TURK İLAÇ VE SERUM SANAYİ A.Ş.

FINANCIAL STATEMENTS AS AT
FOR THE YEAR ENDED 31 MARCH 2022
WITH THE INDEPENDENT AUDITOR'S REPORT

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(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

STATEMENT OF BALANCE SHEET

ASSETS	**Note**	**31.03.2022**	**31.12.2021**
Current Assets		**341.970.332**	**380.909.202**
Cash and Cash Equivalents		44.247.414	44.804.274
Trade Receivables		217.020.286	262.258.087
- *Trade Receivables from Related Parties*		148.723.720	90.711.033
- *Trade Receivables from Third Parties*		68.296.566	171.547.054
Other Receivables		14.209.994	3.112.916
- *Other Receivables from Related Parties*		516.894	419.816
- *Other Receivables from Third Parties*		13.693.100	2.693.100
Inventories		21.912.058	42.620.957
Prepaid Expenses		34.469.027	11.068.681
Other Current Assets		10.111.553	17.044.287
Non-Current Assets		**266.950.234**	**238.621.024**
Investment Property		76.000.000	
Tangible Fixed Assets		186.642.276	234.365.185
Right of Use Assets		3.041.904	3.391.137
Intangible Fixed Assets		1.266.054	864.702
TOTAL ASSETS		**608.920.566**	**619.530.226**

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

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

STATEMENT OF BALANCE SHEET

LIABILITIES	**Note**	**31.03.2022**	**31.12.2021**
Current Liabilities		**215.682.599**	**259.275.871**
Short-term Borrowings		82.702.950	122.096.415
- *Bank Loans*		80.727.298	119.900.809
-*Short- Term Leasing Debts*		1.774.131	1.801.271
-*Other Financial Liabilities*		201.521	394.335
Short-term Portion of Long-term Borrowings		84.424.880	60.660.452
Trade Payables		31.617.056	38.577.827
- *Trade Payables to Related Parties*		4.803.857	9.039.395
- *Trade Payables to Third Parties*		26.813.199	29.538.432
Other Payables		7.731.901	33.673.336
- *Other Payables to Related Parties*		6.603.931	31.123.274
- *Other Payables to Third Parties*		1.127.970	2.550.062
Deferred Income		2.913.556	845.805
Payables Regarding Employee Benefits		3.344.354	2.108.645
Tax Liability on Profit for the Period		2.091.018	627.903
Short-term Provisions		856.884	685.488
- *Short Term Provisions Related to Employee Benefits*		856.884	685.488
Non-Current Liabilities		**62.357.311**	**36.179.143**
Long-term Borrowings		41.349.801	14.470.388
- *Bank Loans*		39.162.462	12.421.322
- *Long Term Leasing Debts*		2.187.339	2.049.066
Long-term Provisions		1.146.612	898.111
- *Long Term Provisions Related to Employee Benefits*		714.826	495.749
- *Other Long-Term Provisions*		431.786	402.362
Deferred Tax Liability		19.860.898	20.810.644
Shareholders' Equity		**330.880.656**	**324.075.212**
Paid-in Share Capital		161.805.000	161.805.000
Treasury shares (-)		(1.668.441)	
Other Comprehensive Income/Expenses not to be Reclassified to Profit or Loss		2.813.595	2.813.595
- *Tangible Fixed Asset Revaluation Increase (Decrease)*		90.543.427	90.657.047
Actuarial Gain/(Loss) Fund for Employee Benefits		90.788.768	90.788.768
Restricted Reserves from Profit		(245.341)	(131.721)
Prior Years' Profits/(Losses)		3.946.693	2.278.252
Net Profit/(Loss) for the Period		64.852.877	29.384.615
Paid-in Share Capital		8.587.505	37.136.703
TOTAL EQUITY AND LIABILITIES		**608.920.566**	**619.530.226**

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

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

STATEMENT OF PROFIT OR LOSS

	Note	01.01.-31.03.2022	01.01.-31.03.2021
Revenue		137.385.551	50.177.098
Cost of Sales (-)		(121.410.151)	(36.139.212)
Gross Profit/ (Loss)		**15.975.400**	**14.037.885**
Marketing, Selling and Distribution Expenses (-)		(12.625.219)	(1.069.179)
General Administrative Expenses (-)		(11.444.251)	(4.713.932)
Other Operating Income		3.794.577	4.210.524
Other Operating Expenses (-)		(1.753.409)	(4.545.010)
Operating Profit/(Loss)		**(6.052.902)**	**7.920.288**
Income from Investing Activities		29.279.193	-
Impairment Gains (Losses) in Accordance with IFRS 9		110.009	(443.913)
Operating Profit/(Loss) Before Financial Expense		**23.336.300**	**7.476.375**
Financial Income		5.622.051	5.908.753
Financial Expenses (-)		(19.199.372)	(11.900.030)
Profit/(Loss) Before Tax		**9.758.980**	**1.485.098**
Tax Income/(Expense)		**(1.171.475)**	**7.651.856**
- Current Income Tax (Expense) Income		(2.091.018)	(1.339.000)
- Deferred Tax (Expense) Income		919.543	8.990.856
Net Profit/(Loss) for the Period		**8.587.505**	**9.136.954**
Earnings Per Share		**0,053**	**0,119**

Other Comprehensive Income Statement	**01.01.-31.03.2022**	**01.01.-31.03.2021**
Net Profit/(Loss) for the Period	**8.587.505**	**9.136.954**
<u>Items not to be Reclassified to Profit or Loss</u>		
Actuarial Gains/(Losses) related to Employee Benefit Plans, After Tax	(143.823)	(61.888)
Foreign Currency Translation Differences Not to Be Reclassified under Profit or Loss, After Tax	30.203	13.615
- Deferred Tax (Expense) Income	30.203	13.615
Total Comprehensive Income	**8.473.885**	**9.088.681**

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

(Amounts expressed in Turkish Liras (“TRY”) unless otherwise stated.)

STATEMENT OF CHANGES IN EQUITY

					Other Comprehensive Income/Expenses not to be Reclassified to Profit or Loss			Retained Earnings		
	Note	Paid-in Share Capital	Treasury shares (-)	Premiums Related to Shares/Discounts (+/-)	Tangible Fixed Asset Revaluation Increase	Gains/ (Losses) on Remeasurement of Defined Benefit Plans	Restricted Reserves	Prior Years' Profits/Losses	Net Profit/Loss for the Period	**Total Equity**
01.01.2021		**67.000.000**	**-**	**-**	**49.527.156**	**(60.250)**	**2.278.252**	**(3.945.394)**	**33.330.009**	**148.129.773**
Transfers		-	-	-	-	-	-	33.330.009	(33.330.009)	-
Total Comprehensive Income		-	-	-	-	(48.273)	-	-	9.136.954	**9.088.681**
Increase (Decrease) Due to Share Based Transactions		-	-	87.494.804	-	-	-	-	-	**87.494.804**
Capital Increase		10.050.000	-	-	-	-	-	-	-	**10.050.000**
31.03.2021		**77.050.000**	**-**	**87.494.804**	**49.527.156**	**(108.523)**	**2.278.252**	**29.384.615**	**9.136.954**	**254.763.258**
01.01.2022		**161.805.000**	**-**	**2.813.595**	**90.788.768**	**(131.721)**	**2.278.252**	**29.384.615**	**37.136.703**	**324.075.212**
Transfers		-	-	-	-	-	1.668.441	35.468.262	(37.136.703)	-
Total Comprehensive Income		-	-	-	-	(113.620)	-	-	8.587.505	**8.473.885**
Increase (Decrease) Due to Share Based Transactions		-	(1.668.441)	-	-	-	-	-	-	**(1.668.441)**
31.03.2022		**161.805.000**	**(1.668.441)**	**2.813.595**	**90.788.768**	**(245.341)**	**3.946.693**	**64.852.877**	**8.587.505**	**330.880.656**

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

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

CASH FLOW STATEMENT

	Note	01.01-31.03.2022	01.01-31.03.2021
A. Cash Flow from Operating Activities			
Profit/ (Loss) for the Period		**8.587.505**	**9.136.954**
Adjustments to Reconcile Net Profit/ (Loss) for the Period			
Adjustments to Depreciation and Amortization		2.486.354	1.750.462
Adjustments to Impairment (Cancellation)		(126.606)	676.100
- Adjustments to Impairment (Cancellation) in Receivables		*(126.606)*	*709.542*
-Adjustments for Impairment (Cancellation) in Inventories		-	*(33.442)*
Adjustments to Provisions		383.300	115.147
-Adjustments to Provisions (Cancellation) for Benefits Provided to Employees		*353.876*	*109.097*
- Adjustments to Litigation and/or Penal Provisions (Cancellation)		*29.424*	*6.050*
Adjustments to Interest Income/(Expenses)		13.589.311	6.710.419
Adjustments for Fair Value Loss (Gains)		(28.679.193)	-
Adjustments to Losses (Gains) related to Disposal of Fixed Assets		(2.667)	564.618
Adjustments to Tax Income/(Expense)		1.171.475	(7.651.856)
Other Adjustments Regarding Non- Cash Items		1.450.132	(836.026)
		(1.140.390)	**10.465.818**
Adjustments to (Decrease)/Increase in Trade Receivables		45.799.688	(80.114)
Adjustments to (Decrease)/Increase in Inventories		20.708.899	(22.743.387)
Adjustments to (Decrease)/Increase in Prepaid Expenses		(23.400.346)	(14.204.362)
Adjustments to (Decrease)/Increase in Other Receivables Related with Operations		(4.164.344)	8.402.757
Adjustments to (Decrease)/Increase in Trade Payables		(6.928.894)	(12.916.662)
Increase/(Decrease) in Payables Regarding Employee Benefits		1.235.709	48.806
Adjustments to Increase/(Decrease) in Other Payables Related with Operations		(25.941.435)	1.082.697
Increase/(Decrease) in Deferred Income		2.067.751	16.297.808
Severance Payments		(107.226)	(28.825)
Tax Payments		(627.903)	-
Cash Flows from (Used in) Operations		**7.501.509**	**(13.675.464)**
B. Cash Flows from Investing Activities			
Cash Outflows from Purchasing of Tangible and Intangible Assets		(2.148.617)	(569.300)
Cash Inflows from Sale of Tangible and Intangible Assets		14.914	255.575
Cash Flows from (Used in) Investment Activities		**(2.133.703)**	**(313.725)**
C. Cash Flows from Financing Activities			
Cash Inflows from Share Issues and Other Equity Issues		-	97.544.804
-Cash Inflows from Share Issues		-	*97.544.804*
-Cash Outflows from Acquisition of Own Shares of the Company		*(1.668.441)*	-
Cash Inflows and Outflows Related to Financial Payables		11.600.177	(34.205.762)
-Cash Inflows (Outflows) from Loans		11.332.057	*(31.747.618)*
-Cash Inflows (Outflows) from Other Financial Debits		268.120	*(2.458.144)*
Interest Paid		(15.856.402)	(6.258.698)
Cash Flows from (Used in) Financing Activities		**(5.924.666)**	**57.080.344**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C+D)		**(556.860)**	**43.091.155**
Cash and Cash Equivalents at the Beginning of the Period		**44.804.274**	**423.726**
Cash and Cash Equivalents at the End of the Period		**44.247.414**	**43.514.881**

The accompanying notes form an integral part of these financial statements

1. ORGANIZATION AND FIELD OF ACTIVITY OF THE COMPANY

Turk İlaç ve Serum Sanayi Anonim Şirketi ("Company") was first established on December 4th , 2012, with the name Turk İlaç ve Serum Sanayi Anonim Şirketi, and it was announced on Trade Registry Gazette of Turkey no 7829 on 3rd June 2011. The company changed its title on 29th July 2013 and took its current form. The company is registered by the Ankara Trade Registry Office with registration number 837- Akyurt.

