



DERLÜKS DERİ SANAYİ VE TİCARET A.Ş.
REALIZATIONS IN 2020
EXPECTATIONS IN 2021

March 2021



Emiliano Zapata, pioneer in men's leather fashion ...

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- Strategic planning constitutes entire goal and result-oriented efforts with a perspective which forms the basis for designing and shaping the future with an analysis of the present. As long as companies, with these strategic plans that they have created by determining their current situation and goals, have foresight about the problems they may encounter and the measures to be taken against them, they attain the "strong company" aspect.
- It is of great importance for companies to plan in line with a specific goal in order to sustain their existence and design a better future in the intense competition environment created as a result of globalization, trade wars, rapid technological developments, growing markets and changing customer expectations.
- Determining the current status and making decisions that will bring the desired point to be reached may only be achieved through an effective planning process that is optimally managed and which is an integral part of the management functions.
- Derlüks analyzes today and plans its future as a company that develops local capacity within the perspective of global thinking, emphasizes quality in production and efficiency in sales by being sensitive to human and environment due to its social responsibility.



Toprak Enerji, Ağrı Fortunalar Solar Power Plants, the sun within snow...

- Derlüks Deri Sanayi ve Ticaret A.Ş went public in the Borsa Istanbul in 2019 on the Main Market, Group 2. It continued to be traded on the Main Market in 2021. Its goal is to become a holding company in 2021 and to continue its activities in productive sectors.
- The main goal is to comply with the Capital Market Laws and communiqués, corporate governance principles, to have a transparent management approach and to develop the corporate culture in this direction.
- Its vision is to regain strength and become world-renowned in the leather garment industry after the pandemic with the brand Emiliano Zapata, to be a regional important distributor in the food and non-food fast consumption materials distribution sector with Vizyon Pazarlama brand, to be the most important player in the import of electric luxury cars, excluding distributors, with Havana Motor brand and to prepare for domestic automobile marketing, to be the leading entrepreneur of the renewable energy sector with Toprak Enerji brand, and sale and growth.
- As a company, its investment goal is, in the new world normal and new economic realities, to research and develop initiative opportunities in sectors such as renewable energy, electricity storage, garbage mining and waste recycling, food logistics, health equipment.
- The management vision is to share the material and moral added value that will occur as a result of all these with all its stakeholders.

- Derlüks Deri Sanayi ve Ticaret A.Ş. has made it a mission to make initiatives in new sectors that adapt to our changing life styles with the motto "new human, new life".
- For this purpose, it constantly researches and attaches importance to human resources. It tries to see the future and makes the best use of self-financing from its partners.
- In this process, it strictly adheres to the economic policies of the country, the laws and communiqués of the institutions it is responsible for, corporate and transparent management principles, human and employee rights, and environmental awareness.
- Derlüks continues to work in harmony with its suppliers, customers and competitors.
- It rewards innovation, loyalty and self-sacrifice within the company.
- It uses its resources correctly based on efficiency.
- It is no stranger to technological development and attaches importance to interactive marketing and sales.



Dream first, do later.Emiliano Zapata

- **Derlüks Derlüks Deri Sanayi ve Ticaret A.Ş. operates in 4 main sectors.**
- **Derlüks Deri Sanayi ve Ticaret A.Ş.**, is a qualified exporter with high brand awareness in the men's leather clothing sector. The company exports substantially to Asia, Europe and former Eastern Block countries. Since 2016, it has been among the export record holders in its sector annually and receiving an award. It carries out its production in an integrated area of 3100 m2 with the employment of 62 personnel. Its capital is 27 million 750 thousand TL.
- With **Vizyon Global Tüketim Malzemeleri Pazarlama Sanayi ve Ticaret A.Ş.**, realizes the sale of its business partners such as Tuborg, Erikli & Nestle Waters, Dimes, Freşa, Niğde Gazoz, Doğanay Şalgam, Koska, Indomie Noodle, Mutlu Pasta, Torku and Black Bruin wherein it performs their dealership under its distributorship network. The company reaches an average of 4056 points per month in Bağcılar, Bahçelievler, Güngören, Esenler and Bayrampaşa districts. Vizyon Pazarlama, which has facilities with a closed area of 2.750 m2 and an open area of 1200 m2, carries out its distribution with a fleet of 34 vehicles and the employment of 50 personnel. Its capital is 10 million TL.
- **Havana Motorlu Araçlar Sanayi ve Ticaret A.Ş.** imports and sells electric and luxury cars. Havana has a 350 m2 closed garage in Bakırköy. The company, in which 5 employees are employed, has reached significant turnovers despite its short history. Its capital is 20 million TL..
- **Toprak Yenilenebilir Enerji Sanayi ve Ticaret A.Ş.** operates in the solar power plants (SPP) sector. A total of 7 personnel are employed at Fortuna 3-4-5-6-7-8 Energy A.Ş., which has an installed capacity of 7.02 MWp in Ağrı. Its capital is 10 million TL.

