

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

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 30 JUNE 2021
INDEPENDENT AUDITOR LIMITED AUDIT REPORT**

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

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

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 30 JUNE 2021**

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AND ITS SUBSIDIARY**

**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AT
30 JUNE 2021 AND 31 DECEMBER 2020**

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

| | Notes | Partially audited 30 June 2021 | Audited 31 December 2020 |
|--|-------|--------------------------------------|-----------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and Cash Equivalents | 4 | 178,492,227 | 337,916,490 |
| Derivative Instruments | 5 | 10,370,676 | - |
| Trade Receivables | | 901,267,846 | 573,227,412 |
| - Trade Receivables from Related Parties | 3 | 172,030,025 | 76,265,584 |
| - Trade Receivables from Third Parties | 8 | 729,237,821 | 496,961,828 |
| Other Receivables | | 2,863,730 | 62,346,404 |
| - Other Receivables from Related Parties | 3 | - | 60,126,052 |
| - Other Receivables from Third Parties | | 2,863,730 | 2,220,352 |
| Inventories | 6 | 361,515,287 | 158,915,230 |
| Prepaid Expenses | 7 | 7,043,654 | 14,842,704 |
| Current Income Tax Assets | 20 | - | 3,267,872 |
| Other Current Assets | 14 | 24,981,069 | 2,769,186 |
| SUBTOTAL | | 1,486,534,489 | 1,153,285,298 |
| Non-Current Assets Held for Sale | | 4,386,582 | 4,012,783 |
| TOTAL CURRENT ASSETS | | 1,490,921,071 | 1,157,298,081 |
| NON-CURRENT ASSETS | | | |
| Other Receivables | | 474,462 | 339,562 |
| - Other Receivables from Third Parties | | 474,462 | 339,562 |
| Property, Plant and Equipment | 10 | 604,748,972 | 512,665,843 |
| Right of Use Assets | 11 | 37,139,694 | 51,883,290 |
| Intangible Assets | | 6,781,964 | 6,175,697 |
| Prepaid Expenses | 7 | 9,373,901 | 3,860,703 |
| TOTAL NON-CURRENT ASSETS | | 658,518,993 | 574,925,095 |
| TOTAL ASSETS | | 2,149,440,064 | 1,732,223,176 |

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**

**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AT
30 JUNE 2021 AND 31 DECEMBER 2020**

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

| | Notes | <i>Partially audited</i> 30 June 2021 | <i>Audited</i> 31 December 2020 |
|--|-------|--|------------------------------------|
| LIABILITIES | | | |
| SHORT-TERM LIABILITIES | | | |
| Short-term Borrowings | 9 | 67,972 | 62,881,384 |
| Short-term Portion of | | | |
| Long-term Borrowings | 9 | 144,951,563 | 45,257,520 |
| Leasing Liabilities | 9 | 12,361,166 | 15,684,631 |
| Trade Payables | | 648,106,237 | 417,959,042 |
| - Trade Payables to Related Parties | 3 | 29,415,437 | 18,867,113 |
| - Trade Payables to Third Parties | 8 | 618,690,800 | 399,091,929 |
| Payables Due to Employee Benefits | 12 | 11,534,212 | 8,959,059 |
| Other Payables | | 32,111,509 | 10,827 |
| - Other Payables to Related Parties | 3 | 28,533,701 | - |
| - Other Payables to Third Parties | | 3,577,808 | 10,827 |
| Derivative Instruments | 5 | - | 4,212,055 |
| Deferred Income (Except for | | | |
| Contract Liabilities) | 13 | 266,861,887 | 218,859,895 |
| Short-term Provisions | | 7,853,280 | 7,900,351 |
| - Other Short-term Provisions | 21 | 7,853,280 | 7,900,351 |
| Current Income Tax Liabilities | 20 | 25,122,844 | - |
| Other Short-term Provisions | | 4,635,633 | 13,746,584 |
| TOTAL SHORT-TERM LIABILITIES | | 1,153,606,303 | 795,471,348 |
| LONG-TERM LIABILITIES | | | |
| Long-term Borrowings | 9 | 160,056,378 | 162,352,555 |
| Leasing Liabilities | 9 | 30,995,752 | 51,097,710 |
| Long-term Provisions | | 25,336,237 | 19,955,439 |
| - Long-term Provisions for Employee Benefits | 12 | 25,336,237 | 19,955,439 |
| Deferred Tax Liabilities | 20 | 3,923,371 | 14,212,099 |
| TOTAL LONG-TERM LIABILITIES | | 220,311,738 | 247,617,803 |
| TOTAL LIABILITIES | | 1,373,918,041 | 1,043,089,151 |

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**

**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AT
30 JUNE 2021 AND 31 DECEMBER 2020**

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

| | Notes | <i>Partially audited</i> 30 June 2021 | <i>Audited</i> 31 December 2020 |
|---|-------|--|------------------------------------|
| EQUITY | | | |
| Equity Attributable to Owners of the Parent Company | | 775,522,023 | 689,134,025 |
| 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 | 15 | (6,972,661) | (6,972,661) |
| Other Comprehensive Income/Expenses not to be Reclassified to Profit or Loss | | 188,343,082 | 190,032,609 |
| - Revaluation of Property, Plant and Equipment | | 195,410,473 | 195,647,777 |
| - Actuarial Losses Arising From Defined Benefit Plans | | (7,067,391) | (5,615,168) |
| Other Comprehensive Income/(Losses) to be Reclassified to Profit or Losses | | 77,490 | (497,568) |
| - Foreign Currency Translation Differences | | 77,490 | (497,568) |
| Restricted Reserves | 15 | 28,853,013 | 25,668,230 |
| Retained Earnings | | 352,908,318 | 239,457,811 |
| Net Profit for the Year | | 123,399,333 | 152,532,156 |
| TOTAL EQUITY | | 775,522,023 | 689,134,025 |
| TOTAL LIABILITIES AND EQUITY | | 2,149,440,064 | 1,732,223,176 |

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**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME AT
30 JUNE 2021 AND 31 DECEMBER 2020**

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

| | Notes | <i>Partially audited</i> 1 January - 30 June 2021 | 1 April - 30 June 2021 | <i>Partially audited</i> 1 January - 30 June 2020 | 1 April - 30 June 2020 |
|--|-------|---|---------------------------|---|---------------------------|
| PROFIT OR LOSS | | | | | |
| Revenue | 16 | 1,108,762,646 | 644,853,791 | 470,588,994 | 225,155,691 |
| Cost of Sales (-) | 16 | (792,019,189) | (460,972,334) | (321,858,249) | (153,518,803) |
| GROSS PROFIT | | 316,743,457 | 183,881,457 | 148,730,745 | 71,636,888 |
| General Administrative Expenses (-) | | (50,854,860) | (23,671,018) | (39,016,533) | (26,487,109) |
| Marketing Expenses (-) | | (78,504,628) | (43,704,560) | (52,384,861) | (24,504,501) |
| Research and Development Expenses (-) | | (1,637,508) | (688,700) | (982,196) | (346,372) |
| Other Operating Income | 18 | 77,192,633 | 57,210,245 | 32,969,743 | 19,619,449 |
| Other Operating Expenses (-) | 18 | (97,589,848) | (66,693,885) | (42,848,545) | (25,947,658) |
| OPERATING PROFIT | | 165,349,246 | 106,333,539 | 46,468,353 | 13,970,697 |
| Income from Investment Activities | | 14,300,291 | 7,830,481 | 8,493,049 | 4,637,881 |
| Expenses from Investment Activities (-) | | (113,121) | (71,126) | (187,090) | (49,059) |
| OPERATING PROFIT/(LOSS) BEFORE FINANCIAL (EXPENSE)/ INCOME | | 179,536,416 | 114,092,894 | 54,774,312 | 18,559,519 |
| Financial Income | 19 | 89,635,839 | 48,633,087 | 31,838,899 | 16,430,656 |
| Financial Expenses (-) | 19 | (113,683,162) | (60,003,975) | (70,073,747) | (37,449,941) |
| PROFIT BEFORE TAX FROM CONTINUING OPERATIONS | | 155,489,093 | 102,722,006 | 16,539,464 | (2,459,766) |
| Tax Expense from Continuing Operations | | (32,089,760) | (23,533,681) | 3,638,820 | 3,760,342 |
| - Tax Expense for the Period | 20 | (42,281,044) | (26,853,525) | (6,547,451) | (5,130,754) |
| - Deferred Tax (Expense)/Income | 20 | 10,191,284 | 3,319,844 | 10,186,271 | 8,891,096 |
| PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS | | 123,399,333 | 79,188,325 | 20,178,284 | 1,300,576 |
| PERIOD (LOSS)/PROFIT OF DISCONTINUED OPERATIONS | | - | - | (5,964,254) | (3,991,466) |
| NET PROFIT FOR THE PERIOD | | 123,399,333 | 79,188,325 | 14,214,030 | (2,690,890) |
| Profit for the Period Attributable to | | | | | |
| - Parent Company Shares | | 123,399,333 | 79,188,325 | 14,214,030 | (2,690,890) |
| Earnings per Share | | | | | |
| - Earnings per 1 Share with a Nominal Value of 1 Kr from Continuing Operations | 22 | 1.5238 | 0.9779 | 0.2492 | 0.0161 |
| - Earnings/Losses per 1 Share with a Nominal Value of 1 Kr from Discontinued Operations | 22 | - | - | (0.0737) | (0.0493) |
| OTHER COMPREHENSIVE INCOME | | | | | |
| Not to be Reclassified to Profit or Loss | | (1,452,223) | 1,977,163 | 1,248,841 | 1,248,841 |
| Actuarial Gain/(Loss) Arising from Remeasurement of Defined Benefit Plans | | (1,815,279) | 1,614,107 | 1,561,051 | 1,561,051 |
| Actuarial Gain/(Loss) Arising from Remeasurement of Defined Benefit Plans, Tax Effect | | 363,056 | 363,056 | (312,210) | (312,210) |
| To be Reclassified to Profit or Loss | | 575,058 | 215,963 | 805,831 | 102,714 |
| Losses from Currency Translation Differences | | 575,058 | 215,963 | 805,831 | 102,714 |
| OTHER COMPREHENSIVE INCOME | | (877,165) | 2,193,126 | 2,054,672 | 1,351,555 |
| TOTAL COMPREHENSIVE INCOME | | 122,522,168 | 81,381,451 | 16,268,702 | (1,339,335) |
| Total Comprehensive Income Attributable to: | | | | | |
| Parent Company Shares | | 122,522,168 | 81,381,451 | 16,268,702 | (1,339,335) |

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT
30 JUNE 2021 AND 31 DECEMBER 2020**