Registered Address of the Company is:

Büğdüz Mah. Enver Paşa Cad. No:8 Akyurt – Ankara, TR 06750

The main activity of the company is the production and marketing of all kinds of human-related tablets, capsules, ampoules, vials, ointments-creams, intravenous serums, parenteral solutions, nutritional solutions, amino acids, and chemicals.

As of 31 March 2022, 452 people are employed in the company. (31 March 2021: 296 people)

The company's capital is 161.805.000 TRY as of March 31, 2022. (31 December 2021: 161.805.000 TRY)

The company does not have any subsidiaries subject to consolidation.

Approval of Financial Statements

The financial statements have been approved by the board of directors as of May 17, 2022 and authorized to be published. The General Assembly has the authority to change the financial statements.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1. Basis of Presentation Statement of Compliance with Turkish Accounting Standards

The Company’s financial statements are in compliance with the provisions of the Capital Markets Board (“CMB”) Communiqué Series II, 14.1 “Principles of Financial Reporting in the Capital Markets” (“Communiqué”) published in the Official Gazette dated 13 June 2013 and numbered 28676 in accordance with the Turkish Accounting Standards (“TAS”) and Turkish Financial Reporting Standards (“TFRS”) and their annexes and comments, in accordance with the international standards published by the Public Oversight Accounting and Auditing Standards Authority (“POA”). TFRSs are updated through communiqués to ensure parallelism with International Financial Reporting Standards (“IFRS”) amendments.

The financial statements have been presented in accordance with the formats determined in the "Announcement on TFRS Taxonomy" published by the POA on April 15, 2019 and the Financial Statement Templates and User Guide published by the CMB.

The company prepares its legal, financial statements in accordance with the accounting principles determined by the Turkish Commercial Code and tax legislation. The accompanying financial statements are included in the Turkish Accounting Standards / Turkish Financial Reporting Standards (“TMS/TFRS”), which were put into effect by the Public Oversight Accounting and Auditing Standards Authority (“POA”), and their annexes and comments. It has been obtained by making the specified additions and discounts.

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

Adjustment of financial statements during periods of high inflation

In accordance with the CMB's decision dated March 17, 2005, and numbered 11/367, the application of inflation accounting was terminated, effective as of January 1, 2005, for companies operating in Turkey and preparing financial statements in accordance with Turkish Accounting Standards. In the statement made by the Public Oversight, Accounting and Auditing Standards Authority on January 20, 2022, since the cumulative change in the general purchasing power of the last three years according to the Consumer Price Index (CPI) is 74.41%, TAS 29 Financial Inflationary Economies in 2021 financial statements. It has been stated that there is no need to make any adjustments within the scope of TAS 29 Financial Inflationary Economies in 2021 financial statements. Therefore, while preparing the financial statements as of 31 March 2022, no inflation adjustment was made according to TAS 29 Financial Reporting Standard in Hyperinflationary Economies.

Foreign Exchange

The currency used in the activities of the Company is Turkish Lira and the same currency is used in reporting. The exchange rates used in the preparation of the financial statements of the Company for the relevant period are stated below.

	USD		EURO	
	Buy	Sell	Buy	Sell
31.03.2022	14,6371	14,6635	16,2855	16,3148
31.12.2021	13,3290	13,3530	15,0867	15,1139

Comparatives and Restatement of Prior Periods' Financial Statements

The financial statements of the Company include comparative financial information to enable the determination of the trends in the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period consolidated financial statements and the significant changes are explained.

Restatement and Errors in the Accounting Policies and Estimates

If changes in accounting estimates are related to only one period, they are recognized in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively. There were no changes in the accounting estimates of the company within the period.

2.2. The New Standards, Amendments and Interpretations

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

The new standards, amendments and interpretations which are effective as of March 31, 2022 are as follows

Amendments to TFRS 7 and TFRS 16 - Benchmark interest rate reform Phase 2; Effective for annual reporting periods beginning on or after 1 January 2022. These Phase 2 amendments address issues arising from implementing reforms, including replacing a benchmark interest rate with an alternative.

Phase 2 amendments provide temporary additional ease in applying certain TAS 39 and TFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform. This change has no impact on the financial position and performance of the Company.

Standards published but not yet effective as of 31 March 2022; and changes:

Amendments to TFRS 16 "Leases – COVID 19 Lease Concessions" extending the facilitating application; As of March 2021, this change has been extended to June 2022 and is effective from April 1, 2021. Due to the COVID-19 outbreak, some concessions were provided to tenants in rent payments. These concessions can take various forms, including suspending or deferring rental payments. With the amendment published in IFRS 16 Leases standard on May 28, 2020, IASB introduced an optional facilitating practice for the lessees to evaluate whether the privileges granted due to COVID-19 in the lease payments are a change in the lease. Lessees may choose to account for such lease concessions in accordance with the terms that would apply in the absence of a lease modification. This ease of application often causes the lease concession to be recognized as a variable lease payment during periods when the event or condition that triggers the reduction in lease payments occurs.

IAS 1, "Presentation of financial statements" standard on the classification of liabilities change; the effective date has been deferred to annual reporting periods beginning on or after 1 January 2024.These narrow-scope amendments to IAS 1, "Presentation of financial statements" explain that liabilities are classified as current or non-current, depending on the rights available at the end of the reporting period. The classification is not affected by events after the reporting date or by the entity's expectations (for example, the acquisition of a concession or breach of contract). The amendment also clarifies what IAS 1 means to "pay" an obligation.

IFRS 3, IAS 16, narrow-scope amendments to IAS 37 and IFRS 1, IFRS 9, IAS 41 and some annual improvements to IFRS 16; Beginning on or after 1 January 2022 applicable to annual reporting periods.

- **Amendments to IFRS 3 "Business combinations"**; this amendment updates a reference to the Conceptual Framework for Financial Reporting in IFRS 3 without changing the accounting requirements for business combinations.

- **Amendments to IAS 16 "Tangible fixed assets"**; prohibits a company from deducting revenue from selling manufactured products from the amount of property, plant and equipment until the asset is ready for use. Instead, the company will recognize such sales proceeds and the associated cost in profit or loss.

- **Amendments to IAS 37, "Provisions, Contingent Liabilities and Contingent Assets"**; this amendment specifies what costs the company will include when deciding whether to incur losses from a contract.

Annual improvements make minor changes to the illustrative examples of IFRS 1 "First time application of International Financial Reporting Standards", IFRS 9 "Financial Instruments", IAS 41 "Agricultural Activities" and IFRS 16.

Narrow changes in IAS 1, Statement of Implementation 2 and IAS 8 are effective for annual reporting periods beginning on or after 1 January 2023. These changes are intended to improve accounting policy disclosures and help financial statement users distinguish between changes in accounting estimates and changes in accounting policies.

IAS 12, Amendment to deferred tax on assets and liabilities arising from a single transaction is valid for annual reporting periods beginning on or after 1 January 2023. These amendments require deferred tax recognition on transactions that result in equal amounts of taxable and deductible temporary differences when first recognized by companies.

These amendments are not expected to have a significant impact on the Company's financial position and performance.

2.3. IMPORTANT ACCOUNTING VALUATION, ESTIMATION AND ASSUMPTIONS

2.3.1. REVENUE

According to IFRS 15 Revenue Standard, revenue is recognized in the consolidated financial statements within the scope of the five-stage model below.

- Defining contracts with customers
- Defining performance obligations in contracts
- Determination of the transaction price in the contracts
- Distribution of transaction price to performance obligations
- Recognition of revenue

Sales revenues are accrued at the fair value of the amount received or to be received, since significant risks and returns related to the product or service have been transferred to the buyer, the income amount can be reliably measured, and the economic benefits associated with the transaction are highly likely to be obtained by the Company. are recorded on the basis of principle. Net sales represent the invoiced value of the product sold or completed service less sales tax, less returns, and commissions.

It is accepted by the entity that it can make reliable estimates after agreeing with the counterparties of the transaction on:

(a) Sanctioned rights of both parties regarding the service to be provided and received by the parties,

(b) Service fee,

(c) Method and conditions of payment.

If there is an uncertainty about the collectability of the previously recognized revenue amount, the amount that cannot be collected or is not likely to be collected is recognized as an expense in the consolidated financial statements instead of correcting the initially recognized revenue.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. When collection of loans provided by the Company are considered as doubtful, the interest accrual is not recognized in the consolidated income statement.

Dividends

The dividend income is recognized when the right to receive the payment has been acquired.

2.3.2. FIXED ASSETS

The fixed assets are principally valued at their costs. The book values are appointed as the costs for the fixed assets which are purchased before the date of effectiveness of IAS/IFRS. However, apart from the special asset purchases, fixed assets are immune from the interest expense.

The costs of the fixed assets are amortized by the normal depreciation method referring to their useful lives. The depreciation rates based on the economic useful life estimations are used for the preparation of the consolidated financial statements. The depreciation periods for tangible assets, are as follows:

Type of Tangible Asset	Depreciation Rate
Building	% 2-2,5
Machinery and Equipment	% 6-33
Vehicles	% 20-25
Furniture and Fixtures	% 5-20

2.3.3. INTANGIBLE FIXED ASSETS

Intangible fixed assets consist of rights. Intangible fixed assets are first recorded at cost. In the following periods, they are valued at cost. The depreciation has been calculated for the intangible fixed assets in the financial statements by considering their economic lives. The normal depreciation method has been determined as the method of depreciation. The depreciation rate used is as follows.