- With the decision of the Board of Directors dated 13.03.2020 and numbered 2020/10, the personnel of the leather department of our company has been on leave for maintenance and repair works. However, before the leave expired, Covid-19 measures were put into effect, and the activities of the company's leather division were suspended until May 27, 2020. During this period, the Company supported its employees with equity as well as Government support.
- With the decision of the Board of Directors dated 10.07.2020 and numbered 2020/19, in the new normalization process following the Covid-19 epidemic, our company has decided to search investment and business opportunities, especially in the electrical automotive industry and food production and distribution industry, in order to prevent revenue reductions.
- With the decision of the Board of Directors dated 26.08.2020 and numbered 2020/21, our company decided to establish a new company with an initial capital of 20.000.000 TL (only twenty million Turkish Liras) which will be composed of 51% of our Company's subsidiary and 49% of Cemal Güzelci partnership. Subsidiary was established on September 1, 2020 with the name Havana Motorlu Araclar Sanayi ve Ticaret A.Ş.
- With the decision of the Board of Directors dated 09.10.2020 and numbered 2020/23, our company has decided to undertake a new restructuring due to the expansion of its field of activity through subsidiaries and the fact that these subsidiaries occupy a significant place in total sales, assets, equity, etc. and for this purpose, the Parent Company and its subsidiaries will turn into "investment holding" status and continue their activities. This decision was approved by the Capital Markets Board on February 5, 2021. Subsequently, the necessary permission was obtained from the Ministry of Commerce on February 12, 2021. The decision will be submitted for the approval of our shareholders at the General Assembly meeting to be held on March 11, 2021.
- With the decision of the Board of Directors dated 22.12.2020 and numbered 2020/27, the board of directors of our company has decided to establish a new company with an initial capital of 10.000.000 TL (only ten million Turkish Liras), composed of 45% of our company subsidiary and 55% of Cemal Güzelci partnership, in order to invest in the energy sector. The subsidiary was established on December 24, 2020 with the name Toprak Yenilenebilir Enerji A.Ş.

Summary Financial Statements by Years (Thousand TL)