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

| | Paid in Capital | Capital Adjustment Differences | Treasury Shares | Not to be Reclassified Profit or Loss | | To be Reclassified Profit or Loss | | | | | Equity Attributable to Owners of the Parent Company | Non-Controlling Interest | Total Equity | |
|--|--------------------|--------------------------------------|--------------------|--|---|---|---|------------------|------------------------|----------------------------|--|-----------------------------|-----------------|----------------------|
| | | | | The effect of Business Combination of the Entities Under Common Control | Actuarial Losses Arising from Defined Benefit Plans | Revaluation of Property, Plant and Equipment | Foreign Currency Translation Differences | Share Premium | Restricted Reserves | Net Profit for the Year | | | | Retained Earnings |
| 1 January 2020 -(Previously Reported) | 80,980,793 | 7,840,703 | (8,024,832) | (5,972,570) | (8,803,086) | 90,907,689 | 3,131,067 | 91,952 | 32,379,717 | 36,985,960 | 195,957,918 | 425,475,311 | 112,598 | 425,587,909 |
| Corrections Regarding Errors | - | - | 1,941,540 | (1,000,091) | - | - | (3,706,374) | - | (6,711,487) | - | 9,476,412 | - | - | - |
| 1 January 2020 -(Reformatted) | 80,980,793 | 7,840,703 | (6,083,292) | (6,972,661) | (8,803,086) | 90,907,689 | (575,307) | 91,952 | 25,668,230 | 36,985,960 | 205,434,330 | 425,475,311 | 112,598 | 425,587,909 |
| Transfers | - | - | - | - | - | (172,098) | - | - | - | (36,985,960) | 37,158,058 | - | - | - |
| Total Comprehensive Income | - | - | - | - | 1,248,841 | - | 805,831 | - | - | 14,134,393 | - | 16,189,065 | 79,637 | 16,268,702 |
| -Other Comprehensive Income | - | - | - | - | 1,248,841 | - | 805,831 | - | - | - | - | 2,054,672 | - | 2,054,672 |
| - Net Profit for the Period | - | - | - | - | - | - | - | - | - | 14,134,393 | - | 14,134,393 | 79,637 | 14,214,030 |
| Increase / (Decrease due to share repurchase | - | - | 1,652,082 | - | - | - | - | - | - | - | - | 1,652,082 | - | 1,652,082 |
| Increase / (Decrease) Due to other changes | - | - | - | - | - | - | - | - | - | - | 762,890 | 762,890 | (70,037) | 692,853 |
| 30 June 2020 | 80,980,793 | 7,840,703 | (4,431,210) | (6,972,661) | (7,554,245) | 90,735,591 | 230,524 | 91,952 | 25,668,230 | 14,134,393 | 243,355,278 | 444,079,348 | 122,198 | 444,201,546 |
| 1 January 2021 | 80,980,793 | 7,840,703 | - | (6,972,661) | (5,615,168) | 195,647,777 | (497,568) | 91,952 | 25,668,230 | 152,532,156 | 239,457,811 | 689,134,025 | - | 689,134,025 |
| Transfers | - | - | - | - | - | (237,304) | - | - | - | (152,532,156) | 152,532,156 | (237,304) | - | (237,304) |
| Total Comprehensive Income | - | - | - | - | (1,452,223) | - | 575,058 | - | - | 123,399,333 | - | 122,522,168 | - | 122,522,168 |
| -Other Comprehensive Income | - | - | - | - | (1,452,223) | - | 575,058 | - | - | - | - | (877,165) | - | (877,165) |
| - Net Profit for the Period | - | - | - | - | - | - | - | - | - | 123,399,333 | - | 123,399,333 | - | 123,399,333 |
| Dividends Paid | - | - | - | - | - | - | - | - | 3,184,783 | - | (39,081,649) | (35,896,866) | - | (35,896,866) |
| 30 June 2021 | 80,980,793 | 7,840,703 | - | (6,972,661) | (7,067,391) | 195,410,473 | 77,490 | 91,952 | 28,853,013 | 123,399,333 | 352,908,318 | 775,522,023 | - | 775,522,023 |

The accompanying notes are integral part of these financial statements.

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FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW AT
30 JUNE 2021 AND 31 DECEMBER 2020**

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

| | Notes | <i>Partially audited</i> 1 January - 30 June 2021 | <i>Partially audited</i> 1 January - 30 June 2020 |
|--|------------|---|---|
| A. Cash Flows from Operating Activities | | (67,160,052) | 62,124,977 |
| Net Profit for the Period (I) | | 123,399,333 | 14,214,030 |
| Adjustments to Reconcile Net Profit to Net Cash Provided by Operating Activities (II) | | 84,101,209 | 42,313,485 |
| Adjustments Related to Depreciation and Amortization Expense | 17 | 25,157,887 | 25,047,804 |
| Adjustments Related to Impairment Loss | | | |
| - Adjustments Related to Impairment for Receivables Provisions | 18 | 20,176,074 | 13,796,216 |
| - Adjustments Related to Impairment for Inventories Provisions | 6 | (1,036,349) | 3,931,669 |
| Adjustments Related to Provisions | | | |
| - Adjustments Related to Provisions for Employment Termination Benefit | 12 | 5,974,800 | 4,457,856 |
| - Adjustments Related to Provisions for Litigation | 21 | (604,491) | 182,565 |
| - Adjustments Related to Provisions for Guarantees | 21 | 557,419 | (63,887) |
| Adjustments Related to Interest Income/(Expense) | | | |
| - Adjustments Related to Interest Income | | (9,639,628) | (6,348,903) |
| - Adjustments Related to Interest Expense | | 16,663,980 | 13,105,002 |
| Adjustments Related Fair Value Gain / (Loss) | | - | 1,408,248 |
| Adjustments Related to Tax Income/(Expense) | 20 | 32,089,760 | (3,651,760) |
| Adjustments Related to (Gains)/Losses Arised from Sale of Tangible and Intangible Assets | 11, 18, 19 | (18,515,500) | (2,171,245) |
| Unearned Financial Income / Expense Due to Future Purchases | | 6,032,787 | (2,500,728) |
| Adjustments Related to Unrealized Foreign Currency Translation Differences | | 7,244,470 | (4,879,352) |
| Changes in Working Capital (III) | | (258,341,413) | 12,372,615 |
| Adjustments Related to Increase in Trade Receivables | 8 | (335,123,435) | 12,464,068 |
| Adjustments Related to Increase/(Decrease) in Other Operating Receivables | | 61,203,710 | (7,417,614) |
| Adjustments Related to Decrease/(Increase) in Prepaid Expenses | | 2,285,852 | (715,315) |
| Adjustments Related to Decrease/(Increase) in Inventories | 6 | (201,563,708) | (49,884,117) |
| Adjustments Related to Increase (Decrease) in Trade Payables | 8 | 199,398,041 | (901,961) |
| Adjustments for Increase/(Decrease) in Deferred Revenue | | 48,001,992 | 51,686,425 |
| Adjustments for Other Increase/(Decrease) in Working Capital | | | |
| - Decrease/(Increase) in Other Assets Related with Operations | | (22,211,883) | (178,589) |
| - Increase/(Decrease) in Other Payables Related with Operations | | (10,331,982) | 7,319,718 |
| Cash Flows from Operating Activities (I+II+III) | | (50,840,871) | 68,900,130 |
| Payments Related with Provisions for Employee Benefits | 12 | (2,428,853) | (517,867) |
| Taxes Paid | 20 | (13,890,328) | (6,257,286) |
| B. Cash Flows from Investing Activities | | (100,417,897) | 2,210,398 |
| Cash Inflow from Sales of Property, Plant and Equipment and Intangible Assets | | (110,274,672) | (7,914,251) |
| Cash Outflow from Purchase of Property, Plant, Equipment and Intangible Assets | | 590,946 | 2,386,031 |
| Cash Inflow / (Outflow) from sale of asset held for sale | | (373,799) | 1,154,886 |
| Other advances and payables | | - | 234,829 |
| Interest Received | | 9,639,628 | 6,348,903 |
| C. Cash Flows from Financing Activities | | (7,533,858) | (10,881,167) |
| Cash outflows due to acquisition of treasury shares | | - | 1,652,082 |
| Cash outflows related to the purchase of equity instruments other than shares | 5 | - | (30,417,289) |
| Cash Inflow from Proceeds from Borrowings | 9 | 100,000,000 | 55,165,281 |
| Cash Outflow from Payments of Borrowings | 9 | (80,579,616) | (10,887,896) |
| Cash Outflow from Derivative Instruments | | (4,212,055) | (2,803,124) |
| Cash outflows related to debt payments arising from lease agreements | 9 | (10,469,616) | (12,011,847) |
| Interest Paid | | (12,272,571) | (11,578,374) |
| D. Net Increase/(Decrease) in Cash and Cash Equivalents Before Foreign Currency Translation Differences (A+B+C) | | (175,111,807) | 53,454,208 |
| E. Effect of Currency Translation Differences on Cash and Cash Equivalents | | 15,687,544 | 12,865,962 |
| Net Increase/(Decrease) in Cash and Cash Equivalents (D+E) | | (159,424,263) | 66,320,170 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 4 | 337,916,490 | 207,946,450 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 4 | 178,492,227 | 274,266,620 |

The accompanying notes are integral part of these 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 INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AT
AS OF 1 JANUARY - 30 JUNE 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.

The company carries out sales with Egepen Deceuninck, Pimapen and Winsa brands produced in its facilities located in Menemen Plastik Specialized Organized Industrial Zone. In addition to operations in Turkey company sells through its subsidiaries and branches located in India and Chile. The company's ultimate customers are predominantly in the construction industry.

As of 30 June 2021, 11.68% of the Company share trading on the Istanbul Stock Exchange ("BIST") (31 December 2020: 11.53%). Deceuninck NV, which has 88.32% (31 December 2020: 88.47%) shares of the company as of 30 June 2021, is the main shareholder of the Company (Note 14).

With the contract signed between the Company and Pilsa A.Ş. in 2004, all activities carried out under the name of Winsa trademark were transferred to Ege Profil.

In June 2017, Deceuninck NV's 87.60% share in Pimaş A.Ş. was purchased for TRY2,7081 for each share, for a total price of TRY85,400,364 The process regarding the merger decision taken by taking over as a whole with all assets and liabilities was completed on 25 December 2017.