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

Type of Intangible Asset	Amortisation Rate
Computer Programs	% 10-33

2.3.4. INVESTMENT PROPERTIES

According to IAS 40 "Investment Properties Standard", investment properties are properties that are held to earn rental income or capital gain or both. Investment properties: they are recognized when it is probable that the future economic benefits related to the real estate will enter the business and the cost of the real estate can be measured reliably. After this stage, companies choose one of the cost method and fair value method. The company has chosen the valuation method with cost value for its investment properties.

2.3.5. IMPAIRMENT IN ASSETS

According to the IAS 36 — Impairment of Assets standard, the book value and the recovery value of the fixed, intangible assets and the goodwill should be compared when the internal and external indicators make it necessary. In a case that the book value is higher than the recovery value, then it is accepted that there occurred impairment in the value of the asset. If the recovery value is the lower of the price of use or market price. The estimated impairment value is booked as expense in the period it is determined. However, there is no such impairment.

2.3.6. COST OF BORROWING

All of the interest expenses are booked in the profit and loss statement on the accrual basis and reported under financing expenses. The foreign exchange rate differences (positive or negative) for the credits in foreign exchange are booked in the profit and loss statement and are reported under financing expenses. The financial costs incurred for the purchases of the assets which require considerably long time to be ready for use are added to the cost of purchase.

2.3.7. FINANCIAL INSTRUMENTS

Public Oversight Accounting Standards Board decided to apply the same applications made by the IASB, on IFRS 9 Financial Instruments as the standard was broadcasted in the Official Gazette dated January 19, 2017. The IASB has also made changes in this newly regulated standard, and KGK put these changes into effect by publishing them in the Official Gazette dated 19.12.2017. With all its provisions, the Articles of Incorporation will be mandatory for accounting periods starting on 1.1.2018 and after. The change will be mandatory after 1.1.2019.

This standard explains how to classify financial instruments (such as basic financial assets and liabilities, derivatives, options, synthetic products, financial guarantee contracts and guarantees), how to measure (valuate) and take them off the balance sheet.

It provides guidance on the initial acquisition or acquisition of these financial instruments, how to be valued in later valuation periods, how to apply hedge accounting and, most importantly, how to measure the impairment of financial instruments.

IFRS 9 Financial Instruments standard acts from two different situations in the classification of financial instruments and determines the classification and measurement criteria accordingly. These two situations; a) The nature or form of the cash flows provided by the Financial Instrument, b) These tools are the management model or the purpose of the enterprise.

If; If the terms of the contract related to the financial asset lead to cash flows that include only the principal and interest payments arising from the principal balance at certain dates, this financial asset is measured at its amortized cost. Effective interest rate is mainly used in measurement. Valuation differences are recognized directly in profit and loss. In this context, receivables from customers, other receivables, debt instruments (tied securities) held for interest are included in this scope. Their main purpose is to collect the capital of the financial asset rather than to earn income such as trading or dividends. A financial asset is measured by reflecting the fair value change to income when both of the following conditions are met:

(a) the holding of the financial asset under a business model that aims to collect the contractual cash flows and sell the financial asset.

(b) The terms of the contract for the financial asset lead to cash flows at certain dates that include only principal and interest payments arising from the principal balance.

In these financial assets, besides earning interest or dividend income, there is also the purpose of gaining commercial gain by selling. In other words, the purpose of the Company is to maintain or increase its own liquidity and to sell when necessary. In such cases, the asset is measured at its fair value. However, it is essential to pass price increases and decreases other than interest income from other comprehensive income and to be recognized in equities.

The recognition of increases and decreases in Fair Value in profit and loss applies to accounting for securities that do not provide the above songs. In other words, if it is not measured at amortized cost and there is no selling purpose in addition to the principal income, that is, if it is held solely for trading purposes, the financial asset is measured at its fair value and the value increase or decrease loss is directly recognized in profit and loss. However, businesses and some of their financial assets can recognize the measurement gains and losses in Other Comprehensive Income (equity). However, the decision to use this option must be decided at the first acquisition of the financial asset, and the financial instrument should only be financial instruments that represent equity, such as stocks.

Another issue regulated in detail with this standard is about how the loss incurred in case of impairment of financial instruments will be measured and how it will be included in the financial statements.

These losses are named as expected credit losses. All financial instruments, except financial instruments where changes in fair value are transferred to profit and loss, must be tested individually or as a case-by-case portfolio structure in each reporting period for expected credit loss testing.

They may have already incurred significant credit risk when acquiring some financial instruments. Except for these, if at the reporting date the credit risk of a financial instrument has not increased significantly since initial recognition, the entity shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. If the credit risk on a financial instrument has increased significantly since its initial recognition, at each reporting date, the entity measures the loss allowance for that financial instrument at an amount equal to lifetime expected credit losses.

The borrower's exposure to credit risk in 12-month credit losses is not yet observed. However, the probability of exposure to credit risk in the following one-year period and how much loss in this case is measured with an estimate. And provision is reserved for this amount. However, if it is observed that there is a decrease in the credit risk of the borrower and this decrease is significant, the total risk amount is tried to be found by taking into account all the debts that have been defaulted and not incurred. This risk amount is the difference between the amounts that can be collected from the debtor and the amounts that need to be collected, and the calculation is made taking into account the time value of money in this account.

However, the standard; It also regulated the simplified approach for trade receivables, contract assets and lease receivables measured at amortized cost. If the subject to the expected loss allowance has arisen in accordance with IFRS 15 Revenue from Customer Contracts Standard but does not contain a financing component, or if it chooses to measure it at an amount equal to the lifetime expected credit loss, it may use the simplified approach and calculate expected credit losses for lifetime. they measure at a level equal to credit losses.

The Company has adopted the simplified method for loans and receivables, which are measured at amortized cost in all reporting periods, but to measure receivables that have a concrete credit risk, according to the general approach, in accordance with the lifetime expected credit risk as its accounting policy.

2.3.8. CASH AND CASH EQUIVALENTS

While cash represents cash and demand deposit, cash equivalents represent the assets which are hold for short-term cash liabilities and are not used for investment or other purposes, also they can be converted into cash easily and have short term and high liquidity and the risk of impairment is not considerable.

Among them, the Turkish Lira holdings of the cash account are valued at their registered values, foreign currency holdings are valued at the buying rates determined by the Central Bank, and liquid funds are valued at their current values on the announced balance sheet date. Interest is accrued on the time deposit on the basis of number of past days.

2.3.9. RECEIVABLES AND PAYABLES

Trade receivables arising from the provision of a product or service to a buyer by the Company are shown net of deferred financial income. Short-term receivables without a determined interest rate are shown over their original invoice values if the interest accrual effect is not too great.

The Company allocates provision for doubtful receivables if there is an objective evidence that there is no possibility of collection. Objective evidences are situations such as the debt being in the litigation or execution phase or in preparation, the buyer falling into significant financial difficulties, the buyer default, or the probability of a significant and unforeseen delay.

The amount of this provision is the difference between the registered value of the receivable and the amount that can be collected. The collectible amount is the discounted value of all cash flows, including the amounts that can be collected from guarantees and assurances, based on the original effective interest rate of the commercial receivable generated.

Following the allocation of provision for the doubtful receivable amount, if all or part of the doubtful receivable amount is collected, the collected amount is deducted from the provision for doubtful receivables and recorded as income in the statement of profit or loss.

In cases where trade receivables are not impaired for certain reasons (except for realized impairment losses), the Company measures the allowance for losses on trade receivables at an amount equal to "lifetime expected credit losses". Expected credit losses are a probability weighted estimate of credit losses over the expected life of a financial instrument. In the calculation of expected credit losses, the Company takes into account past credit loss experiences and future projections.

The Company uses an allowance matrix to measure expected credit losses on trade receivables. In the relevant matrix, certain reserve ratios are calculated depending on the number of days when the due dates of trade receivables are exceeded, and these ratios are reviewed in each reporting period and revised when necessary. The changes in the expected loan loss provisions are recognized in the "other operating income / expenses" account in the income statement.

Commercial debts are reflected in the records with their invoice value and carried with their reduced net values in the following periods.

2.3.10. TAX LIABILITIES, DEFERED TAX ASSET AND LIABILITY

The tax liability to be paid for any period consists of the tax calculated over the taxable income determined according to the tax laws of that period. However, the tax expense (income) of a period consists of the income or expense effects of the calculated tax and deferred taxes.

Taxes Calculated from Corporate Earnings

Current year tax liability includes the tax liability calculated over the taxable portion of the period profit using the tax rates valid on the balance sheet date.

A permanent representative office in Turkey or via earning income through the dividends paid to companies' resident in Turkey (dividends) Withholding tax is not calculated. Dividend payments other than these are subject to 15% withholding tax. Addition of profit to capital is not considered as profit distribution and does not apply to withholding tax.

Companies calculate temporary tax at the rate of 22% (valid for the years 2018-2019-2020) over their quarterly financial profits and declare it until the 14th day of the second month following that period and pay it until the evening of the 17th day. The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated over the corporate tax return to be submitted in the following year. Temporary tax can also be offset against any other financial debts to the state.

According to the Turkish tax legislation, financial losses shown on the declaration can be deducted from the period's corporate earnings, if they do not exceed 5 years. However financial losses cannot be offsetted from last year's profits

An application, there is no agreement with the tax authorities about the tax payable in Turkey. Corporate tax returns are submitted to the tax office affiliated to until the evening of the 25th day of the fourth month following the end of the accounting period. However, the authorities competent for tax inspection can examine the accounting records within five years, and the tax amounts to be paid may change if incorrect transactions are detected.

Deferred Tax Asset / Deferred Tax Liability

Deferred tax assets and liabilities are calculated by considering the effects of temporary differences between the values resulting from the rearrangement of balance sheet items in accordance with IAS / IFRS and their values according to tax laws. These temporary differences usually result from the different regulation of income and expenses, time of birth, tax laws and accounting standards.

Deferred tax liability or asset is determined by calculating the tax effects of the temporary differences between the amounts of assets and liabilities shown in the consolidated financial statements and the amounts considered in the calculation of the legal tax base according to the balance sheet method, taking into account the legalized tax rates.

If the revalued values of assets or the value found according to IAS / IFRS are higher than their tax values, they cause taxable temporary differences, otherwise, if their accounting values are less than their tax values, they cause deductible temporary differences. Again, if the accounting value of liabilities is higher than their tax value, they cause deductible temporary differences, if small, they cause taxable temporary differences.

These differences disappear at a later date when the assets or liabilities go off balance sheet or due to reasons such as depreciation and amortization. Here, the taxable temporary differences cause deferred tax liability according to the expected tax rates on the date when these differences are expected to disappear, and deferred tax receivables are calculated according to the expected tax rates on the date when the deductible temporary differences are expected to disappear.

