

**EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS
AT 1 JANUARY - 31 DECEMBER 2022
TOGETHER WITH INDEPENDENT AUDITORS' REPORT**

**(CONVENIENCE TRANSLATION INTO ENGLISH -
THE TURKISH TEXT IS AUTHORITATIVE)**

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

**EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARY**

**INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2022**

CONTENTS	PAGE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (BALANCE SHEETS)..	1-3
CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME	4-5
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	6
CONSOLIDATED STATEMENTS OF CASH FLOW	7
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	8-67
NOTE 1 ORGANISATION AND NATURE OF OPERATIONS	8
NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS	9-31
NOTE 3 RELATED PARTY DISCLOSURES	31-34
NOTE 4 CASH AND CASH EQUIVALENTS	34
NOTE 5 TRADE RECEIVABLES AND PAYABLES	35-36
NOTE 6 INVENTORIES	36-37
NOTE 7 PREPAID EXPENSES	37
NOTE 8 OTHER ASSETS AND LIABILITIES	37
NOTE 9 PROPERTY, PLANT AND EQUIPMENT	38-41
NOTE 10 RIGHT OF USE ASSETS	41
NOTE 11 BORROWINGS AND BORROWING COSTS	42-45
NOTE 12 EMPLOYEE BENEFITS	45-46
NOTE 13 DEFERRED REVENUE	47
NOTE 14 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	47-49
NOTE 15 SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS	49-50
NOTE 16 REVENUE AND COST OF SALES	51
NOTE 17 EXPENSES BY NATURE	51
NOTE 18 GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES	52
NOTE 19 OTHER OPERATING INCOME AND EXPENSES	52
NOTE 20 INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES ⁴	53
NOTE 21 FINANCIAL INCOME AND EXPENSES	53
NOTE 22 NON-CURRENT ASSETS HELD FOR SALE	53
NOTE 23 INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)	54-57
NOTE 24 EARNINGS PER SHARE	57
NOTE 25 NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS	58-65
NOTE 26 FINANCIAL INSTRUMENTS (FAIR VALUE FINANCIAL AND RISK MANAGEMENT DISCLOSURES	66-67
NOTE 27 EVENTS AFTER THE REPORTING PERIOD	67

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT 31 DECEMBER 2022 AND 2021**

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

		<i>Audited</i>	<i>Audited</i>
	Notes	31 December 2022	31 December 2021
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4	405,729,692	570,042,328
Trade Receivables		1,952,733,653	1,726,040,725
- Trade Receivables From Related Parties	3	390,819,620	277,727,403
- Trade Receivables From Third Parties	5	1,561,914,033	1,448,313,322
Other Receivables		4,441,233	3,438,395
- Other Receivables From Third Parties		4,441,233	3,438,395
Derivative Instruments	14	-	36,277,602
Inventories	6	509,481,646	356,876,483
Prepaid Expenses	7	34,825,061	3,113,299
Other Current Assets	8	36,242,607	17,998,093
SUBTOTAL		2,943,453,892	2,713,786,925
Non-Current Assets Held For Sale	22	104,461,775	103,357,587
TOTAL CURRENT ASSETS		3,047,915,667	2,817,144,512
NON - CURRENT ASSETS			
Other Receivables		211,000	300,582
- Other Receivables From Third Parties		211,000	300,582
Property, Plant and Equipment	9	1,612,472,001	770,660,005
Right of Use Assets	10	39,877,145	34,785,834
Intangible Assets		6,581,096	6,805,739
Prepaid Expenses	7	40,394,645	16,528,833
TOTAL NON - CURRENT ASSETS		1,699,535,887	829,080,993
TOTAL ASSETS		4,747,451,554	3,646,225,505

The accompanying notes are an integral part of these consolidated financial statements.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT 31 DECEMBER 2022 AND 2021**

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

	Notes	<i>Audited</i> 31 December 2022	<i>Audited</i> 31 December 2021
LIABILITIES			
SHORT-TERM LIABILITIES			
Short-Term Borrowings	11	30,755,873	64,130
Short-Term Portion of Long-Term Borrowings	11	35,934,756	220,482,917
Leasing Liabilities	11	21,061,696	16,402,418
Trade Payables		1,196,952,834	1,235,017,059
- Trade Payables to Related Parties	3	31,787,923	23,085,981
- Trade Payables to Third Parties	5	1,165,164,911	1,211,931,078
Payables Due to Employee Benefits	12	25,103,651	14,170,753
Derivative Instruments	14	2,506,189	2,526,227
Deferred Income	13	836,952,449	789,030,941
Short-Term Provisions		23,281,149	8,562,595
- Other Short-Term Provisions	14	23,281,149	8,562,595
Current income tax liabilities	23	63,835,075	11,850,119
Other Short-Term Provisions	8	14,547,723	6,434,098
TOTAL SHORT-TERM LIABILITIES		2,250,931,395	2,304,541,257
LONG-TERM LIABILITIES			
Long-Term Borrowings	11	155,588,403	98,603,478
Leasing Liabilities	11	40,961,145	35,794,137
Long-Term Provisions		82,506,537	21,696,180
- Long-Term Provisions for Employee Benefits	12	82,506,537	21,696,180
Deferred Tax Liabilities	23	157,621,845	70,436,154
TOTAL LONG-TERM LIABILITIES		436,677,930	226,529,949
TOTAL LIABILITIES		2,687,609,325	2,531,071,206

The accompanying notes are an integral part of these consolidated financial statements.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT 31 DECEMBER 2022 AND 2021**

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

		<i>Audited</i>	<i>Audited</i>
	Notes	31 December 2022	31 December 2021
EQUITY			
Equity Attributable to Owners of the Parent Company			
		2,059,842,229	1,115,154,299
Paid in Capital	15	80,980,793	80,980,793
Adjustments to Share Capital	15	7,840,703	7,840,703
Share Premium		91,952	91,952
The Impact of Business Combinations of the Entities Under Common Control		(6,972,661)	(6,972,661)
Other Comprehensive Income/Expenses not to be Reclassified to Profit or Loss		933,219,030	362,775,410
- Revaluation of Property, Plant and Equipment	9	979,185,213	370,808,732
- Actuarial Losses Arising From Defined Benefit Plans		(45,966,183)	(8,033,322)
Other Comprehensive Income/(Losses) to be Reclassified to Profit or Losses		(1,224,392)	873,981
- Foreign Currency Translation Differences		(1,224,392)	873,981
Restricted Reserves	15	34,492,810	28,853,013
Advances on Dividends Paid	15	(120,571,404)	-
Retained Earnings		578,135,213	353,214,074
Net Profit for the Year		553,850,185	287,497,034
Non-Controlling Interest			
		-	-
TOTAL EQUITY		2,059,842,229	1,115,154,299
TOTAL LIABILITIES AND EQUITY		4,747,451,554	3,646,225,505

The accompanying notes are an integral part of these consolidated financial statements.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE PERIODS**

1 JANUARY - 31 DECEMBER 2022 AND 2021

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

	Notes	<i>Audited</i> 1 January - 31 December 2022	<i>Audited</i> 1 January - 31 December 2021
PROFIT OR LOSS			
Revenue	16	4,610,787,679	2,626,441,513
Cost of Sales (-)	16	(3,211,050,616)	(1,906,302,896)
GROSS PROFIT		1,399,737,063	720,138,617
General Administrative Expenses (-)	18	(235,806,539)	(102,798,347)
Marketing Expenses (-)	18	(376,181,092)	(194,055,066)
Research and Development Expenses (-)		(6,328,105)	(3,512,336)
Other Operating Income	19	166,074,475	259,303,788
Other Operating Expenses (-)	19	(293,042,802)	(367,934,250)
OPERATING PROFIT		654,453,000	311,142,406
Income from Investment Activities	20	50,863,957	33,800,608
OPERATING PROFIT/(LOSS) BEFORE FINANCIAL (EXPENSE)/ INCOME		705,316,957	344,943,014
Financial Income	21	150,014,736	207,905,788
Financial Expenses (-)	21	(124,045,173)	(180,462,005)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		731,286,520	372,386,797
Tax Expense from Continuing Operations		(177,436,335)	(84,889,763)
- Tax Expense for the Period	23	(196,832,372)	(70,581,269)
- Deferred Tax (Expense)/Income	23	19,396,037	(14,308,494)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		553,850,185	287,497,034
NET PROFIT FOR THE PERIOD		553,850,185	287,497,034
Profit for the Period Attributable to			
- Non-Controlling Interest		-	-
- Parent Company Shares		553,850,185	287,497,034
Earnings per Share			
- Earnings per 1 Share with a Nominal Value of 1 Kr from Continuing Operations	24	0,0684	0,0355

The accompanying notes are an integral part of these consolidated financial statements.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE PERIODS**

1 JANUARY - 31 DECEMBER 2022 AND 2021

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

		<i>Audited</i> 1 January - 31 December 2022	<i>Audited</i> 1 January - 31 December 2021
PROFIT FOR THE YEAR		553,850,185	287,497,034
OTHER COMPREHENSIVE INCOME			
To be Reclassified to Profit or Loss		(2,098,373)	1,371,549
Change in Foreign Currency Translation Differences		(2,098,373)	1,371,549
Not to be Reclassified to Profit or Loss		573,954,535	173,048,557
Actuarial Loss Arising from Remeasurement of Defined Benefit Plans	12	(47,416,076)	(3,022,693)
Actuarial Loss Arising from Remeasurement of Defined Benefit Plans, Tax Effect		9,483,215	604,539
Revaluation of Property, Plant and Equipment	9	727,999,890	217,404,263
Revaluation of Property, Plant and Equipment Tax Effect	9	(116,112,494)	(41,937,552)
OTHER COMPREHENSIVE INCOME		571,856,162	174,420,106
TOTAL COMPREHENSIVE INCOME		1,125,706,347	461,917,140
Total Comprehensive Income Attributable to:			
Parent Company Shares		1,125,706,347	461,917,140
Non-Controlling Interest		-	-

The accompanying notes are an integral part of these consolidated financial statements.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIODS
1 JANUARY - 31 DECEMBER 2022 AND 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

	Paid in Capital	Adjustment to Share Capital	Share Premiums	The Impact of Business Combinations of the Entities Under Common Control	Not to be To be Reclassified Profit or Loss		Foreign Currency Translation Differences	Advances on Dividends Paid	Restricted Reserves	Retained Earnings	Net Profit for the Year	Equity Attributable to Owners of the		Total Equity
					Actuarial Losses Arising From Defined Benefit Plans	Revaluation of Property, Plant and Equipment						Parent Company	Non Controlling Interests	
1 January 2021	80,980,793	7,840,703	91,952	(6,972,661)	(5,615,168)	195,647,777	(497,568)	-	25,668,230	239,457,811	152,532,156	689,134,025	-	689,134,025
Transfers	-	-	-	-	-	(305,756)	-	-	-	152,837,912	(152,532,156)	-	-	-
Total comprehensive income	-	-	-	-	(2,418,154)	175,466,711	1,371,549	-	-	-	287,497,034	461,917,140	-	461,917,140
- Other comprehensive income	-	-	-	-	(2,418,154)	175,466,711	1,371,549	-	-	-	-	174,420,106	-	174,420,106
- Net profit for the period	-	-	-	-	-	-	-	-	-	-	287,497,034	287,497,034	-	287,497,034
Dividends paid	-	-	-	-	-	-	-	-	3,184,783	(39,081,649)	-	(35,896,866)	-	(35,896,866)
31 December 2021	80,980,793	7,840,703	91,952	(6,972,661)	(8,033,322)	370,808,732	873,981	-	28,853,013	353,214,074	287,497,034	1,115,154,299	-	1,115,154,299
1 January 2022	80,980,793	7,840,703	91,952	(6,972,661)	(8,033,322)	370,808,732	873,981	-	28,853,013	353,214,074	287,497,034	1,115,154,299	-	1,115,154,299
Transfers	-	-	-	-	-	(3,510,915)	-	-	5,639,797	285,368,152	(287,497,034)	-	-	-
Total comprehensive income	-	-	-	-	(37,932,861)	611,887,396	(2,098,373)	-	-	-	553,850,185	1,125,706,347	-	1,125,706,347
- Other comprehensive income	-	-	-	-	(37,932,861)	611,887,396	(2,098,373)	-	-	-	-	571,856,162	-	571,856,162
- Net profit for the period	-	-	-	-	-	-	-	-	-	-	553,850,185	553,850,185	-	553,850,185
Dividends paid	-	-	-	-	-	-	-	(120,571,404)	-	(60,447,013)	-	(181,018,417)	-	(181,018,417)
31 December 2022	80,980,793	7,840,703	91,952	(6,972,661)	(45,966,183)	979,185,213	(1,224,392)	(120,571,404)	34,492,810	578,135,213	553,850,185	2,059,842,229	-	2,059,842,229

The accompanying notes are an integral part of these consolidated financial statements.

