability to fund the increase in the assets, the inability to cover the liabilities due and the operations performed in illiquid markets. In the framework of liquidity risk management, funding sources are being diversified and sufficient cash and cash equivalents are held. In order to meet instant cash necessities, it is ensured that the level of cash and cash equivalent assets does not fall below a predetermined portion of the short-term liabilities.

Undiscounted contractual cash flows of the financial liabilities as of 31 March 2021 and 31 December 2020 are as follows:

31.03.2021

	Book Value	Total Cash Outflows	1-3 months	3-12 months	1-5 years
Financial Liabilities	25.814.840	26.473.831	74.487	26.274.495	124.849
Finance Lease Liabilities	4.734.007	7.467.140	481.770	1.445.310	5.540.060
Trade Payables	44.853.096	45.577.615	45.577.615	-	-
Other Payables	-	-	-	-	-
Total	75.401.943	79.518.586	46.133.872	27.719.805	5.664.909

31.12.2020

	Book Value	Total Cash Outflows	1-3 months	3-12 months	1-5 years
Financial Liabilities	4.140.849	4.642.494	4.128.669	348.788	165.037
Finance Lease Liabilities	4.796.999	7.896.656	488.541	1.465.623	5.942.492
Trade Payables	44.542.092	46.256.744	46.256.744	-	-
Other Payables	522.574	522.574	522.574	-	-
Total	54.002.514	59.318.468	51.396.528	1.814.411	6.107.529

Interest Risk

The Company is exposed to interest rate risk arising from the rate changes on interest-bearing liabilities and assets. The Company manages this risk by balancing the repricing terms of interest-bearing assets and liabilities with fixed-floating interest and short-long term nature of borrowings as well as using derivative instruments for hedging purposes.

The weighted average effective annual interest rates (%) for the financial assets and liabilities outstanding as of 31 March 2020 and 31 December 2019 are as follows:

Fixed Interest Rate Financial Instruments	31.03.2021	31.12.2020
Financial Assets	-	-
Financial Liabilities	30.672.917	8.937.848
Floating Interest Rate Financial Instruments	31.03.2020	31.12.2020
Financial Assets	-	-
Financial Liabilities	-	-

Price Risk

Price risk consists of exchange rate, interest rate and market risk. The Company manages these risks by balancing its foreign exchange receivables and payables and interest-bearing assets and liabilities. Market risk is closely monitored by the Company management through available market information and appropriate valuation methods.

Capital Risk Management

The Company's main objectives for capital management are to keep the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may decide on the amount of dividends paid to shareholders, issue of new shares or sell assets to decrease net financial debt.

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NOTE 38 THE NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The Company's overall strategy does not differ from the prior period.

Net financial debt/total equity ratio as of 31 March 2021 and 31 December 2020 is as follows:

	31.03.2021	31.12.2020
Total Borrowings	86.616.172	69.411.317
Less: Cash and Cash Equivalents	(1.739.589)	(1.170.699)
Net Financial Debt	84.876.583	68.240.618
Total Capital	167.770.174	153.984.869
Net financial debt/total equity multiplier	0,506	0,443

Current Value

Current value refers to the price at which an asset is traded between willing parties in a current transaction. Financial assets and liabilities denominated in foreign exchanges have been translated at the exchange rates prevailing at the balance sheet date.

The following methods and assumptions are used to estimate the fair value of each financial instrument for which it is practicable to estimate fair value.

Financial Assets

The carrying values of cash and cash equivalents, accrued interests and other financial assets are considered to approximate their respective carrying values due to their short-term nature and insignificant credit risk. The carrying values of trade receivables after deduction of provision for doubtful receivables are considered to approximate their respective carrying values.

Financial Liabilities

The fair values of trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. Bank loans are stated at their discounted costs and transaction costs are added to the initial costs of the loans. Since the interest rates on these loans are updated considering the changing market conditions, the fair values of the loans are considered to represent the carrying values. The fair values of trade payables are considered to approximate their carrying values due to their short-term nature.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 39 FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON FINANCIAL HEDGING ACCOUNTING)

31.03.2020	Notes	Other Financial Assets at Amortised Value	Loans and Receivables	Financial Assets at Fair Value Through Profit or Loss	Other Financial Liabilities at Amortised Value	Book Value	Fair Value
Financial Assets		1.739.589	140.210.391	-	-	1.739.589	141.949.980
Cash and Cash Equivalents	6	1.739.589	-	-	-	1.739.589	1.739.589
Trade Receivables	10	-	140.210.391	-	-	-	140.210.391
Financial Investments		-	-	-	-	-	-
Financial Liabilities		-	44.853.096	-	30.672.917	75.526.013	75.526.013
Financial Payables	8	-	-	-	30.672.917	30.672.917	30.672.917
Trade Payables	10	-	44.853.096	-	-	44.853.096	44.853.096
Other Financial Liabilities							
31.12.2020							
Financial Assets		1.170.699	92.660.137	-	-	93.830.836	93.830.836
Cash and Cash Equivalents	6	1.170.699	-	-	-	1.170.699	1.170.699
Trade Receivables	10	-	92.660.137	-	-	92.660.137	92.660.137
Financial Liabilities		-	44.542.092	-	8.937.848	53.479.940	53.479.940
Financial Payables	8	-	-	-	8.937.848	8.937.848	8.937.848
Trade Payables	10	-	44.542.092	-	-	44.542.092	44.542.092

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**NOTES TO THE FINANCIAL STATEMENTS
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(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 39 FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON FINANCIAL HEDGING ACCOUNTING)

Current value, in transactions between knowledgeable and willing parties, in accordance with market conditions, is the value at which an asset may be exchanged or a liability may be settled.

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Consequently, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current transaction.

Financial Assets

Carrying values of significant portion of cash and cash equivalents and other financial assets are assumed to reflect their fair values due to their short-term nature.

NOTE 40 EVENTS AFTER THE BALANCE SHEET DATE

None.

NOTE 41 THE OTHER MATTERS WHICH SUBSTANTIALLY AFFECT THE FINANCIAL STATEMENTS OR ARE REQUIRED TO BE DESCRIBED IN TERMS OF MAKING THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE

None.