While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated on the condition that it is highly likely to benefit from these differences by obtaining taxable profit in the future.

Deferred tax liabilities are calculated for all taxable temporary differences associated with investments in subsidiaries and affiliates and shares in joint ventures, except when the Company can control the elimination of temporary differences and it is unlikely that this difference will disappear in the near future. Deferred tax assets arising from taxable temporary differences associated with such investments and shares are calculated on the condition that it is highly likely to benefit from these differences by obtaining sufficient taxable profit in the near future and that the related differences are likely to disappear in the future.

The registered value of the deferred tax asset is reviewed as of each balance sheet date. The registered value of the deferred tax asset is reduced to the extent that it is not possible to obtain financial profit in a level that will allow obtaining the benefit to be provided partially or completely.

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

Deferred tax for items that are directly accounted as receivables or debts in equity are also accounted directly in equity. On the other hand, if the transaction that causes the difference is accounted as income or expense under Profit and Loss, their deferred tax effects are also accounted as a tax income or expense in a corrective manner for the current tax.

Tax losses carried forward for five years in Turkey, have been obtained if enough snow this snow-deductible. Therefore, deferred tax receivables are expected to arise and accounted for as much as the tax amount expected to be saved in the future due to financial losses.

2.3.11. SEVERANCE PAY AND BENEFIT PLANS TO EMPLOYEES

Short term Benefit Plans to Employee

Company pays salary to employees related to their service. While principally the payments are made in the period the service is provided, not paid amounts are recorded under "Payables to Employees" in the Statement of Financial Position. There is no contribution plan these items.

If the employee is not allowed to use his / her legally earned leave right and its use is carried forward in the following year, the amount of the payment to be made for this is reported in the "Provisions for Short-Term Benefits Provided to Employees" in the accounts and balance sheet. No discounting is carried out according to the expected date of payment in transferring these to the balance sheet.

Long term Benefit Plans to Employees

Under prevailing Labor Law, Company is obliged to pay at least a severance pay for 30 days to every employee who are dismissed with any reasoning except bad conduct. Therefore, Company should estimate total amounts payable which constitute total burden and the present values of the estimated payables should be calculated by discounting.

Company use the methods of “unit obligation method” or “net present value of the gained rights” and by that way reports the net value of the discounted total obligation amount as of the date of the balance sheet.

According to above, company forecasts the severance payment obligation and makes estimation for the amount to be paid under the assumption that the employee will retire on the date he has fulfil the capacity or dismissed.

It is assumed that men will retire in completing 25 years and women in completing 20 years and the severance payment is made on that date. Out of this total obligation estimated, the net value of the part as deserved by the employee referring to its length of service as of the balance sheet date is transferred to the balance sheet. It is assumed that the ratio of the number of employees who left before having the right of severance to total number of employees in the prior periods will be repeated and the total obligation is reduced by this ratio.

The interest rate to be used for discounting the total obligation to the value at the date of the balance sheet is the average of the interest rates of the long-term Treasury bonds. The difference in total severance obligation is decomposed into interest cost, service cost in the period and actuarial gain and loss. Interest cost represents the cost of usage in the current period of the obligation of the prior period and is calculated as by multiplying the beginning amount of the obligation for already employed ones by the interest rate applicable in that year. This amount is reported under financing expenses in the statement of Total Comprehensive Incomes. The current period service cost is the discounted amount severance pay deserved by the already employed workers in the current accounting period in exchange for their service to be payable in the relevant period as of the date of the balance sheet. Any other amounts above/below this represents actuarial gain/loss.

The current period service cost is reported in the statement of Total Comprehensive Income, under Service Production Expenses, Marketing, Sales and Distribution Expenses or General Management Expenses according to the service place of the employee. The Actuarial Gain and Loss which is sourced from the difference between the amounts calculated under the estimations and assumptions and realized amounts is reported under equity in the balance sheet after they are put into Other Comprehensive Income.

There is no contribution plan for the employees of Company.

2.3.12. NETTING

The financial assets and obligations are reported by net amounts in the balance sheet in cases where there it is possible the apply netting, they can be paid or collected in net amounts or the obtaining the asset and the fulfilling the obligation are realized simultaneously.

2.3.13. EARNINGS PER SHARE

Earnings per share stated in the consolidated profit or loss statement are calculated by dividing the consolidated net profit by the weighted average number of shares in the market during the reporting period. However, if existing internal resources are added to the core capital without a cash capital increase and bonus shares are issued in return (splitting), the prior year's earnings per share are adjusted as if there were the same number of shares in the previous year to enable comparisons of the last current year with the previous years.

2.3.14. RELATED PARTIES

The related parties of Company consist the institutions that have partnership, have right in a contract or have the ability of control through family relation or any similar means. In the accompanying financial statements, the shareholders of Company, their key personnel and the other organizations which have relation are defined as the related parties. The transactions with the related parties are accepted as transfers whether the sources, service or obligations are against a value.

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

i. The party, directly or indirectly through one or more intermediaries:
   - Controlling the company, controlled by the Company or
   - Being under joint control with the Company (including parent companies, subsidiaries and subsidiaries in the same business branch);
   - Having a share that allows it to have significant influence on the company or having joint control over the company.

ii. If the party is an affiliate of the Company;
iii. If the party is a business partnership in which the Company is a joint venture;
iv. If the party is a member of the key management personnel of the Company or its main partnership;
v. The party is a close family member of any individual mentioned in (i) or (iv);
vi. The party; is an enterprise that is controlled, jointly controlled, or under significant influence, or in which any individual mentioned in (iv) or (v) has significant voting rights, directly or indirectly; or
vii. The party must have benefit plans provided to the employees of the enterprise or an enterprise that is a related party to the enterprise after they leave their jobs.

Transaction with related parties is the transfer of resources, services or obligations between related parties, regardless of whether they are for a price.

2.3.15. REPORTING CASH FLOW

In order to give insight about the ability of Company to manage the changes in net assets, the financial structure and the amounts and timing of cash flows in accordance with the changing circumstances, the statement of cash flows are prepared. The operating cash flows present the cash flows of the Company and its subsidiaries sourced by the operations. The investment cash flows present the cash flows used and obtained by the Company and its subsidiaries on investment activities (fixed asset investments and financial investments). The financial cash flows of the Company present the sources used for financial operations and their repayments. Cash flows related to financing activities, indicates the economic sources used for financing activities and the repayment of these resources. Cash and cash equivalent amounts consist of cash, bank balances and investments in specified amounts which are converted to cash easily and have high liquidity and have a term of maximum 3 months.

2.3.16. INVENTORY

Inventories are valued at the lower of cost or net realizable value. Inventories are also valued according to the weighted average method. Net realizable value is obtained by deducting the estimated completion cost from the estimated sales price in the ordinary commercial activity and the estimated costs required to realize the sale. When the net realizable value of the inventory falls below its cost, the inventories are reduced to their net realizable value and the expense is reflected in the statement of profit or loss in the year in which the impairment occurred. In cases where the conditions that previously caused inventories to be reduced to net realizable value lose their validity or there is an increase in net realizable value due to changing economic conditions, the provision for the impairment allocated is cancelled. The cancelled amount is limited to the previously reserved impairment amount.

Order advances given are classified as "prepaid expenses" until the relevant inventory is accounted for. These inventories are valued at cost, and those who lose their value due to deterioration or expiration are removed from the balance sheet by writing a loss.

2.3.17. LEASES

<u>In case of Lessee</u>

Financial Leasing

Tangible fixed assets acquired through financial leasing are capitalized over the lower of the fair value of the asset after deducting the tax advantages or incentives at the beginning of the lease period or the reduced value of the minimum lease payments at that date. Principal lease payments are shown as liabilities and are reduced as they are paid.

Interest payments are expensed in the consolidated statement of profit or loss during the financial lease period. Tangible fixed assets acquired under financial lease agreements are depreciated throughout the useful life of the asset.

Operational Leasing

IFRS 16 eliminates the current dual accounting model for lessees, which is the balance sheet of financial leasing transactions and off-balance sheet monitoring of operating lease obligations. Instead, a single balance sheet accounting model is introduced for all leases, similar to the current finance lease accounting. Accounting for lessors continues similar to current practices.

Lessees are exempt from applying this standard to short-term leases (leases with a lease term of 12 months or less) or leases where the underlying asset is of low value (eg: personal computers, some office equipment, etc.). At the actual beginning of the lease, the lessee measures the lease liability over the present value of the unpaid lease payments at that date (lease liability) and records the related right-of-use asset as of the same date and is subject to depreciation throughout the lease term. Lease payments are discounted using this rate if the interest rate implied on the lease can be easily determined. The tenant uses the lessee's alternative borrowing rate if this rate cannot be easily determined. The lessee must separately record the interest expense on the lease obligation and the depreciation expense of the right-of-use asset.

In case of Lessor

Financial Leasing Transactions

The asset subject to financial leasing is shown as a receivable equal to the net lease amount in the balance sheet. The interest income is determined to create a fixed periodic rate of return on the net investment amount of the leased asset, and the portion that is not accrued in the relevant period is defined as unearned interest income.

Operational Leasing Transactions

In operational leasing, the leased assets are classified under investment property or tangible fixed assets in the balance sheet and the rental income obtained is reflected in the income statement in equal amounts during the lease period. The rental income is reflected in the income statement by linear method throughout the lease period.

2.3.18. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Company continuously evaluates the situations related to the probability of the emergence of resources resulting from past events and which contain economic benefits from the enterprise, and according to the result, it explains in the footnotes as a contingent liability or as a provision for debt in the liabilities of the balance sheet. If the amount of the said liability can be estimated reliably, the related liability is recognized in the financial statements as a provision.

In the event that contingent liabilities become probable, but a reliable estimate is not made about the amount of resources that contain economic benefits, the related liability is shown in the footnotes.

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

Assets arising from past events and whose existence will be confirmed by the realization of one or more uncertain events, the existence of which is not fully under the control of the company, is considered as a contingent asset. Contingent assets are explained in the footnotes if there is a high probability that the resources containing economic benefits will enter the business. When the probability of payment of the contingent liability becomes more concrete and the amount can be calculated, it is reported as a provision in the liabilities of the balance sheet.

2.3.19. EVENTS OCCURING AFTER THE REPORTING DATE

These represent the events occurred in the period between the balance sheet date and the authorization date for the publication of the balance sheet. In cases when there exists new evidence about such events occurred as of the date of the balance sheet or in the case the relevant events emerged after the balance sheet date, the Company explains the issues in the relevant Notes. Company, revises values in the financial statements, if events requiring revision occurs after the balance sheet date.

In case of occurrence of events requiring correction after the balance sheet date, the company corrects the amounts included in the financial statements in accordance with this new situation.