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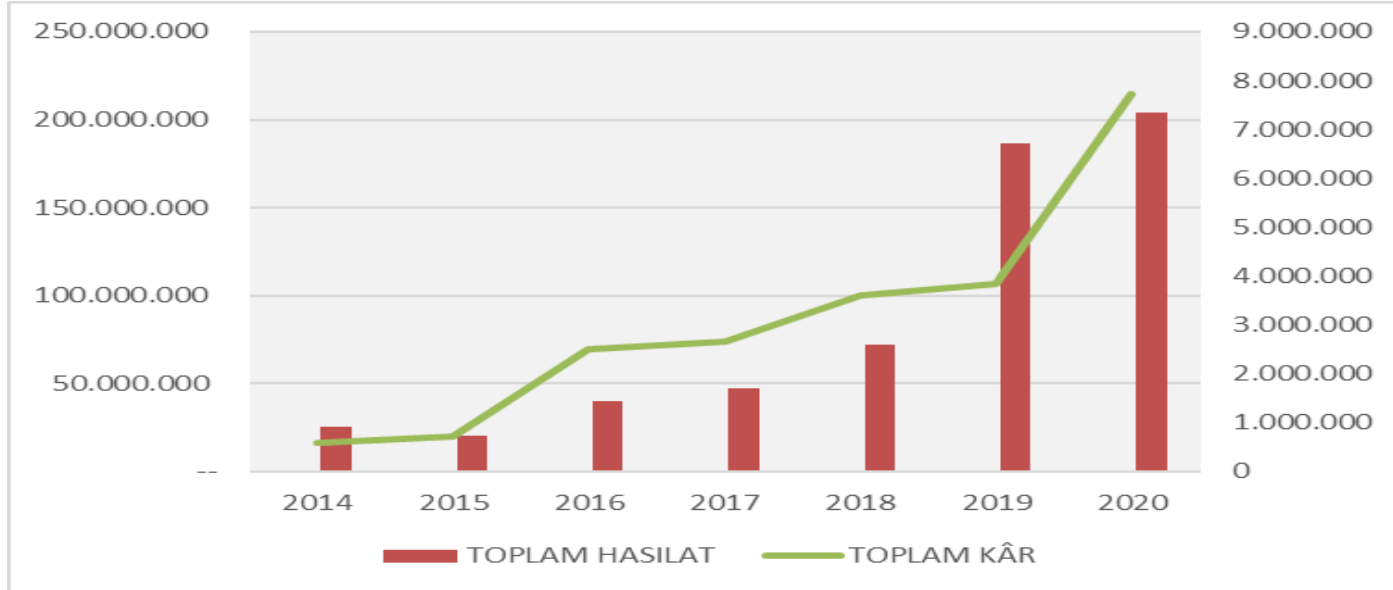
	31 December 2016	31 December 2017	31 December 2018	31 December 2019	31 December 2020	Horizontal Analysis %2019-2020	Vertical% Analysis 2020
TOTAL ASSETS	34.905	49.938	75.565	105.623	96.746	-8,40	100
CURRENT ASSETS	23.091	34.499	55.506	83.665	82.183	-1,77	85
CASH AND EQUIVALENTS	2.021	2.275	8.403	11.652	14.554	24,91	15
TRADE RECEIVABLES	10.210	13.697	24.541	40.277	33.629	-16,51	35
- Trade Receivables From Related Parties	301	681	6.258	0	0		0
INVENTORIES	9.140	16.441	20.873	24.303	27.621	13,65	29
FIXED ASSETS	11.814	15.439	20.059	21.958	14.562	-33,68	15
REAL ESTATES FOR INVESTMENT	9.767	12.820	17.589	15.461	3.291	-78,71	3
OTHER FIXED ASSETS	2.047	2.619	2.470	6.497	11.271	73,48	12
TOTAL LIABILITIES	25.344	37.563	53.107	46.715	21.300	-54,40	22
SHORT-TERM LIABILITIES	17.510	25.294	43.202	38.800	17.996	-53,62	19
SHORT-TERM BORROWINGS	6.772	7.511	10.336	12.612	1.916	-84,81	2
SHORT-TERM SECTIONS OF LONG-TERM BORROWINGS	2.531	7.422	12.571	6.265	3.590	-42,70	4
TRADE PAYABLES	5.972	7.396	17.747	17.524	11.823	-32,53	12
PAYABLES TO RELATED PARTIES	11	1.242	--	--	--		
LONG-TERM LIABILITIES	7.834	12.269	9.905	7.915	3.304	-58,26	3
LONG-TERM BORROWINGS	7.555	11.841	8.494	6.561	2.395	-63,50	2
EQUITY	9.560	12.374	22.458	58.907	65.300	10,85	67
TOTAL RESOURCES	34.905	50.049	75.565	105.623	96.746	-8,40	100
CAPITAL	5.000	8.465	15.000	27.750	27.750	0,00	29
SALES	47.720	72.041	166.492	186.580	204.080	9,38	
COST OF SALES	(38.872)	(64.437)	(146.669)	(169.075)	(188.930)	11,74	
GROSS BASE PROFIT/(LOSS)	8.248	7.604	19.882	17.505	15.150	-13,45	
OPERATING EXPENSES	(5.222)	(4.273)	(5.843)	(7.474)	(8.208)	9,82	
OPERATING PROFIT/(LOSS)	3.528	4.537	16.938	12.286	10.054	-18,17	
PROFIT/LOSS BEFORE FINANCING	6.579	6.836	18.332	13.663	12.186	-10,81	
FINANCING EXPENSES	(4.473)	(4.070)	(15.635)	(10.099)	(4.408)	-56,35	
PROFIT/LOSS FROM ONGOING OPERATIONS	2.498	2.672	3.612	3.830	7.720	101,57	
AVERAGE DOLLAR RATE	3,0277	3,6557	4,8241	5,6826	7,0234	23,59	

- The company's total assets decreased by 8.40% in 2020 compared to 2019. On the other hand, its total liabilities also decreased by 54.40% in the same period. Depending on this situation, equity increased by 10.85%.
- The company's current assets decreased by 1.77% in 2020 compared to 2019. However, cash and equivalents increased by 24.91% and inventories by 13.65%. The decrease in current assets is due to a 16.51% decrease in trade receivables.
- The company's fixed assets decreased by 33.68% compared to 2019. This is due to the 78.71% decrease in real estates for investments.
- The company's short-term liabilities decreased by 53.62% and long-term liabilities by 58.26% compared to the previous year.
- While current assets of the company constituted 79% of total assets in 2019, this ratio was 85% in 2020. While fixed assets constituted 21% of total assets in 2019, this rate decreased to 15% in 2020.
- It can be said that the company cashed its balance sheet during the world trade wars and pandemic.
- Looking at the income statement, it is seen that sales increased by 9.18% in 2020 compared to the previous year. Cost of sales increased a little more, this increase was 11.74%. There was an increase of 9.82% in operating expenses as well.
- Gross profit decreased by 13.45% in 2020 compared to the previous period. In the same period, operating profit decreased by 18.17%. Despite this, operating profit increased by 101.57% due to the 56.35% decrease in financing expenses.
- During this period, annual inflation was 14.60 percent in consumer prices and 25.15 percent in domestic producer prices. The annual devaluation was 23.59% in terms of US Dollars.

