Trabzon Liman İşletmeciliği

Anonim Şirketi

Financial Statements
As at and for the Year Ended
31 December 2021
With Independent Auditors' Report

Aksis Uluslararası Bağımsız Denetim Anonim Şirketi
29 April 2022

This report includes 4 pages of independent auditors' report and 40 pages of financial statements together with their explanatory notes

Trabzon Liman İşletmeciliği

Anonim Şirketi

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Trabzon Liman İşletmeciliği A.Ş.

A) Audit of the Financial Statements

1) Opinion

We have audited the financial statements of Trabzon Liman İşletmeciliği Anonim Şirketi (the "Company"), which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

2) Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Turkey and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Revenue Recognition	How the matter was addressed in our audit
Main operation of the Company is loading unloading, transferring, port operations and establishing facilities for these works. Additionally, Company providing services to ships, water and fuel loading, unloading, transferring work activities. Revenue recognition has been identified as a key audit matter since it is an important measurement criterion in terms of evaluation of performance management and the results of the company strategy and inherently has risk of fraud and error. For the year ended 31 December 2021, revenues of the Company amount to TL 93.308.590 and explanations on accounting policies and amounts related to the Company's revenues are disclosed in Note 3.h. and Note 5.	The following audit procedures have been applied to audit of revenue recognition. The design and implementation of the controls that are set for the management of the relevant process are examined. In this context, the Company's sales and service procedures have been analyzed. We have focused on substantive procedures for the products for which the invoices are issued but products have not been delivered. The customers which owned high-volume and high-risk transactions have been identified from the customer sales lists, sales in the specified period have been examined and the related samples have been selected from these population for audit procedures. The completeness and accuracy of these lists have been checked. In order to test the timing of revenue recognition and the related cut-off period, service tariffs, the customs declaration forms, sales invoices and the related accounting documents have been compared. Additionally, we evaluated the sufficiency of explanations in Note 5 “Revenue” within the scope of IFRS 15. As a result of the procedures we have applied, we are not aware of any significant misstatement.

Financial Investments	How the matter was addressed in our audit
The Company's financial investments comprise 63% of the Company's total assets. The carrying amounts of financial investments have been determined as an important balance in the Company's assets. As of 31 December 2021, financial investments consist of the investment funds that the Company bought in 2019 through Hedef Portföy Yönetimi A.Ş. The funds are recognized as “Financial assets measured at fair value through profit or loss” in accordance with IFRS 9. The total nominal amounts of the funds are 60.760.062 and the cost value is TL 45.392.025, and the fair value is TL 119.006.298. Explanations on accounting policies and amounts related to the Company's financial investments are disclosed in Note 3.b. and Note 18.	To audit the value and amounts of the related funds, the confirmations obtained from Hedef Portföy Yönetimi A.Ş. The fair values of the financial investments have been recalculated according to the number and unit share values of the Funds which were taken belonging to Fund Report dated 31 December 2021 and the accounting entries related to these funds have been checked and confirmed. Cash transactions of the purchases and sales of funds have been confirmed through the Company's bank accounts. The adequacy of the explanations in Financial Investments in Note 18 is evaluated within the scope of IFRS 9. As a result of the procedures, we have applied regarding the presentation of financial assets in the financial statements and the accounting criteria, we are not aware of any significant misstatement.

4) Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

5) Auditor's Responsibilities for the Audit of the Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with the ISAs is a high level of assurance but does not guarantee that a material misstatement will always be detected.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an independent audit conducted in accordance with the ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Tayyip Yaşar, YMM
Partner

İstanbul, 29 April 2022
Aksis Uluslararası Bağımsız Denetim A.Ş.

Trabzon Liman İşletmeciliği Anonim Şirketi
Statement of Financial Position
For the Year Ended 31 December 2021
Currency: Turkish Lira ("TL")