3. MERGERS AND ACQUISITIONS

31.03.2022: None.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the company are as follows.

	31.03.2022	**31.12.2021**
Cash	1.789	71.697
Cash in Bank	44.239.432	44.726.799
Bank deposits - Current account	*44.239.432*	*44.726.799*
Bank deposits - Time deposits	6.193	5.778
	44.247.414	**44.804.274**

There is a blocked balance of 21,785,989 TRY in the bank deposits of the company.

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

5. RELATED PARTY DISCLOSURES

The details of the company's short-term trade receivables from related parties are as follows.

Trade Receivables from Related Parties (Short Term)	**31.03.2022**	**31.12.2021**
Turkplast Sağlık Ürünleri A.Ş.		-
Turk Oluklu Mukavva A.Ş.	56.979.201	18.844.317
Serum Depo A. Ş.	76.704.671	58.400.647
Turkilac Pharmaceutıcals Ltd.Şti	15.039.848	13.466.069
	148.723.720	**90.711.033**

The details of the company's other short-term trade receivables from related parties are as follows.

Other Receivables from Related Parties (Short Term)	**31.03.2022**	**31.12.2021**
Turk Makine Otomasyon LTD. ŞTİ.	516.894	-
Battal Holding A.Ş.	-	419.816
	516.894	**419.816**

The details of the company's short-term trade payables from related parties are as follows.

Trade Payables to Related Parties (Short Term)	**31.03.2022**	**31.12.2021**
Turkplast Sağlık Ürünleri A.Ş.	4.803.857	9.039.395
	4.803.857	**9.039.395**

The details of the company's other short-term trade payables from related parties are as follows.

Other Payables to Related Parties (Short Term)	**31.03.2022**	**31.12.2021**
Battal Holding A.Ş.	2.894.545	-
Mehmet Berat BATTAL	3.709.386	31.123.274
	6.603.931	**31.123.274**

The total amount of salaries and similar payments made to the Board of Directors in the current year is 386.180-TRY. (31.12.2021: 1.145.376-TRY)

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

Details of transactions with related parties for the years 31 March 2022 and 31 December 2021 are given below.

31.03.2022

Transactions with Related Parties	**Turkplast Sağlık Ürünleri A.Ş.**	**Turk Oluklu Mukavva A.Ş.**	**Serum Depo A. Ş.**	**Battal Holding A.Ş.**
Purchases	24.966.681	5.196.093	20.009.365	-
Sales / Stock and Transfer of Fixed Assets	906.300	-	81.213.451	-

31.12.2021

Transactions with Related Parties	**Turkplast Sağlık Ürünleri A.Ş.**	**Turk Oluklu Mukavva A.Ş.**	**Serum Depo A. Ş.**	**Battal Holding A.Ş.**
Purchases	37.729.985	25.773.604	14.305.557	-
Sales / Stock and Transfer of Fixed Assets	6.547.866	1.980.974	72.131.328	-

During the period, the company purchased raw materials for production purposes on behalf of related parties.

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

6. OPERATING RECEIVABLES AND PAYABLES

The details of short-term trade receivables are as follows.

Short Term Trade Receivables	**31.03.2022**	**31.12.2021**
Trade debtors - third parties	35.223.768	140.126.151
Notes receivable - third parties	37.036.656	35.946.648
Doubtful receivables - third parties	1.580.335	1.580.335
Doubtful receivables - related parties	(1.580.335)	(1.580.335)
Trade debtors - related parties	148.723.720	90.711.033
Discount on trade receivables (-)	(2.563.910)	(2.999.191)
IFRS 9 expected credit loss provisions (-)	(1.399.948)	(1.526.554)
	217.020.286	**262.258.087**

The receivables of the company from the Related Parties are explained in Note 5 in detail.

The maturity details of the receivables of the company as of 31.03.2022 are as follows.

	31.03.2022	**31.12.2021**
1-3 months	9.308.810	12.559.079
3-6 months	17.907.846	18.347.009
6-9 months	9.820.000	5.040.559
	37.036.656	**35.946.648**

The details of short-term trade debts are as follows.

Short Term Trade Payables	**31.03.2022**	**31.12.2021**
Trade payables	27.642.603	25.958.459
Notes payable	-	4.377.500
Payables to Related Parties	4.803.857	9.039.395
Discount on trade payables - third parties (-)	(829.404)	(797.527)
	31.617.056	**38.577.827**

The payables of the company to the Related Parties are explained in Note 5 in detail.

The maturity details of the company's Note Payables are as follows.

	31.03.2022	**31.12.2021**
1-3 months	-	4.377.500
	-	**4.377.500**

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

7. OTHER RECEIVABLES AND PAYABLES

The details of the company's other short-term receivables as of 31.03.2022 are as follows.

Short Term Other Receivables	31.03.2022	31.12.2021
Deposits and guarantees given	285.025	285.025
Other receivables - third parties	13.408.075	2.408.075
Other receivables - related parties	516.894	419.816
	14.209.994	**3.112.916**

The Company's receivables from Related Parties are explained in detail in Note 5.

The details of other short-term debts are as follows.

Short Term Other Payables	31.03.2022	31.12.2021
Other payables - related parties	6.603.931	31.123.274
Taxes and Funds Payable	463.989	1.273.693
Other Liabilities Payable	28.362	5.130
Overdue or deferred taxes and dues payable	635.619	1.271.239
	7.731.901	**33.673.336**

The debts of the company to the Related Parties are explained in Note 5 in detail.

8. INVENTORIES

Details regarding the stocks of the company are as follows.

	31.03.2022	31.12.2021
Raw materials	11.730.360	34.464.364
Finished / Semi-Finished Products Production	8.924.039	-
Trade goods	1.257.659	8.156.593
	21.912.058	**42.620.957**

9. PREPAID EXPENSES

The details of short-term prepaid expenses are as follows.

Short Term Prepaid Expenses	31.03.2022	31.12.2021
Order advances given - third parties	33.006.562	10.920.556
Prepaid expenses - short term	1.462.465	148.125
	34.469.027	**11.068.681**

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

10. DEFFERED INCOME

The details of short-term deferred income are as follows.

Short Term Deferred Income	31.03.2022	31.12.2021
Received advances	300.000	-
Order advances received	845.805	845.805
	2.913.556	**845.805**

11. INVESTMENT PROPERTY

The details of investment property are as follows.

Investment Property	01.01.2022	Sınıflama	Değerleme	31.03.2022
Buildings (*)	-	47.520.000	28.480.000	76.000.000
	-	**47.520.000**	**28.480.000**	**76.000.000**

(*) Since the factory building, which Company accounted as "Building" -under the tangible fixed assets- in previous years, has been leased as of the current period, it has started to be followed under investment properties.
The fair value of the building owned by the Company was revalued on 25.04.2022 by a CMB Licensed independent valuation company called Adım Gayrimenkul Değerleme A.Ş. As a result of this revaluation, the value of the building has increased by TL 28,480,000, excluding the deferred tax. In the valuation reports prepared on 25.04.2022, value appraisal was made by using the Benchmarking and Cost Approach Method.

12. TANGIBLE FIXED ASSETS

In the previous period, the company started to report its land, building, machinery, plant and equipment at fair value. In the current period, no revaluation has been made in the land, buildings, facilities and devices.

The fair value of the lands and buildings owned by the Company was determined on 14.12.2021 by EGE Taşınmaz Değerleme ve Danışmanlık A.Ş. (a licensed company by the Capital Market Board of Turkey) as an independent valuation company. As a result of this valuation, the value of lands and buildings increased by TRY 45.232.000 excluding the deferred tax effect.

Furthermore, the machinery, facilities and devices belonging to the Company were evaluated with a report dated 22.10.2020 by the CMB Licensed, Aden Gayrimenkul Değerleme ve Danışmanlık A.Ş., which is an independent valuation company. As a result of this valuation, the value of machinery, facilities and devices increased by TRY 13.892.208 excluding the deferred tax effect. There have been differences in value increase between the values in the ledger records (tax base values) and the values determined as a result of revaluation and the resulting differences are calculated as follows.

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

Fixed Assets	**01.01.2022**	**Additions**	**Disposals**	**Valuation**	**31.03.2022**
Lands	10.870.000	-	-	-	**10.870.000**
Buildings	104.795.000	-	(47.520.000)	-	**57.275.000**
Machinery and equipment	84.862.173	1.561.930	-	-	**86.424.103**
Vehicles	403.110	-	-	-	**403.110**
Furniture and fittings	6.981.723	120.046	(13.045)	-	**7.088.724**
Leasehold improvements	212.513	-	-	-	**212.513**
Construction in progress	35.250.115	-	-	-	**35.250.115**
	243.374.633	**1.681.976**	**(47.533.045)**	**-**	**197.523.564**

Accumulated Depreciation	**01.01.2022**	**Depreciation Expense for Period**	**Disposals**	**Valuation**	**31.03.2022**
Buildings	-	(513.030)	199.193	-	**(313.837)**
Machinery and equipment	(6.786.583)	(1.394.765)	-	-	**(8.181.348)**
Vehicles	(68.403)	(12.505)	-	-	**(80.909)**
Furniture and fittings	(2.016.807)	(148.015)	799	-	**(2.164.023)**
Leasehold improvements	(137.654)	(3.518)	-		**(141.172)**
	(9.009.448)	**(2.071.832)**	**199.992**	**-**	**(10.881.289)**
Net Value as of 31 March 2022	**186.845.185**			**-**	**186.642.276**

The total depreciation expenses calculated for tangible fixed assets in the 31.03.2022 period is 2.071.832 TRY. 1.924.863TRY of this amount has been accounted for cost of products sold and 146.969 TRY for general management expenses. There has been no situation that requires subjecting to an asset impairment test.

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

Fixed Assets	1.01.2021	Additions	Disposals	Valuation	31.12.2021
Lands	4.685.187	-	-	6.184.813	**10.870.000**
Buildings	65.747.813	-	-	39.047.187	**104.795.000**
Machinery and equipment	66.077.363	18.786.288	(1.479)	-	**84.862.173**
Vehicles	1.063.629	211.417	(871.936)	-	**403.110**
Furniture and fittings	5.487.670	1.510.909	(16.856)	-	**6.981.723**
Leasehold improvements	207.738	4.775	-	-	**212.513**
Construction in progress	35.163.709	86.406	-	-	**35.250.115**
	178.433.108	**20.599.796**	**(890.271)**	**45.232.000**	**243.374.633**

Accumulated Depreciation	1.01.2021	Depreciation Expense for Period	Disposals	Valuation	31.12.2021
Buildings	(125.359)	(1.265.931)	-	1.391.290	-
Machinery and equipment	(1.353.717)	(5.432.869)	4	-	**(6.786.582)**
Vehicles	(614.218)	(51.246)	597.060	-	**(68.404)**
Furniture and fittings	(1.465.748)	(551.209)	149	-	**(2.016.807)**
Leasehold improvements	(123.623)	(14.031)	-		**(137.654)**
	(3.682.665)	**(7.315.286)**	**597.213**	**1.391.290**	**(9.009.448)**
Net Value as of 31 December 2021	**174.750.443**			**46.623.290**	**234.365.185**

The total depreciation expenses calculated for tangible fixed assets in the 2021 period is 7.315.286 TRY. 6.768.023 TRY of this amount has been accounted for cost of products sold and 547.263 TRY for general management expenses. There has been no situation that requires subjecting to an asset impairment test.