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

| Subsidiaries | Stock Exchange Transactions | Types of Activity | Main Operations |
|--|------------------------------------|--------------------------|--|
| Deceuninck Importadora Limitada ("Deceuninck Chile") (*) | Not listed. | Profile sale | Plastic Pipes, profile, marketing / distribution, lamination |
| Deceuninck Profiles India Pvt Limited ("Deceuninck India") | Not listed. | Profile sale | Plastic Pipes, profile, marketing/ distribution, lamination |

(*) Based on the Board of Directors Decision dated 16 December 2020, the Company has sold all of the shares it owns in its subsidiary, Deceuninck Chile, where it had 99.9% shares based on the share sale agreement made with its main shareholder, Deceuninck NV on 17 December 2020. Transaction price has been determined as TRY2,038,481 based on the valuation work made for Decuninck Chile. As of the date of sale, the total equity of Deceuninck Chile is negative 3,976,727 TL, and the difference with the sales price have been recognized in the consolidated profit or loss and other comprehensive income statement.

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NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

As of 30 June 2021 and 31 December 2020, the number of personnel by category is as follows:

| | 30 June 2021 | 31 December 2020 |
|----------------|---------------------|-------------------------|
| Administrative | 290 | 283 |
| Manufacture | 743 | 739 |
| | 1,033 | 1,022 |

The Company is registered in Turkey registered office address is as follows:

Atatürk Plastik OSB Mh. 5 Cd. No:4 35660 Menemen/İzmir

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 16 August 2021. General Assembly and specified regulatory bodies have the right to make amendments after statutory consolidated financial statements issued.

**NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENT**

2.1 Basis of Presentation

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 of the Group are prepared as per the CMB announcement of 15 April 2019 relating to financial statements presentations.

The Company prepared its condensed interim consolidated financial statements for the period ended 30 June 2021 in accordance with (‘TAS’) 34 ‘Interim Financial Reporting’ in the framework of the Communiqué Serial II, No: 14.1, and its related announcement. The condensed interim consolidated financial statements and its accompanying notes are presented in compliance with the format recommended by CMB including its mandatory information. In compliance with the TAS 34, entities have preference in presenting their interim financial statements whether full set or condensed. In this framework, the Group preferred to present its interim financial statements in condensed.

The Company’s condensed interim consolidated financial statements do not include all disclosure and notes that should be included at year end financial statements. Therefore the condensed interim financial statements should be read in conjunction with the Company’s annual consolidated financial statements dated 31 December 2020 and group’s public announcements during the financial year.

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**NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENT (Continued)**

2.1 Basis of Presentation (Continued)

The Group maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the uniform chart of account issued by the Ministry of finance. Subsidiaries registered and consolidated in Chile and 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.

According to CMB Communiqué No:14 and announcements made by the CMB, it is obligatory for the foreign exchange position table of the companies preparing the summary financial statements in interim periods to present the hedging ratio of the total foreign exchange liability and the total export and total import amounts in the footnotes of the financial statements (Note 23).

Correction of Consolidated Financial Statements in High Inflation Periods

In accordance with CMB's 17 March 2005 and 11/367 decision, companies operating in Turkey and Companies that are prepared its consolidated financial statements in accordance with CMB provisions are not subject to inflation accounting since 1 January 2005. Accordingly, on January 1, 2005, the Standard No. 29 "Financial Reporting in Hyperinflationary Economies" ("TAS 29") published by the POA was not applied.

2.2 Summary of Significant Accounting Policies

Significant accounting policies applied in the preparation of the financial statements in the interim condensed consolidated statements are consistent with the explanations in the financial statements for the period 1 January - 31 December 2020 except for the following:

Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

1 January - 30 June 2021 interim condensed consolidated statements should be evaluate with annual consolidated financial statements as of 31 December 2020.

Expenses, which are not evenly distributed through the year, are recognized in the condensed consolidated interim financial statements only when they can be estimated or deferred appropriately.

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**NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENT (Continued)**

2.3 Consolidation Principles

The consolidated financial statements include the accounts of the parent company, Ege Profil Ticaret ve Sanayi A.Ş., its Subsidiaries, and its Branches on the basis set out as below. The consolidated financial statements of the Companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements with adjustments and reclassifications for the purpose of fair presentation in accordance with “TAS/IFRS” and the application of uniform accounting policies and presentation.

The Company's interim condensed consolidated financial statements, there is no effect resulting from the seasonality of the Group's activities.

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.

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. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The portion of non-controlling shares in the subsidiary's net assets and current period comprehensive income or expense is included in the previous years' losses in the consolidated statement of financial position (balance sheet) within the scope of the materiality principle of accounting.

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

As of 30 June 2021 and 31 December 2020 the Group's proportion of ownership interests of subsidiary has been shown in the following table:

| Subsidiaries | Company's direct and indirect controlling shares (%) | |
|---|---|-------------------------|
| | 30 June 2021 | 31 December 2020 |
| Deceuninck Profiles India Private Limited (India) | 99.0% | 99.0% |

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NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.3 Consolidation Principles (Continued)

Accounting for Business Combinations Subject to Common Control

TFRS 3 is not applied in the purchase / sale transactions between the company and Deceuninck NV partnerships and therefore between enterprises under common control, because the provisions in "Business Combinations" are not covered by TFRS 3 or another TFRS. Therefore, no goodwill or negative goodwill is calculated in such transactions. These transactions are reflected in the financial statements retrospectively in accordance with the accounting practices regarding the transactions under common control, TAS 8 and legal requirements published by the POA. The difference between the purchase amount and the net assets of the purchased company is accounted for in a separate item in equity.

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.

c) Foreign Currency Transaction

i) *Functional and Presentation Currency*

The financial statements of each company of the Group are measured in the currency in which the entity is located and in which the operations are maintained ('functional currency'). In the interim condensed consolidated financial statements, the financial statements have been prepared and presented in Turkish lira ('TL') which is the parent company's functional and presentation currency of the Group.

ii) *Transactions and Balances*

Transactions in foreign currencies have been translated into functional currency at the exchange rates prevailing at the date of the transaction. Exchange gain or losses arising from the settlement translation of monetary assets and liabilities denominated in foreign currency at the exchange rates prevailing at the balance sheet dates are included in consolidated comprehensive income, except for the effective portion of foreign currency hedge of cash flow which are included under shareholder's equity.

iii) *Translation of Financial Statements of Foreign Subsidiaries*

The assets and liabilities of foreign subsidiaries are translated into TRY from the foreign exchange rate at the date of that balance sheet date. The income and expenses of foreign subsidiary are translated into TRY at the average foreign exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions). Exchange differences arising from the translation into TRY at closing and average foreign exchange rates are recognised in the 'currency translation difference' under the use of equity.

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**NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENT (Continued)**

2.3 Consolidation Principles (Continued)

The average exchange rates in the balance sheet dates and in the relevant periods used for profit or loss and other comprehensive income statement items are as follows:

| Year End: | 30 June 2021 | 31 December 2020 |
|------------------|-------------------------------------|-------------------------------------|
| TRY/INR | 8.52 | 9.95 |
| Average: | 1 January - 30 June 2021 | 1 January - 30 June 2020 |
| TRY/INR | 9.30 | 10.90 |

2.4 Amendments in Turkish Financial Reporting Standards

a) Standards, amendments and interpretations applicable as at 30 June 2021:

Explanations on the effects of the new TAS/IFRS on financial statements:

- a) Title of TAS/IFRS,
 - b) the accounting policy change is made in accordance with the relevant transitional provisions, if any,
 - c) explanation of the change in accounting policy,
 - d) explanation of transitional provisions, if any,
 - e) the possible effects of transitional provisions on future periods, if any
 - f) adjusting amounts for the current and each prior period presented, as far as possible:
 - i. should be presented for each affected financial statement line item; and
 - ii. If the “TAS 33, Earnings Per Share” standard applicable for the company, the basic and diluted earnings per share must be recalculated.
 - g) adjustment amounts for periods prior to periods not presented, if applicable; and
 - h) If retrospective application is not possible for any period or periods, the events leading up to this situation should be disclosed and the date and manner in which the change in accounting policy has been applied should be explained.
- **Amendment to IFRS 16, ‘Leases’ - Covid-19 related rent concessions Extension of the Practical expedient;** as of March 2021, this amendment extended till June 2022 and effective from 1 April 2021. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

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NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.4 Amendments in Turkish Financial Reporting Standards (Continued)

- **Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2;** Effective from annual periods beginning on or after 1 January 2021. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one.
- **Amendments IFRS 17 and IFRS 4, ‘Insurance contracts’, deferral of IFRS 9;** effective from annual periods beginning on or after 1 January 2023. These amendments change the fixed date of the temporary exemption in IFRS 4 from applying IFRS 9, Financial Instrument until 1 January 2023.
- b) **Standards, amendments and interpretations that are issued but not effective as at 30 June 2021:**
 - **TFRS 17, ‘Insurance contracts’;** Effective from annual periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.
 - **Amendments to TAS 1, Presentation of financial statements on classification of liabilities;** Effective from 1 January 2022. These narrow-scope amendments to TAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what TAS 1 means when it refers to the ‘settlement’ of a liability.
 - **A number of narrow-scope amendments to TFRS 3, TAS 16, TAS 37 and some annual improvements on TFRS 1, TFRS 9, TAS 41 and TFRS 16;** effective from Annual periods beginning on or after 1 January 2022.
 - o **Amendments to TFRS 3;** Business combinations’ update a reference in TFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
 - o **Amendments to TAS 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.

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NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.4 Amendments in Turkish Financial Reporting Standards (Continued)

- **Amendments to TAS 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 TFRS 1, ‘First-time Adoption of TFRS’, TFRS 9, ‘Financial instruments’, TAS 41, ‘Agriculture’ and the Illustrative Examples accompanying TFRS 16, ‘Leases’.

- **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.
- **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.

The Group will apply these amendments starting from their effective dates by assessing their effects on its operations.

It is expected that the implementation of the above standards and comments will not have a significant impact on the Group’s consolidated financial statements in the future. Standards and changes that were published but not yet effective as of 30 June 2021 and not related to the Group’s activities are not given above.

2.5 Comparative Informations

Financial statements of the Company are prepared in comparison with prior financial period in order to enable determination of the financial situation and performance trends. The Company has prepared its balance sheet as of 30 June 2021 in comparison with the balance sheet as of 31 December 2020 and its statement of comprehensive income, cash flow and changes in equity in 1 January - 30 June 2021 financial period in comparison with 1 January - 30 June 2020 financial period. Comparative information is reclassified when necessary in order to comply with the presentation of the current period financial statements.

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NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.6 Accounting Policies, Errors and Change in Accounting Estimates

The significant changes that were made on accounting policies applied retrospectively and the consolidated financial statements of preceding period are restated. If changes in accounting estimates are only for a period, changes are applied to the current year but if the changes in the estimates are for the following period changes are applied both to the current and future years prospectively. 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.