	Notes	Audited	Audited
Assets		**31 December 2021**	**31 December 2020**
Property, plant, and equipment	*12*	31.375.043	26.321.983
Intangible assets	*13*	9.501.699	10.370.814
Right of use assets	*14*	--	895.860
Deferred tax assets	*11*	522.776	526.714
Total non-current assets		**41.399.518**	**38.115.371**
Trade and other receivables	*16*	5.099.195	3.316.686
Due from related parties	*26*	12.809.212	24.432.480
Cash and cash equivalents	*17*	3.961.659	1.562.397
Inventories	*19*	903.490	421.694
Prepayments	*15*	3.137.046	359.139
Financial investments	*18*	119.006.298	114.517.939
Other current assets	*20*	1.818.221	1.965.155
Total current assets		**146.735.121**	**146.575.490**
Total assets		**188.134.639**	**184.690.861**
Equity	***21***		
Share capital		21.000.000	21.000.000
Capital adjustment differences		447.419	447.419
Legal reserves		22.168.429	16.933.372
Other accumulated comprehensive income		(779.263)	(1.492.250)
Retained earnings		35.064.628	42.429.031
Net profit for the year		61.642.899	58.635.624
Total equity		**139.544.112**	**137.953.196**
Liabilities			
Trade and other payables	*24*	9.764.551	10.308.472
Provisions	*23*	7.858.869	6.602.845
Total long-term liabilities		**17.623.420**	**16.911.317**
Loans and borrowings	*22*	--	1.376.394
Liabilities from leasing transactions	*14*	--	1.175.675
Trade and other payables	*24*	14.528.835	10.345.534
Due to related parties	*26*	617.712	689.933
Deferred income	*15*	446.554	1.541.302
Current tax liabilities	*11*	12.334.231	12.315.661
Employee benefits	*23*	1.947.814	1.469.757
Provisions	*23*	1.091.961	912.092
Total short-term liabilities		**30.967.107**	**29.826.348**
Total liabilities		**48.590.527**	**46.737.665**
Total equity and liabilities		**188.134.639**	**184.690.861**

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

Trabzon Liman İşletmeciliği Anonim Şirketi
Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2021
Currency: Turkish Lira ("TL")

	Notes	Audited	Audited
		2021	**2020**
Revenue	*5*	93.308.590	81.486.483
Cost of sales (-)	*5*	(41.938.212)	(34.149.776)
Gross profit		**51.370.378**	**47.336.707**
Administrative expenses (-)	*6*	(1.805.493)	(1.366.564)
Marketing expenses (-)		(81.857)	(69.647)
Other operating income	*7*	2.300.625	308.995
Other operating expenses (-)	*7*	(3.822.500)	(6.562.028)
Profit from operating activities		**47.961.153**	**39.647.463**
Income from investing activities	***9***	26.554.651	33.686.193
Operating profit before financial income and expenses		**74.515.804**	**73.333.656**
Finance income	*10*	4.895.103	2.163.970
Finance expense	*10*	(213.840)	(783.313)
Profit before tax		**79.197.067**	**74.714.313**
Current income tax expense	*11*	(17.728.477)	(16.537.664)
Deferred tax income	*11*	174.309	458.975
Profit for the year		**61.642.899**	**58.635.624**
Number of shares		21.000.000	21.000.000
Earnings per share		2,9354	2,7922
Other comprehensive income/expense not to be reclassified to profit or loss			
Actuarial differences on defined benefit plans	*23*	891.234	11.592
Tax on other comprehensive income		(178.247)	(2.318)
Other comprehensive income for the year		**712.987**	**9.274**
Total comprehensive income for the year		**62.355.886**	**58.644.898**

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

Trabzon Liman İşletmeciliği Anonim Şirketi
Statement of Changes in Equity
For the Year Ended 31 December 2021
Currency: Turkish Lira ("TL")

			Other comprehensive income/expense not to be reclassified to profit or loss				
	Share capital	**Capital Adjustment Differences**	**Actuarial differences on defined benefit plans**	**Restricted Reserves**	**Retained Earnings**	**Net profit for the year**	**Total**
Balance at 1 January 2020	**21.000.000**	**447.419**	**(1.501.524)**	**15.604.293**	**4.722.977**	**52.046.845**	**92.320.010**
Transfer	--	--	--	1.329.079	50.717.766	(52.046.845)	--
Net Profit for the Period	--	--	--	--	--	58.635.624	58.635.624
Dividend Payment	--	--	--	--	(13.011.712)	--	(13.011.712)
Other comprehensive income	--	--	9.274	--	--	--	9.274
Balance at 31 December 2020	**21.000.000**	**447.419**	**(1.492.250)**	**16.933.372**	**42.429.031**	**58.635.624**	**137.953.196**
Balance at 1 January 2021	**21.000.000**	**447.419**	**(1.492.250)**	**16.933.372**	**42.429.031**	**58.635.624**	**137.953.196**
Transfer	--	--	--	5.235.057	53.400.567	(58.635.624)	--
Net Profit for the Period	--	--	--	--	--	61.642.899	61.642.899
Dividend Payment	--	--	--	--	(60.764.970)	--	(60.764.970)
Other comprehensive income	--	--	712.987	--	--	--	712.987
Balance at 31 December 2021	**21.000.000**	**447.419**	**(779.263)**	**22.168.429**	**35.064.628**	**61.642.899**	**139.544.112**