Total Sales and Profit by Years (TL)

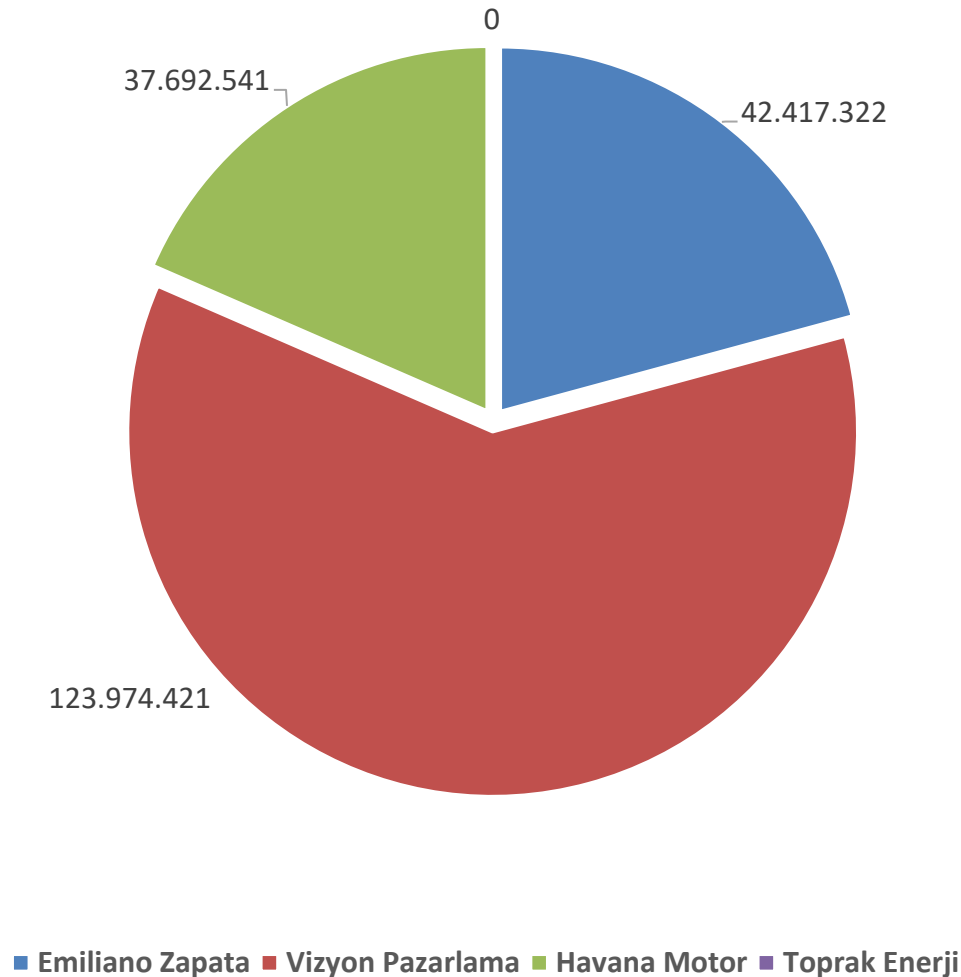
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YEAR	TOTAL REVENUE	TOTAL PROFIT
2014	25.678.000	585.000
2015	20.242.000	731.097
2016	39.868.000	2.498.633
2017	47.121.371	2.672.872
2018	72.041.405	3.612.724
2019	186.580.213	3.830.437
2020	204.080.195	7.720.842