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

**EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS
1 JANUARY - 31 DECEMBER 2022 AND 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	<i>Audited</i> 1 January - 31 December 2022	<i>Audited</i> 1 January - 31 December 2021
A. Cash flows from operating activities:		254,973,700	269,729,837
Net Profit For the Period (I)		553,850,185	287,497,034
Adjustments to Reconcile Net Profit (II)		210,888,783	15,342,024
Adjustments related to depreciation and amortization expense	17	64,145,063	51,110,200
Adjustments for tax income/(losses)	23	177,436,335	84,889,763
Adjustments for losses (gains) from disposal of fixed assets		(18,608,007)	(27,932,780)
Adjustments for unrealized foreign currency translation differences		(32,399,916)	(17,911,550)
Adjustments related to impairment for inventories	6	10,217,183	5,651,789
Adjustments related to impairment for receivables	5	19,521,546	3,455,500
Adjustments for provision employee benefits	12	28,827,016	5,791,151
Adjustments for provision legal cases	14	1,445,716	(791,801)
Adjustments related to provisions for guarentees		2,906,690	1,454,045
Adjustments for interest income	21	(32,255,950)	(21,214,344)
Adjustments for interest expense	21	32,751,976	29,906,559
Adjustments related to the fair earnings of derivative financial instruments		(43,098,869)	(109,501,938)
Other adjustments related to profit reconciliation		-	10,435,430
Changes in working capital (III)		(356,110,497)	29,427,160
Adjustments related to increase in inventory		(162,822,346)	(203,613,042)
Adjustments related to increase in trade receivables		(152,187,134)	(516,716,637)
Adjustments related to changes in short-term paid expenses		(31,711,762)	11,729,405
Adjustments for increase in trade payables		(9,342,673)	688,747,564
Adjustments for (decrease) / increase in other receivables related to operations		(19,093,105)	51,391,489
Adjustments for (decrease) / increase in other payables related to operations		19,046,523	(2,111,619)
Cash flows from operating activities (I+II+III)		408,628,471	332,266,218
Taxes paid	23	(144,847,416)	(55,463,278)
Payments related with provisions for employee benefits	12	(5,066,587)	(7,073,103)
Collections from doubtful trade receivables	5	(3,740,768)	-
B. Cash flows from investing activities		(154,799,904)	(153,896,107)
Cash outflow from purchase of property, plant, equipment and intangible assets		(181,568,798)	(175,107,080)
Cash inflow from sales of property, plant and equipment and intangible assets		19,482,944	12,765,022
Cash advances and debts given	7	(23,865,812)	(11,812,053)
Interest received		32,255,950	21,214,344
Cash inflows from the sale of fixed assets classified for sale	22	7,773,064	4,448,417
Cash outflows from the sale of fixed assets classified for sale	22	(8,877,252)	(5,404,757)
C. Cash flows from financing activities		(266,009,746)	(17,391,070)
Cash inflow from proceeds from borrowings	11	110,276,121	100,000,000
Cash outflow from payments of borrowings	11	(239,384,961)	(110,637,033)
Interest paid		(26,675,413)	(22,483,266)
Dividends paid		(181,018,417)	(35,896,866)
Cash outflow/(inflows) from derivative instruments, net		79,356,433	71,538,508
Cash outflows related to debt payments arising from lease agreements	11	(8,563,509)	(19,912,413)
D. Net increase in cash and cash equivalents before foreign currency translation differences (A+B+C)		(165,835,950)	98,442,660
E. Effect of currency translation differences on cash and cash equivalents		1,523,314	133,683,178
Net increase in cash and cash equivalents (D+E)		(164,312,636)	232,125,838
Cash and cash equivalents at the beginning of the period	4	570,042,328	337,916,490
Cash and cash equivalents at the end of the period	4	405,729,692	570,042,328

(*) The Group's cash and cash equivalents as of December 31, 2022 include blocked qualified deposits in the amount of TL 25,163,931(Note 4).

The accompanying notes are an integral part of these consolidated financial statements.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Ege Profil Ticaret ve Sanayi Anonim Şirketi ("the Company" or "Ege Profil") was established in 1981 with the title Namık Mazhar Zorlu and Oğulları Plastik Profil Sanayi Kollektif Şirketi. It took its current form with a change of title in 1982. The main activity of the Company is the production and sales of all kinds of plastic pipes and spare parts, and all kinds of profiles and plastic goods.

As of 31 December 2022, 12.09% of the Company shares are traded on the Istanbul Stock Exchange ("BIST") (31 December 2021: 11.68%). Deceuninck NV, which has 87.32% (31 December 2021: 88.32%) shares of the Company as of 31 December 2022, is the main shareholder of the Company (Note 15).

In June 2017, 87.60% of Deceuninck NV's shares in Pimaş A.Ş. were purchased by Ege Profil, and in August 2017 all assets and liabilities of Pimaş A.Ş. were taken over as a whole. It was decided to merge and the process was completed on 25 December 2017.

The Company carries out sales activities under Egepen Deceuninck brand produced in its facilities located in Menemen Plastik Specialized Organized Industrial Zone and under Pimapen and Winsa brands produced in its facilities in Kartepe/Kocaeli. In addition to the operations in Turkey, the Company makes sales through its subsidiary in branch and subsidiary located in India. Majority of the Company's ultimate customers are operating in the construction industry.

The details of the Company's subsidiaries are given below:

Subsidiaries	Stock Exchange Transactions	Types of Activity	Main Operations
Deceuninck Profiles India Pvt Limited ("Deceuninck India")	Not listed.	Profile Sale	Plastic Pipes, profile, marketing / distribution, lamination

As of 31 December 2022 and 31 December 2021, the number of personnel by category is as follows:

	31 December 2022	31 December 2021
Administrative	324	302
Manufacture	828	718
	1,152	1,020

Approval of consolidated financial statements:

These consolidated financial statements have been approved for issue by the Board of Directors of Ege Profil Ticaret ve Sanayi Anonim Şirketi on 28 February 2023. General Assembly and specified regulatory bodies have the right to make amendments after statutory consolidated financial statements issued.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Financial reporting standards applied

The accompanying consolidated financial statements are prepared in accordance with the Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations ("IFRIC") issued by Public Oversight Accounting and Auditing Standards Authority ("POA") Turkish Accounting Standards Boards.

The consolidated financial statements are presented in accordance with the formats specified in the "Announcement on TFRS Taxonomy" published by the POA on 4 October 2022 and the Financial Table Examples and User Guide published by the CMB.

The Company maintains its books of account and prepares its statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. Consolidated subsidiaries registered in India have prepared their statutory financial statements in accordance with the laws and regulations applicable in the countries they operate, and have prepared the legal records by reflecting the necessary corrections and classifications in order to make correct presentation in accordance with TFRS.

Consolidated financial statements have been prepared on the basis of historical cost, excluding land and plots and buildings from the tangible fixed assets group shown at their fair values, and financial assets and liabilities carried at their fair values, on the basis of historical cost, reflecting the necessary adjustments and classifications to the legal records in order to make an accurate presentation in accordance with TFRS.

Correction of Consolidated Financial Statements in High Inflation Periods

On January 20, 2022, POA issued a statement to eliminate any doubts that businesses that apply Turkish Financial Reporting Standards (TFRS) will apply TAS 29 Financial Reporting in High-Inflation Economies during the financial reporting period of 2021. Accordingly, it was stated that the enterprises applying TFRS do not need to make any adjustments within the scope of TAS 29 Financial Reporting in High-Inflation Economies ("TAS 29"), and then no new statement was made by UPS about the application of TAS 29. Taking into account that no new disclosure has been made as of the date of preparation of these consolidated financial statements, the consolidated financial statements as of December 31, 2022 are being prepared according to TAS 29, inflation adjustment has not been made.

2.2 Changes in Accounting Policies, Comparative Information and Correction of Previous Period Financial Statements

December January 2022 The accounting policies adopted in the preparation of the consolidated financial statements for the period ended 31 December 2022 have been applied in accordance with the new and amended Turkish Accounting Standards ("TAS")/TFRS and TAS/TFRS interpretations valid as of January 1, 2022, summarized below. The effects of these standards and interpretations on the financial situation and performance of the Group are explained in the relevant paragraphs.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2.1 Amendments in Turkish Financial Reporting Standards

a) Standards, amendments and interpretations applicable as at 31 December 2022 :

TFRS 16 'Leases' - amendments to extend the COVID 19 lease concessions facilitating practice (effective as of 1 April 2021); Due to the COVID-19 outbreak, some concessions were provided to tenants in rent payments. In May 2020, IASB introduced an optional facilitating practice for the tenants not to evaluate the concessions granted due to COVID-19 in the lease payments, whether there is a change in the lease, with the amendment published in the TFRS 16 Leases standard.

On March 31, 2021, IASB published an additional amendment to extend the date of facilitating implementation from 30 June 2021 to 30 June 2022. 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.

- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16;** effective from Annual periods beginning on or after 1 January 2022.
 - **Amendments to IFRS 3, ‘Business combinations’** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
 - **Amendments to IAS 16, ‘Property, plant and equipment’** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
 - **Amendments to IAS 37, ‘Provisions, contingent liabilities and contingent assets’** specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to IFRS 1, ‘First-time Adoption of IFRS’, IFRS 9, ‘Financial instruments’, IAS 41, ‘Agriculture’ and the Illustrative Examples accompanying IFRS 16, ‘Leases’.

b) Standards and amendments published but not yet effective as of 31 December 2022 ;

- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2.1 Amendments in Turkish Financial Reporting Standards (Continued)

Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction; from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

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

TAS 1, Amendment to the long-term obligations, which are the terms of the contract; Effective for annual reporting periods beginning on or after 1 January 2024. These changes clarify how conditions that an entity must comply with within twelve months of the reporting period affect the classification of a liability.

TFRS 17, 'Insurance Contracts', as amended in December 2021; Effective for annual reporting periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently allows for a wide variety of applications. TFRS 17 will fundamentally change the accounting of all entities that issue insurance contracts and investment contracts with discretionary participation features.

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

2.2.2 Comparative Information

The Group prepared its consolidated financial statements on a comparative basis with the preceding financial period, which enables determination of trends in financial position and performance. The Group prepared its balance sheet at 31 December 2022 on a comparative basis with balance sheet at 31 December 2021; and statements of profit or loss comprehensive income, cash flows and changes in equity for the period of 1 January - 31 December 2022 on a comparative basis with financial statements for the period of 1 January - 31 December 2021. For the purpose of convenience with the presentation of current period consolidated financial statements, comparative information is restated when necessary and major changes are disclosed.

Comparating information in order to provide compliance with the presentation of the financial statements in the current period is re-classified when deemed necessary and significant differences are explained. In this context, the company January 1 - December 31, 2021 The footnote in explanatory footnotes for the financial statements of the account period 25 - The quality and level of the risks arising from financial vehicles in the footnote of foreign currency position and exchange rate sensitivity analysis tables offered under the title of exchange rate risk, CMB dated 13 June 2013 dated 13 June 2013 and Serial II-14.1 published in the Official Gazette numbered 28676 and the "Communiqué on Principles on Financial Reporting in the Capital Market". The reorganization in question is the Group's 31 December 2022 and it has no effect on the financial statements dated 31 December 2021.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2.2 Comparative Information (Continued)

As of December 31, 2021, the difference in exchange rate differences in the profit or loss table of the in the profit or loss table for the profit or loss table of the year 196,322,773 for the income and expenses of TL 196,322,773 was re-presented between the two items. The classification has no effect on the profits of the past year or the net profit of 2021.

As of the date of 31 December 2021, after the year, the Consolidated Cash Flow Table An Announcement about TFRS Taxonomy” published on October 4, 2022 and the examples of financial statements published by the CMB and the formats specified in the usage guide to ensure the adaptation of the“ Derivation Financial Tools (Earnings) of Derivative Tools (Earnings) ”and“ Derivative Procedures caused by Cash Procedures (Outputs) Inputs ”Gross and 71,538,508 TL between the relevant accounts. The classification has no effect on the profits of the past year or the net profit of 2021.

2.2.3 Accounting Policies, Errors and Change in Accounting Estimates

Accounting policy changes resulting from the first application of a new standard, if any, are applied retrospectively or prospectively in accordance with the transition provisions. Changes without any transition requirement, optional significant changes in accounting policies or detected accounting errors are applied retrospectively and the financial statements of the previous period are restated. Changes in accounting estimates are applied in the current period if the change is related to only one period, and if it is related to future periods, it is applied both in the period of change and prospectively.

The Group has applied consistent accounting policies in its financial statements for the periods presented. Apart from these, there is no significant change in accounting policies and estimates in the current period.

2.3 Foreign Currency Translation

i) *Functional and Presentation Currency*

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are measured and presented in (“TRY”) which is the parent Company’s functional and the Group’s presentation currency.

ii) *Transactions and Balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income within finance income and expense and other operating income and expense except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Monetary assets in foreign currency in the consolidated statement of financial position as of 31 December 2022 are translated into TRY using the prevailing foreign exchange buying rates as of 31 December 2022 announced by the Central Bank of the Republic of Turkey, and the liabilities are translated into TRY using the prevailing foreign exchange selling rates as of 31 December 2022 announced by the Central Bank of the Republic of Turkey.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.3 Foreign Currency Translation(Continued)

iii) Translation of Financial Statements of Foreign Subsidiaries

Financial statements of consolidated subsidiaries operating in foreign countries are prepared according to the legislation of the country in which they are registered and adjusted to the TFRS to reflect the proper presentation and content. The assets and liabilities of foreign subsidiaries are translated into TRY from the foreign exchange rate at the balance sheet date. The income and expenses of foreign subsidiaries are translated into TRY at the average foreign exchange rates. All resulting exchange differences are recognised in “foreign currency translation differences” as a separate component of equity.

The currency at balance sheet date and the average currencies as of the statement of income and other comprehensive income are as follows:

<u>End of the period:</u>	31 December 2022	31 December 2021
TRY/INR	4.42	5.75
<u>Average:</u>	1 January - 31 December 2022	1 January - 31 December 2021
TRY/INR	4.76	8.36

2.4 Basis of Consolidation

The consolidated financial statements include the accounts of the parent company, Ege Profil and its subsidiaries on the basis set out below. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of these consolidated financial statements in accordance with TFRS, applying uniform accounting policies and presentation.

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The financial statements of the companies included in the scope of consolidation have been consolidated through full consolidation method and inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The non-controlling shareholders’ share in the net assets and results for the year for the subsidiaries are included in accumulated losses in the consolidated balance sheet on the grounds of materiality limits. It is included in the net profit for the period in the consolidated statement of profit or loss and comprehensive income.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.4 Basis of Consolidation (Continued)

In order to be consistent with the accounting policies adopted by the Group, the accounting policies of subsidiaries have been changed when necessary.

The table below sets out all subsidiaries included in the scope of consolidation and shows the related controlling interests at 31 December 2022 and 2021:

Subsidiary	Total direct and indirect control by the Company (%)	
	31 December 2022	31 December 2021
Deceuninck India	99,0%	99,0%

Transactions under common control

In share transactions between under common control entities, provisions of IFRS 3 ‘Business Combinations’ is not applicable since IFRS 3 or any other IFRS does not cover those transactions. Accordingly goodwill or negative goodwill is not to be accounted for. The difference between the consideration given and the aggregate book value of the assets and liabilities is accounted as an adjustment to equity. In accordance with IAS 8 and the local requirements regarding accounting treatment of transactions under common control, issued by Public Oversight Accounting and Auditing Standards Authority of Turkey, the Group retrospectively incorporates the acquired entity’s results as if both entities had always been consolidated.

Changes in ownership interests in subsidiaries resulting in loss of control

When the group ceases to consolidate an investment because of a loss of control, any retained interest in the entity at the date of loss of control, is remeasured to its fair value with the change in carrying amount recognised in statement of consolidated comprehensive income .

This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Basis of Consolidation (Continued)

b) Segment Reporting

The operations of the Group are considered to be a single business segment because of the uniqueness of the Group's main field of activity and the nature of the products in the Group's field of activity, the production processes, the classes of the product customers and the economic characteristics of the methods used in the distribution of the products. Therefore, the Group management evaluates the decisions regarding the resources to be allocated and the performance evaluation as a single operating segment rather than separate segments.