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

Trabzon Liman İşletmeciliği Anonim Şirketi
Statement of Cash Flows
For the Year Ended 31 December 2021
Currency: Turkish Lira ("TL")

	Notes	**Audited**	**Audited**
		2021	**2020**
Net profit for the year		**61.642.899**	**58.635.624**
Adjustments for:			
Depreciation and amortization expenses	*12,13,14*	6.774.846	7.406.379
Income tax expense	*11*	17.554.168	16.078.689
Provision	*23*	2.620.972	1.545.534
Interest expense	*10*	213.840	783.313
Interest income	*10*	(4.895.103)	(2.163.970)
Adjustments for earnings arising from the disposal of financial investment		(3.839.579)	(65.452)
Fair value changes of financial investments		(22.715.072)	(33.620.741)
Cash flows from operating activities:			
Change in trade and other receivables and due from related parties		(30.186.848)	(16.826.555)
Change in inventories		(481.796)	(76.343)
Change in other current and non-current assets		146.934	26.076
Change in trade payables and due to related parties		(9.424.616)	(8.053.721)
Change in short term employee benefits and deferred income		(3.394.598)	468.144
Taxes paid	*11*	(5.927.371)	(2.774.642)
Employee severance indemnity paid	*23*	(293.845)	(524.217)
Net cash from/ (used in) operating activities		**(53.848.068)**	**(37.797.506)**
Purchasing of financial investments		22.066.292	154.501
Purchase of property, plant and equipment	*12,13*	(10.062.931)	(3.318.470)
Net cash used in investing activities		**12.003.361**	**(3.163.969)**
Change in borrowings, net		(1.376.394)	(4.339.915)
Payments due to leasing transactions		(270.976)	(811.681)
Cash outflows from dividend payments		(20.505.818)	(13.011.712)
Interest received		4.895.103	2.163.970
Interest paid		(140.845)	(573.313)
Net cash used in financing activities		**(17.398.930)**	**(16.572.651)**
Net increase/(decrease) in cash and cash equivalents		**2.399.262**	**1.101.498**
Cash and cash equivalents at the beginning of the year	*17*	**1.562.397**	**460.899**
Cash and cash equivalents at the end of the year	*17*	**3.961.659**	**1.562.397**

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

1 Reporting Entity

Trabzon Liman İşletmeciliği Anonim Şirketi ("Trabzon Liman" or "Company") was established on 19 September 2003. The Company is mainly engaged in the following fields:

- Charging, discharging, transshipment and perform port operations and building facilities for these activities,
- Quenching to liners and perform charging, discharging, changeover from fuel affairs.

With respect to the tender of T.C. Başbakanlık Özelleştirme İdaresi Başkanlığı on 22 November 2003, operating right of Trabzon Port was devolved on to Albayrak Company's subsidiary, Trabzon Liman İşletmeciliği A.Ş. for 30 years by amount of USD 20.160.000.

Trabzon Port which had been laid foundation on 8 July 1946, was opened on 25 June 1954. The port has remained until 1978 without any progress. Due to the increased ship traffic, modernization of the port is required. Whereupon modernization works had been started in 1980 and finished in the year of 1990. After the modernization, the last major investment was made in 2011 and the port has received the current situation.

The Company is registered in Turkey and registered office address is as follows: İskenderpaşa Mahallesi Rıhtım Sokak No:13 Trabzon.

The share of Albayrak Turizm Seyahat İnşaat Ticaret A.Ş., which corresponds to 30% of the Company's capital increased to TL 21.000.000, with a nominal value of TL 6.261.656 started to list on the Borsa Istanbul as of January 24, 2018.

The average number of employees of the Company at 31 December 2021 is 176 (31 December 2020: 181).

2 Basis of Preparation

(a) Statement of compliance

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The financial statements were approved by the management on 29 April 2022.

(b) Basis of measurement

The financial statements are prepared in TL based on historical cost except for financial assets, liabilities, property, plant and equipment measured at fair value.