2020 Total Sales By Departments (TL)

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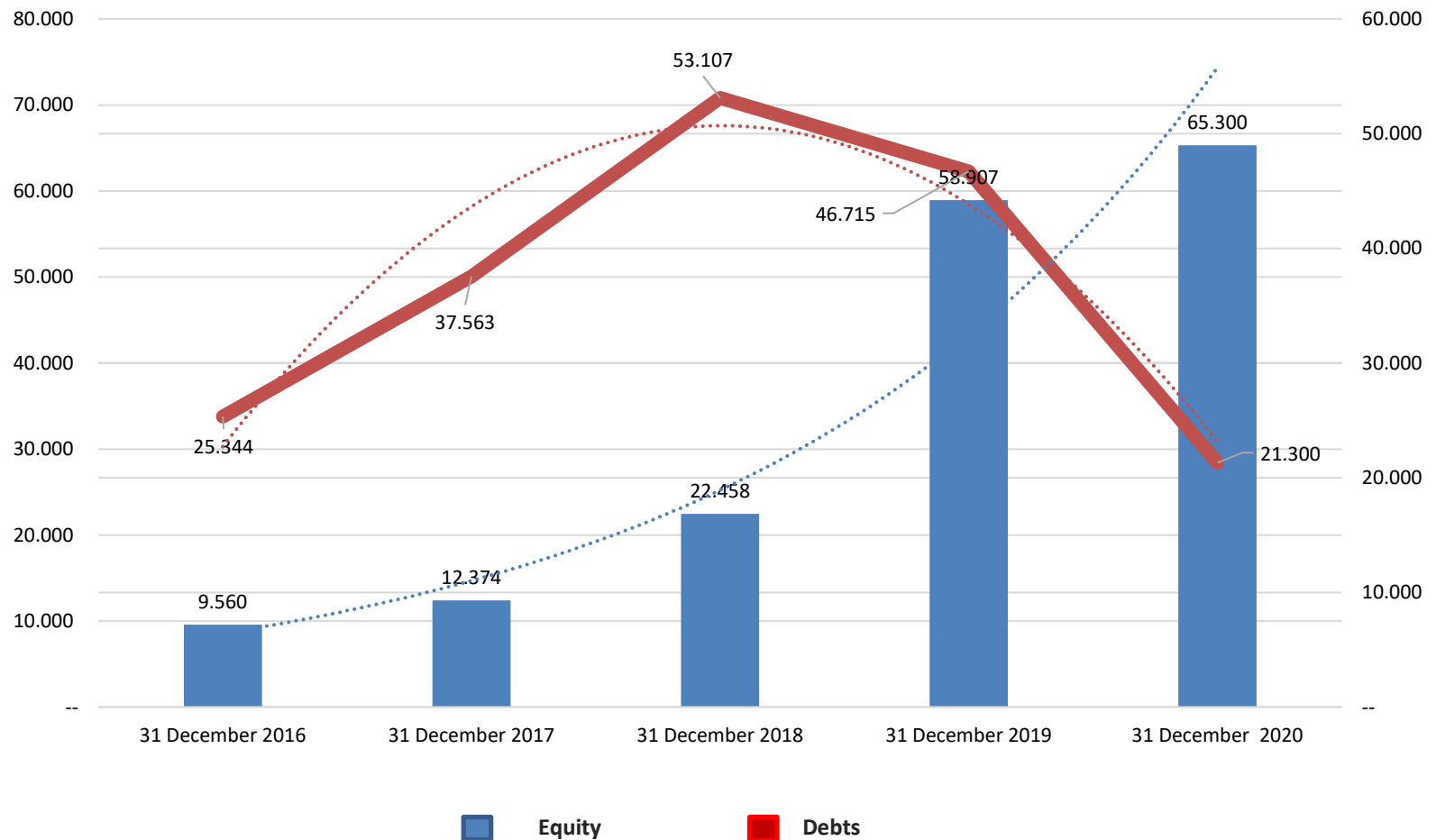


- When the sales according to the departments are examined in 2020, it is seen that Vizyon Pazarlama has the highest rate with a share of 61%.
- The leather division of the Company ranks second with a share of 20%.
- In third place is Havana Otomotiv, which has been operating in the last four months of 2020. Despite this short period, Havana managed to get a 19% share of the total turnover.
- Toprak Enerji, on the other hand, did not contribute to the total turnover in 2020 due to its establishment in December.



Vizyon Pazarlama, warehouse, vehicles and personnel are the prerequisites for distribution ...

- Equity increased by 190.76% in 2020 compared to before going public.
- Total debts, on the other hand, decreased by 59.89% in the same period. This ratio is seen as a 74.84% decrease on the basis of financial debts.



	2016	2017	2018	2019	2020	REFERENCE
LIQUIDITY RATIOS						
CURRENT RATIO	1,32	1,36	1,28	2,16	4,57	>2
LIQUIDITY RATIO	0,80	0,71	0,80	1,53	3,03	>1
CASH RATIO	0,12	0,09	0,19	0,30	0,81	>=1
INDEBTEDNESS RATIO						
LEVERAGE RATIO	0,73	0,75	0,70	0,44	0,22	<50
FINANCING RATIO	0,38	0,33	0,42	1,26	3,07	>1
DEBT/EQUITY RATIO	2,65	3,04	2,36	0,79	0,33	<1
INTEREST COVERAGE RATIO	1,47	1,68	1,17	1,35	2,76	
ACTIVITY RATIOS						
RECEIVABLES TURNOVER RATIO	3,82	4,22	6,10	16,12	15,46	Sector
AVERAGE COLLECTION PERIOD	94,25	85,33	59,06	22,33	23,28	Sector
INVENTORY TURNOVER RATIO	4,25	5,04	7,86	29,94	29,11	Sector
INVENTORY CHANGE PERIOD	84,65	71,46	45,79	12,02	12,37	Sector
ASSET TURNOVER RATIO	1,37	1,44	2,20	1,77	2,11	Sector
COMMERCIAL DEBT TURNOVER	6,51	9,64	11,67	9,59	12,88	Sector
PROFITABILITY RATIOS						
FINANCIAL RENTABILITY	0,26	0,24	0,21	0,38	0,50	Sector
EQUITY PROFITABILITY	0,26	0,22	0,16	0,26	0,47	>Tahvil
ECONOMIC RENTABILITY	0,10	0,09	0,22	0,47	0,42	Sector
EARININGS PER SHARE	0,50	0,54	0,24	0,14	0,28	Sector
BUSINESS VOLUME RENTABILITY	0,05	0,04	0,02	0,02	0,04	Sector
GROSS PROFIT MARGIN	17,28	10,56	11,94	9,38	7,42	Sector
OPERATING PROFIT MARGIN	7,39	6,30	10,17	6,58	4,93	Sector
NET OPERATING PROFIT MARGIN	5,23	3,71	2,17	2,05	3,78	Sector
MARKET BASED RATIOS						
BOOK VALUE	1,91	1,46	1,50	2,12	2,35	Sector
MARKET VALUE/BOOK VALUE				1,91	3,72	Sector
PRICE EARNING RATIO				28,93	31,29	Sector
NET OPERATING CAPITAL (Th. TL)	5.581	9.205	12.304	44.865	64.187	
EXCHANGE POSITION (Thous. TL)	-7.761	-13.755	-12.560	-1.367	12.171	