2.5 Significant accounting policies

2.5.1 Related parties

In terms of these consolidated financial statements, shareholders with control, joint control or significant influence over the Group, Deceuninck Group Companies, senior management staff and board members of the Group or Deceuninck NV as the parent company, and jointly controlled or companies that have significant activities on these are accepted and expressed as related parties (Note 3). Related parties are determined by considering the following conditions

- a) A person or a member of his or her immediate family is deemed to be associated with the Company if:
The person in question,
 - i) in the case of possession of control or joint control over the Company,
 - ii) if it has significant influence over the Company,
 - iii) is a member of key management personnel of the Company or a subsidiary of the Company.
- b) If any of the following conditions exist, the entity is deemed to be associated with the Company:
 - i) If the business and the company are members of the same group,
 - (ii) The operator is an affiliate or a business partner of the other business (or a member of a group that is also a member of another business),
 - (iii) If both businesses are partnerships of the same third party,
 - (iv) One of the businesses is a third-party business partner and the other is a third-party affiliate,
 - (v) In the event of an employee having benefit plans provided after leaving the Company in relation to the employees of the Company or an enterprise associated with the Company. If there is such a plan of the company itself, sponsor employers are also associated with the Company,
 - (vi) The operator is controlled or jointly controlled by a person described in (a),
 - (vii) has a significant effect on the business of a person identified in (i) or is a member of the key management personnel of the said entity (or its parent company).

Transactions with related parties are disclosed in Note 3.

2.5.2 Revenue recognition

The Group recognizes revenue when the goods or services is transferred to the customer and when performance obligation is fulfilled. Goods is counted to be transferred when the control belongs to the customer.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Significant accounting policies (Continued)

2.5.2 Revenue recognition (Continued)

Evaluating the transfer of the control of the goods or services sold to the customer;

- a) The Group has a present right to payment for the asset,
- b) The customer has legal title to the asset,
- c) The Group has transferred physical possession of the asset,
- c) The customer has the significant risks and rewards of ownership of the asset,
- e) The customer has accepted the asset.

According to this model, the goods or services undertaken in each contract with the customers are evaluated and each commitment to transfer the goods or services is determined as a separate performance obligation. Then, it is determined whether the performance obligations will be fulfilled in time or at a certain time. If the Group transfers the control of a good or service over time and thus fulfills the performance obligations related to the related sales over time, it measures the progress of the fulfillment of the performance obligations and recognise the revenue to the consolidated financial statements. Revenue related to performance obligations, such as goods or service transfer commitments, is recognized when customers are in control of the goods or services.

The Group recognize revenue from its customers only when all of the following criteria are met:

- a) The parties to the contract have approved the contract (in writing, orally or in accordance with other customer business practices) and are committed to perform their respective obligations,
- b) The Group can identify each party's rights regarding the goods or services to be transferred,
- c) The Group can identify the payment terms for the goods or services to be transferred,
- d) The contract has commercial substance,
- e) It is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.

Revenue from product sales

The Group generates revenue as a result of the sale of paint, varnish, resin and other surface coating, building and thermal insulation materials, raw materials and tools and equipments used in its application. Revenue is recognized when product control is transferred to the customer (Note 16).

Evaluating the transfer of the control of the goods or services sold to the customer;

- The Group has a present right to payment for the asset,
- The customer has legal title to the asset,
- The Group has transferred physical possession of the asset,
- The customer has the significant risks and rewards of ownership of the asset,
- The customer has accepted the asset.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Significant accounting policies (Continued)

2.5.2 Revenue recognition (Continued)

For each performance obligation, the Group determines whether it has fulfilled its performance obligation at the beginning of the contract or whether the performance obligation fulfilled at a certain point in time. The Group recognize revenue from product sales in the consolidated financial statements following the transfer of control to the customer.

Within the scope of TFRS 15, in cases where the period between the transfer date of the promised good or service to the customer and the date the customer pays the price of this good or service is one year or less at the beginning of the contracts made with the customers, no adjustment is made on the assumption that a significant financing component has no effect on the promised transaction price. option is available. If there is a significant financing element in the revenue arising from the Group's forward sales contracts, the transaction price is determined by discounting the future collections with the interest rate included in the financing element.

The Group recognizes revenue when it has right to collect the consideration which is equal to the price of performance obligation fulfilled by the perspective of customer (after the delivery of goods) in an amount of its right to invoice.

Transaction price is determined by considering variable components like volume rebates given to customers, action fees and listing costs. Payment of the transaction price is due immediately when the customers purchase the products. It is the Group’s policy to sell its products to the customers with a right of return within if there are acceptable reasons caused by faulty or obsolete products.

Interest income is recorded periodically by applying the effective interest method. When a provision for impairment is set aside, the Group calculates the carrying value of the receivable to its recoverable amount based on the estimated future cash flow discounted on the basis of the original effective interest rate of the related receivable and records that discount as interest income. Interest income on loans is recorded using the effective interest rate method.

2.5.3 Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable selling expenses. Cost elements included in inventories comprise all costs of purchase of material and other costs incurred in bringing the inventories to their present location and condition such as labour and appropriate amount of factory overheads. Inventory cost calculation system is phase cost and the Group evaluates its inventories according to the appropriate cost method. (Note 6).

Aging and physical condition of inventories are assessed in terms of impairment and provision is recognized for inventories that are identified as obsolete in accordance with related accounting policies. As of the reporting date, details regarding the provision for inventory impairment are provided in Note 6.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Significant accounting policies (Continued)

2.5.4 Financial assets

Classification and measurement

The Group classifies its financial assets in the following categories, financial assets recognized at amortized cost and financial assets at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Group management determines the classification of its financial assets at initial recognition.

Financial assets recognized at amortized cost

Financial assets with fixed or determinable payments that are not traded in an active market and which are not derivatives, where management adopts the business model of collecting contractual cash flows and contract terms only include interest payments arising from principal and principal balance, are recognized as assets that are at amortized cost. If the maturities are less than 12 months from the balance sheet date, they are classified as the current assets. If the maturities are longer than 12 months, they are classified as non-current assets. Assets that are accounted for at amortized cost include ‘trade receivables’, ‘other receivables’ and ‘cash and cash equivalents’ in the balance sheet.

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss are assets that are not measured at amortised cost or at fair value through other comprehensive income. Gains and losses on valuation of these financial assets are accounted for under the consolidated financial statements. As of 31 December 2022 and 2021, the Group’s financial assets at fair value through profit or loss includes foreign currency forward derivative transactions.

Derivative financial instruments

The Group makes forward foreign exchange contracts in the foreign currency market. According to the Group's risk management policies, such futures contracts entered for hedging purposes are classified as held for trading because they do not meet the requirements for hedge accounting in accordance with IFRS 9 Financial Instruments, liabilities and assets are recognized at fair value and changes in fair value are reflected in the income statement. If the gain or loss arising from the fair value measurement of the derivative financial instruments at the reporting date and the gain or loss arising from derivative transactions realized within the period relates to the operating activities of the derivative transactions, are recognized in the consolidated statements of profit or loss.

2.5.5 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand accounts, and deposits held at banks. Cash and cash equivalents are highly liquid investments with maturities less than 3 months. Cash and cash equivalents are stated at their fair values in the consolidated financial statements (Note 4).

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Significant accounting policies (Continued)

2.5.6 Cash flow statement

In the statement of cash flows, cash flows are classified into three categories as operating, investing and financing activities. Cash flows from operating activities are those resulting from the Group’s production and sales activities. Cash flows from investing activities indicate cash flows associated with the Group’s investing activities (such as purchase of or proceed from sale of property, plant and equipment) from property, plant and equipment and financial investments. Cash flows from financing activities indicate the resources used in financing activities and the repayment of these resources.

2.5.7 Trade receivables

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortized cost. Receivables with short-term maturities which have no predefined interest rate are measured at the original invoice amount unless the effect of imputed interest is significant (Note 5).

A doubtful receivable provision for trade receivables is established if there is objective evidence that the company will not be able to collect all amounts due. The receivables in process of lawsuit or enforcement or in a prior stage, the customer having material financial difficulties, the receivable turning default or the possibility of material and unforeseeable delay in the future collection are included under objective evidences.

The amount of provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception. Also, the Group has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component. In accordance with this method, if any provision provided to the trade receivables as a result of a specific events, company measures expected credit loss from these receivables by the life-time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectations for the future indications.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the collection amount is decreased from the doubtful receivable provisions and recorded as income to the income statement.

2.5.8 Trade payables

Trade payables are payments to be made arising from the purchase of goods and services from suppliers within the ordinary course of business. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method (Note 5).

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Significant accounting policies (Continued)

2.5.9 Borrowing and borrowing cost

Borrowings are recognised initially at the proceeds received, net of any transaction costs incurred. In subsequent periods, borrowings are restated at amortised cost using the effective yield method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings. Borrowing costs are expensed as incurred. If the borrowings mature within 12 months, then they are classified in current liabilities, otherwise they are classified in non-current liabilities (Note 11).

A qualifying asset is an asset that takes a substantial period of time to get ready for its intended use or sale. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

2.5.10 Property, plant and equipment

Property, plant and equipment except for land, land improvements and buildings acquired before 1 January 2005 are carried at cost in the equivalent purchasing power of TRY as at 31 December 2004 and items acquired after 1 January 2005 are carried at cost, less accumulated amortization and impairment losses, if any. Land, land improvements and buildings are stated at fair value based on valuations by external independent valuers performed at 31 December 2022 and 2021 (Note 9). Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the relevant asset, and the net amount the revalued amount of the asset.

Increases in the carrying amount arising on the revaluation of land, land improvements and buildings are credited to the revaluation reserve in equity, net of applicable deferred income tax. For certain assets, the increase was recognized in the consolidated statement of comprehensive income to the extent that it reversed the impairment of the same asset previously recognized in the consolidated statement of comprehensive income. Decreases that offset previous increases of the revalued asset are charged against that reserve; all other decreases are charged to the consolidated statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the consolidated statement of comprehensive income) and depreciation based on the asset's original cost is transferred from the revaluation reserve to accumulated losses, and the amount transferred is net of any related deferred income tax.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Significant accounting policies (Continued)

2.5.10 Property, plant and equipment (Continued)

Property, plant and equipment are capitalised and depreciated when they are in the location and condition necessary for it to be capable of operating in the manner intended by the management. Residual values of property, plant and equipment are deemed as negligible. The advances given for the property, plant and equipment purchases are classified in prepaid expenses under the other non-current assets until the related asset is capitalised. At each balance sheet date, residual values and estimated useful lives of property, plant and equipment are reviewed and adjusted if appropriate, prospectively.

Depreciation is provided on the cost or revalued amounts of property, plant and equipment on a straight-line basis less any impairment (Note 9).

Land is not depreciated as it is deemed to have an indefinite life. The estimated useful lives of property, plant and equipments are as follows:

	<u>Years</u>
Land and land improvements	10-40
Buildings	10-42
Furniture and fixtures	3-10
Machinery and equipments	2-25
Motor vehicles	4-8
Other fixed assets	5

Subsequent costs are included in the asset’s carrying value or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Property, plant and equipment are reviewed for impairment losses, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of assessing impairment, property plant and equipment assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of fair value less cost to sell or value in use.

If the property, plant and equipment that are impaired are revalued, the impairment is charged to the revaluation reserves for an amount equivalent to the increases included in the revaluation reserve in the preceding periods and the remaining amount is recognised in the consolidated statement of comprehensive income.

Repairs and maintenance are charged to the consolidated statements of comprehensive income during the financial period in which they are incurred. Subsequent costs are included in the asset’s carrying value or recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The Group derecognises the carrying amounts of the replaced parts related to renovations regardless of whether the replaced parts were depreciated separately. Subsequent costs included in the asset’s carrying value or recognised as separate asset, are depreciated based on their useful lives.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Significant accounting policies (Continued)

2.5.11 Leases

The Group - as a lessee

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group considers following indicators for the assessment of whether a contract conveys the right to control the use of an identified asset for a period of time or not:

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

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease following the consideration of the above-mentioned factors.

Right-of-use asset

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

- a) the amount of the initial measurement of the lease liability,
- b) any lease payments made at or before the commencement date, less any lease incentives received,
- c) any initial direct costs incurred by the Group, and
- d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Significant accounting policies (Continued)

2.5.11 Leases (Continued)

When applying the cost model, the Group measures the right-of-use asset:

- a) less any accumulated depreciation and any accumulated impairment losses; and
- b) adjusted for any remeasurement of the lease liability.

The Group applies the depreciation requirements in IAS 16 “Property, Plant and Equipment” Standard in depreciating the right-of-use asset. The Group applies IAS 36 “Impairment of Assets” Standard to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease, if that rate can be readily determined, or by using the Group’s incremental borrowing rate. The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- a) fixed payments, less any lease incentives receivable,
- b) variable lease payments that depend on an index or a rate,
- c) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

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

- a) increasing the carrying amount to reflect interest on the lease liability,
- b) reducing the carrying amount to reflect the lease payments made and
- c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Options to extend and terminate

Group assesses the contractual options to extend or to terminate the lease when determining the lease liability. The majority of the options to extend and terminate are exercisable both by the Group and the respective lessor. Group determines the lease term of a lease considering the periods covered by options to extend and terminate the lease if the options are exercisable by the Group and the Group is reasonably certain to exercise those options. If a significant change in circumstances takes place, related lease term assessment is revisited by the Group.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Significant accounting policies (Continued)

2.5.11 Leases (Continued)

Variable Lease Payments

Lease payments arising from a part of the Group's lease agreements consist of variable lease payments. The mentioned variable lease payments, which are not covered by the TFRS 16 standard, are recorded as income on the income statement in the relevant period.

Practical expedients

The short-term lease agreements with a lease term of 12 months or less which are determined by the Group as low value, have been evaluated within the scope of practical expedients introduced by the TFRS 16 and related lease payments are recognised as an expense in the period in which they are incurred. Furthermore, single discount rate is used to a portfolio of leases with reasonably similar characteristics (such as leases with similar remaining lease terms for a similar group of assets in a similar economic environment).

2.5.12 Intangible assets

Intangible assets are measured at cost less accumulated depreciation and impairment, if any.

Intangible assets mainly comprise acquired rights, trademarks, industrial software, distributor list, software license rights and other rights and capitalised at fair value.

Intangible assets (software license right and other rights) are amortized on a straight-line basis over their estimated useful lives for a period of mainly 3-20 years from the date of acquisition. Intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.5.13 Non-current assets held for sale

Real estates related to the old production facility not in use for which the Group management has initiated an active plan for the sale:

The Group management has initiated an active plan for the sale of the old Pimas production facility in Gebze on October 20, 2021, and these assets in accordance with the provisions of TFRS 5 “Assets Held for Sale and Discontinued Operations” as of the same date, transferred to non-current assets held for sale. These assets are actively marketed at a price consistent with their current fair value, and the sale is expected to be completed within one year from the date of classification. Various events or circumstances may extend the completion time of the sale transaction beyond one year. If the delay is due to events or conditions beyond the Group's control and there is sufficient evidence that the Group's plan to sell the related asset is in progress; Extending the time required to complete the sale does not preclude the asset from being classified as held for sale. The Group measures assets classified as held for sale at the lower of their carrying amount and fair value less costs to sell.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Significant accounting policies (Continued)

2.5.13 Non-current assets held for sale (Continued)

When these assets are sold, the difference between sales amount and the carrying value of the asset is recognized in the statement of profit or loss.