(c) Correction of financial statements of hyperinflation periods2

IAS 29 "Inflation Accounting" is not applied starting from 1 January 2005.

(d) Reporting and functional currency

The financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the financial statements, the functional and presentation currency of the Company is TL.

2 Basis of Preparation *(continued)*

(e) Comparative information

The Company's financial statements are prepared including comparative information to enable readers to understand the trends in the financial position and performance of the Company. The change in presentation or reclassification of the financial statement items is applied retrospectively and the reclassifications made in the prior year financial information are disclosed in the notes to the financial statements.

The Company has reclassified foreign exchange losses amounting to TL 1.606.262, which was accounted under finance expenses on 31 December 2020, under other operating expenses in the comparison period of 31 December 2021 financial statements.

(f) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- Note 3-Reclassification of property, plant and equipment

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment within the next financial year are included in the following notes:

- Note 11-Taxation
- Note 12-Property, plant and equipment
- Note 16-Trade and other receivables
- Note 23-Employee benefits
- Note 25-Commitments and contingencies

3 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by Company.

(a) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

3 Significant Accounting Policies *(continued)*

(b) Financial instruments

Financial Assets

Classification

Financial assets are classified in three categories of financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit of loss. The classification of financial assets is determined considering the Institute's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The appropriate classification of financial assets is determined at the time of the purchase.

Financial assets are not reclassified after initial recognition except when the Company's business model for managing financial assets changes; in the case of a business model change, subsequent to the amendment, the financial assets are reclassified on the first day of the following reporting period.

Recognition and Measurement

"Financial assets measured at amortized cost", are non-derivative assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company's financial assets measured at amortized cost comprise "cash and cash equivalents", "trade receivables". Financial assets carried at amortized cost are measured at their fair value at initial recognition and by effective interest rate method at subsequent measurements. Gains and losses on valuation of non-derivative financial assets measured at amortized cost are accounted for under the statement of income.

"Financial assets measured at fair value through other comprehensive income", are non-derivative assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Gains or losses on a financial asset measured at fair value through other comprehensive income is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified to retained earnings.

The Company may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, to present subsequent changes in fair value in other comprehensive income. In such cases, dividends from those investments are accounted for under statement of income.

"Financial assets measured at fair value through profit or loss", are assets that are not measured at amortized cost or at fair value through other comprehensive income. Gains and losses on valuation of these financial assets are accounted for under the statement of income.

3 Significant Accounting Policies *(continued)*

(b) Financial instruments *(continued)*

Derecognition

The Company derecognized a financial asset when the contractual rights to the cash flows from the asset expired, or it transferred the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset were transferred. Any interest in such transferred financial assets that was created or retained by The Company was recognized as a separate asset or liability.

Impairment

Impairment of the financial and contractual assets measured by using "Expected credit loss model" (ECL). The impairment model applies for amortized financial and contractual assets.

Provision for loss measured as below;

- 12- Month ECL: results from default events that are possible within 12 months after reporting date.
- Lifetime ECL: results from all possible default events over the expected life of financial instrument

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since 12-month ECL measurement if it has not.

The Company may determine that the credit risk of a financial asset has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement (simplified approach) always apply for trade receivables and contract assets without a significant financing.

Trade receivables

Trade receivables that are created by way of providing goods or services directly to a debtor are measured at amortized cost, using the effective interest rate method. Short duration receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant.

The Company has preferred to apply "simplified approach" defined in IFRS 9 for the recognition of impairment losses on trade receivables, carried at amortized cost and that do not comprise of any significant finance component (those with maturity less than 12 months). In accordance with the simplified approach, The Company measures the loss allowances regarding its trade receivables at an amount equal to "lifetime expected credit losses" except incurred credit losses in which trade receivables are already impaired for a specific reason.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other operating income.

Unearned finance income/expense due to commercial transactions are accounted for under "Other Operating Income/Expenses" in the statement of income or loss.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank deposits with original maturities of more than three months and shorter than 1 year are classified under short-term financial investments.

3 Significant Accounting Policies *(continued)*

(b) Financial instruments *(continued)*

Financial liabilities

Financial liabilities are measured initially at fair value. Transaction costs which are directly related to the financial liability are added to the fair value. Financial liabilities are classified as equity instruments and other financial liabilities.

Other financial liabilities

Other financial liabilities are subsequently measured at amortized cost using the effective interest method plus the interest expense recognized on an effective yield basis.