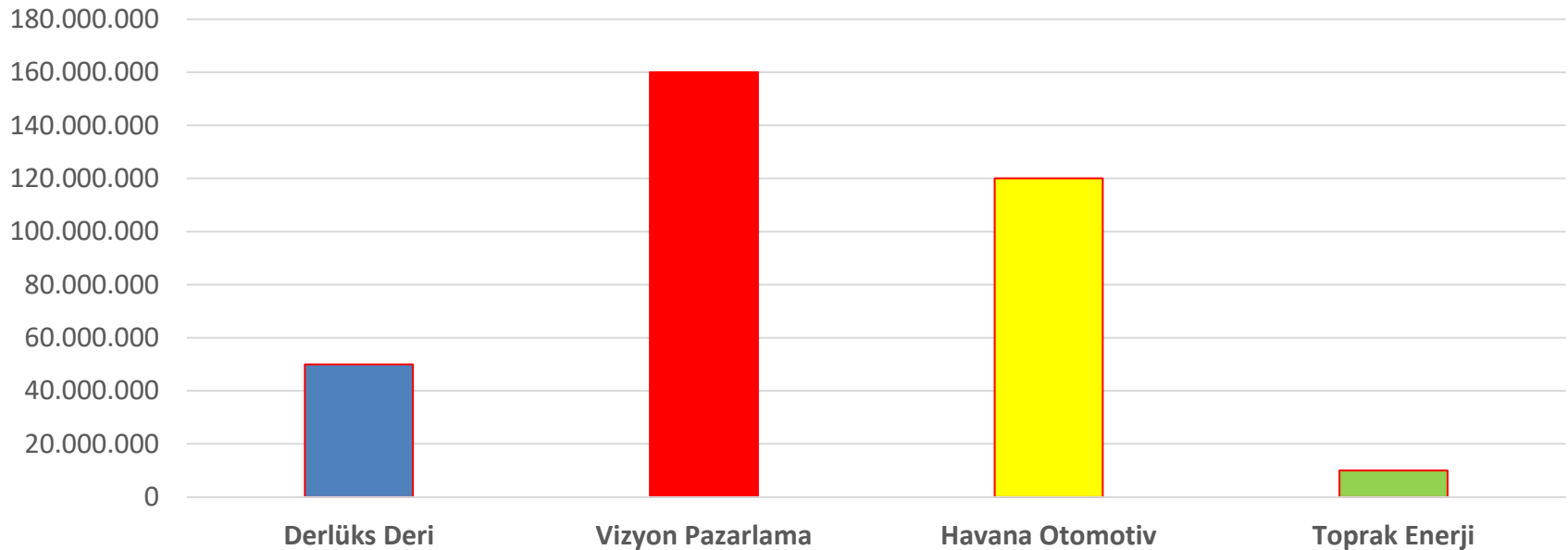
- Liquidity ratios of the company have improved in recent years.
- Indebtedness ratios improved positively. Borrowing capacity is available.
- There are improvements in activity ratios.
- Despite the positive progress in profitability ratios, equity profitability and net operating profit margin, a negative development is observed in gross profit and main profit margins.
- When the market-based ratios are analyzed, it is observed that the book value increased due to the increase in equity. On the other hand, MV/BV ratio and P/E ratio are below the leather garment sector average.
- Net operating capital increased significantly in 2020, and the foreign currency position turned positive.

- It is possible to divide 2021 expectations as managerial, strategic and financial.
- The company went public in 2019 and took strategic decisions in the new economic environment that emerged after the trade wars and pandemic in 2020.
- The most important of these decisions is to grow through subsidiaries and affiliates and to reach a holding structure. Steps were taken in this direction and necessary permissions were obtained from the Capital Markets Board and the Ministry of Trade. The decision will be submitted for the approval of the General Assembly on March 11, 2021. Strategically, the most important expectation is gathering under an "investment holding" roof and using the resources in the best way.
- Years 2019 and 2020 have been years for the Company's change and rebirth. 2021 and the subsequent years are expected to be years of assimilation and growth.
- For this reason, in order to strengthen the corporate structure, the solo balance sheet disclosures of the subsidiaries and affiliates, issue of activity reports and the strengthening of the boards of directors were carried out. In 2021, efforts to disintegrate management and execution will be accelerated, professional structure will be supported, and corporate governance committees will be established in subsidiaries and affiliates.
- After the acquisition, the activities of the leather division will be carried out by a separate company with 100% subsidiary status.
- Fortuna 3-4-5-6-7-8 Enerji A.Ş., purchased by Toprak Yenilenebilir Enerji A.Ş., will be merged under Toprak Enerji.
- Activities will continue especially in the renewable energy, automotive trade, food and non-food consumption material distribution and leather garment sectors, and investment opportunities will be explored in the sectors that stand out in the new period.
- Efforts will be made to strengthen equity in order to prevent growth and investments from being interrupted in the high interest environment and to minimize financing expenses.