2.7 Offsetting

All items with significant amounts and nature, even with similar characteristics, are presented separately in the financial statements. Insignificant amounts are grouped and presented by means of items having similar substance and function. When the nature of transactions and events necessitate offsetting, presentation of these transactions and events over their net amounts or recognition of the assets after deducting the related impairment are not considered as a violation of the rule of offsetting. As a result of the transactions in the normal course of business, revenue except for the revenue identified are presented as net if the nature of the transaction or the event qualify for offsetting.

2.8 Important Changes Regarding the Current Period

Necessary actions have been taken by the Group management to minimize the possible effects of COVID-19, which affects the whole world, on the Group's activities and financial status. Due to the COVID-19 pandemic, the Group's activities were generally positively affected as a result of the developments in both the Group's sector and the general economic activity. However, some actions were still taken by the Group management.

While preparing the interim condensed financial statements dated 30 June 2021, the Group evaluated the possible effects of the COVID-19 pandemic on the financial statements and reviewed the estimates and assumptions used in the preparation of the financial statements. In this context, the Group has tested the possible impairment of financial assets, stocks and tangible fixed assets included in the interim condensed financial statements dated 30 June 2021 and no impairment was detected.

2.9 Declaration of conformity with the policy decisions published by TFRS and KGK

Group management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with TFRS published by KGK. As the Group management, we declare that the consolidated financial statements for the current and previous periods, the summary of the important accounting policies and the footnotes are prepared and presented in accordance with TFRS.

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NOTE 3 - RELATED PARTY DISCLOSURES

A summary of receivables and payables to related parties as of 30 June 2021 and 31 December 2020, and a summary of significant transactions with related parties for the period ended as of 30 June 2021 and 2020 are presented below:

i) Balances with Related Parties:

a) Short-term Trade Receivables from Related Parties:

| | 30 June 2021 | 31 December 2020 |
|----------------------------|---------------------|-------------------------|
| Deceuninck Group Companies | 152,171,375 | 62,280,124 |
| Deceuninck (Main Partner) | 19,858,650 | 13,985,460 |
| | 172,030,025 | 76,265,584 |

Short-term trade receivables from related parties are related to product sales. Majority of short-term receivables from related parties are from Deceuninck Romania SRL, Deceuninck SAS (Colombia) and Deceuninck Importadora Limitada (Chile).

b) Short-term Other Receivables from Related Parties:

| | | |
|------------------------------|---|-------------------|
| Deceuninck NV (Main Partner) | - | 60,126,052 |
| | - | 60,126,052 |

As of 30 June 2021 and 31 December 2020, the maturity of trade and other receivables from related parties are as follows:

| | | |
|---------------------|--------------------|-------------------|
| Overdue Receivables | 40,304,200 | 18,296,390 |
| 0 - 30 days due | 26,378,380 | 7,468,833 |
| 30 - 120 days due | 79,006,800 | 33,707,351 |
| 121 - 180 days due | 26,340,645 | 16,793,010 |
| | 172,030,025 | 76,265,584 |

Considering the Group's past experience in collecting trade receivables from related parties, the Group management believes that there is no doubtful receivable risk involved.

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NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

c) Short-term Trade Payables to Related Parties:

| | 30 June 2021 | 31 December 2020 |
|----------------------------|---------------------|-------------------------|
| Deceuninck (Main Partner) | 17,645,900 | 8,971,264 |
| Deceuninck Group Companies | 11,769,537 | 9,895,849 |
| | 29,415,437 | 18,867,113 |

A significant portion of short-term trade payables to related parties originates from foreign raw material purchases and consultancy and consultation services received from Deceuninck NV. Majority of short-term trade payables to related parties consist of Deceuninck (Thailand) Co Ltd, Deceuninck De Mexico SA, Deceuninck Romania SRL.

d) Other Payables to Related Parties:

| | | |
|---------------------------|-------------------|----------|
| Deceuninck (Main Partner) | 28,533,701 | - |
| | 28,533,701 | - |

Other short-term payables to related parties consist of dividend amount for the year 2020 to be distributed based on the decision taken at the Ordinary General Assembly Meeting held on 25 May 2021 and will be paid on 18 October 2021.

ii) Transactions with Related Parties:

a) Product Sales to Related Parties:

| | 1 January - 30 June 2021 | 1 January - 30 June 2020 |
|----------------------------|-------------------------------------|-------------------------------------|
| Deceuninck Group Companies | 127,842,262 | 37,941,827 |
| Deceuninck (Main Partner) | 9,079,668 | 2,950,849 |
| | 136,921,930 | 40,892,676 |

Majority of the sales to related parties consist of sales to Deceuninck Romania SRL, Deceuninck Importadora Limitada (Chile), Deceuninck SAS (Colombia).

b) Service and Product Purchases from Related Parties:

| | | |
|----------------------------|-------------------|-------------------|
| Deceuninck (Main Partner) | 11,213,791 | 12,082,032 |
| Deceuninck Group Companies | 828,774 | 766,054 |
| | 12,042,565 | 12,848,086 |

Service and product purchases are mainly due to services purchased.

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NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

| | 1 January - 30 June 2021 | 1 January - 30 June 2020 |
|--|-------------------------------------|-------------------------------------|
| c) Other Income from Related Parties: | | |
| Deceuninck Group Companies | 17,876,233 | 6,717,320 |
| Deceuninck (Main Partner) | 6,451,818 | 7,451,272 |
| | 24,328,051 | 14,168,592 |

Income from related parties generally includes foreign exchange differences arising from purchases and sales made during the period and revenues from fixed asset sales. Majority of other income from related parties consists of income from Deceuninck Romania SRL, Deceuninck SAS (Colombia), Deceuninck Profiles India Private Limited.

d) Financial Income/(Expenses) from Related Parties:

| | | |
|----------------------------|---------------------|---------------------|
| Deceuninck (Main Partner) | (31,381,607) | (24,606,003) |
| Deceuninck Group Companies | (3,221,090) | 1,031,813 |
| | (34,602,697) | (23,574,190) |

e) 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 - 30 June 2021 | 1 April - 30 June 2021 | 1 January - 30 June 2020 | 1 June - 30 June 2020 |
|---------------------------|-------------------------------------|-----------------------------------|-------------------------------------|----------------------------------|
| Total Short-term benefits | 8,223,403 | 3,507,051 | 6,437,950 | 1,989,212 |
| Redundancy benefits | 686,105 | 3,274 | 564,088 | 60,749 |
| | 8,909,508 | 3,510,325 | 7,002,038 | 2,049,961 |

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NOTE 4 - CASH AND CASH EQUIVALENTS

| | 30 June 2021 | 31 December 2020 |
|--|---------------------|-------------------------|
| Cash | 8,828 | 2,709 |
| Banks | 148,041,707 | 327,965,388 |
| - Time deposits | 138,357,517 | 322,389,048 |
| - TRY denominated time deposits | 87,094,972 | 173,201,354 |
| - Foreign currency denominated time deposits | 51,262,545 | 149,187,694 |
| - Demand deposits | 9,684,190 | 5,576,340 |
| - TRY denominated demand deposits | 9,526,582 | 3,748,098 |
| - Foreign currency denominated demand deposits | 157,608 | 1,828,242 |
| Cheques in collection | 30,441,692 | 9,948,393 |
| | 178,492,227 | 337,916,490 |

Time deposits are denominated in TRY, EUR and USD and all mature in one day (31 December 2020: 1 to 3 days) with the effective weighted average interest rates of 18.63% per annum (“pa”), 0.05% per annum (“pa”) and 0.33% per annum (“pa”) respectively (31 December 2020: Time deposits are denominated in TRY and USD and all mature in 1 to 3 days with the effective weighted average interest rates of 17.80% per annum (“pa”) and 0.05% per annum (“pa”) respectively). The credit risks of the banks where the Group has deposits are evaluated by taking into account independent data and no significant credit risk is expected.

As of 30 June 2021, TRY 20,355,715 of TRY denominated time deposits consists of lease certificates held in participation banks and the simple gross annual return rate is 19.32% on average.

As of 30 June 2021 and 31 December 2020, the Group has no blocked deposits.

Checks in collection refer to checks with maturity within 3 days and those kept in banks for collection.

NOTE 5 - DERIVATIVE INSTRUMENTS

As of 30 June 2021, the Group has foreign currency forward sales commitment of TRY206,099,100 and TRY36,762,500 against the purchase commitment of EUR3,500,000 and USD24,500,000 respectively, arising from derivative transactions. The fair value of the derivative transactions as of 30 June 2021 is TRY10,370,676 (31 December 2020: negative TRY4,212,055).

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NOTE 6 - INVENTORIES

| | 30 June 2021 | 31 December 2020 |
|---|---------------------|-------------------------|
| Raw Materials | 126,505,785 | 38,038,697 |
| Work in Progress | 33,130,640 | 16,676,678 |
| Finished Goods | 142,441,391 | 81,998,496 |
| Trade Goods | 64,655,761 | 28,455,998 |
| Provision for Obsolescence of Inventory (-) | (5,218,290) | (6,254,639) |
| | 361,515,287 | 158,915,230 |

Raw materials mainly consist of PVC, lamination materials and adhesives used in profile production. As of 30 June 2021 and 31 December 2020, inventories are valued at cost. As of 30 June 2021, TRY331,644 of the provision for inventory impairment consists of impairment on raw materials, TRY3,743,510 on finished goods and TRY1,143,136 on commercial goods.

The movement of inventory impairment for the periods ended 30 June 2021 and 2020 is as follows:

| | 2021 | 2020 |
|--|------------------|------------------|
| 1 January | 6,254,639 | 4,645,469 |
| Increase/(Decrease) in the Period, Net | (1,036,349) | 3,931,669 |
| 30 June | 5,218,290 | 8,577,138 |

The total amount of raw materials, semi-finished products, finished goods and commercial goods that are expensed in the current period and associated with the cost of sales is TRY705,882,773 (1 January - 30 June 2020: TRY416,129,937).

NOTE 7 - PREPAID EXPENSES

a) Short-term Prepaid Expenses

| | 30 June 2021 | 31 December 2020 |
|----------------------|---------------------|-------------------------|
| Order Advances Given | 5,484,393 | 11,950,866 |
| Other | 1,559,261 | 2,891,838 |
| | 7,043,654 | 14,842,704 |

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NOTE 7 - PREPAID EXPENSES (Continued)

b) Long-term Prepaid Expenses

| | 30 June 2021 | 31 December 2020 |
|---|---------------------|-------------------------|
| Advances Given for the Purchase of Fixed Assets | 7,773,456 | 3,459,893 |
| Other | 1,600,445 | 400,810 |
| | 9,373,901 | 3,860,703 |

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

a) Short-term Trade Receivables from Third Parties:

| | 30 June 2021 | 31 December 2020 |
|------------------------------------|---------------------|-------------------------|
| Cheques and Notes Receivable | 696,053,489 | 492,867,053 |
| Customer Current Accounts | 123,134,173 | 66,427,137 |
| | 819,187,662 | 559,294,190 |
| Less: Trade Receivable Rediscount | (18,687,164) | (12,026,288) |
| Provision for Doubtful Receivables | (71,262,677) | (50,306,074) |
| | 729,237,821 | 496,961,828 |

Average maturity of trade receivables is 79 days (31 December 2020: 61 days).