The effective interest method calculates the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate discounts the estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Trade payables

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

(c) Property, plant and equipment

(*i*) *Recognition and measurement*

Items of property, plant and equipment related to operations whose functional currency is TL and were acquired before 1 January 2006 are measured at cost restated for the effects of inflation in TL units current at 31 December 2005 less accumulated depreciation and accumulated impairment losses, and items of property and equipment acquired after 31 December 2005 are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to acquisition of the asset. The cost of self-constructed assets includes the following:

- The cost of materials and direct labor,
- Any other costs directly attributable to bringing the assets to a working condition for their intended use,
- Capitalized borrowing costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized till the end of the period that the relevant asset was ready to use. Borrowing costs capitalized during the period, and the capitalization rate used to determine the amount of borrowing costs eligible for capitalization.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in statement of comprehensive income.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

3 Significant Accounting Policies *(continued)*

(c) Property, plant and equipment *(continued)*

(ii) Subsequent costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits embodied within the part will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognized in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

In current and comparative periods, useful lives of major property and equipment are as follows:

Description	**Useful Life**
Land improvements	7-20
Machinery and equipment	2-25
Vehicles	5-20
Furniture and fixtures	2-33
Leasehold improvements	4-25

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(d) Intangible assets

(i) Recognition and measurement

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization:

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

In current and comparative periods, useful lives of major intangible assets are as follows:

Description	**Useful Life**
Port Operation Rights	30
Software	3-5

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3 Significant Accounting Policies *(continued)*

(e) Impairment

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that one not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognized if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized

(f) Employee benefits

(i) Reserve for employee severance indemnity

In accordance with existing social legislation in Turkey, the Company is required to make lump-sum payments to each employee who has completed over one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. Such payments are calculated on the basis of 30 days' pay, limited to TL 8.285 as at 31 December 2021 (31 December 2020: TL 7.117) per year of employment at the rate of pay applicable at the date of retirement or termination. Employee benefits represent the present value of the estimated future probable obligation of the Company arising from the retirement of the employees and calculated in accordance with the Turkish Labor Law. It is computed and reflected in the financial statements on an accrual basis as it is earned by serving employees.

3 Significant Accounting Policies *(continued)*

(f) Employee benefits *(continued)*

(ii) Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognized for the amount expected to be paid under short-term cash bonus or vacation pay liability if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Company provides reserve for the vacation pay liability due to the earned and unused vacation rights of its employees.

(g) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(h) Revenue

The Company recognizes revenue based on the following five principles in accordance with the IFRS 15, "Revenue from Contracts with Customers Standard"; effective from 1 January 2018:

(1) Identification of customer contracts

(2) Identification of performance obligations

(3) Determination of the transaction price in the contracts

(4) Allocation of transaction price to the performance obligations

(5) Recognition of revenue when the performance obligations are satisfied

The Company evaluates each contracted obligation separately and respective obligations, committed to deliver the distinct goods or perform services, are determined as separate performance obligations. The Company determines at contract inception whether the performance obligation is satisfied over time or at a point in time. When the Company transfers control of a good or service over time, and therefore satisfies a performance obligation over time, then the revenue is recognized over time by measuring the progress towards complete satisfaction of that performance obligation. When a performance obligation is satisfied by transferring promised goods or services to a customer, the Company recognizes the revenue as the amount of the transaction price that is allocated to that performance obligation. The goods or services are transferred when the control of the goods or services is delivered to the customers. Following indicators are considered while evaluating the transfer of control of the goods and services:

a) presence of Company's collection right of the consideration for the goods or services,

b) customer's ownership of the legal title on goods or services,

c) physical transfer of the goods or services,

d) customer's ownership of significant risks and rewards related to the goods or services,

e) customer's acceptance of goods or services.

3 Significant Accounting Policies *(continued)*

(h) Revenue *(continued)*

If Company expects, at contract inception, that the period between when the Company transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less, the promised amount of consideration for the effects of a significant financing component is not adjusted. On the other hand, when the contract effectively constitutes a financing component, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognized on an accrual basis as other operating income.