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

13. INTANGIBLE ASSETS

Historical Cost	01.01.2022	Additions	Disposals	31.03.2022
Rights	**2.030.526**	**466.641**	**-**	**2.497.166**
	2.030.526	**466.641**	**-**	**2.497.166**

Accumulated Amortization	01.01.2022	Amortization Expense for Period	Disposals	31.03.2022
Rights	**(1.165.824)**	**(65.288)**	**-**	(1.231.112)
	(1.165.824)	**(65.288)**	**-**	**(1.231.112)**
Net Value	**864.702**			**1.266.054**

The total depreciation expenses calculated for intangible fixed assets in the 31.03.2022 period is 65.288 TRY 13.480 TRY of this amount has been accounted for cost of products sold and 51.808 TRY for general management expenses. There has been no situation that requires subjecting to an asset impairment test.

Historical Cost	1.01.2021	Additions	Disposals	31.12.2021
Rights	**1.821.440**	**209.086**	**-**	**2.030.526**
	1.821.440	**209.086**	**-**	**2.030.526**

Accumulated Amortization	1.01.2021	Amortization Expense for Period	Disposals	31.12.2021
Rights	**(948.676)**	**(217.148)**	**-**	(1.165.824)
	(948.676)	**(217.148)**	**-**	**(1.165.824)**
Net Value	**872.764**			**864.702**

The total depreciation expenses calculated for intangible fixed assets in the 2021 period is 217.148 TRY 11.485 TRY of this amount has been accounted for cost of products sold and 205.663 TRY for general management expenses. There has been no situation that requires subjecting to an asset impairment test.

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

14. RIGHT OF USE ASSETS

The company rents buildings and passenger cars. Lease contracts for buildings are usually made for one year and are renewed every year after a rent increase. In the contracts belonging to such buildings, the contracts dated 1.1.2018 were taken as the basis of the new contract and it was assumed that the option to extend the period for 7 years from this date was made. The average lease term for passenger cars is 3 years and is accounted for based on the contract term.

	31.03.2022	**31.12.2021**
Right of Use Assets	4.393.813	4.393.813
Depreciation of Right of Use Assets (-)	(1.351.910)	(1.002.676)
	3.041.904	**3.391.137**

The right to use obligations are explained under the financial liabilities footnote.

15. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

The distribution of guarantees, pledges and mortgages given by the company is as follows;

31.12.2021	**USD**	**Euro**	**TRY**	**TRY Equivalent**
A. Total Amount of GPH Provided on Behalf of Legal Entity	**5.361.200**	**3.215.000**	**118.950.150**	**249.780.453**
-Guarantee	361.200	3.215.000	*3.950.150*	***61.594.953***
-Hypotech	5.000.000	**-**	*80.000.000*	***153.185.500***
-Bails	**-**	**-**	*35.000.000*	***35.000.000***
C. Total amount of GPHs given for the purpose of securing the debt of other third parties in order to carry out operations	**-**	**-**	**978.000.000**	**978.000.000**
-Mortgages	-	-	*21.500.000*	***21.500.000***
-Bails (*)	-	-	*956.500.000*	***956.500.000***
	5.361.200	**3.215.000**	**1.096.950.150**	**1.227.780.453**

(*) Consists of the guarantees given to the loans used by the related parties within the Group. The aforementioned sureties are given for the general credit limit and the surety agreements were signed-off by individual partners and other companies owned by the partners.

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

31.12.2021	**USD**	**Euro**	**TRY**	**TRY Equivalent**
A. Total Amount of GPH Provided on Behalf of Legal Entity	**5.035.945**	**5.342.400**	**114.956.551**	**262.679.848**
-Guarantee	35.945	5.342.400	*14.956.551*	***96.034.848***
-Hypotech	5.000.000	-	*88.000.000*	***154.645.000***
-Bails	-	-	*12.000.000*	***12.000.000***
C. Total amount of GPHs given for the purpose of securing the debt of other third parties in order to carry out operations	-	-	**771.500.000**	**771.500.000**
-Mortgages	-	-	*21.500.000*	***21.500.000***
-Bails (*)	-	-	*750.000.000*	***750.000.000***
	5.035.945	**5.342.400**	**886.456.551**	**1.034.179.848**

Provisions

The Company's provision for litigation consists of labor and compensation lawsuits. The information on the provision for lawsuits is as follows;

	31.12.2021	**31.12.2020**
Lawsuit provisions	402.362	257.602
	402.362	**257.602**

16. COMMITMENTS

31.03.2022: None.

17. EMPLOYEE BENEFITS

1) Provisions for Employee Benefits

According to the Turkish Labor Law, the company is obliged to pay severance pay to each employee who completes at least one year of service and retires after 25 years of working life (aged 58 for women, 60 for men), if the employment is terminated, employee is called for military service or passed away.

Severance pay to be paid as of 31 March 2022 is subject to a monthly ceiling of 10.848,59 TL (31 December 2021: 8.284,51 TL).

Severance pay liability is not legally subject to any funding. The provision for severance pay is calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees.

IAS 19 Employee Benefits requires the company's liabilities to be developed using actuarial valuation methods within the scope of defined benefit plans. Accordingly, the actuarial assumptions used in the calculation of total liabilities are given below.

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

The basic assumption is that the maximum liability amount for each year of service will increase in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore, as of 31 March 2022, provisions in the financial statements are calculated by estimating the present value of the future probable obligation arising from the retirement of the employees. Provisions at the relevant balance sheet dates are calculated according to the assumptions of 20% annual inflation and 23.92% interest rate.

Provision for severance pay is as follows:

Long Term Provisions Related with Employee Benefits	**31.03.2022**	**31.12.2021**
Retirement pay provision	714.826	495.749
	714.826	**495.749**

	31.03.2022	**31.12.2021**
Opening Balance	**495.749**	**458.307**
Payments/Cancellations	(107.226)	(416.160)
Interest Cost	2.974	7.399
Period Cost	179.506	354.573
Actuarial Gain/(Loss)	143.823	91.630
Provision balance as at 31 March	**714.826**	**495.749**

The details of the company's unused leave provision is as follows.

Short Term Provisions Related with Employee Benefits	**31.03.2022**	**31.12.2021**
Unused leave days provision	856.884	685.488
	856.884	**685.488**

2) Employee Benefits Payables

Employee Benefits Payables	**31.03.2022**	**31.12.2021**
Due to personnel	1.977.186	990.007
Social security premiums payable	1.367.168	1.118.638
	3.344.354	**2.108.645**

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

18. OTHER ASSETS AND LIABILITIES

Other current assets of the company are as follows.

Other Current Assets	31.03.2022	31.12.2021
VAT carried forward	10.068.156	16.532.152
VAT other	158.275	158.275
Advances given for business purposes	17.810	17.889
Advances given to personnel	495.215	335.971
	10.111.553	**17.044.287**

19. SHAREHOLDERS' EQUITY

The capital structure of the company is as follows. The capital has been repaid.

	31.03.2022		31.12.2021	
	%	Share Amount	%	Share Amount
Mehmet Berat BATTAL	49,58%	80.221.787	49,58%	80.221.787
Free Float	50,42%	81.583.213	50,42%	81.583.213
	100%	**161.805.000**	**100%**	**161.805.000**

The registered capital ceiling of the company is 315.000.000 TRY and it is divided into 315.000.000 shares, each with a nominal value of 1 TRY. 42.210.000 of which are Group (A) registered shares and 119.595.000 are Group (B) bearer shares.

The company's stocks were offered to the public on March 05, 2021 at Borsa İstanbul A.Ş. with the "BIST" fixed price method.

Treasury shares

	31.03.2022	31.12.2021
Treasury shares (-)	(1.668.441)	-
	(1.668.441)	**-**

A share repurchase transaction made by the company on February 24, 2022 where a total of 198,900 shares were purchased, and the total amount of these transactions is 1,668.441 TL.

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

Premiums Related to Shares

The shares of the company were issued in Borsa İstanbul A.Ş. on March 05, 2021. The details of the premiums arising from the "BIST" public offering with the method of book building at the end of the year are as follows.

	31.03.2022	31.12.2021
Premiums on Sale of Share Certificates	2.813.595	2.813.595
	2.813.595	**2.813.595**

Reserves on Retained Earnings

According to the Turkish Commercial Code, legal reserves are divided into two as primary and secondary legal reserves. According to the Turkish Commercial Code, the primary legal reserves are reserved as 5% of the legal net profit until 20% of the company's paid-in capital is reached. The second legal reserve is 10% of the distributed profit exceeding 5% of the paid-in capital. According to the Turkish Commercial Code, as long as the legal reserves do not exceed 50% of the paid-in capital, they can only be used to offset the losses, it is not possible to use them in any other way.

	31.03.2022	31.12.2021
Legal Reserves	3.946.693	2.278.252
	3.946.693	**2.278.252**

Tangible Fixed Assets Revaluation Increases

The company started to report its land, buildings, machinery, facilities and devices at fair value in the current period. Therefore, the appreciation differences in tangible fixed assets are reported as revaluation increase in equity. The details of the calculations for value increases are as follows.

Tangible Fixed Assets Revaluation Increases	31.03.2022	31.12.2021
a. Fixed Assets' Value after Revaluation	**181.037.930**	**181.037.930**
− Land Value	10.870.000	10.870.000
− Building Value	106.186.290	106.186.290
− Machine Value	63.981.640	63.981.640
b. Pre-Valuation Net Book Value	**77.049.136**	**77.049.136**
− Land Value	4.132.875	4.132.875
− Building Value	22.826.829	22.826.829
− Machine Value	50.089.432	50.089.432
c. Increase in Value (a-b)	**103.988.794**	**103.988.794**
d. Calculated Deferred Tax (-)	**(13.200.026)**	**(13.200.026)**
− Increasing Land Value	(772.007)	(772.007)
− Increasing Building Value	(9.371.733)	(9.371.733)
− Increasing Machine Value	(3.056.286)	(3.056.286)
e. Net Increase in Value (c+d)	**90.788.768**	**90.788.768**

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

Actuarial Gains/(Losses) on Defined Benefit Plans

The Company has recognized Actuarial Gains and Losses arising in the calculation of termination indemnity in equity. Besides, the changes that occurred within the periods were reflected in the Other Comprehensive Profit and Loss Statement.