As of 30 June 2021 and 2020, the movement table for doubtful trade receivables is as follows:

| | 2021 | 2020 |
|---|-------------------|-------------------|
| 1 January | 50,306,074 | 35,468,212 |
| Current Year Provision Expense/(Income) | 30,133,463 | 19,077,202 |
| Provisions No Longer Required | (9,957,389) | (5,280,986) |
| Current Year Collections | 780,529 | - |
| 30 June | 71,262,677 | 49,264,428 |

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NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)

As of 30 June 2021, the details of trade receivables from third parties that are overdue but for which no provision for impairment has been made is as follows:

| | 30 June 2021 | 31 December 2020 |
|----------------|---------------------|-------------------------|
| Up to 30 Days | 4,864,699 | 6,569,224 |
| 30 - 60 Days | 1,947,892 | 3,188,380 |
| 60 - 90 Days | 1,174,087 | 2,390,039 |
| 90 - 180 Days | 368,371 | 5,993,169 |
| Up to 180 Days | 106,621 | 11,411,030 |
| | 8,461,670 | 29,551,842 |

Trade receivables amounting to TRY8,461,670 over which no provision for impairment was provided, have been secured with guarantees received amounting to TRY3,214,153 as of 30 June 2021.

Due to the wide and dispersed customer base of the Group, which includes production, distribution and various sales points, the risk of collection of trade receivables is limited. The experience of the Group in the collection of trade receivables in the past years shows that the provisions allocated are sufficient. Therefore, the Group management believes that there is no additional trade receivable risk other than the provision for possible collection losses.

b) Short-term Trade Payables:

| | 30 June 2021 | 31 December 2020 |
|---------------------------------|---------------------|-------------------------|
| Supplier current accounts | 556,738,095 | 363,409,120 |
| Notes payable | 65,837,232 | 38,939,247 |
| | 622,575,327 | 402,348,367 |
| Less: Trade payables rediscount | (3,884,527) | (3,256,438) |
| | 618,690,800 | 399,091,929 |

Average maturity of trade payables is within 87 days (31 December 2020: 108 days).

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NOTE 9 - BORROWINGS AND BORROWONG COSTS

| | 30 June 2021 | 31 December 2020 |
|--|---------------------|-------------------------|
| Short-term Borrowings | 67,972 | 62,881,384 |
| Short-term Portion of Long-term Borrowings | 144,951,563 | 45,257,520 |
| Leasing Liabilities | 12,361,166 | 15,684,631 |
| Short-term borrowings | 157,380,701 | 123,823,535 |
| Long-term borrowings | 160,056,378 | 162,352,555 |
| Lease liabilities | 30,995,752 | 51,097,710 |
| Long-term borrowings | 191,052,130 | 213,450,265 |
| Total financial liabilities | 348,432,831 | 337,273,800 |

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NOTE 9 - BORROWINGS AND BORROWING COSTS (Continued)

| | Effective Weighted Average Interest Rate p.a. (%) | | Original Amount | | TRY Equivalent | |
|--|--|------------------|-----------------|------------------|--------------------|--------------------|
| | 30 June 2021 | 31 December 2020 | 30 June 2021 | 31 December 2020 | 30 June 2021 | 31 December 2020 |
| Short-term Borrowings: | | | | | | |
| TRY (Free of Interest) | - | - | 67,972 | 23,159 | 67,972 | 23,159 |
| TRY (*) | - | 8.00 | - | 60,113,725 | - | 60,113,725 |
| Interest Accrual | - | - | - | 2,744,500 | - | 2,744,500 |
| | | | | | 67,972 | 62,881,384 |
| Short-term Portion of Long-term Borrowings: | | | | | | |
| TRY (*) | 9.35 | 9.87 | 498,505 | 359,490 | 498,505 | 359,490 |
| TRY (*) | 19.00 | - | 9,332,409 | - | 9,332,409 | - |
| TRY (**) | 9.87 | - | 80,000,000 | - | 80,000,000 | - |
| EUR (*) | 3.17 | 3.17 | 4,545,454 | 4,545,454 | 47,111,358 | 40,944,995 |
| Interest Accrual | - | - | 8,009,291 | 3,953,035 | 8,009,291 | 3,953,035 |
| | | | | | 144,951,563 | 45,257,520 |
| Total Short-term Bank Borrowings | | | | | 145,019,535 | 108,138,904 |
| Long-term Borrowings: | | | | | | |
| TRY (**) | 9.87 | 9.87 | 11,671,396 | 91,927,135 | 11,671,396 | 91,927,135 |
| TRY (*) | 19.00 | - | 90,909,095 | - | 90,909,095 | - |
| EUR (*) | 3.17 | 3.17 | 5,545,457 | 7,818,184 | 57,475,887 | 70,425,420 |
| Total Long-term Bank Borrowings | | | | | 160,056,378 | 162,352,555 |
| Total bank borrowings | | | | | 305,075,913 | 270,491,459 |

(*) Interest payable every six months, fixed interest rate, no guarantee.

(**) Interest payable every three months, fixed interest rate, no guarantee.

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NOTE 9 - BORROWINGS AND BORROWING COSTS (Continued)

As of 30 June 2021 and 31 December 2020, the repayment schedule of the Group's Long-term borrowings is as follows:

| | 30 June 2021 | 31 December 2020 |
|--------------------|---------------------|-------------------------|
| Within 1 - 2 years | 66,517,984 | 151,942,666 |
| Within 2 - 3 years | 18,718,314 | 531,861 |
| Within 3 - 4 years | 18,885,545 | 697,647 |
| Within 4 - 5 years | 55,934,535 | 9,180,381 |
| | 160,056,378 | 162,352,555 |

There is no guarantee given by the Group for the short and long bank borrowings given as of 30 June 2021 and 31 December 2020.

As of 30 June 2021 and 31 December 2020, the Group has no loans with variable interest rates.

The movement table of net borrowings between 1 January - 30 June 2021 is as follows:

| | 2021 | 2020 |
|---|--------------------|--------------------|
| 1 January | 337,273,800 | 373,274,221 |
| Cash Inflow from Proceeds from Borrowings | 100,000,000 | 55,165,281 |
| Cash Outflow from Payments of Borrowings | (80,579,616) | (10,887,896) |
| Changes in Interest Accruals | 4,391,409 | (1,300,361) |
| Leasing Payments | (8,703,830) | 25,596,332 |
| Cash Outflows from Lease Agreements | (10,469,616) | (12,011,847) |
| Currency Effect | 6,520,684 | - |
| 30 June | 348,432,831 | 429,835,730 |

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NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

| | 1 January 2021 | Additions | Transfers | Disposals | Foreign Currency Translation Differences | 30 June 2021 |
|---|-----------------------|---------------------|------------------|--------------------|---|----------------------|
| <u>Cost or Revaluation:</u> | | | | | | |
| Lands | 222,629,195 | 61,171,023 | - | - | - | 283,800,218 |
| Buildings, Land and Land Improvements | 135,145,864 | 33,990,390 | - | - | 44,822 | 169,181,076 |
| Machinery and Equipment | 321,030,262 | 2,987,516 | 4,153,268 | (3,913,838) | 694,980 | 324,952,188 |
| Motor Vehicles | 2,120,906 | 7,503,073 | - | - | 52,335 | 9,676,314 |
| Furniture and Fixtures | 18,302,994 | 1,036,173 | 68,098 | (44,992) | 94,833 | 19,457,106 |
| Construction in Progress | 8,466,813 | 3,156,865 | (4,221,366) | - | - | 7,402,312 |
| | 707,696,034 | 109,845,040 | - | (3,958,830) | 886,970 | 814,469,214 |
| <u>Accumulated Depreciation (-):</u> | | | | | | |
| Buildings, Land and Land Improvements | - | (2,216,675) | - | - | - | (2,216,675) |
| Machinery and Equipments | (179,894,179) | (13,529,117) | - | 3,360,083 | (369,898) | (190,433,111) |
| Motor Vehicles | (991,535) | (1,084,089) | - | - | (52,302) | (2,127,926) |
| Furniture and Fixtures | (14,144,477) | (748,760) | - | 7,801 | (57,094) | (14,942,530) |
| | (195,030,191) | (17,578,641) | - | 3,367,884 | (479,294) | (209,720,242) |
| Net Book Value | 512,665,843 | | | | | 604,748,972 |

With the lease agreement dated 17 April 2015, the Group purchased the warehouse building, of which it is the tenant for 10 years, on 31 March 2021 for TL 95,059,517. (Note 11).

Most of the transfers from the investments made in the period of 1 January - 30 June 2021 are related to the transfer of the mold production project, which is ready for use, to machinery, facilities and devices.

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NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (Continued)

| | 1 January 2020 | Additions | Transfers | Disposals | Foreign Currency Translation Differences | 30 June 2020 |
|---|-----------------------|---------------------|------------------|------------------|---|----------------------|
| <u>Cost or Revaluation:</u> | | | | | | |
| Lands | 108,654,488 | - | - | - | - | 108,654,488 |
| Buildings, Land and Land Improvements | 148,948,655 | 127,246 | - | - | 19,997 | 149,095,898 |
| Machinery and Equipment | 299,831,573 | 4,153,921 | 7,522,700 | (886,413) | 539,520 | 311,161,301 |
| Motor Vehicles | 1,215,397 | - | 323,810 | - | 39,125 | 1,578,332 |
| Furniture and Fixtures | 17,715,051 | 48,740 | - | (1,733) | 54,835 | 17,816,893 |
| Construction in Progress | 20,365,757 | 3,584,344 | (7,945,635) | - | 40,866 | 16,045,332 |
| | 596,730,921 | 7,914,251 | (99,125) | (888,146) | 694,343 | 604,352,244 |
| <u>Accumulated Depreciation (-):</u> | | | | | | |
| Buildings, Land and Land Improvements | (21,236,934) | (2,020,380) | - | - | (4,767) | (23,262,081) |
| Machinery and Equipment | (161,290,956) | (12,564,811) | - | 671,627 | (610,839) | (173,794,979) |
| Motor Vehicles | (642,879) | (106,964) | - | - | (31,872) | (781,715) |
| Furniture and Fixtures | (12,388,441) | (971,951) | - | 1,733 | (26,044) | (13,384,703) |
| | (195,559,210) | (15,664,106) | - | 673,360 | (673,522) | (211,223,478) |
| Net Book Value | 401,171,711 | | | | | 393,128,766 |

Main additions to machinery and equipments during the period between 1 January - 30 June 2020 are related with laser cutting tools.