(i) Leases

The Company - as a lessee

If a contract regulates the right to control the use of the asset defined in the contract for a specified period of time and for a certain price, it is considered to be a lease or to include a lease. At the beginning of a contract, the Company evaluates whether the contract is of lease nature or not. The Company considers the following conditions when evaluating whether a contract delegates its right to control the use of a defined asset for a specified period of time:

a) The existence of an explicit or implicitly identifiable asset that forms the subject of the lease agreement,

b) The lessee has the right to obtain almost all of the economic benefits to be derived from the use of the defined asset that constitutes the subject of the lease agreement,

c) The lessee has the right to manage the use of the defined asset that is the subject of the lease contract. In the cases listed below, the lessee is considered to have the right to manage the defined asset that is the subject of the lease contract;

i. The lessee is entitled to operate the asset for the duration of its use (or to direct others to operate the asset in its own way) and the lessor does not have the right to change these operating instructions; or

ii. The lessee has designed the asset (or specific features of the asset) to predetermine how and for what purpose the asset will be used throughout its lifetime.

If the contract meets these conditions, the Company reflects a right of use and a lease obligation in the financial statements at the date when the lease actually begins.

<u>*Right of use assets*</u>

The right of use asset is first accounted for using the cost method and includes:

a) The first measurement amount of the lease obligation to be recorded as the right of use asset,
b) From the first measurement amount of the lease obligation recorded as the right of use, all lease incentives related to the lease are subject to reduction,
c) All direct costs incurred by the Company regarding the lease are added to the first measurement of the lease obligation to be recorded as the right of use.
d) It involves the necessity of the lessee's terms and conditions for the removal and transportation of the defined asset that is the subject of the lease contract, the restoration of the placed area or the use of the defined asset.

While applying the group cost method, the right of use assets:

a) its accumulated depreciation and accumulated impairment losses,
b) measures over at the adjusted cost according to the remeasures of the lease liability.

While the group depreciates its right of use applies the provisions in the "IAS 16 Property, Plant and Equipment" standard. It applies the "IAS 36 Impairment on Assets" standard to determine whether the right of use asset has been impaired and to recognize any impairment loss.

3 Significant Accounting Policies *(continued)*

(i) Leases *(continued)*

<u>*Lease Liability*</u>

At the date when the lease actually started, the Company measures its lease obligation at the present value of lease payments not realized at that date.

Lease payments, if the implicit interest rate in the lease can be determined easily, by using this rate; If the implied interest rate cannot be determined easily, the tenant is discounted using the alternative borrowing interest rate.

The lease payments included in the measurement of the lease liability of the Company and not realized on the date when the lease actually started consists of:

a) The amount obtained by deducting all kinds of lease incentive receivables from fixed payments,
b) Lease payments made using an index or rate at the date when the first measurement is actually started, which is based on an index or rate,
c) Penal payments for termination of the lease if the lessee indicates that the lessee will use an option to terminate the lease.

After the lease actually starts, the Company measures the lease liability as follows:

a) Increases its registered value to reflect the interest in the lease obligation,
b) The registered value is decreases to reflect the lease payments made,
c) It measures the recorded value to reflect re-evaluations and reconstructions, if any. The Company reflects the re-measurement amount of the lease liability to its financial statements as a correction in the presence of the right to use.

Extension and early termination options

The lease liability is determined by considering the extension and early termination options in the contracts. Most of the extension and early termination options in the contracts consist of options that can be applied jointly by the Company and the lessor. However, if such extension and early termination options are at the discretion of the Company according to the contract and the use of the options is reasonably certain, the lease period is determined this matter by taking this into consideration. If the conditions change significantly, the assessment is reviewed by the Company.

Facilitating applications

Short term lease contracts with a lease period of 12 months and less, and contracts for information technology equipment leases (predominantly printer), which are determined to be of low value by the Company, have been evaluated within the scope of the exemption recognized by IFRS 16 Leases Standard, and payments related to these contracts are recognized as expense in the period they occur.

(j) Government subsidies and incentives

All subsidies and incentives, including non-monetary incentives stated at fair market values, are included in the financial statements when there is reasonable certainty that the Company will qualify and receive such subsidies and incentives.