2021 Sales Expectations (TL)

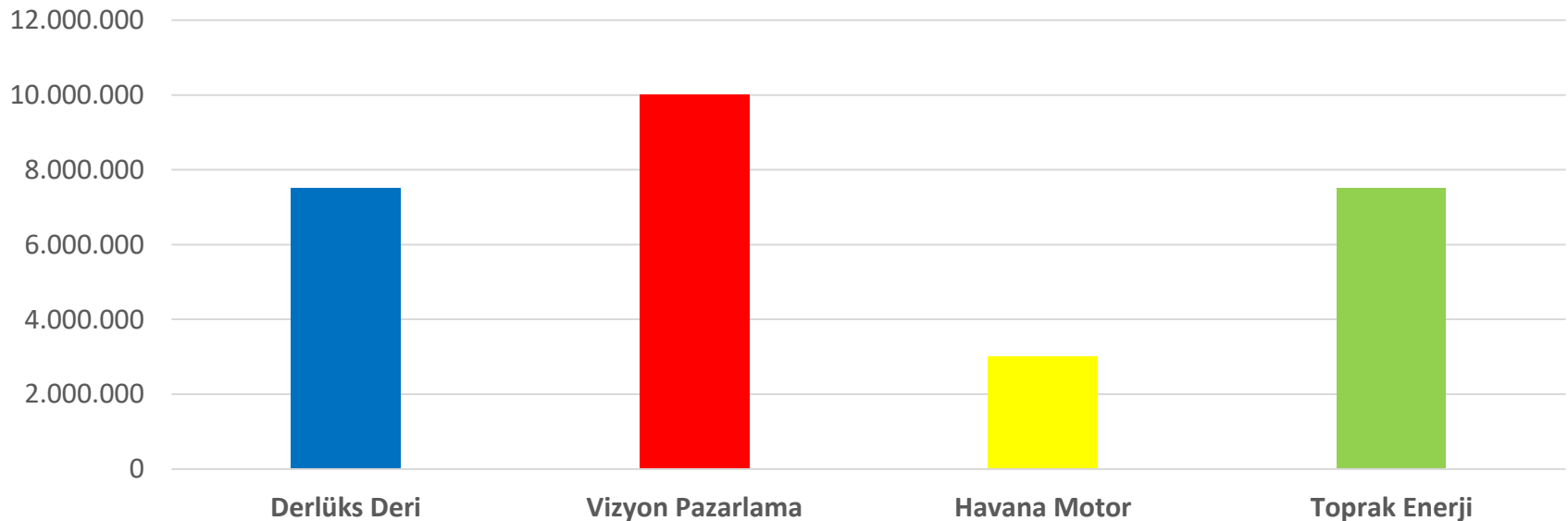
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- The sales of Derlüks leather department are expected to increase by 17.93% in 2021 to 50 million TL , due to deferred demand to become active if the vaccine is successful and the increase in the number of tourists.
- With the opening of closed restaurants and cafes and with the new regions and new products become active, Vizyon Pazarlama's sales are expected to increase by 29.14% to 160 million TL.
- The sales of Havana Motor are expected to increase by 218.30% to 120 million TL due to the lack of a new SCT increase, the awareness of increasing environmentally friendly electric vehicles and the approach of the production of domestic electric cars.
- It is expected that Toprak Enerji will make a turnover of 10 million TL with its current investments depending on the devaluation of the US Dollar.
- In total, as Derlüks, a turnover of 340 million TL is targeted with an increase of 66.67% compared to 2020.