Most of the transfers from the investments made in the period of 1 January - 30 June 2020 are related to the transfer of the mold production project, which is ready for use, to machinery, facilities and devices.

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NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation amount for the period is TRY17,578,641 (31 December 2020: TRY15,664,106).

| | 1 January - 30 June 2021 | 1 January - 30 June 2020 |
|-----------------------------------|-------------------------------------|-------------------------------------|
| Cost of Sales | 14,777,787 | 13,633,444 |
| Marketing Expenses | 946,812 | 620,541 |
| General Administrative Expenses | 1,837,484 | 1,395,965 |
| Research and Development Expenses | 16,558 | 14,156 |
| | 17,578,641 | 15,664,106 |

NOTE 11 - RIGHT OF USE ASSETS

The movement of right-of-use assets and their accumulated depreciation for the interim period between 1 January - 30 June 2021 and 1 January - 30 June 2020 is as follows:

| Cost: | 1 January 2021 | Additions | Disposals | Translation Difference | 30 June 2021 |
|-------------------------|---------------------------|-------------------|---------------------|-----------------------------------|-------------------------|
| Buildings | 44,660,275 | 4,160,535 | (36,743,599) | 1,131,645 | 13,208,856 |
| Machinery and Equipment | 30,913,237 | 7,043,518 | - | - | 37,956,755 |
| Motor Vehicles | 6,275,483 | 6,828,258 | - | - | 13,103,741 |
| | 81,848,995 | 18,032,311 | (36,743,599) | 1,131,645 | 64,269,352 |

Accumulated Depreciation (-):

| | | | | | |
|-------------------------|---------------------|--------------------|-------------------|------------------|---------------------|
| Buildings | (12,675,187) | (2,713,476) | 10,738,192 | (418,381) | (5,068,852) |
| Machinery and Equipment | (13,188,858) | (3,439,492) | - | - | (16,628,350) |
| Motor Vehicles | (4,101,660) | (1,330,796) | - | - | (5,432,456) |
| | (29,965,705) | (7,483,764) | 10,738,192 | (418,381) | (27,129,658) |

| | | |
|-----------------------|-------------------|-------------------|
| Net Book Value | 51,883,290 | 37,139,694 |
|-----------------------|-------------------|-------------------|

Additions to right-of-use assets between 1 January and 30 June 2021 are mainly due to warehouse leases and forklift leases.

With the lease agreement dated 17 April 2015, the Group has purchased the warehouse building, of which it is the tenant for a period of 10 years, on 31 March 2021 for TL 95,059,517, and the effects of the transaction on the consolidated financial statements are as follows.:

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NOTE 11 - RIGHT OF USE ASSETS (Continued):

| | |
|--|------------|
| Decrease in Leasing Liabilities | 44,520,907 |
| Decrease in Right of Use Assets | 26,005,407 |
| Increase in Financial Income (Note 19) | 15,346,516 |
| Increase in Other Operating Income (Note 18) | 3,168,984 |
| Increase in Property, Plant and Equipment | 95,059,517 |

| Cost: | 1 January 2020 | Additions | 30 June 2020 |
|-------------------------|---------------------------|-------------------|-------------------------|
| Buildings | 41,380,424 | 11,000,890 | 52,381,314 |
| Machinery and Equipment | 15,269,593 | 5,257,538 | 20,527,131 |
| Motor Vehicles | 4,899,867 | - | 4,899,867 |
| | 61,549,884 | 16,258,428 | 77,808,312 |

Accumulated Depreciation (-):

| | | | |
|-------------------------|---------------------|--------------------|---------------------|
| Buildings | (7,783,786) | (4,653,269) | (12,437,055) |
| Machinery and Equipment | (7,247,685) | (3,362,591) | (10,610,276) |
| Motor Vehicles | (1,739,476) | (1,225,557) | (2,965,033) |
| | (16,770,947) | (9,241,417) | (26,012,364) |

| | | | |
|-----------------------|-------------------|--|-------------------|
| Net Book Value | 44,778,937 | | 51,795,948 |
|-----------------------|-------------------|--|-------------------|

Additions to right-of-use assets between 1 January and 30 June 2020 are mainly due to warehouse leases and forklift leases.

NOTE 12 - EMPLOYEE BENEFITS

a) Short-term Provisions Due to Employee Benefits:

| | 30 June 2021 | 31 December 2020 |
|----------------------------------|---------------------|-------------------------|
| Personnel salaries to be paid | 5,144,307 | 5,841,060 |
| Social security premiums payable | 4,929,614 | 1,425,341 |
| Taxes and funds payable | 1,460,291 | 1,692,658 |
| | 11,534,212 | 8,959,059 |

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NOTE 12 - EMPLOYEE BENEFITS (Continued)

b) Long-term provisions due to employee benefits:

| | 30 June 2021 | 31 December 2020 |
|---|---------------------|-------------------------|
| Provision for employment termination benefits | 21,423,962 | 17,662,035 |
| Provision for unused vacations | 3,912,275 | 2,293,404 |
| | 25,336,237 | 19,955,439 |

i) Provision for Unused Vacation:

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

| | 2021 | 2020 |
|-------------------------------|------------------|------------------|
| 1 January | 2,293,404 | 2,062,927 |
| Provision for During the Year | 1,618,871 | 427,329 |
| 30 June | 3,912,275 | 2,490,256 |

ii) Employment Termination Benefit:

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

As of 30 June 2021 the amount payable consists of one month's salary limited to a maximum of TRY7,638.96 (31 December 2020: TRY7,117.17) 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 TRY7,638.96 (1 January 2020: TRY7,117.17) which is effective from 1 January 2020 has been taken into consideration in calculating the provision for employment termination benefits of the Company which is calculated once in every six months.

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NOTE 12 - EMPLOYEE BENEFITS (Continued)

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

| | 2021 | 2020 |
|---------------------------------|-------------------|-------------------|
| 1 January | 17,662,035 | 17,163,473 |
| Interest cost | 1,849,104 | 1,024,442 |
| Service cost | 2,506,825 | 3,006,085 |
| Actuarial (gain)/ loss | 1,815,279 | (1,561,051) |
| Payments during the period | (2,428,853) | (517,867) |
| Currency translation difference | 19,572 | - |
| 30 June | 21,423,962 | 19,115,082 |

NOTE 13 - DEFERRED REVENUE

a) Short-term deferred revenue

| | 30 June 2021 | 31 December 2020 |
|-------------------|---------------------|-------------------------|
| Advances received | 266,861,887 | 218,859,895 |
| | 266,861,887 | 218,859,895 |

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 2020: One year). It is estimated that the carrying value of the advances received approximate to their fair values.

NOTE 14 - OTHER CURRENT ASSETS

| | 30 June 2021 | 31 December 2020 |
|-------------------|---------------------|-------------------------|
| VAT Receivables | 19,950,793 | 1,528,684 |
| Job Advances | 3,062,999 | 854,712 |
| Advances Received | 1,967,277 | 385,790 |
| | 24,981,069 | 2,769,186 |

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NOTE 15 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

As of 30 June 2021 and 31 December 2020, the Company's paid-in capital and shareholding structure are as follows:

| Shareholder: | 30 June 2021 | | 31 December 2020 | |
|------------------------------|-------------------|------------|-------------------|------------|
| | Amount (TRY) | Share (%) | Amount (TRY) | Share (%) |
| Deceuninck NV | 71,521,651 | 88.32 | 71,640,457 | 88.47 |
| Publicly Traded | 9,459,142 | 11.68 | 9,340,336 | 11.53 |
| 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 30 June 2021 and 31 December 2020 is TRY120,000,000. As of 30 June 2021 and 31 December 2020, the historic value of the Group's paid-in capital is TRY80,980,793 and the capital of the Group consists of 8,980,793,000 shares and the nominal value of the shares is equal to Kr 1 per share.

a) Treasury Shares

It consists of the shares that the company has bought back within the scope of liquidity provision transactions carried out within the framework of the CMB legislation. The Company's repurchased shares are realized on the Borsa Istanbul at the market prices formed on the date of the transaction; Including the parts of repurchased shares exceeding their nominal value, they are accounted in "Repurchased shares" accounts.

b) 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.

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

c) 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. 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.

d) 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.

e) 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.

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

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.

On the Ordinary Meeting of the General Assembly as of 25 Mayıs 2021 the Company has decided to distribute a part of the gross distributable net profit of the year 2020, amounting to TL 39,081,649, as dividends. The Board of Directors, which was authorized by the General Assembly to determine the number of installments and the time of payment of installments, decided to make dividend payments on October 18, 2021. Based on this profit distribution decision, the Company has set aside 3,184,783 TL of "restricted reserves from profit" from its 2020 profit.

NOTE 16 - REVENUE AND COST OF SALES

| | 1 January - 30 June 2021 | 1 April - 30 June 2021 | 1 January - 30 June 2020 | 1 April - 30 June 2020 |
|---------------------|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| Domestic Sales | 910,950,609 | 521,521,750 | 399,366,247 | 188,387,822 |
| Export Sales | 197,812,037 | 123,332,041 | 71,222,747 | 36,767,869 |
| Net Sales | 1,108,762,646 | 644,853,791 | 470,588,994 | 225,155,691 |
| Cost of Sales | (792,019,189) | (460,972,334) | (321,858,249) | (153,518,803) |
| Gross Profit | 316,743,457 | 183,881,457 | 148,730,745 | 71,636,888 |

NOTE 17 - EXPENSES BY NATURE

| | 1 January - 30 June 2021 | 1 April - 30 June 2021 | 1 January - 30 June 2020 | 1 April - 30 June 2020 |
|---|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| Raw materials and supplies | 705,882,773 | 416,129,937 | 256,988,185 | 120,854,804 |
| Personnel expenses | 81,190,213 | 41,006,245 | 60,653,286 | 30,251,281 |
| Consultancy expenses | 30,911,941 | 13,691,973 | 23,944,748 | 19,878,017 |
| Depreciation and amortisation expenses | 25,157,887 | 12,734,720 | 25,047,804 | 11,215,466 |
| Customs clearance and shipping costs | 20,852,470 | 12,343,078 | 9,764,559 | 4,577,131 |
| Advertising expenses | 6,654,346 | 4,621,386 | 3,330,266 | 2,347,502 |
| Other | 52,366,555 | 28,509,273 | 34,512,991 | 15,732,584 |
| | 923,016,185 | 529,036,612 | 414,241,839 | 204,856,785 |