When these and similar assets are sold, the difference between the amount of sales and the value of the asset is accountable in the profit or loss table.

2.5.14 Research and development expenses

Expenditure on research activities are recognized as an expense in the period in which they are incurred. An intangible assets arising from development (or from the development phase of an internal project) is recognized as intangible assets when the following criteria are met;

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- Management intends to complete the intangible asset and use or sell it;
- There is an ability to use or sell the intangible asset;
- It can be demonstrated how the intangible asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

In other cases, development costs are expensed as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. In cases where it is difficult to separate the research phase from the development phase in a project, the entire project is treated as research and expensed immediately.

2.5.15 Impairment of non-financial assets

At each reporting date, the Group assesses whether there is an impairment indication for the assets, except for the deferred income tax asset. The recoverable amounts of intangible assets not yet available for use to be measured annually. When an indication of impairment exists, the Group estimates the recoverable amounts of such assets. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Assets are allocated to cash generating units for the purpose of impairment testing, which is undertaken on the lowest level. An impairment loss is recognized for the amount by which the carrying amount of the asset or any cash-generating unit of that asset exceeds its recoverable amount, which is the higher of an asset's net selling price or value in use. Impairment losses are accounted for in the statement of comprehensive income.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Significant accounting policies (Continued)

2.5.16 Impairment of non-financial assets (Continued)

Impairment losses can be reversed to the extent that increased carrying amount of an asset shall not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years provided that increases in the recoverable amount of the asset can be associated with events that occur subsequent to the period in which the impairment loss was recognized.

2.5.17 Provisions, contingent assets and liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

In cases where the time value of money is material, provisions are determined as the present value of expenses required to be made to settle the liability. The rate used to discount provisions to their present values is determined considering the interest rate in the related markets and the risk associated with the liability. The discount rate must be pre-tax and does not consider risks associated with future cash flow estimates. In cases where the time value of money is material and the provisions approach to their expected realization date, the increase in the provision due to passage of time is recognized as interest expense in the consolidated statement of income and other comprehensive income.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are treated as contingent assets or liabilities. The Group does not recognize contingent assets and liabilities (Note 14). Provisions are not recognized for future operating losses.

Warranty provision

The Group provides warranty regulations for products sold in Turkey. The Company makes provision for the said commitment by estimating the possible warranty obligation over the sales made within the framework of the current legal regulations, based on its past experiences.

Contingent assets and liabilities

Contingent liabilities are not reflected in the financial statements but explained in the footnotes if the situation requiring resource transfer is not highly likely. Contingent assets, on the other hand, are not reflected in the financial statements and explained in footnotes if the possibility of generating economic gains is high.

In order to determine provisions for lawsuits, the probability of losing the relevant lawsuits and the consequences to be incurred in case of loss are evaluated in line with the opinions of the Group's legal advisors and the amount of the provision is determined. In addition, based on the ongoing tax review, a provision is accounted for possible cash outflow based on the best estimates within the current information, taking into account the opinions of the Group tax advisors within the framework of the applicable tax laws.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Significant accounting policies (Continued)

2.5.18 Employee benefits/severance pay

Employment termination benefits, as required by the Turkish Labor Law and the laws applicable in the countries where the subsidiaries operate, represent the estimated present value of the total reserve of the future probable obligation of the Company arising in case of the retirement of the employees. According to Turkish Labor Law and other laws applicable in Turkey, the Company is obliged to pay employment termination benefits to all personnel in cases of termination of employment without due cause, call for military service, be retired or death upon the completion of a minimum one year service. All actuarial gains and losses are recognized in other comprehensive income.

Unused vacation

Liabilities due to unused vacations classified as provisions due to employee benefits are accrued and discounted if the discount effect is material.

Seniority incentive bonus

There is a benefit for the Company's top executives in return for their long stay in the Company. The provision for this benefit accrued in the financial statements represents the estimated total provision for future liabilities, discounted as of the balance sheet date.

2.5.19 Current period tax expense and deferred tax

Tax expense includes current period tax expense and deferred tax expense. The tax is included in the income statement, provided it is not directly related to a transaction accounted for under equity. Otherwise, the tax is accounted for under equity with the relevant transaction.

Current tax expense is calculated by taking into account the tax laws in force in the countries where the Group's subsidiaries operate as of the date of the statement of financial position. According to Turkish tax legislation, the corporations whose legal or business centers are in Turkey are subject to corporate tax.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for five years. Tax losses cannot retrospectively offset against the profits of previous years.

In addition, temporary tax at a rate of 25% (only 23% for 2022 taxation periods and 20% for the following years) is paid over the tax bases declared during the year to be deducted from corporate tax. The corporate tax rate in India is 26%.(Note 23)

As of 31 December 2022 and 2021, income tax provisions have been accrued in accordance with the prevailing tax legislation.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Significant accounting policies (Continued)

2.5.19 Current period tax expense and deferred tax (Continued)

75% of the income derived by the Group from the sale of participation shares, preferential rights, founders' shares and redeemed shares and 50% of the income derived by the Group from the sale of immovable property which are carried in assets for at least for two years is exempt from corporate tax with the condition that the relevant income should be added to the share capital or kept under a special reserve account under equity for 5 years in accordance with the Corporate Tax Law.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Currently enacted tax rates are used to determine deferred income tax at the balance sheet date.

In the financial statements dated 31 December 2022, the Company's postponed tax assets and obligations used 20 % for the tax impact of temporary differences in the following periods.

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Provided that deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority and it is legally eligible, they may be offset against one another.

Deferred tax assets are recorded when it is highly probable to benefit from temporary differences and accumulated losses by generating taxable profit in the future. While determining the amount of deferred tax assets to be recorded, it is necessary to make important estimates and evaluations regarding the taxable profits that may occur in the future.

The Group management determines the taxable profit amount by taking into account the predictable future profit or loss projections while accounting the deferred tax from the mentioned tax advantages. In addition, the Group management accounts for its tax assets and liabilities by making all necessary evaluations in line with the opinions of tax consultants within the framework of the tax laws in force in the countries where they operate. Explanations on the aforementioned tax assets and liabilities are included in Note 23.

2.5.20 Government grants

Government grants, including non- monetary grants at fair value, are recognised in consolidated financial statements when there is reasonable assurance that the entity will comply with the conditions attaching to them, and the grants will be received. The Group accounts government subsidies for brand development and related marketing expenses by offset marketing, selling and distribution expenses on consolidated financial statements. Government grants and subsidies comprise of research and development incentives and investment incentives.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.5 Significant accounting policies (Continued)

2.5.21 Earnings per share

The calculation of earnings per share is based on net profit attributable to equity holders of the parent divided by weighted average number of ordinary shares outstanding during the period (Note 24).

2.5.22 Share premiums

Share premium represents differences resulting from the sale of the Company’s subsidiaries and associates’ shares at a price exceeding the face values of those shares or differences between the face values and the fair value of shares issued for acquired companies.

2.5.23 Share capital and dividends

Ordinary shares are classified as equity. Dividends payable on ordinary shares are recognized as an appropriation of the profit in the period they are declared. Dividends received are recorded as income on the date when the right to collection occurs.

Advance profit shares refers to the amount calculated in accordance with the provisions of the CMB and dividend communiqué on the profits formed according to the financial statements to be deducted from the profit share to be distributed over the annual financial statements.

2.5.24 Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liabilities simultaneously.

2.5.25 Events after the reporting period

Subsequent events, announcements related to net profit or even declared after other selective financial information has been publicly announced; include all events that take place between the balance sheet date and the date when financial statements were authorized for issue.

In the case that adjusting events occur after the reporting period, the Group adjust the amounts recognised in its consolidated financial statements to reflect adjusting events after the reporting period. Moreover, non-adjusting events that are indicative of conditions that arose after the reporting period should be disclosed if they are of such importance that non-disclosure would affect the ability of users to make proper evaluations and decisions.

2.5.26 Going concern

The Group prepared consolidated financial statements in accordance with the going concern assumption.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.6 Critical Accounting Estimates and Judgements

Preparation of consolidated financial position statements (balance sheet) requires the use of estimates and assumptions that may affect the amount of assets and liabilities recognized as of the balance sheet date, disclosures of contingent assets and liabilities and the amount of revenue and expenses reported. Although these estimates and assumptions rely on the Group management's best knowledge about current events and transactions, actual outcomes may differ from those estimates and assumptions. Significant estimates of the Group management are as follows:

a) Revalued amounts of land, land improvements and buildings

Revaluations are performed with the sufficient regularity to ensure that the carrying amounts of the revalued property, plant and equipment do not differ materially from that which would be determined using fair value at the end of the reporting periods. The frequency of the revaluation depends upon the changes in the fair values of the items of property, plant and equipment. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required and revaluation is performed for entire class of revalued item simultaneously. Besides, for items of property, plant and equipment with only insignificant changes in fair value frequent revaluations and fair value measurements are considered unnecessary.

As a result of the assessments made by the Group management, land, land improvements and buildings held by the Group are carried at their fair values in the consolidated financial statements as of 31 December 2022 and 2021 based on the valuations performed by an external independent valuer.

The details of the methods and assumptions used for valuations of land, land improvements and buildings are as follows:

- In fair value calculations, the highest and best use evaluation was made and the current usage purposes were determined as the highest and best use. Market reference comparison method was used for lands, and the cost approach method was used for land improvements and buildings.
- In the market reference comparison method, current market information was utilized, taking into consideration the comparable property in the market in recent past in the region, price adjustment was made within the framework of criteria that could affect market conditions, and accordingly an average m² sale value was determined for the lands subject to the valuation. The similar pieces of land found were compared in terms of location, size, settlement status, physical conditions, real estate marketing firms were consulted for up-to-date valuation of the real estate market, also, current information and experience of the professional valuation company was utilized.
- In the cost approach method, the value of the real estate was determined by adding the investment costs on the land after the amortization (after adding any interests or gains, removing the wearing out). The peer comparison method described above was also used to calculate the plot value from the components discussed in the cost approach method.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.6 Critical Accounting Estimates and Judgements (Continued)

a) Revalued amounts of land, land improvements and buildings (Continued)

The fair values may differ from the amounts that would result from the outcome of a sales transaction between independent parties.

The values determined by the cost approach method were evaluated according to IAS 36 “Impairment in Assets” in terms of the date when they were first accounted in the consolidated financial statements, and whether there are impairment indicators or not.

b) Trade receivables and impairment

The Group management takes into consideration the guarantees received from customers, past collection performances, maturity analysis, disputes or claims related to receivables or lawsuits when evaluating the recoverability of such trade receivables. The determination of the doubtful receivables as well as the provision amounts for these receivables as a result of all these evaluations include management’s assumptions and estimates.

Although these estimates and assumptions rely on the Group management’s best knowledge about current events and transactions, actual outcomes may differ from those estimates and assumptions.

NOTE 3 - RELATED PARTY DISCLOSURES

Summary of the related party balances as of 31 December 2022 and 31 December 2021 and significant related party transactions during the period were as follows:

i) Balances with related parties:

a) Short-term trade receivables from related parties:

	31 December 2022	31 December 2021
Deceuninck SAS (Columbia) (2)	203,671,301	83,812,415
Deceuninck South America (2)	55,122,947	54,105,396
Deceuninck Pty Ltd (2)	32,148,268	31,992,917
Deceuninck doo – Croatia (2)	30,219,498	19,440,857
Deceuninck Romania SRL (2)	16,044,277	42,174,388
Deceuninck NV (1)	15,693,100	11,809,250
Deceuninck (Thailand) Co Ltd (2)	13,832,057	20,107,084
Other Deceuninck Group Companies (2)	24,088,172	14,285,096
	390,819,620	277,727,403

(1) Parent company having control over the Group

(2) Companies that are members of the same group as the Group.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

i) Balances with related parties(Continued):

Short-term trade receivables from related parties are related to product sales.

As of 31 December 2022, the due dates of trade receivables from related parties are as follows:

	31 December 2022	31 December 2021
Overdue receivables (*)	230,347,598	89,470,443
0-30 days due	53,400,366	44,715,239
30-120 days due	65,313,295	30,312,168
121-180 days due	41,758,361	113,229,553
	390,819,620	277,727,403

(*) A portion of 102,699,483 TL (2021: 16,724.294 TL) of overdue receivables consists of receivables overdue for more than one year, and 127.648.115 TL (2021: 72.746.149 TL) portion consists of receivables that are less than one year past due. As of 31 December 2022, the Group has incurred maturity differences amounting to TL 22.342.087 (2021: TL 3.898.346) for the overdue receivables, and the annual average effective weighted interest rate applied is 10.74% for Euro and 12.54% for USD. , for Australian Dollar is 11.75%.

Group management believes that the Group management does not include any suspicious receivables by considering the past experience in collecting its commercial receivables from the associated parties and the guarantees received from the main partner.