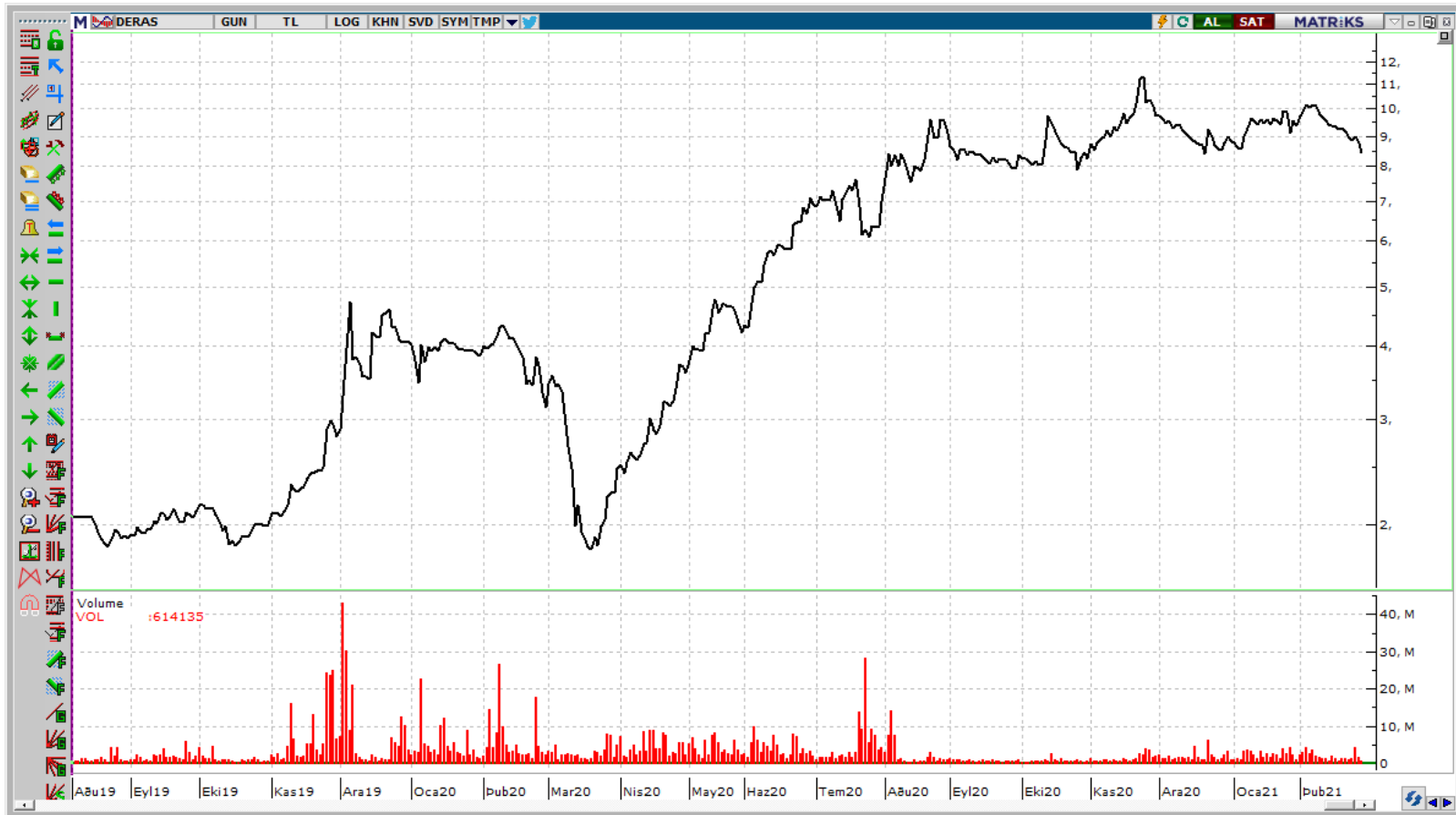


2021 Gross Profit Expectations (TL)

- The gross profit margin of the leather department of Derlüks is 15.09%. In this year, a negative situation is not expected in the profit margin due to raw material input or other production costs. Therefore, a gross profit of around 7.5 million TL is targeted.
- The gross profit margin of Vizyon Pazarlama is 6.30%. 10 million TL gross profit is expected.
- The gross profit margin of Havana Motor is 2.52%. 3 million TL gross profit is expected. If the profit margin may increase, there may be positive deviations.
- The gross profit margin of Toprak Enerji is 74%. A gross profit of 7.5 million TL is expected.
- In total, as Derlüks, a gross profit of 28 million TL is targeted, with an increase of 84.82% compared to 2020.
- **Extraordinary movements of the US Dollar, Russian Ruble and Euro may have a significant impact on the partnership and subsidiary income statements. In addition, inflation, interest rates and tax rates have significant effects on the financial statements. It would be appropriate not to perceive gross profit as main operating profit.**



- The company started to be traded on Borsa Istanbul on 4 July 2019 with a base price of 2.66 TL. It has a premium of 217.30% as of February 26, 2021, based on the initial price. In the same period, Index-100 increased by 48.14%.
- It showed a negative performance of 3.67% compared to the beginning of 2021.



- This presentation reflects the Company Management's views including prospective expectations in line with the events anticipated to occur in the future, as well as the information the Company and analysis of financial statements.
- Although the accuracy of the information and analysis given and the expectations are believed to be true, depending on the change in the underlying factors, future results may deviate from the estimates presented here. Various known and unknown risks, uncertainties and other factors may lead to significant differences between the Company's actual future results, financial condition, development or performance and the estimates given herein.
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- In this context, Investor Relations Department:
- Responds to the written and verbal information requests of the shareholders, excluding the undisclosed, confidential and trade secret information about the company.
- Fulfills duties related to public disclosure within the scope of the legislation and the company's disclosure policy.

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