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NOTE 18 - OTHER OPERATING INCOME AND EXPENSES

a) Other Operating Income

| | 1 January - 30 June 2021 | 1 April - 30 June 2021 | 1 January - 30 June 2020 | 1 April - 30 June 2020 |
|---|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| Foreign Exchange Gains | 49,409,328 | 30,989,254 | 23,023,135 | 11,758,393 |
| Allowance for Doubtful Debts No Longer Required | 9,957,389 | 9,957,389 | 5,280,986 | 5,280,986 |
| Income Related to Disposals of Right of Use Assets (Note 11) | 3,168,984 | 3,168,984 | - | - |
| Interest Income | 2,035,806 | 2,035,806 | 1,318,407 | 1,318,407 |
| Scrap Sales | 981,888 | 581,421 | 857,349 | 260,686 |
| Other Income | 11,639,238 | 10,477,391 | 2,489,866 | 1,000,977 |
| | 77,192,633 | 57,210,245 | 32,969,743 | 19,619,449 |

b) Other Operating Expenses

| | | | | |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
| Foreign Exchange Expense | 63,182,255 | 50,245,935 | 25,448,611 | 9,244,470 |
| Provisions Expense | 30,133,463 | 12,266,260 | 14,050,931 | 14,050,931 |
| Other Expenses | 4,274,130 | 4,181,690 | 3,349,003 | 2,652,257 |
| | 97,589,848 | 66,693,885 | 42,848,545 | 25,947,658 |

NOTE 19 - FINANCIAL INCOME AND EXPENSES

a) Financial Income

| | 1 January - 30 June 2021 | 1 April - 30 June 2021 | 1 January - 30 June 2020 | 1 April - 30 June 2020 |
|--|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| Foreign Exchange Gains | 52,001,657 | 28,329,914 | 18,118,097 | 7,193,501 |
| Transaction Income Related to Disposals of Right of Use Assets (Note 11) | 15,346,516 | 15,346,516 | - | - |
| Derivative Transaction Incomes | 22,287,666 | 4,956,657 | 13,720,802 | 9,237,155 |
| | 89,635,839 | 48,633,087 | 31,838,899 | 16,430,656 |

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NOTE 19 - FINANCIAL INCOME AND EXPENSES (Continued)

b) Financial Expenses

| | 1 January - 30 June 2021 | 1 April - 30 June 2021 | 1 January - 30 June 2020 | 1 April - 30 June 2020 |
|--------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| Foreign Exchange Losses | 75,862,104 | 39,919,196 | 35,417,144 | 18,367,705 |
| Bank and Commission Expenses | 18,067,642 | 10,838,310 | 12,399,949 | 5,266,090 |
| Interest Expense | 12,272,571 | 6,817,029 | 13,105,002 | 6,726,831 |
| Derivative Transaction Expense | 4,643,050 | 292,300 | 7,698,198 | 6,145,346 |
| Other Losses | 2,837,795 | 2,137,140 | 1,453,454 | 943,969 |
| | 113,683,162 | 60,003,975 | 70,073,747 | 37,449,941 |

NOTE 20 - TAX ASSETS AND LIABILITIES

a) Corporate Tax

The Company and its subsidiary, associates and joint ventures established in Turkey and other countries in scope of consolidation that are subject to taxation in accordance with the tax procedures and the legislation effective in force in the countries where they are operating.

In accordance with the temporary Article 13 added to the Corporate Tax Law, the 20% corporate tax rate for the year 2021 will be applied as 25% and for the year 2022 will be applied as 23%.

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 a deduction in accordance with the tax laws to the commercial income of the corporations, and deducting the exemptions and deductions in the tax laws. Corporate tax is required to be filed by the twenty-fifth day of the fourth month following the balance sheet date and taxes must be paid by the end of the fourth month.

The tax legislation provides for a temporary tax of 25% to be calculated based on earnings generated for each quarter. Temporary tax is declared by the 14th day of the second month following each quarter and corresponding tax is payable by the 17th day of the same month. The amounts thus calculated and paid are offset against the final corporate tax liability for the year. If there is excess temporary tax paid even if it is already offset, this amount may be refunded or offset.

Corporate tax losses can be carried forward for a maximum period of 5 years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

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NOTE 20 - TAX ASSETS AND LIABILITIES (Continued)

10% withholding applies to dividends distributed by resident real persons, those who are not liable to income and corporation tax, non-resident real persons, non-resident corporations (excluding those that acquire dividend through a permanent establishment or permanent representative in Turkey) and nonresident corporations exempted from income and corporation tax.

Dividend distribution by resident corporations to resident corporations is not subject to a withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable.

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis. As of 30 June 2021 and 31 December 2020, current income tax payables have been offset against the prepaid taxes in entity basis but such offset amounts have been classified in gross basis in the consolidated financial statements.

| | 30 June 2021 | 31 December 2020 |
|---|---------------------|-------------------------|
| Current Corporate Tax Expense | (42,281,044) | (31,929,063) |
| Taxes Prepaid During the Period (-) | 17,158,200 | 35,196,935 |
| Corporate Taxes Assets/(Liabilities) | (25,122,844) | 3,267,872 |

Tax expenses included in the condensed consolidated income statements for the interim periods ended 30 June 2021 and 2020 are summarized below:

| | 1 January - 30 June 2021 | 1 January - 30 June 2020 |
|--------------------------------|-------------------------------------|-------------------------------------|
| Current Corporate Tax Expense | (42,281,044) | (6,547,451) |
| Deferred Tax Income/(Loss) | 10,191,284 | 10,186,271 |
| Total Tax Income/(Loss) | (32,089,760) | 3,638,820 |

Reconciliation of tax expense is as follows:

| | | |
|--|---------------------|-------------------|
| Profit Before Tax | 155,489,093 | 16,539,464 |
| Tax Calculated at Tax Rates Applicable to the Profit | (38,872,273) | (3,638,682) |
| Tax incentive within the scope of research and development | 349,720 | 271,047 |
| Investment Incentive Exception Effect Under Article KVK 32/A | 4,158,088 | 7,198,591 |
| Nondeductible Expenses | (2,538,452) | 59,563 |
| Change of Tax Rates Effect | 694,175 | - |
| Other | 4,118,982 | (251,699) |
| Total Tax Expense | (32,089,760) | 3,638,820 |

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NOTE 20 - TAX ASSETS AND LIABILITIES (Continued)

b) Deferred Taxes

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

In accordance with the regulation numbered 7316, named “Law on the Collection of Public Receivables and Amendments to Certain Laws”, published in Official Gazette on 22 April 2021, temporary article 13 added to the Corporate Tax Law and corporate tax rate in Turkey for the year 2021 has been increased from 20% to 25%, for the year 2022 to %23.

The effects of deferred tax assets and liabilities as of 30 June 2021 and 31 December 2020 are summarized below, using the applicable tax rates as of the balance sheet date:

| | Cumulative Temporary Differences | | Deferred Income Tax Asset/(Liability) | |
|--|--|---------------------|---|---------------------|
| | 30 June 2021 | 31 December 2020 | 30 June 2021 | 31 December 2020 |
| Effect of Investment Incentives | - | - | 17,191,263 | 18,055,787 |
| Adjustment Related to Property, Plant and Equipment and Intangible Assets | 313,339,013 | 324,473,439 | (39,985,105) | (43,165,725) |
| Adjustments related to Leases Standard | (5,724,230) | (14,899,051) | 1,144,846 | 2,979,810 |
| Provisions for Employee Termination Benefits | (21,132,612) | (17,449,579) | 4,226,522 | 3,489,916 |
| Provisions for Doubtful Receivables | (48,846,449) | (34,234,858) | 12,211,612 | 7,531,669 |
| Provisions for Guarantee | (2,672,819) | (2,115,400) | 668,205 | 465,388 |
| Provisions for Litigation | (5,180,461) | (5,784,952) | 1,295,115 | 1,272,689 |
| Adjustment Related to Inventories | 35,551,293 | 21,000,789 | (8,887,823) | (4,579,285) |
| Provisions for Unused Vacation | (3,912,275) | (2,293,403) | 978,069 | 458,681 |
| Adjustment Related to Trade Receivables | (32,689,117) | - | 8,172,279 | - |
| Other Temporary Differences | 3,753,415 | 3,277,405 | (938,354) | (721,029) |
| Deferred Tax Assets/(Liabilities), Net | | | (3,923,371) | (14,212,099) |

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

| | 2021 | 2020 |
|---|---------------------|--------------------|
| 1 January | (14,212,099) | (4,371,310) |
| Recognized in Statement of Profit or Loss | 10,191,284 | 10,186,271 |
| Recognized in Other Comprehensive Income/(Expenses) | 363,056 | (312,210) |
| Foreign Currency Translation | (265,612) | - |
| 30 June | (3,923,371) | 5,502,751 |

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NOTE 20 - TAX ASSETS AND LIABILITIES (Continued)

The Group has tax incentives for its investments in Menemen facilities. The Group management has benefited from the tax advantage of TRY4,158,088 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 TRY5,022,612. The total tax advantage that can be used as of 30 June 2021 is TRY17,191,263 (31 December 2020: TRY18,055,787).

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 inspection inspector is in the process of collecting the necessary data from the Company and there is no evaluation submitted to the Company yet. The Group management does not see any need for any provision according to its past experience and knowledge.

NOTE 21 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Short-term Provisions:

| | 30 June 2021 | 31 December 2020 |
|---------------------------|------------------|------------------|
| Provisions for Litigation | 5,180,461 | 5,784,952 |
| Provisions for Guarantee | 2,672,819 | 2,115,400 |
| | 7,853,280 | 7,900,351 |

b) Guarantees Received:

| | 30 June 2021 | | 31 December 2020 | |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | TRY Equivalent | Original Amount | TRY Equivalent | Original Amount |
| Letters of guarantee received | | | | |
| EUR | 10,444,204 | 1,009,736 | 2,073,442 | 213,790 |
| USD | 4,442,387 | 510,860 | 1,186,909 | 142,860 |
| TRY | 259,417,497 | 259,417,497 | 223,532,999 | 223,532,999 |
| Guarantee notes received | | | | |
| EUR | 2,215,578 | 214,200 | 2,077,419 | 214,200 |
| TRY | 8,818,025 | 8,818,025 | 8,818,025 | 8,818,025 |
| Mortgages received | | | | |
| EUR | 1,496,115 | 144,643 | 1,402,820 | 144,643 |
| TRY | 288,685,160 | 288,685,160 | 256,083,160 | 256,083,160 |
| | 575,518,966 | | 495,174,774 | |

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.