The carrying value of short-term trade receivables from related parties approximate to their fair values.

b) Short-term trade payables to related parties:

Deceuninck NV (1)	26,014,574	19,915,074
Other Deceuninck Group Companies (2)	5,773,349	3,170,907
	31,787,923	23,085,981

A significant portion of short-term payables to related parties arises from raw material purchases and consultancy and consultation services received from Deceuninck NV.

ii) Transactions with Related Parties:

a) Product sales to related parties:

	1 January - 31 December 2022	1 January - 31 December 2022
Deceuninck NV (1)	33,602,945	23,362,070
Other Deceuninck Group Companies (2)	446,494,212	290,487,075
	480,097,157	313,849,145

Most of the sales to the associated parties consist of sales to Deceuninck SAS (Colombia), Deceuninck Romania Srl and Deceuninck South America (CHILE) companies.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

ii) Transactions with Related Parties (Continued):

	1 January - 31 December 2022	1 January - 31 December 2021
b) Service and product purchases from related parties:		
Deceuninck NV (1)	44,888,237	30,001,427
Other Deceuninck Group Companies (2)	3,531,710	2,261,024
	48,419,947	32,262,451
c) Property, plant and equipment purchases from related parties:		
Deceuninck NV (1)	3,610,885	1,809,436
Other Deceuninck Group Companies (2)	101,157	124,418
	3,712,042	1,933,854
d) Property sales to related parties:		
Deceuninck NV (1)	820,602	2,986,443
Other Deceuninck Group Companies (2)	14,401,637	10,264,807
	15,222,239	13,251,250
e) Other expenses from related parties:		
Deceuninck NV (1)	113,039,211	55,845,213
Other Deceuninck Group Companies (2)	7,949,432	-
	120,988,643	55,845,213
<p>As of 31 December 2022, TRY54,540,232 (31 December 2021: TRY22,204,930) of this amount was paid for management services, TRY53,062,898 (31 December 2021: TRY30,888,728) for information technology systems whereas TRY5,436,081 (31 December 2021 TRY2,751,555) consists of the royalties.</p>		
f) Foreign exchange gains / (losses) from related parties -net:		
Deceuninck NV (1)	(480,535)	(2,838,186)
Other Deceuninck Group Companies (2)	(93,167,745)	(84,133,379)
	(93,648,280)	(86,971,565)

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

ii) Transactions with Related Parties (Continued):

g) Key management benefits:

Key management consists of senior managers, board members, general manager and directors, and the benefits provided to these managers are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Total short-term benefits	40,293,850	14,135,594
Total long-term benefits	8,945,452	-
Termination benefits	1,275,724	811,644
	50,515,026	14,947,238

NOTE 4 - CASH AND CASH EQUIVALENTS

	31 December 2022	31 December 2021
Cash	3,789	4,027
Banks	361,669,592	552,971,502
- Time deposits	328,504,985	539,116,585
- TRY denominated time deposits	307,920,000	144,450,000
- Foreign currency denominated time deposits	20,584,985	394,666,585
- Demand deposits	33,164,607	13,854,917
- TRY denominated demand deposits	28,160,633	8,772,715
- Foreign currency denominated demand deposits	5,003,974	5,082,202
Cheques in collection	44,056,311	17,066,799
	405,729,692	570,042,328

Futures deposits consist of short -term deposits in a month (31 December 2021: one month), which are in a month, and the effective weighted average interest rate is 23.85 % 0.1 % and 0.03 (31 December 2021 : It consists of short -term TL and deposits in US dollars with a maturity of a month and the an effective weighted average annual interest rate is 24.83 % and 1.58 %, respectively). Based on the independent data with respect to the credit risk assessment of the banks, at which the Group has deposits, the credit quality of the banks is sufficient.

As of December 31, 2022, the Group has a blocked deposit of TRY 25,163,931 (31 December 2021) there and the amount consists of deposits arising from DBS collections which can be used within 2 days following the balance sheet date.

Cheques in collection includes cheques with maturities within 3 days that are kept in banks for collection.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

NOTE 5 - TRADE RECEIVABLES AND PAYABLES

a) Short-term trade receivables to third parties:

	31 December 2022	31 December 2021
Cheques and notes receivable	1,510,961,696	1,236,222,754
Customer current accounts	128,860,904	268,219,391
	1,639,822,600	1,504,442,145
Less: Trade receivable rediscount	(77,908,567)	(56,128,823)
	1,561,914,033	1,448,313,322

The average maturity of commercial receivables is between 1 to 3 months (31 December 2021: 1 - 3 months).

As of 31 December 2022 and 2021, the movement table for provision for doubtful trade receivables is as follows:

	2022	2021
1 January	56,128,823	50,306,074
Current period provision expense	42,112,015	30,285,205
Current year collections	(18,849,701)	(26,829,705)
Collections	(3,740,768)	-
Currency translation differences	2,258,198	2,367,249
31 December	77,908,567	56,128,823

As of 31 December 2022 and 2021, the aging of trade receivables that are past due but not impaired are as follows:

	31 December 2022	31 December 2021
Up to 30 days	23,946,133	25,274,840
30-60 days	2,898,581	23,044,942
60-90 days	9,335,046	15,209,915
90-180 days	2,928,800	23,329,119
Up to 180 days	12,749,123	3,779,966
	51,857,683	90,638,782

As of 31 December 2022 and 2021, since the amount of guarantees received from customers for past due but not impaired receivables covers the uncollected receivables, no additional provision is recognized in the consolidated financial statements.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

NOTE 5 - TRADE RECEIVABLES AND PAYABLES (Continued)

As of 31 December 2022, there are bank letters of guarantee amounting to TRY177,148,356 , guarantee notes amounting to TRY10,361,121 and first degree mortgages amounting to TRY443,940,304 received as a guarantee for total trade receivables of the Group (31 December 2021: TRY126,662,041 , TRY2,680,000 and TRY331,441,280 , respectively) (Note 14). Explanations on the Group's credit risk management can be found in Note 25.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's widely dispersed customer base, covering the spectrum of manufacturing and distribution and the variety of available markets in which they sell. Due to these factors, the Group management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

b) Short-term trade payables:

	31 December 2022	31 December 2021
Supplier current accounts	845,340,750	692,494,558
Notes payable	319,824,161	519,436,520
	1,165,164,911	1,211,931,078

The average maturity of commercial debts is 3 - 6 months (31 December 2021: 3 - 6 months).

NOTE 6 - INVENTORIES

	31 December 2022	31 December 2021
Raw materials	178,073,694	95,086,155
Work in progress	64,879,748	30,456,884
Finished goods	167,479,072	140,718,358
Trade goods	121,172,743	102,521,514
Provision for obsolescence of inventory (-)	(22,123,611)	(11,906,428)
	509,481,646	356,876,483

Cost of inventories recognised as expense and included in cost of goods sold amounted to TRY2,827,041,418 (31 December 2021: TRY1,718,130,193).

Raw materials mainly consist of PVC, lamination materials and adhesives used in profile production.

As of 31 December 2022, provision for obsolescence of inventory consists of provisions related with raw material, finished goods and trade goods inventories amounting to TRY1,350,414, TRY19,533,043 and TRY1,240,154 respectively (31 December 2021: TRY1,143,085, TRY9,674,845 and TRY1,088,498, respectively).

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

NOTE 6 – INVENTORIES (Continued)

The movement of provision for obsolescence of inventory for the years ended 31 December 2022 and 2021 is as follows:

	2022	2021
1 January	11,906,428	6,254,639
Increase/(decrease) in the period, net	10,217,183	5,651,789
31 December	22,123,611	11,906,428

NOTE 7 - PREPAID EXPENSES

	31 December 2022	31 December 2021
a) Short-term prepaid expenses		
Order advances given	25,902,679	507,825
Other	8,922,382	2,605,474
	34,825,061	3,113,299
b) Long-term prepaid expenses		
Advances given for the purchase of fixed assets	39,653,443	15,271,946
Other	741,202	1,256,887
	40,394,645	16,528,833

NOTE 8 - OTHER ASSETS AND LIABILITIES

	31 December 2022	31 December 2021
a) Other current assets		
Value added tax ("VAT") deductible	25,378,780	13,453,817
Job advances	10,315,514	1,155,630
Other	548,313	3,388,646
	36,242,607	17,998,093
b) Other short term liabilities		
Taxes and funds payable	13,165,909	5,185,682
Provisions for expenses	1,381,814	1,248,416
Total	14,547,723	6,434,098

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2022 AND
2021**

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

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2022	Additions	Transfers	Disposals	Foreign Currency Translation Adjustment	Net-off Accumulated Dereciation Before Revaluation	Revaluation	31 December 2022
<u>Cost/ revaluation:</u>								
Land	206,047,023	-	-	-	-	-	197,052,977	403,100,000
Buildings, land and land improvements	365,693,887	9,512,230	-	-	124,799	(11,256,829)	530,946,913	895,021,000
Machinery and equipments	372,002,393	93,319,901	13,510,147	(8,410,878)	2,520,084	-	-	472,941,647
Motor vehicles	10,545,053	4,927,918	-	-	145,652	-	-	15,618,623
Furniture and fixtures	21,775,035	6,156,698	-	(5,162)	300,827	-	-	28,227,398
Construction in progress	18,675,131	49,837,733	(13,510,147)	-	-	-	-	55,002,717
	994,738,522	163,754,480	-	(8,416,040)	3,091,362	(11,256,829)	727,999,890	1,869,911,385
<u>Less: Accumulated depreciation:</u>								
Buildings, land and land improvements	-	(11,256,829)	-	-	-	11,256,829	-	-
Machinery and equipments	(204,819,333)	(35,006,230)	-	7,538,844	(1,964,021)	-	-	(234,250,740)
Motor vehicles	(3,036,949)	(2,115,380)	-	-	(145,652)	-	-	(5,297,981)
Furniture and fixtures	(16,222,235)	(1,495,217)	-	2,259	(175,470)	-	-	(17,890,663)
	(224,078,517)	(49,873,656)	-	7,541,103	(2,285,143)	11,256,829	-	(257,439,384)
Net book value	770,660,005							1,612,472,001

1 January - 31 December 2022 In the account period, a significant portion of the entrances to the machinery, facilities and devices are related to the machines used by the company for production activities and are mainly related to the aluminum plant which is mainly made.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2022 AND
2021**

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

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT(Continued)

	1 January 2021	Additions	Transfers	Disposals	Foreign Currency Translation Adjustment	Net-off Accumulated Depreciation Before Revaluation	Revaluation	31 December 2021
<u>Cost/ revaluation:</u>								
Land	222,629,195	61,171,023	(93,186,195)	-	-	-	15,433,000	206,047,023
Buildings, land and land improvements	135,145,864	38,762,939	(5,202,269)	-	208,105	(5,192,015)	201,971,263	365,693,887
Machinery and equipments	321,030,262	44,746,799	8,065,968	(5,381,203)	3,540,567	-	-	372,002,393
Motor vehicles	2,120,906	8,180,302	-	-	243,845	-	-	10,545,053
Furniture and fixtures	18,302,994	3,086,591	68,098	(150,072)	467,424	-	-	21,775,035
Construction in progress	8,466,813	18,342,384	(8,134,066)	-	-	-	-	18,675,131
	707,696,034	174,290,038	(98,388,464)	(5,531,275)	4,459,941	(5,192,015)	217,404,263	994,738,522
<u>Less: Accumulated depreciation:</u>								
Buildings, land and land improvements	-	(5,192,015)	-	-	-	5,192,015	-	-
Machinery and equipments	(179,894,179)	(28,444,729)	-	5,216,928	(1,697,353)	-	-	(204,819,333)
Motor vehicles	(991,535)	(1,865,524)	-	-	(179,890)	-	-	(3,036,949)
Furniture and fixtures	(14,144,477)	(1,685,219)	-	135,589	(528,128)	-	-	(16,222,235)
	(195,030,191)	(37,187,487)	-	5,352,517	(2,405,371)	5,192,015	-	(224,078,517)
Net book value	512,665,843							770,660,005

With the lease agreement dated 17 April 2015, the Group purchased the warehouse building, of which it is lessee for 10 years, on 31 March 2021 for TL 95,059,517. (Note 10). Main additions to machinery and equipments during the period between 1 January - 31 December 2021 are related with laser cutting tools. Majority of the transfers from the construction in progress during the period between 1 January - 31 December 2021 are related with the transfer of the mold production project to machinery and equipments that are ready to use.

(*) Transfers in lands, buildings, underground and surface improvements are the transfer transactions regarding the classification of the immovable properties of the Company in Gebze into fixed assets classified for sale in 2021. (Note 22).

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT(Continued)

The allocation of depreciation and amortization expenses of the Group for the periods between 1 January - 31 December 2022 and 2021 are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Cost of sales	46,314,183	36,903,967
Marketing expenses	13,380,798	10,803,116
General and administrative expenses	4,444,037	3,398,295
Research and development expenses	6,045	4,822
	64,145,063	51,110,200

There is no mortgage or pledge on the Group's property, plant and equipments.

Movements in revaluation reserve related to land, land improvements and buildings for the period between 1 January - 31 December 2022 were as follows:

	2022
1 January	370,808,732
Increase due to revaluation of land, land improvements and buildings	727,999,890
Deferred tax calculated on the increase arising from the revaluation of land, land improvement and buildings	(116,112,494)
Depreciation on revaluation reserve transferred to retained earnings	(4,388,644)
Deferred tax calculated over the depreciation arising from revaluation fund classified to accumulated losses	877,729
31 December	979,185,213
	2021
1 January	195,647,777
Increase due to revaluation of land, land improvements and buildings	217,404,263
Deferred tax calculated on the increase arising from the revaluation of land, land improvement and buildings	(41,937,552)
Depreciation on revaluation reserve transferred to retained earnings	(366,907)
Deferred tax calculated over the depreciation arising from revaluation fund classified to accumulated losses	61,151
31 December	370,808,732

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

NOTE 10 - RIGHT OF USE ASSETS

Movements of right of use assets and accumulated depreciation between 1 January and 31 December 2022 were as follows:

Cost:	1 January 2022	Additions	Disposals	Translation Difference	31 December 2022
Buildings	17,620,482	12,651,988	(70,329)	3,369,685	33,571,826
Machinery and equipment	39,217,162	4,410,320	(33,163)	-	43,594,319
Motor vehicles	13,144,395	557,036	(22,375)	-	13,679,056
	69,982,039	17,619,344	(125,867)	3,369,685	90,845,201
Less: Accumulated Depreciation:					
Buildings	(8,220,344)	(4,351,110)	35,832	(1,778,198)	(14,313,820)
Machinery and equipment	(20,009,115)	(6,406,704)	32,547	-	(26,383,272)
Motor vehicles	(6,966,746)	(3,326,593)	22,375	-	(10,270,964)
	(35,196,205)	(14,084,407)	90,754	(1,778,198)	(50,968,056)
Net book value	34,785,834				39,877,145

Additions to right-of-use assets between 1 January and 31 December 2022 are mainly due to building rentals, forklift rentals and motor vehicles rentals.

Movements of right of use assets and accumulated depreciation between 1 January and 31 December 2021 were as follows:

Cost:	1 January 2021	Additions	Disposals	Translation Difference	31 December 2021
Buildings	44,660,275	5,090,916	(37,082,460)	4,951,751	17,620,482
Machinery and equipment	30,913,237	8,303,925	-	-	39,217,162
Motor vehicles	6,275,483	6,868,912	-	-	13,144,395
	81,848,995	20,263,753	(37,082,460)	4,951,751	69,982,039
Less: Accumulated Depreciation:					
Buildings	(12,675,187)	(4,050,370)	11,077,053	(2,571,840)	(8,220,344)
Machinery and equipment	(13,188,858)	(6,820,257)	-	-	(20,009,115)
Motor vehicles	(4,101,660)	(2,865,086)	-	-	(6,966,746)
	(29,965,705)	(13,735,713)	11,077,053	(2,571,840)	(35,196,205)
Net book value	51,883,290				34,785,834

Additions to right-of-use assets between 1 January and 31 December 2021 are mainly due to warehouse rentals and forklift rentals.