Actuarial Gains/(Losses)	**31.03.2022**	**31.12.2021**
Opening Balance	**(131.721)**	**(60.250)**
Earning / Loss During the Period	(180.976)	(112.377)
Deferred Tax Effect	67.356	40.840
Actuarial Gains/(Losses) on Defined Benefit Plans	**(245.341)**	**(131.787)**

Prior Years Profit and Loss

Prior Years Profit / Losses consists of Extraordinary Reserves and Other Previous Years Profit/Loss. Publicly traded companies make their dividend distributions as stipulated by the CMB as follows:

According to the decision of the CMB dated 27.01.2010, it was decided not to impose any minimum profit distribution obligation for the dividend distribution to be made for the publicly held joint stock companies whose shares are traded on the stock exchange. Equity inflation adjustment differences and registered values of extraordinary reserves, bonus issue capital increase; cash can be used for profit distribution or loss offset. The company's previous years' profits/losses by years are explained below.

Prior Years Profit and Loss

	31.03.2022	**31.12.2021**
Opening Balance	**29.384.615**	**(3.945.394)**
Transfers	37.136.703	33.330.009
Capital Increase	(1.668.441)	-
Prior Years' Profits/(Losses)	**64.852.877**	**29.384.615**

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

20. REVENUE AND COST OF SALES

Details regarding the sales of the company during the period are as follows.

a) Revenue	**01.01-31.03.2022**	**01.01-31.03.2021**
Vaccine Income	98.868.968	35.812.184
Serum Income	10.758.438	12.609.253
Dialysis Materials Income	11.525.797	2.650.113
Other Income	26.891.949	2.715.254
Returns from Sale (-)	(10.659.601)	(2.488.715)
Sales Discounts (-)	-	(1.120.991)
Net Sales	**137.385.551**	**50.177.098**

b) Cost of Sales	**01.01-31.03.2022**	**01.01-31.03.2021**
Cost of Sales (-)	(121.410.151)	(36.139.212)
Cost of Sales	**(121.410.151)**	**(36.139.212)**

21. OPERATING EXPENSES AND MARKETING, SALES AND DISTRIBUTION EXPENSES

For the accounting periods ending on March 31, 2022 and March 31, 2021, the general administrative expenses of the Company are as follows:

	01.01-31.03.2022	**01.01-31.03.2021**
Marketing Expenses (-)	(12.625.219)	(1.069.179)
General Administrative Expenses (-)	(11.444.251)	(4.713.932)
	(24.069.470)	**(5.783.111)**

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

22. EXPENSES BY NATURE

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

General Administrative Expenses Detail	**01.01-31.03.2022**	**01.01-31.03.2021**
Staff expenses	(3.395.355)	(1.883.164)
Severance pays provision expenses	(32.252)	-
Unused leave days provision expenses	(102.371)	(64.929)
Depreciation and amortization expenses	(198.775)	(180.571)
Outsourcing expenses	(698.930)	(366.368)
Rent expenses	(406.203)	(365.068)
Repair and maintenance expenses	(467.987)	(120.269)
Energy costs	(2.347.285)	(500.877)
Insurance expenses	(169.388)	(9.585)
Office expenses	(373.322)	(165.418)
Traveling expenses	(1.170.027)	(11.087)
Communication expenses	(45.939)	(30.283)
Bank transaction expenses	(776.966)	(326.097)
Case provision expenses	(29.424)	(6.050)
Taxes paid	(839.548)	(322.989)
Distribution expenses	(13.458)	(3.016)
Other expenses	(377.021)	(358.161)
	(11.444.251)	**(4.713.932)**

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

Marketing Expenses Detail	**01.01-31.03.2022**	**01.01-31.03.2021**
Staff expenses	(89.755)	(169.791)
Severance pays provision expenses	(36.914)	(855)
Unused leave days provision expenses	(2.427)	-
Repair and maintenance expenses	(8.077.925)	-
Distribution expenses	(4.405.184)	(880.129)
Other expenses	(13.014)	(18.404)
	(12.625.219)	**(1.069.179)**

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

23. OTHER OPERATING INCOME AND EXPENSES

The details of incomes and expenses from main activities are as follows:

Other Operating Income	**01.01-31.03.2022**	**01.01-31.03.2021**
Provision released	380.074	102.283
Foreign Exchange Profits	2.892.015	2.176.958
Fixed Asset Sales Profits	2.667	564.618
Other Income	519.821	1.366.665
	3.794.577	**4.210.524**

Other Operating Expenses (-)	**01.01-31.03.2022**	**01.01-31.03.2021**
Provision Expenses	-	(1.510.658)
Foreign Exchange Losses	(1.753.409)	(1.760.471)
Other Expenses and Losses	-	(1.273.881)
	(1.753.409)	**(4.545.010)**

The details of the company's impairment gains (losses) and reversals of impairment losses determined in accordance with IFRS 9 are as follows.

	01.01-31.03.2022	**01.01-31.03.2021**
IFRS 9 Provision for Expected Loss / Cancellation (Bank)	(16.597)	(65.530)
IFRS 9 Provision for Expected Loss (Receivables)	126.606	(378.383)
	110.009	**(443.913)**

24. INCOME FROM INVESTMENT ACTIVITIES

The Company's income from investment activities as of the end of the current period is as follows:

Income From Investment Activities	**01.01-31.03.2022**	**01.01-31.03.2021**
Investment Property-Rent income	600.000	-
Investment Property Acquisition Value Difference	28.679.193	-
	29.279.193	**-**

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

25. FINANCIAL INCOME AND EXPENSES

The details of the company's financial income for the year ended are as follows:

Financial Income	**01.01-31.03.2022**	**01.01-31.03.2021**
Interest Income	11.990	719.142
Discount on notes payable	5.610.061	5.189.611
	5.622.051	**5.908.753**

The details of the company's financing expenses for the year ended are as follows:

Financial Expenses	**01.01-31.03.2022**	**01.01-31.03.2021**
Discount on notes receivable (-)	(3.342.970)	(5.641.332)
Interest Expenses (-)	(15.856.402)	(6.258.698)
	(19.199.372)	**(11.900.030)**

26. TAX ASSETS AND LIABILITIES

The corporate tax provision is as follows;

Tax Income and Expense	**31.03.2022**	**31.12.2021**
Corporate tax payable	2.091.018	11.637.547
Prepaid tax and other legal payables (-)	-	(11.009.644)
	2.091.018	**627.903**

In Turkey, the corporate tax rate is 23% as of 31 March 2022. With the regulation in the Corporate Tax Law, corporate income tax is applied with a discount of 2 points to the corporate earnings for 5 accounting periods, starting from the accounting period in which the shares of the corporations whose shares are offered to the public for the first time in Borsa Istanbul Equity Market for the first time are offered to the public for the first time. This rate is applied to the tax base to be found as a result of adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations and deducting the exceptions (such as the participation earnings exception) and deductions in the tax laws. No further tax is paid if the profit is not distributed.

There is no withholding tax on profit shares (dividends) paid to institutions that generate income through a workplace or their permanent representative in Turkey and to institutions residing in Turkey. Dividend payments made other than these are subject to 10% (31.12.2020: 15%) withholding tax. Addition of profit to capital is not considered as profit distribution and withholding tax is not applied.

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

According to the Turkish tax legislation, financial losses shown on the declaration can be deducted from the corporate income for the period, provided that they do not exceed 5 years. However financial losses can not be offsetted from last year's profits.

The company's annual operating tax income/(expense) is as follows;

a) Tax Income and Expense	**01.01-31.03.2022**	**01.01-31.03.2021**
Tax for the period	(2.091.018)	(1.339.000)
Deferred tax income / (charge)	919.543	8.990.856
	(1.171.475)	**7.651.856**

b) Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are results of the revaluation of balance sheet items or their inclusion in the balance sheet with a valuation method different from the valuation methods specified in the tax procedure law. If there is a difference between the two regulations and these differences will disappear in a future period, they cause a deferred tax asset or liability. These temporary differences generally arise from the recognition of income and expenses in different reporting periods.

31.03.2022

Recognized in Profit / Loss for the Period	**Temporary Differences**	**Deferred Tax**
Cash and Cash Equivalents	(272.322)	57.188
Trade Receivables	(5.560.048)	1.167.610
Inventories	(7.900)	1.659
Right of Use Assets	(2.234.018)	469.144
Investment Property	28.679.193	(6.022.631)
Fixed Assets	11.587.146	(2.433.301)
Prepaid Expenses	(7.591.791)	1.594.276
Right of Use Liabilities	2.178.464	(457.477)
Financial Liabilities	6.428.524	(1.349.990)
Trade Payables	522.733	(109.774)
Retirement Pay Provision	(402.129)	84.447
Unused Leave Days Provision	(856.884)	179.946
Lawsuit Provisions	(431.786)	90.675
Total Net Tax Liability		**(6.728.228)**

Reported in Equity	**Temporary**	**Deferred Tax**
Tangible Fixed Asset Valuation	103.988.794	(13.200.026)
Gains/ (Losses) on Remeasurement of Defined Benefit Plans	(312.697)	67.356
Total Net Tax Liability		**(13.132.670)**

Total of Net Tax Liabilities	**(19.860.898)**

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

31.12.2021

Recognized in Profit / Loss for the Period	**Temporary Differences**	**Deferred Tax**
Cash and Cash Equivalents	(255.720)	58.816
Trade Receivables	91.056.604	(20.943.019)
Inventories	(66.879.652)	15.382.320
Right of Use Assets	(1.884.784)	433.500
Fixed Assets	11.525.156	(2.650.786)
Prepaid Expenses	(2.456.794)	565.063
Right of Use Liabilities	1.828.663	(420.592)
Banka Kredisi	1.380.406	(317.493)
Trade Payables	352.020	(80.965)
Retirement Pay Provision	(685.488)	157.662
Unused Leave Days Provision	(326.875)	75.181
Lawsuit Provisions	(402.362)	92.543
Total Net Tax Liability		**(7.647.770)**

Reported in Equity	**Temporary Differences**	**Deferred Tax**
Tangible Fixed Asset Valuation	103.988.794	(13.200.026)
Gains/ (Losses) on Remeasurement of Defined Benefit Plans	(168.874)	37.152
Total Net Tax Liability		**(13.162.874)**
Total of Net Tax Liabilities		**(20.810.644)**

27. EARNINGS PER SHARE

The amount of profit/loss per share is calculated by dividing the net profit/loss for the period by the average number of shares of the company during the year. The company increased its capital in the current period and determined the nominal share value as 1 TRY (31.03.2021: 1 TRY). In order to make the calculation of earnings per share comparable, the number of shares in both periods was taken the same as the current period.