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NOTE 21 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

c) Guarantees given:

| | 30 June 2021 | | 31 December 2020 | |
|-----|---------------------------|----------------------------|---------------------------|----------------------------|
| | TRY Equivalent | Original Amount | TRY Equivalent | Original Amount |
| TRY | 7,056,822 | 7,056,822 | 13,660,323 | 13,660,323 |
| EUR | - | - | 67,559,250 | 7,500,000 |
| | 7,056,822 | | 81,219,573 | |

The guarantees given as of 30 June 2021 mainly consist of the guarantees provided by the Group to the central bank for rediscount credits.

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

| | 30 June 2021 | 31 December 2020 |
|--|---------------------|-------------------------|
| A. Total Amount of CPM Given | | |
| for the Group’s Own Legal Personality | 7,056,822 | 81,219,573 |
| 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 | - | - |
| | 7,056,822 | 81,219,573 |

As of 30 June 2021 and 31 December 2020, the Company and its Subsidiary have no guarantees, pledges or mortgages received from or given to its related parties. As of 30 June 2021, percentage of tether guarantees, pledges or mortgages given by the Company and its Subsidiary to the Group’s equity is 0% (31 December 2020: 0%).

The Group has export commitments amounting to EUR6,374,977 arising from export contracted loans as of 30 June 2021. The Group management anticipates that the said export commitments will be realized.

As of 30 June 2021, the Group has a forward foreign currency sales commitment of TRY206,099,100, and TRY36,762,500 respectively, against the purchase commitment of USD24,500,000, EUR3,500,000 arising from derivative transactions. The fair value of the mentioned derivative transactions as of 30 June 2021 is TRY10,370,676.

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NOTE 22 - 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 - 30 June 2021 | 1 April - 30 June 2021 | 1 January - 30 June 2020 | 1 April - 30 June 2020 |
|---|------------|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| Net Profit/(Loss) for the Period | A | 123,399,333 | 79,188,325 | 20,178,284 | 1,300,576 |
| Weighted Number of Common Shares with a 1 Kr Face Value | B | 8,098,079,300 | 8,098,079,300 | 8,098,079,300 | 8,098,079,300 |
| Earnings Per Share of 100 Shares with a 1 Kr of Face Value | A/B | 1.5238 | 0.9779 | 0.2492 | 0.0161 |
| Discontinued Operations Net Period (Loss)/Profit | A | - | - | (5,964,254) | (3,991,466) |
| Weighted Number of Common Shares with a 1 Kr Face Value | B | 8,098,079,300 | 8,098,079,300 | 8,098,079,300 | 8,098,079,300 |
| Earnings Per Share of 100 Shares with a 1 Kr of Face Value | A/B | - | - | (0.0737) | (0.0493) |

**NOTE 23 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL
INSTRUMENTS**

Currency Risk

The Group is exposed to variety of financial risks including the effects of changes in debt and equity market prices due to its operations. These risks include credit risk, market risk (foreign exchange risk and interest rate risk) and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

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**NOTE 23 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL
INSTRUMENTS (Continued)**

i. Foreign Currency Risk

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

The Company and its Subsidiary 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 assets and liabilities and changing its pricing policy in line with the currency fluctuations, and also by analyzing its foreign currency position.

As of 30 June 2021 and 31 December 2020, the Group’s net foreign currency position is as follows:

| | 30 June 2021 | 31 December 2020 |
|--|----------------------|-------------------------|
| A. Assets Denominated in Foreign Currency | 272,974,318 | 325,921,753 |
| B. Liabilities Denominated in Foreign Currency | (502,228,987) | (353,083,560) |
| Net Foreign Currency Position (A+B) | (229,254,669) | (27,161,807) |

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NOTE 23 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (Continued)

Foreign Currency Position

| | 30 June 2021 | | | | 31 December 2020 | | | |
|---|----------------------|---------------------|--------------------|------------------|---------------------|--------------------|--------------------|------------------|
| | TRY Equivalent | USD | EUR | AUD | TRY Equivalent | USD | EUR | AUD |
| 1. Trade Receivables | 218,661,669 | 4,756,925 | 15,276,822 | 3,020,142 | 160,223,174 | 6,550,940 | 11,127,682 | 2,121,933 |
| 2a. Monetary Financial Assets, (Cash and Banks Included) | 49,324,905 | 2,450,285 | 2,717,285 | - | 149,542,738 | 4,429,166 | 12,991,978 | - |
| 2b. Non-Monetary Financial Assets | - | - | - | - | - | - | - | - |
| 3. Other | 4,987,744 | 252,961 | 270,411 | - | 16,155,841 | 2,186,346 | 11,875 | - |
| 4. Current Assets (1+2+3) | 272,974,318 | 7,460,171 | 18,264,518 | 3,020,142 | | | | |
| 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) | 272,974,318 | 7,460,171 | 18,264,518 | 3,020,142 | 325,921,753 | 13,166,452 | 24,131,536 | 2,121,933 |
| 10. Trade Payables | 397,476,799 | 36,445,753 | 7,787,323 | - | 241,299,205 | 18,586,149 | 11,641,735 | - |
| 11. Financial Liabilities | 47,392,748 | - | 4,581,887 | - | 41,358,936 | - | 4,591,407 | - |
| 12a. Other Monetary Liabilities | - | - | - | - | - | - | - | - |
| 12b. Other Non-Monetary Liabilities | - | - | - | - | - | - | - | - |
| 13. Short-term Liabilities (10+11+12) | 444,869,547 | 36,445,753 | 12,369,210 | - | 282,658,141 | 18,586,149 | 16,233,142 | - |
| 14. Trade Payables | - | - | - | - | - | - | - | - |
| 15. Financial Liabilities | 57,359,434 | - | 5,545,457 | - | 70,425,420 | - | 7,818,184 | - |
| 16a. Other Monetary Liabilities | - | - | - | - | - | - | - | - |
| 16b. Other Non-Monetary Liabilities | - | - | - | - | - | - | - | - |
| 17. Long-term Liabilities (14+15+16) | 57,359,434 | - | 5,545,457 | - | 70,425,420 | - | 7,818,184 | - |
| 18. Total Liabilities (13+17) | 502,228,981 | 36,445,753 | 17,914,667 | - | 353,083,560 | 18,586,149 | 24,051,326 | - |
| 19. Net Asset/(Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b) | (249,251,800) | (24,500,000) | (3,500,000) | - | (71,402,150) | (8,500,000) | (1,000,000) | - |
| 19a. Total amount of assets hedged | - | - | - | - | - | - | - | - |
| 19b. Total amount of liabilities hedged | 249,251,800 | 24,500,000 | 3,500,000 | - | 71,402,150 | 8,500,000 | 1,000,000 | - |
| 20. Net Foreign Currency Asset/(Liability) Position (9-18+19) | 19,997,134 | (4,485,582) | 3,849,851 | 3,020,142 | 44,240,343 | 3,080,303 | 1,080,210 | 2,121,933 |
| 21. Net foreign currency asset/(liability) position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a) | (234,242,412) | (29,238,543) | 79,440 | 3,020,142 | (43,317,648) | (7,606,043) | 68,335 | 2,121,933 |
| 22. Fair value of derivative instruments used in foreign currency hedge | 249,251,800 | 24,500,000 | 3,500,000 | - | 71,402,150 | 8,500,000 | 1,000,000 | - |
| 23. Export (*) | 197,812,037 | 4,917,582 | 14,741,011 | 2,755,739 | 209,327,725 | 3,570,782 | 18,000,524 | 2,363,508 |
| 24. Import (*) | 376,096,773 | 32,266,720 | 9,527,047 | - | 441,709,349 | 30,266,451 | 22,073,383 | - |

(*) Average rate of exchange is used.

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**NOTE 23 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL
INSTRUMENTS (Continued)**

Table of sensitivity analysis for foreign currency risk

The Company and its Subsidiary 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 Subsidiary 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 30 June 2021 and 31 December 2020 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 rates (especially USD, EUR and AUD), with all other variables held constant:

30 June 2021

| | <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 | (25,232,529) | 25,232,529 | (25,232,529) | 25,232,529 |
| 2- USD Hedged from Risks (-) | 21,327,740 | (21,327,740) | 21,327,740 | (21,327,740) |
| 3- USD Net Effect (1+2) | (3,904,789) | 3,904,789 | (3,904,789) | 3,904,789 |
| Change of EUR Against TRY by 10%: | | | | |
| 4- EUR Net Assets/Liabilities | 362,603 | (362,603) | 362,603 | (362,603) |
| 5- EUR Hedged from Risks (-) | 3,627,575 | (3,627,575) | 3,627,575 | (3,627,575) |
| 6- EUR Net Effect (4+5) | 3,990,178 | (3,990,178) | 3,990,178 | (3,990,178) |
| Change of AUD Average Against TRY by 10%: | | | | |
| 7- AUD Net Assets/Liabilities | 1,976,653 | (1,976,653) | 1,976,653 | (1,976,653) |
| 8- AUD Hedged from Risks (-) | - | - | - | - |
| 9- AUD Net Effect (7+8) | 1,976,653 | (1,976,653) | 1,976,653 | (1,976,653) |
| Total (3+6+9) | 2,062,042 | (2,062,042) | 2,062,042 | (2,062,042) |

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**NOTE 23 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL
INSTRUMENTS (Continued)**

31 December 2020

| | <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 | (5,583,216) | 5,583,216 | (5,583,216) | 5,583,216 |
| 2- USD Hedged from Risks (-) | 6,239,425 | (6,239,425) | 6,239,425 | (6,239,425) |
| 3- USD Net Effect (1+2) | 656,209 | (656,209) | 656,209 | (656,209) |

Change of EUR Against TRY by 10%:

| | | | | |
|--------------------------------|----------------|------------------|----------------|------------------|
| 4- EUR Net Assets/Liabilities | 61,555 | (61,555) | 61,555 | (61,555) |
| 5- EUR Hedged from Risks (-) | 900,790 | (900,790) | 900,790 | (900,790) |
| 6- EUR Net Effect (4+5) | 962,345 | (962,345) | 962,345 | (962,345) |

Change of AUD Average Against TRY by 10%:

| | | | | |
|--------------------------------|------------------|--------------------|------------------|--------------------|
| 7- AUD Net Assets/Liabilities | 1,189,895 | (1,189,895) | 1,189,895 | (1,189,895) |
| 8- AUD Hedged from Risks (-) | - | - | - | - |
| 9- AUD Net Effect (7+8) | 1,189,895 | (1,189,895) | 1,189,895 | (1,189,895) |

| | | | | |
|----------------------|------------------|--------------------|------------------|--------------------|
| Total (3+6+9) | 2,808,449 | (2,808,449) | 2,808,449 | (2,808,449) |
|----------------------|------------------|--------------------|------------------|--------------------|

NOTE 24 - SUBSEQUENT EVENTS

None.

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