A significant part of the outflows during the year resulted from the Group's purchase of the warehouse building, of which it is the tenant for 10 years, for TRY95.059.517 on March 31, 2021, with a lease agreement dated April 17, 2015.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

NOTE 11 - BORROWINGS AND BORROWING COSTS

	31 December 2022	31 December 2021
Short-term borrowings	30,755,873	64,130
Short-term portion of long-term borrowings	35,934,756	220,482,917
Lease liabilities	21,061,696	16,402,418
Short-term borrowings	87,752,325	236,949,465
Long-term borrowings	155,588,403	98,603,478
Lease liabilities	40,961,145	35,794,137
Long-term borrowings	196,549,548	134,397,615
Total financial liabilities	284,301,873	371,347,080

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2022 AND
2021

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

NOTE 11 - BORROWINGS AND BORROWING COSTS (Continued)

a) Bank borrowings:

	Effective Weighted Average Interest Rate p.a. (%)		Original Amount		TRY Equivalent	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Short-term borrowings:						
TRY (Free of interest)	-	-	-	64,130	-	64,130
TRY	15.95	-	30,341,742	-	30,341,742	-
Interest accrual	-	-	414,131	-	414,131	-
					30,755,873	64,130
Short-term portion of long-term borrowings:						
TRY	15.66	9.75	27,602,568	108,437,558	27,602,568	108,437,558
EUR	-	3.17	-	6,818,184	-	103,049,351
Interest accrual	-	-	8,332,188	8,996,008	8,332,188	8,996,008
					35,934,756	220,482,917
Total short-term bank borrowings					66,690,629	220,547,047
Long-term borrowings:						
TRY	16.91	11.98	135,617,603	83,489,578	135,617,603	83,489,578
EUR	0.75	0.75	1,000,000	1,000,000	19,970,800	15,113,900
Total long-term bank borrowings					155,588,403	98,603,478
Total bank borrowings					222,279,032	319,150,525

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022**

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

NOTE 11 - BORROWINGS AND BORROWING COSTS (Continued)

As of 31 December 2022 and 2021 repayment schedule of long-term borrowings are as follows:

	31 December 2022	31 December 2021
Within 1-2 years	36,660,444	315,688
Within 2-3 years	56,099,677	18,718,314
Within 3-4 years	35,959,596	18,885,545
Within 4-5 years	26,868,686	33,411,204
5 years and above	-	27,272,727
	155,588,403	98,603,478

There is no guarantee given by the Group for the short and long bank borrowings as of 31 December 2022 and 2021.

According to the borrowing agreement signed by the Group with a financial institution for the loan amounting to TRY 19,970,800 equivalent of EUR1,000,000, there are certain conditions that must be met, and as a result of the evaluations made by the Group management, there is no condition that cannot be fulfilled as of 31 December 2022. The maturity of the 1,000,000 Euro portion of the said loan is 17 November 2025.

As of December 31, 2022, the Group should pay 80 million TL every six months; At the end of the six-month periods, depending on the TLREF ratio, there is a long-term loan with variable interest rate and the last installment payment of August 2027. (December 31, 2021: There is no variable interest loan.)

The movement table of borrowings between 1 January - 31 December 2022 is as follows:

	2022	2021
1 January	319,150,525	270,491,459
Cash inflows from proceeds from borrowings	110,276,121	100,000,000
Cash outflows from payments of borrowings	(239,384,961)	(110,637,033)
Changes in interest accruals	26,425,724	25,035,364
Interest paid	(26,675,413)	(22,483,266)
Unrealized currency translation difference	32,487,036	56,744,001
31 December	222,279,032	319,150,525

b) Lease liabilities

	31 December 2022	31 December 2021
Short-term lease liabilities	21,061,696	16,402,418
Long-term lease liabilities	40,961,145	35,794,137
	62,022,841	52,196,555

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022**

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

NOTE 11 - BORROWINGS AND BORROWING COSTS (Continued)

Movement of lease liabilities is between 1 January - 31 December 2022 is as follows:

	2022	2021
1 January	52,196,555	66,782,341
Additions	17,559,742	20,016,993
Disposal	(57,524)	(44,520,907)
Interest expense	6,326,252	4,960,491
Unrealized currency translation difference	12,121,067	24,870,050
Payments during the period (-)	(26,123,251)	(19,912,413)
31 December	62,022,841	52,196,555

NOTE 12 - EMPLOYEE BENEFITS

a) Short-term payables regarding employee benefits:

	31 December 2022	31 December 2021
Personnel salaries to be paid	15,084,887	9,671,768
Social security premiums payable	6,571,777	2,150,190
Taxes and funds payable	3,446,987	2,348,795
	25,103,651	14,170,753

b) Long-term provisions due to employee benefits:

Provision for employment termination benefits	68,366,006	18,005,728
Seniority premium	8,945,452	-
Provision for unused vacations	5,195,079	3,690,452
	82,506,537	21,696,180

i) Provision for Unused Vacation:

The movements of the provision for unused vacation during the period are as follows:

	2022	2021
1 January	3,690,452	2,293,404
Additions	1,504,627	1,397,048
31 December	5,195,079	3,690,452

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022**

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

NOTE 12 - EMPLOYEE BENEFITS (Continued)

ii) Employment Termination Benefit:

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men).

As of 31 December 2022 the amount payable consists of one month's salary limited to a maximum of TRY15,371.40 (31 December 2021: TRY8,284.51) for each year of service.

The liability is not funded, as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees with certain actuarial assumptions.

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. The maximum amount of TRY19,982.83 (1 January 2022: TRY10,576.94) which is effective from 1 January 2023 has been taken into consideration in calculating the provision for employment termination benefits of the Company which is calculated once in every six months.

The following actuarial assumptions were used in the calculation of the total liability:

	2022	2021
Discount rate (%)	0.40	6.35
Probability of retirement (%)	90.42	91.87

An increase of 0.20 points in the discount rate causes an increase of TRY802,360 in the calculation of the provision for severance pay.

The movements of the provision for employee termination benefit during the periods are as follows:

	2022	2021
1 January	18,005,728	17,662,035
Interest cost	2,695,828	2,290,453
Service cost	5,314,961	2,103,650
Actuarial (gain)/ loss	47,416,076	3,022,693
Payments during the period	(5,066,587)	(7,073,103)
31 December	68,366,006	18,005,728

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022**

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

NOTE 13 - DEFERRED REVENUE

a) Short-term deferred revenue

	31 December 2022	31 December 2021
Advances received	836,952,449	789,030,941
	836,952,449	789,030,941

The advances received include the payments received by the Group from its dealers and customers for the sales to be made in the following periods, and it is anticipated that the advances will be closed within one year (31 December 2021: one year). It is estimated that the carrying value of the advances received approximate to their fair values.

NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Short-term provisions:

Other short term provisions as of 31 December 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
Warranty provision	6,476,135	3,569,445
Provision for litigations	6,438,866	4,993,150
Seniority premium	10,366,148	-
	23,281,149	8,562,595

b) Guarantees received:

	<u>31 December 2022</u>		<u>31 December 2021</u>	
	TRY Equivalent	Original Amount	TRY Equivalent	Original Amount
Letters of guarantee received				
EUR	30,056,274	1,505,011	34,466,705	2,280,464
USD	17,664,276	943,000	16,497,632	1,235,500
TRY	147,146,114	147,146,114	104,741,153	104,741,153
Guarantee notes received				
EUR	2,884,782	144,450	2,183,203	144,450
TRY	7,751,525	7,751,525	7,881,525	7,881,525
Mortgages received				
EUR	2,888,636	144,643	2,186,120	144,643
TRY	441,056,860	441,056,860	329,255,160	329,255,160
	649,448,467		497,211,498	

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022**

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

NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Guarantees received consists of letters of guarantee, guarantee notes and real estate mortgages received from customers in terms of credit risk management of receivables arising from trading activities.

c) Guarantees given:

	31 December 2022		31 December 2021	
	TRY Equivalent	Original Amount	TRY Equivalent	Original Amount
TRY	40,332,412	40,332,412	14,123,718	14,123,718
	40,332,412		14,123,718	

Guarantees received consists of letters of guarantee, guarantee notes and real estate mortgages received from customers in terms of credit risk management of receivables arising from trading activities.

The Collaterals/Pledges/Mortgages (“CPM”) Position of the Company:

	31 December 2022	31 December 2021
A. Total Amount of CPM Given		
for the Group’s Own Legal Personality	40,332,412	14,123,718
B. Total Amount of CPM Given on Behalf of		
Fully Consolidated Companies	-	-
C. Total Amount of CPM Given for Continuity of		
Its Economic Activities on Behalf of Third Parties	-	-
D. Total Amount of Other CPM		
i. Total Amount of CPM Given on Behalf of		
the Majority Shareholder	-	-
ii. Total Amount of CPM Given to on Behalf of Other		
	-	-
iii. Total Amount of CPM Given on Behalf of		
Third Parties Which are not in Scope of C	-	-
	40,332,412	14,123,718

As of 31 December 2022 and 31 December 2021, the Company and its Subsidiaries have no guarantees, pledges or mortgages received from or given to its related parties. As of 31 December 2022, percentage of other guarantees, pledges or mortgages given by the Company and its subsidiaries to the Group’s equity is 0% (31 December 2021: 0%).

d) Commitments:

The Group has no export commitment as of 31 December 2022 and 2021.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022**

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

NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

As of December 31, 2022, the total nominal value of term foreign exchange trading and option agreements that have not matched is 19,806,500 US dollars is available for 3,000,000 AUD sales, 5,000,000 euros and 247,120,20,500 TL sales contract. (As of December 31, 2021, there is a maturity of TL 75,950,000 in exchange for a sales commitment of TL 304,620,300 in exchange for a purchase commitment of USD \$ 25,000,000 due to the derivative transactions and 75,950,000 TL in exchange for a sales commitment of 5,000,000 euros). As of 31 December 2022, the reasonable values of these derivative transactions are negative 2,506,189 TL (31 December 2021: negative 2,526,227 TL and positive 36,277,602 TL).

NOTE 15 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

As of 31 December 2022 and 31 December 2021, the Company's paid-in capital and shareholding structure are as follows:

Shareholder:	31 December 2022		31 December 2021	
	Amount (TRY)	Share (%)	Amount (TRY)	Share (%)
Deceuninck NV	71,192,402	87.91	71,521,651	88.32
Publicly traded	9,788,391	12.09	9,459,142	11.68
Paid in share capital	80,980,793	100	80,980,793	100
Adjustments to share capital	7,840,703		7,840,703	
Total equity	88,821,496		88,821,496	

The upper limit of registered share capital of the Group as of 31 December 2022 and 31 December 2021 is TRY120,000,000. As of 31 December 2021 and 31 December 2021, the historic value of the Group's paid-in capital is TRY80,980,793 and the capital of the Group consists of 8,098,079,300 shares and the nominal value of the shares is equal to Kr 1 per share.

a) Restricted Reserves

Restricted reserves comprise of general legal reserves and general legal reserves consist of first and second legal reserves, calculated in accordance with the Turkish Commercial Code (TCC) as below:

- The first legal reserve is calculated as 5% of the financial statutory profits per annum until the total reserve reaches 20% of the historical paid-in share capital.
- The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Group's share capital.

b) Other Comprehensive Income/Expenses not to be Reclassified to Profit or Loss

- *Revaluation of Property, Plant and Equipment*

The Group has adopted revaluation model for land, land improvements and buildings and applied in accordance with TAS 16.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022**

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

NOTE 15 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

Revaluation of Property, Plant and Equipment (Continued)

The amount of fund that correspond to depreciation of current period of the amount of the tangible assets that has been recognized in revaluation fund is annually transferred to retained earnings in accordance with their economic useful lives. At the disposal of revalued land or building, the amount that had been previously recognized in revaluation fund is directly recognized in retained earnings.

- *Actuarial Losses Arising from Defined Benefit Plans*

The amendment in TAS 19, 'Employee Benefits' does not permit the actuarial gain/loss considered in the calculation of provision for employee termination benefits to be accounted in the statement of profit or loss. The gain and loss arising from the changes in the actuarial assumption are accounted for by "Funds for actuarial gain/loss on employee termination benefits" under the equity accounts.

The funds for actuarial gain/(loss) arising from employee termination benefits is other comprehensive income/(loss) not to be reclassified under profit or loss in subsequent periods.

c) Other Comprehensive Income/Expenses to be Reclassified to Profit or Loss

- *Foreign Currency Translation Differences*

It arises from exchange differences arising from the translation of consolidated financial statements of foreign subsidiaries of the Group to reporting currency of TRY and accounted for under equity.

d) Retained Earnings:

- *Dividends Distribution*

Dividends are distributed according to Communiqué Serial: II-19.1 on "Principles Regarding Distribution of Interim Dividends for quoted entities subject to Capital Market Board Law". Principles on corporate articles and dividend distribution policy which is declared by Companies. In addition to the CMB it is stipulated that companies which have the obligation to prepare consolidated financial statements. Calculate the net distributable profit amount by taking into account the net profits for the period in the consolidated financial statements that will be prepared and announced to the public in accordance with the Communiqué II-14.1 that sufficient reserves exists in the unconsolidated statutory books.

In publicly held companies, dividends are distributed equally to all existing shares as of the date of distribution, regardless of their date of issue and acquisition.

In accordance with the decision taken at the Ordinary General Assembly meeting of the Company on 26 April 2022, it was decided to distribute 60,447,013 TRY from the distributed net profit of 2021 as dividends and all of them were paid during the period. With the said dividend distribution decision, the company allocated 5,639,797 TRY from the profit in the amounts of 5,639,797 TRY.