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

Earnings Per Share	**01.01-31.03.2022**	**01.01-31.03.2021**
Net Profit / Loss	**8.587.505**	**9.136.954**
Comparable Number of Shares	161.805.000	77.050.000
Nominal value of 1 share (TRY)	1	1
Nominal Number of Shares	161.805.000	77.050.000
Profit / Loss Per Share	**0,053**	**0,119**

28. FINANCIAL LIABILITIES

The details of the current short-term liabilities of the company as of the current and previous period are as follows:

	31.03.2022	**31.12.2021**
Short-Term Bank Borrowings	80.727.298	119.900.809
Long-Term Bank Borrowings	39.162.462	12.421.322
Principal Installments and Interest Rates of Long Term Borrowings	84.424.880	60.660.452
	204.314.640	**192.982.583**

Borrowings Term Structure	**31.03.2022**	**31.12.2021**
Payable within 1 year	188.709.326	180.561.261
Payable within 1-2 year	10.134.059	10.992.318
Payable within 2-3 year	5.471.256	1.429.003
	204.314.640	**192.982.583**

	31.03.2022	**31.12.2021**
Credit Card Payables	201.521	394.335
	201.521	**394.335**

The details of the company's financial leasing and lease liabilities as of the current and previous period are as follows:

Other Short-Term Financial Liabilities	**31.03.2022**	**31.12.2021**
Leasing Payables	473.170	432.713
Deferred Leasing Debts (-)	(113.406)	(29.634)
Long-Term Leasing (IFRS 16)	1.414.367	1.398.192
	1.774.131	**1.801.271**

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

Other Long-Term Financial Liabilities	31.03.2022	31.12.2021
Leasing Payables	624.264	-
Deferred Leasing Debts (-)	(120.015)	-
Long-Term Leasing (IFRS 16)	1.683.090	2.049.066
	2.187.339	**2.049.066**

	31.03.2022	31.12.2021
Financial Leasing Payables	**1.097.434**	**432.713**
Within 1 year	473.170	432.713
Within 2-5 year	624.264	-
Minus: Future Financial Expenses	**(233.421)**	**(29.634)**
Within 1 year	(113.406)	(29.634)
Within 2-5 year	(120.015)	-
Present value of the lease obligation	**864.013**	**403.079**

29. THE GRADE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Capital Risk Management

The purpose of the company in managing the capital is to increase the profit per share over the years. For this purpose, it has the goal of increasing its growth and volume of activity. The company provides growth based on external resources as well as internal funds created by it. However, while pursuing a borrowing policy, it also tries to maintain the balance between liabilities/equity.

	31.03.2022	31.12.2021
Total Liabilities	247.826.588	208.817.966
Cash and Cash Equivalents (-)	(44.247.414)	(44.804.274)
Net Liabilities	**203.579.174**	**164.013.692**
Total Shareholders' Equity	330.880.656	324.075.212
Rate of Net Liabilities / Shareholders' Equity	**0,6153**	**0,5061**

This ratio is found by dividing net liabilities by total equity. Net debt is calculated by deducting cash and cash equivalents from the total debt amount (including loans, commercial and other debts shown in the balance sheet). The company management aims to reach a higher level of profitability and equity to manage existing debts.

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

Credit Risk

The sources of credit risk are to sell goods on credit to customers, to lend to other persons and institutions, to be a surety, to make deposits to banks. A part of the receivables from customers is guaranteed by connecting to the bank credit card (pos machine slips). A significant portion of the notes receivables are received, the bond is bound to the guarantor. However, again, a significant part of it can be given without any guarantee. In order to guarantee the return of these receivables, it is tried to be kept as short as possible according to market conditions; Efforts are made to sell to people and businesses with a certain reputation in the market. After the loan is given (goods are delivered), their status is constantly monitored and the credibility of the debtor is kept under control. Additional guarantees cannot be received from these customers.

The appearance of assets subject to credit risk is as follows.

31.03.2022	**Receivables**				**Bank Deposits**
	Trade Receivables		**Other Receivables**		
	Related Parties	**Other Parties**	**Related Parties**	**Other Parties**	
The maximum amount of exposure to credit risk at the end of the reporting period	**148.723.720**	**68.296.566**	**516.894**	**13.693.100**	**44.239.432**
A. Net book value of financial assets that are not overdue or impaired	148.723.720	68.296.566	516.894	13.693.100	44.239.432
B. Net book values of financial assets that are impaired	-	-	-	-	-
- Past due (Gross book value)	-	1.580.335	-	-	-
- Impairment (-)	-	(1.580.335)	-	-	-

31.12.2021	**Receivables**				**Bank Deposits**
	Trade Receivables		**Other Receivables**		
	Related Parties	**Other Parties**	**Related Parties**	**Other Parties**	
The maximum amount of exposure to credit risk at the end of the reporting period	**90.711.033**	**171.547.054**	**419.816**	**2.693.100**	**44.726.799**
A. Net book value of financial assets that are not overdue or impaired	90.711.033	171.547.054	419.816	2.693.100	44.726.799
B. Net book values of financial assets that are impaired	-	-	-	-	-
- Past due (Gross book value)	-	234.737	-	-	-
- Impairment (-)	-	(234.737)	-	-	-

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

Liquidity Risk

Liquidity risk is the risk that an enterprise will have difficulty in fulfilling its obligations arising from its liabilities by giving cash or any other financial instrument. The company management, as in previous years, keeps the liquidity risk at a minimum level by providing sufficient amount of cash and enabling funding through loans. The Company conducts its liquidity management not according to the expected terms, but in accordance with the terms determined according to the contract. The company does not have derivative financial liabilities.

31.03.2022

Liabilities	Book Value	Less than 3 months	3-12 months	1-5 years
Financial Liabilities	124.052.751	50.347.651	32.355.299	41.349.801
Trade Payables	31.617.056	12.330.651	19.286.405	-
Other Payables	8.359.805	8.359.805	-	-
Deferred Income	2.913.556	2.913.556	-	-
Debts Consist of Employee Benefits	3.344.354	3.344.354	-	-
Total Liabilities	**170.287.522**	**77.296.017**	**51.641.704**	**41.349.801**

31.12.2021

Liabilities	Book Value	Less than 3 months	3-12 months	1-5 years
Financial Liabilities	197.227.254	17.930.692	164.826.175	14.470.387
Trade Payables	38.577.827	15.190.259	23.387.568	-
Other Payables	33.673.336	33.673.336	-	-
Deferred Income	845.805	845.805	-	-
Debts Consist of Employee Benefits	2.108.645	2.108.645	-	-
Total Liabilities	**272.432.867**	**69.748.737**	**188.213.743**	**14.470.387**

Market Risk

Market risk is the risk of fluctuation in the fair value or future cash flows of a financial instrument that would adversely affect a business due to changes in market prices. These are foreign currency risk, interest rate risk, and financial instruments or commodity price change risk.

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

Foreign Currency Risk (Exchange Risk)

Foreign currency risk arises from the Company's possession of USD and Euro foreign currency liabilities and assets. Also, there is a currency risk arising from the transactions made by the Company. These risks are monitored and limited by analyzing the foreign currency position.

The distribution of the monetary and non-monetary assets and liabilities of the company in foreign currency as of the balance sheet date is as follows:

	31.03.2022			
Currency position table	**USD**	**EUR**	**GBP**	**Total TRY Equivalent**
Cash and Cash Equıvalents	313	-	-	4.584
Trade Receivables	452.322	516.000	-	15.023.993
Prepaid Expenses	1.508.481	2.620	-	22.122.450
Trade Payables	(228.407)	(357.012)	(6.166)	(9.292.717)
Deferred Income	(96)	-	-	(1.408)
Net Balance Sheet Foreign Currency Position	**1.732.612**	**161.608**	**(6.166)**	**27.856.902**

	31.12.2021			
Currency position table	**USD**	**EUR**	**GBP**	**Total TRY Equivalent**
Trade Receivables	14	-	-	185
Prepaid Expenses	452.322	516.000	-	13.813.731
Trade Payables	336.335	2.620	-	4.522.536
Deferred Income	(225.565)	(356.020)	(6.166)	(8.504.180)
Net Balance Sheet Foreign Currency Position	**563.106**	**162.600**	**(6.166)**	**9.832.272**

(Amounts expressed in Turkish Liras ("TRY") unless otherwise stated.)

31.03.2022	Exchange Rate Sensitivity Analysis			
	Gain/(Loss)		Shareholders' Equity	
	Foreign Exchange Appreciation	Foreign Exchange Depreciation	Foreign Exchange Appreciation	Foreign Exchange Depreciation
In case +/- 10% Fluctuation of USD Rate against TRY:				
1- USD net asset/(liability)	**2.536.042**	**(2.536.042)**	**-**	**-**
2- Hedging amount of USD (-)	**-**	**-**	**-**	**-**
3- USD Net Effect (1+2)	**2.536.042**	**(2.536.042)**	**-**	**-**
In case +/- 10% Fluctuation of EUR Rate against TRY:				
4- EURO net asset/(liability)	**263.186**	**(263.186)**	**-**	**-**
5- Hedging amount of EURO (-)	**-**	**-**	**-**	**-**
6- EURO Net Effect (4+5)	**263.186**	**(263.186)**	**-**	**-**
TOTAL (3+6)	**2.799.228**	**(2.799.228)**	**-**	**-**

31.12.2021	Exchange Rate Sensitivity Analysis			
	Gain/(Loss)		Shareholders' Equity	
	Foreign Exchange Appreciation	Foreign Exchange Depreciation	Foreign Exchange Appreciation	Foreign Exchange Depreciation
In case +/- 10% Fluctuation of USD Rate against TRY:				
1- USD net asset/(liability)	**750.564**	**(750.564)**	**-**	**-**
2- Hedging amount of USD (-)	**-**	**-**	**-**	**-**
3- USD Net Effect (1+2)	**750.564**	**(750.564)**	**-**	**-**
In case +/- 10% Fluctuation of EUR Rate against TRY:				
4- EURO net asset/(liability)	**245.309**	**(245.309)**	**-**	**-**
5- Hedging amount of EURO (-)	**-**	**-**	**-**	**-**
6- EURO Net Effect (4+5)	**245.309**	**(245.309)**	**-**	**-**
TOTAL (3+6)	**995.873**	**(995.873)**	**-**	**-**

30. SUBSEQUENT EVENTS

31.03.2022: None.