In accordance with the decision taken at the Extraordinary General Assembly meeting of the Company on 25 October 2022, the Company carried out the distribution of 120,571,404 TRY from the period of the interim accounting period dated 1 January - 30 June 2022 and was paid during the period and paid during the period. The reserve was not reserved in the distribution of this advance dividend and the relevant distinction will be made at the General Assembly to be held in 2023.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022**

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

NOTE 16 - REVENUE AND COST OF SALES

	1 January - 31 December 2022	1 January - 31 December 2021
Domestic sales	3,735,300,290	2,161,997,610
Export sales	875,487,389	464,443,903
Net sales	4,610,787,679	2,626,441,513
Cost of sales	(3,211,050,616)	(1,906,302,896)
Gross profit	1,399,737,063	720,138,617

NOTE 17 - EXPENSES BY NATURE

	1 January - 31 December 2022	1 January - 31 December 2021
Raw materials and supplies	2,827,041,418	1,718,130,193
Personnel expenses	343,182,103	172,881,847
Customs clearance and shipping costs	134,794,044	63,512,053
Consultancy expenses	127,994,392	63,363,858
Depreciation and amortisation expenses	64,145,063	51,110,200
Other	332,209,332	137,670,494
	3,829,366,352	2,206,668,645

Fees for Services Obtained from Independent Auditor/Independent Audit

The Group's explanation regarding the fees for the services received from the independent audit firms, which is based on the letter of POAASA dated 19 August 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on 30 March 2021, are as follows:

Independent audit fee for the reporting period	2,264,384	722,970
Fee for other services	52,093	46,470
	2,316,476	769,440

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022**

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

NOTE 18 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES

i) General administrative expenses:

	1 January - 31 December 2022	1 January - 31 December 2021
Consultancy expenses	127,994,392	63,363,858
Personnel expenses	74,242,421	27,942,612
Energy expenses	5,576,159	1,635,602
Depreciation and amortisation	4,444,037	3,398,295
Other	23,549,530	6,457,980
	235,806,539	102,798,347

ii) Marketing expenses:

Customs clearance and shipping costs	134,794,044	63,512,053
Personnel expenses	126,519,457	65,569,398
Dealer incentive, fair and meeting expenses	45,559,096	15,898,725
Advertising expenses	24,205,444	19,851,671
Depreciation and amortisation	13,380,798	10,803,116
Other	31,722,253	18,420,103
	376,181,092	194,055,066

NOTE 19 - OTHER INCOME/ EXPENSES FROM OPERATING ACTIVITIES

i) Other operating income:

	1 January - 31 December 2022	1 January - 31 December 2021
Foreign exchange gain	124,285,877	234,098,415
Interest income	22,342,087	3,898,346
Scrap sales income	3,864,840	2,265,926
Other	15,581,671	19,041,101
	166,074,475	259,303,788

ii) Other operating expenses:

Foreign exchange loss	257,891,723	362,840,262
Provision for doubtful receivables	19,521,546	3,455,500
Due date difference	148,174	141,624
Other	15,481,359	1,496,864
	293,042,802	367,934,250

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022**

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

NOTE 20 - INCOME FROM INVESTMENT ACTIVITIES

	1 January - 31 December 2022	1 January - 31 December 2021
Interest income	32,255,950	21,214,344
Gain on sales of property, plant and equipment	18,608,007	12,586,264
	50,863,957	33,800,608

NOTE 21 - FINANCIAL INCOME/EXPENSES

i) Finance income

	1 January - 31 December 2022	1 January - 31 December 2021
Income from derivative transactions	97,128,366	140,635,009
Foreign exchange gain	28,262,575	51,924,263
Other	24,623,795	15,346,516
	150,014,736	207,905,788

ii) Finance expense

Foreign exchange loss	38,071,000	82,752,245
Interest expense	32,751,976	29,906,559
Bank and commission expenses	23,084,704	34,756,690
Expense from derivative transactions	19,547,584	30,163,324
Termination benefits interest cost	2,695,828	2,290,453
Other expense	7,894,081	592,734
	124,045,173	180,462,005

NOTE 22 - NON-CURRENT ASSETS HELD FOR SALE

a) Non-current assets held for sale

Assets classified for sale as of 31 December 2022 and 2021 are as follows:

	2022	2021
Opening balance	103,357,587	4,012,783
Transfers (*)	-	98,388,464
Additions during the semester	8,877,252	5,404,757
Disposal during the period (-)	(7,773,064)	(4,448,417)
Closing balance	104,461,775	103,357,587

(*) The transfers concern the classification of the immovable properties in Gebze to the standing assets held for sales purposes period on January 1 - December 31, 2021.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022**

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

NOTE 23 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

a) Corporate tax

The Company and its subsidiaries, affiliates and joint ventures established in Turkey and other countries within the scope of consolidation are subject to the applicable tax legislation and practices of the countries in which they operate.

In accordance with the Provisional Article 13 added to the Corporate Tax Law, the 20% corporate tax rate will be applied at the rate of 25% for the corporate earnings of 2021 and 23% for the corporate earnings of the year 2022. The corporate tax rate is applied to the net corporate income 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 and deductions in the tax laws. Corporate tax is declared until the evening of the twenty-fifth day of the fourth month following the end of the relevant year and is paid until the end of the relevant month.

Companies calculate a 25% temporary tax on 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 seventeenth 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. If the amount of temporary tax paid remains despite the deduction, this amount can be refunded in cash or deducted.

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period, provided that they do not exceed 5 years. Declarations and related accounting records can be examined by the tax office within five years.

Dividend payments made to resident companies in Turkey, to those not liable and exempt from corporate tax and income tax, and to real persons resident and non-resident in Turkey, and to legal entities that are not resident in Turkey are subject to 10% income tax.

Dividend payments from companies residing in Turkey to joint stock companies residing in Turkey are not subject to income tax. In addition, if the profit is not distributed or added to the capital, income tax is not calculated.

Turkish tax legislation does not allow the parent company to file a tax return on the consolidated financial statements of its subsidiaries. For this reason, tax liabilities reflected in the consolidated financial statements of the Group have been calculated separately for all companies included in the scope of consolidation. In the financial statements of 31 December 2022 and 2021, the tax amounts to be paid are netted for each Subsidiary and are classified separately in the consolidated financial statements.

	31 December 2022	31 December 2021
Current corporate tax expense	(196,832,372)	(70,581,269)
Prepaid taxes during the period (-)	132,997,297	58,731,150
Corporate taxes (liabilities)/assets	(63,835,075)	(11,850,119)

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022**

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

NOTE 23 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Tax expenses included in the consolidated income statements for the years ended 31 December 2022 and 2021 are summarized below:

	1 January - 31 December 2022	1 January - 31 December 2021
Current corporate tax expense	(196,832,372)	(70,581,269)
Deferred tax income/(loss)	19,396,037	(14,308,494)
Total tax loss	(177,436,335)	(84,889,763)

Reconciliation of tax expense is as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Profit before tax	731,286,520	372,386,797
Tax expense calculated using the current tax rate	(168,195,900)	(93,096,699)
Investment incentive exception effect under article	5,232,462	16,025,951
Disallowable expenses	(28,810,321)	(10,064,248)
Other	14,337,424	2,245,233
Total tax expense	(177,436,335)	(84,889,763)

A significant part of the disallowable expense, with the communiqué published in the Official Gazette dated 25 May 2021 by the Revenue Administration, the interest, commission, due date difference, foreign exchange difference and exchange rate related to foreign resources, exclusively for the portion of the Company's foreign resources used exceeding its own resources, it consists of accepting the sum of expenses and costs made under similar names as disallowable expense.

Article 15 of the Law No. 7351 published in the Official Gazette dated 22 January 2022 and the institutions that export according to Article 32 of the Corporate Tax Law have the earnings obtained from the export and the earnings of the industrial registry certificate and the gains of the institutions engaged in the production activity. Corporate tax rate is applied with a 1 point discount.

Corporate Tax rate of 20 %in accordance with Article 13 added to the Corporate Tax Law within the scope of the Law No. 7316 on the Procedure of Collection of Public Receivables and the Amendment of Some Laws ”which entered into force after being published in the Official Gazette dated 22 April 2021; It was increased to 25 %for the corporate earnings of 2021 and to 23 %for the corporate earnings of 2022.

b) Deferred taxes

The Group calculates its deferred income tax assets and liabilities by taking into account the effects of temporary differences that arise as a result of the different evaluations of balance sheet items between CMB Financial Reporting Standards and Tax Procedure Law.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022**

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

**NOTE 23 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)
(Continued)**

The effects of deferred tax assets and liabilities as of 31 December 2022 and 31 December 2021 are summarized below, using the applicable tax rates as of the balance sheet date:

	Cumulative Temporary Differences		Deferred Income Tax Asset/(Liability)	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Effect of investment incentives	-	-	22,407,785	17,175,323
Adjustment related to property, plant and equipment and intangible assets	1,330,735,708	551,134,180	(229,439,309)	(95,739,236)
Adjustments related to leasing transactions	(22,145,696)	(17,410,721)	4,429,139	3,304,121
Provisions for employment termination benefits	(68,366,006)	(17,507,599)	13,521,265	3,501,520
Provisions for doubtful receivables	(58,274,565)	(41,011,217)	11,654,913	8,202,243
Warranty provision	(6,476,135)	(3,569,445)	1,295,227	820,972
Provision for litigation	(6,438,866)	(4,993,150)	1,287,773	1,148,425
Adjustment related to inventories	6,125,887	27,892,642	(1,225,177)	(6,415,308)
Provisions for unused vacation	(5,195,079)	(3,690,452)	1,039,016	848,804
Adjustment related to trade receivables	(72,482,875)	16,197,002	14,496,575	(3,725,310)
Other temporary differences	(14,554,740)	(1,923,009)	2,910,948	442,292
Deferred tax assets/(liabilities), net			(157,621,845)	(70,436,154)

Deferred tax assets and liabilities recognized in statement of financial position is as follows:

	2022	2021
1 January	(70,436,154)	(14,212,099)
Recognized in statement of profit or loss	19,396,037	(14,308,494)
Recognized in other comprehensive income/(expenses)	(106,629,279)	(41,333,013)
Foreign currency translation	47,551	(582,548)
31 December	(157,621,845)	(70,436,154)

The Group has tax incentives for its investments in Menemen facilities. The Group management has benefited from the tax advantage of TRY 32,235,267 (2021: TRY 16,906,416) in the current period by deducting the temporary tax calculated in accordance with the said investment incentives, and the additional tax advantage earned in the current period is TRY 37,467,729 (2021: TRY 16,025,951). The total tax advantage that can be used as of 31 December 2022 is TRY 22,407,785 (2021: TRY 17,175,323).

The law on amending the Tax Procedure Law and the Corporate Tax Law was enacted on January 20, 2022, It has been enacted with the number 7352 and it has been decided that the financial statements will not be subject to inflation adjustment in the 2021 and 2022 accounting periods, including the temporary accounting periods, and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for the inflation adjustment within the scope of the repeated Article 298 are met.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022**

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

**NOTE 23 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)
(Continued)**

Within the scope of the Law on the Collection of Public Receivables No. 7316 dated April 22, 2021, and the Amendment of some Laws, the tax assets and obligations postponed in the financial statements dated 31 December 2021 for the period and 20 % for the tax impact of the temporary differences in 2022 period and 20 % for the period of 2022. The ratio was calculated and the postponed tax assets and obligations in the financial statements dated 31 December 2022 were calculated by 20 %.

On 27 November 2020, a tax inspection was initiated throughout the Company by the Tax Inspection Board of the Ministry of Treasury and Finance. The inspection period is 2019 and the scope of the inspection has been determined as general corporate tax and value added taxes. The said examination process has been concluded, and as a result of the examination, a tax assessment of 303,222 TRY has been made to the Company with penalty and interest, and the payments related to the said assessment have been made by the Company on February 2, 2022 at a discount, using the tax amnesty.

On April 6, 2022, T.C. A tax inspection has been initiated by the İzmir Sectoral Audit Department of the Tax Audit Board of the Ministry of Treasury and Finance. The period of the examination is 2020 and the scope of the examination is limited to the General Corporate Tax. The said examination process was concluded in 2022 and as a result of the examination, the Tax base, penalty and interest in a total of 9,418,848 TRY tax assessment was made and the consolidated financial statements were recorded. On 19 January 2023, a reconciliation was made on the assessment of the assessment and the return for this request is expected.

NOTE 24 - EARNINGS PER SHARE

The calculation of earnings per share is based on net profit attributable to equity holders of the parent divided by weighted average number of ordinary shares outstanding during the period.

In Turkey, companies can raise their share capital by distributing “Bonus Shares” to shareholders from retained earnings. In computing earnings per share, such “Bonus Share” distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

	1 January - 31 December 2022	1 January - 31 December 2021
Net profit for the period from continuing operations	553,850,185	287,497,034
Weighted average number of common shares	8,098,079,300	8,098,079,300
Continuing operations earnings per share (TRY)	0,0684	0,0355

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022**

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

NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS

The Group is exposed to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. These risks are price risk, currency risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability and volatility of financial markets and aims to minimize potential adverse effects on the Group's financial performance.

Some of the major financial instruments of the Group are bank loans, cash, short and long term bank deposits. The main purpose in using these tools is to create financing for the operations of the Group. The Group also has financial instruments such as trade receivables and trade payables that arise directly from operations.

Group management manages these risks as stated below. The Group also monitors the market risk that may arise from the use of financial instruments.

i. Currency Risk

Price risk is a combination of foreign currency, interest and market risk and is naturally managed by the Group through the matching of debts and receivables in the same currency, assets and liabilities bearing interest. Market risk is closely monitored by the Group through the review of market information and appropriate valuation methods.

ii. Interest rate risk

The Group does not have any significant interest sensitive assets. Cash flows from the Group's income and operations are largely independent of changes in market interest rates.

Since the Group does not have assets and liabilities with variable interest rates as of 31 December 2022 and 2021, the Group is not exposed to interest rate risk.

The interest rate risk of the Group arises from short and long term borrowing. Credits to be obtained in the future for the continuation of the operations of the Group are affected by the interest rates to be realized in the upcoming period.

iii. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

In order to maintain liquidity, the Company management closely monitors the collection of trade receivables on time in order to and to prevent any financial burden that may result from late collections and arranges cash and non-cash credit lines with banks for the use of the Company.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022**

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

NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS

The Company's liquidity analysis in respect of categories of financial liabilities as of 31 December 2022 and 2021 are as follows:

31 December 2022:

Contractual maturity dates:	Carrying value	Total Cash Outflows Per Agreement	Less than 3 months	3 - 12 months	1 - 5 years	> 5 years
Non-derivative financial liabilities:						
Bank borrowings	222,279,032	267,100,197	17,958,488	62,610,131	186,531,578	-
Lease liabilities	62,022,841	79,568,948	5,550,196	16,650,587	45,384,596	11,983,569
Trade payables	1,196,952,834	1,196,952,834	111,321,960	1,085,630,874	-	-
	1,481,254,707	1,543,621,979	134,830,644	1,164,891,592	231,916,174	11,983,569

31 December 2021:

Contractual maturity dates:	Carrying value	Total Cash Outflows Per Agreement	Less than 3 months	3 - 12 months	1 - 5 years	> 5 years
Non-derivative financial liabilities:						
Bank borrowings	319,150,525	354,987,560	81,134,336	135,821,336	138,031,888	-
Lease liabilities	52,196,555	63,024,740	-	17,551,329	44,472,651	1,000,760
Trade payables	1,235,017,059	1,240,409,023	782,720,281	457,688,742	-	-
	1,606,364,139	1,658,421,323	863,854,617	611,061,407	182,504,539	1,000,760

iv. Credit risk

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements and in turn credit risk arises from cash and cash equivalents, deposits in banks, trade receivables from related parties and other trade receivables, as well as credit exposures to customers, including outstanding receivables and committed transactions. The Group has established an effective control system over its dealer network and risks arising from transactions with dealers are followed by obtaining sufficient amounts of guarantees from the dealers (excluding related parties) for dealing with credit risk. The Group manages this risk from dealers and direct customers by limiting the credit lines according to the amount of the guarantees received and updating these guarantees frequently. The credit quality of each customer is re-evaluated frequently on the basis of the financial position of the customer, past experiences and other factors.

Trade receivables are evaluated by Group management on the basis of past experiences and current economic conditions.

The Group tries to manage credit risk by spreading its sales activities over a wide area, avoiding undesirable concentrations on individuals or groups in a certain sector or region. The Group also receives collateral from its customers when it deems necessary.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022**

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

NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS

Information on overdue and collateral structure of receivables and cash and cash equivalents are as follows:

	Trade receivables (Note 5)	Trade receivables from related parties (Note 3)	Cheques in collection (Note 4)	Cash on deposit (Note 4)
31 December 2022				
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E)(1)	1,561,914,033	390,819,620	44,056,311	361,673,381
The part of maximum credit risk covered with guarantees etc	414,225,400	-	44,056,311	-
A. Net book value of financial assets not due or not impaired	1,510,056,350	160,472,022	44,056,311	361,673,381
- The part covered by guarantees etc	409,115,400	-	44,056,311	-
B. Net book value of financial assets whose conditions are renegotiated otherwise will be classified as past due or impaired	-	-	-	-
- The part covered by guarantees etc	-	-	-	-
C. Net book value of assets past due but not impaired	51,857,683	230,347,598	-	-
- The part covered by guarantees etc	5,110,000	-	-	-
D. Net book value of assets impaired	-	-	-	-
Past due (gross book value)	48,169,838	-	-	-
Impairment (-)	(48,169,838)	-	-	-
The part of net value covered with guarantees etc	-	-	-	-
Not due (gross book value)	29,738,729	-	-	-
Impairment (-)	(29,738,729)	-	-	-
The part of net value covered with guarantees etc	-	-	-	-
E. Off-balance items exposed to credit risk	-	-	-	-

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022**

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

**NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS
(Continued)**

	Trade receivables	Trade receivables from related parties	Cheques in collection	Cash on deposit
31 December 2021	(Note 5)	(Note 3)	(Note 4)	(Note 4)
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E)(1)	1,448,313,322	277,727,403	17,066,799	552,975,529
The part of maximum credit risk covered with guarantees etc	395,178,900	-	17,066,799	-
A. Net book value of financial assets not due or not impaired	1,357,674,540	188,256,960	17,066,799	552,975,529
- The part covered by guarantees etc	330,456,400	-	17,066,799	-
B. Net book value of financial assets whose conditions are renegotiated otherwise will be classified as past due or impaired	-	-	-	-
- The part covered by guarantees etc	-	-	-	-
C. Net book value of assets past due but not impaired	90,638,782	89,470,443	-	-
- The part covered by guarantees etc	64,722,500	-	-	-
D. Net book value of assets impaired	-	-	-	-
Past due (gross book value)	21,216,518	-	-	-
Impairment (-)	(21,216,518)	-	-	-
The part of net value covered with guarantees etc	-	-	-	-
Not due (gross book value)	34,912,305	-	-	-
Impairment (-)	(34,912,305)	-	-	-
The part of net value covered with guarantees etc	-	-	-	-
E. Off-balance items exposed to credit risk	-	-	-	-

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022**

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

**NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS
(Continued)**

- 1) In determining the amount, guarantees received and factors that increase credit reliability are not taken into account.

v. Foreign Currency Risk

The Group’s foreign currencies primarily EUR, USD and AUD denominated assets and liabilities are exposed to exchange rate risk as a result of exchange rate fluctuations.

The Company and its Subsidiaries are also exposed to foreign exchange risk due to the transactions made. This foreign exchange risk arises from sales and purchases of goods and receiving bank loans denominated in currencies other than the Group’s functional currency.

The Group monitors its foreign exchange risk by maintaining the balance between its foreign currency

**NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS
(Continued)**

assets and liabilities and changing its pricing policy in line with the currency fluctuations, and also by analyzing its foreign currency position. As of 31 December 2022 and 31 December 2021, the Group’s net foreign currency position is as follows:

On a total basis;

	31 December 2022	31 December 2021
	(TRY Amount)	(TRY Amount)
A. Assets denominated in foreign currency	623,702,519	819,915,950
B. Liabilities denominated in foreign currency	(830,859,006)	(1,043,906,232)
Net foreign currency position (A+B)	(207,156,487)	(223,990,282)

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022**

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

**NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS
(Continued)**

The foreign currency position of the Group as of 31 December 2022 is as follows:

	TRY Equivalent	USD	EUR	AUD
1. Trade receivables	601,797,232	11,696,482	17,659,778	2,451,014
2a. Monetary financial assets (cash, bank accounts included)	21,187,292	238,634	838,993	-
2b. Non-monetary financial assets				
3. Other	717,995	-	36,017	-
4. Current assets (1+2+3)	623,702,519	11,935,116	18,534,788	2,451,014
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non-monetary financial assets				
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	-	-	-	-
9. Total assets (4+8)	623,702,519	11,935,116	18,534,788	2,451,014
10. Trade payables	810,869,334	29,364,351	13,059,883	-
11. Financial liabilities	18,872	-	945	-
12a. Monetary liabilities				
12b. Other non-monetary liabilities				
13. Short-term liabilities (10+11+12)	810,888,206	29,364,351	13,060,828	-
14. Trade payables	-	-	-	-
15. Financial liabilities	19,970,800	-	1,000,000	-
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
17. Long-term liabilities (14+15+16)	19,970,800	-	1,000,000	-
18. Total liabilities (13+17)	830,859,006	29,364,351	14,060,828	-
19. Net asset/(liability) position of / off - balance sheet derivative instruments (19a-19b)	-	-	-	-
19a. Total amount of assets hedged	-	-	-	-
19b. Total amount of liabilities hedged	-	-	-	-
20. Net foreign currency asset/(liability) position (9-18+19)	(207,156,487)	(17,429,235)	4,473,960	2,451,014
21. Net foreign currency asset/ (liability)position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a)	(207,874,482)	(17,429,235)	4,437,943	2,451,014
22. Fair value of derivative instruments used in foreign currency hedge	-	-	-	-
23. Export (*)	851,516,805	9,726,792	37,553,766	3,361,332
24. Import (*)	1,583,361,420	65,663,487	28,596,140	-

(*) Average rate of exchange is used.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022**

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

NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS (Continued)

The foreign currency position of the Group as of 31 December 2021 is as follows:

	TRY Equivalent	USD	EUR	AUD
1. Trade receivables	408,012,976	8,181,924	17,695,268	3,313,474
2a. Monetary financial assets (cash, bank accounts included)	399,748,787	28,201,097	1,581,284	-
2b. Non-monetary financial assets				
3. Other	12,154,187	335,657	509,072	-
4. Current assets (1+2+3)	819,915,950	36,718,678	19,785,624	3,313,474
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non-monetary financial assets				
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	-	-	-	-
9. Total assets (4+8)	819,915,950	36,718,678	19,785,624	3,313,474
10. Trade payables	925,742,981	64,621,165	4,158,858	-
11. Financial liabilities	103,049,351	-	6,818,184	-
12a. Monetary liabilities	-	-	-	-
12b. Other non-monetary liabilities	-	-	-	-
13. Short-term liabilities (10+11+12)	1,028,792,332	64,621,165	10,977,042	-
14. Trade payables	-	-	-	-
15 Financial liabilities	15,113,900	-	1,000,000	-
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
17. Long-term liabilities (14+15+16)	15,113,900	-	1,000,000	-
18 Total liabilities (13+17)	1,043,906,232	64,621,165	11,977,042	-
19 Net asset/(liability) position of / off - balance sheet derivative instruments (19a-19b)	-	-	-	-
19a. Total amount of assets hedged	-	-	-	-
19b. Total amount of liabilities hedged	-	-	-	-
20. Net foreign currency asset/(liability) position (9-18+19)	(223,990,282)	(27,902,487)	7,808,582	3,313,474
21. Net foreign currency asset/ (liability)position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a)	(223,990,282)	(27,902,487)	7,808,582	3,313,474
22 Fair value of derivative instruments used in foreign currency hedge	-	-	-	-
23. Export (**)	519,848,203	11,603,802	35,002,622	5,347,551
24. Import (**)	1,087,791,941	95,255,183	23,392,498	-

(*) See footnote 2.2.2.

(**) Average rate of exchange is used.

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022**

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

NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS (Continued)

The Company and its Subsidiaries are exposed to foreign currency risk due to exchange rate fluctuations while translating to Turkish Lira the foreign currency payables and receivables arising from trade operations with foreign entities. Such risks are monitored and controlled by regular analysis of the foreign currency position. The Company and its Subsidiaries follow a policy of diversifying their foreign currency position in order to manage foreign currency risk that may arise from future trade operations and the related assets and liabilities recognized.

As of 31 December 2022 and 31 December 2021 the Group's profit before tax and shareholders' equity as presented by the amounts below in case of a consequently 10% increase or decrease in the foreign exchange rates (especially USD, EUR and AUD), with all other variables held constant.

31 December 2022

	<u>Profit/(Loss)</u>		<u>Equity</u>	
	<u>Foreign Currency Appreciation</u>	<u>Foreign Currency Depreciation</u>	<u>Foreign Currency Appreciation</u>	<u>Foreign Currency Depreciation</u>
Change of USD Against TRY by 10%:				
1- USD net assets/liabilities	(32,589,707)	32,589,707	(32,589,707)	32,589,707
2- USD hedged from risks (-)	-	-	-	-
3- USD net effect (1+2)	(32,589,707)	32,589,707	(32,589,707)	32,589,707
Change of EUR Against TRY by 10%:				
4- EUR net assets/liabilities	8,918,794	(8,918,794)	8,918,794	(8,918,794)
5- EUR hedged from risks (-)	-	-	-	-
6- EUR net effect (4+5)	8,918,794	(8,918,794)	8,918,794	(8,918,794)
Change of AUD Avarage Against TRY by 10%:				
7- AUD net assets/liabilities	3,104,699	(3,104,699)	3,104,699	(3,104,699)
8- AUD hedged from risks (-)	-	-	-	-
9- AUD net effect (7+8)	3,104,699	(3,104,699)	3,104,699	(3,104,699)
Total (3+6+9)	(20,566,214)	20,566,214	(20,566,214)	20,566,214

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022**

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

NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2021 (*)

	Profit/(Loss)		Equity	
	Foreign Currency Appreciation	Foreign Currency Depreciation	Foreign Currency Appreciation	Foreign Currency Depreciation
Change of USD Against TRY by 10%:				
1- USD net assets/liabilities	(37,346,316)	37,346,316	(37,346,316)	37,346,316
2- USD hedged from risks (-)	-	-	-	-
3- USD net effect (1+2)	(37,346,316)	37,346,316	(37,346,316)	37,346,316
Change of EUR Against TRY by 10%:				
4- EUR net assets/liabilities	11,747,996	(11,747,996)	11,747,996	(11,747,996)
5- EUR hedged from risks (-)	-	-	-	-
6- EUR net effect (4+5)	11,747,996	(11,747,996)	11,747,996	(11,747,996)
Change of AUD Avarage Against TRY by 10%:				
7- AUD net assets/liabilities	3,199,292	(3,199,292)	3,199,292	(3,199,292)
8- AUD hedged from risks (-)	-	-	-	-
9- AUD net effect (7+8)	3,199,292	(3,199,292)	3,199,292	(3,199,292)
Total (3+6+9)	(22,399,028)	22,399,028	(22,399,028)	22,399,028

(*) See footnote 2.2.2.

vi) Capital risk management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of debt/equity ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities (including short-term financial liabilities, current portion of long-term financial liabilities, long-term financial liabilities, less cash and cash equivalents).

	31 December 2022	31 December 2021
Total financial debt	2,687,609,325	2,531,071,206
Less: Cash and cash equivalents (Note 4)	(405,729,692)	(570,042,328)
Net liabilities (A)	2,281,879,633	1,961,028,878
Total equity (B)	2,059,842,229	1,115,154,299
Total invested capital (A+B)	4,341,721,862	3,076,183,177
Net liabilities/ total invested capital ratio	53%	64%

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022**

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

**NOTE 26 - FINANCIAL INSTRUMENTS (FAIR VALUE AND FINANCIAL RISK
MANAGEMENT DISCLOSURES)**

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

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

The methods and assumptions stated below are used in the estimation of the fair values of the financial instruments of which fair values are measurable:

Financial assets

The fair values of balances denominated in foreign currencies, which are translated at year-end exchange rates, are considered to approximate to their carrying values. Cash and cash equivalents are carried at their fair values. The fair values of trade receivables and due from related parties are considered to approximate their respective carrying values due to their short-term nature. The cost of financial assets available for sale investments less, if any, impairments are considered to approximate their fair values.

Financial liabilities

Monetary liabilities with a fair value close to their carrying value:

Trade payables, payables to related parties and other monetary liabilities are estimated to be presented with their discounted carrying amounts, they are considered to approximate to their fair values, and the fair values of balances denominated in foreign currencies, which are translated at year-end exchange rates, are considered to approximate carrying values.

Fair value hierarchy table

The Group’s financials classification of fair value of asset and liabilities were as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
PERIODS 1 JANUARY - 31 DECEMBER 2022**

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

**NOTE 26 - FINANCIAL INSTRUMENTS (FAIR VALUE AND FINANCIAL RISK
MANAGEMENT DISCLOSURES) (Continued)**

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2022 and 2021:

31 December 2022	Level 1	Level 2 (*)	Level 3
Derivative financial liabilities	-	2,506,189	-
31 December 2021	Level 1	Level 2 (*)	Level 3
Derivative financial assets	-	36,277,602	-
Derivative financial liabilities	-	2,526,227	-

(*) The fair value is calculated by reference to the original maturity rate, the market interest rates valid for the remainder of the contract for the relevant currency.

The following table presents the Group's non-financial assets that are measured at fair value at 31 December 2022 and 2021:

31 December 2022	Level 1	Level 2	Level 3	Total
<i>Property plant and equipment:</i>				
Land	-	403,100,000	-	403,100,000
Buildings, land and land improvements	-	895,021,000	-	895,021,000
Total assets	-	1,298,121,000	-	1,298,121,000
31 December 2021	Level 1	Level 2	Level 3	Total
<i>Property plant and equipment:</i>				
Land	-	206,047,023	-	206,047,023
Buildings, land and land improvements	-	365,693,887	-	365,693,887
Total assets	-	571,740,910	-	571,740,910

S

NOTE 27- EVENTS AFTER THE REPORTING PERIOD

None.

.....