3 Significant Accounting Policies *(continued)*

(k) Finance income and finance cost

Finance income comprises interest income on receivables. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Financial expenses comprises of interest expense on borrowings and interest expenses from leasing transactions. All borrowing costs are recognized in profit or loss using the effective interest method.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit and loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(l) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

(ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for the taxable temporary differences arising on initial recognition of goodwill. In addition, deferred tax is not recognized for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3 Significant Accounting Policies *(continued)*

(m) Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and liabilities. Fair values have been determined for measurement and/ or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Non–derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

4 New and Revised International Financial Reporting Standards

Changes in accounting policy and disclosures

Financial statements of the Company have been prepared comparatively with the prior period in order to give information about financial position and performance. If the presentation or classification of the financial statements is changed, financial statements of the prior periods are also reclassified in order to maintain consistency with the current year's presentation in line with the related changes.

a) Standards, amendments and interpretations applicable as at 31 December 2021:

The Company evaluated the effects of the standards and changes mentioned below on the financial statements and concluded that the changes made did not have a significant impact on the financial statements.

- **Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9;** effective from annual periods beginning on or after 1 January 2023. These amendments defer the date of application of IFRS 17 by two years to 1 January 2023 and change the fixed date of the temporary exemption in IFRS 4 from applying IFRS 9, Financial instrument until 1 January 2023.
- **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.

b) Standards, amendments and interpretations that are issued but not effective as at 31 December 2021:

IFRS 17, 'Insurance contracts'; effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

4 New and Revised International Financial Reporting Standards *(continued)*

Changes in accounting policy and disclosures *(continued)*

b) Standards, amendments and interpretations that are issued but not effective as at 31 December 2021: (continued)

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.

Amendments to IAS 1, Presentation of financial informations' on classification of liabilities; effective from 1 January 2022. These narrow-scope amendments to IAS 1, 'Presentation of financial informations', 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 IAS 1 means when it refers to the 'settlement' of a liability.

A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16; effective from Annual periods beginning on or after 1 January 2022.

Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

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

Narrow scope amendments to IAS 1, Practice information 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 informations 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.

Currency: Turkish Lira ("TL")

5 Sales and Cost of Sales

For the years ended 31 December, sales and cost of sales comprised the following:

	2021	**2020**
Domestic sales	26.965.926	16.187.377
Foreign sales	67.469.289	66.506.344
Gross sales	**94.435.215**	**82.693.721**
Sales returns (-)	(1.126.625)	(1.207.238)
Net sales	**93.308.590**	**81.486.483**
Personnel expenses	(24.371.529)	(18.797.983)
Depreciation and amortization expenses	(6.636.308)	(7.363.546)
Energy, fuel, and water expenses	(3.377.143)	(2.737.091)
Maintenance and repair expenses	(2.919.362)	(1.464.238)
Pilotage, tugboat service fee and monopoly fee	(1.963.990)	(1.563.869)
Insurance expenses	(906.928)	(597.259)
Other	(1.762.952)	(1.625.790)
Cost of Sales (-)	**(41.938.212)**	**(34.149.776)**
Gross profit	**51.370.378**	**47.336.707**

6 Operating Expenses

General Administrative Expenses

For the years ended 31 December, general administrative expenses comprised the following:

	2021	**2020**
Consultancy expenses	866.800	699.060
Representation expenses	250.868	112.774
Office expenses	239.235	140.223
Depreciation and amortization expenses	138.538	42.833
Taxes and funds expenses	122.808	63.627
CRA expenses	61.606	38.264
Transportation expenses	47.317	13.250
Travel expenses	16.815	16.966
Personnel expenses	1.700	14.729
Other	59.806	224.838
Total	**1.805.493**	**1.366.564**

Currency: Turkish Lira ("TL")

7 Other Operating Income and Expenses

Other income

For the years ended 31 December, other income comprised the following:

	2021	2020
Foreign exchange gains	943.066	--
Insurance damage income	816.157	104.520
Other	541.402	204.475
Total	**2.300.625**	**308.995**

Other expenses

For the years ended 31 December, other expenses comprised the following:

	2021	2020
Donation and grants	1.551.748	1.200.671
Tax penalties	1.063.524	2.614.277
Provision expenses	18.844	--
Foreign exchange losses	--	1.606.262
Other	1.188.384	1.140.818
Total	**3.822.500**	**6.562.028**

8 Expense by Nature

Personnel expenses for the period ended 31 December 2021 and 31 December 2020 are as follows:

Personnel Expenses	**2021**	**2020**
Cost of sales (Note: 5)	24.371.529	18.797.983
General administrative expenses (Note: 6)	1.700	14.729
Total	**24.373.229**	**18.812.712**

Depreciation and amortization expenses for the period ended 31 December 2021 and 31 December 2020 are as follows:

Depreciation and Amortization Expenses	**2021**	**2020**
Cost of sales (Note:5)	6.636.308	7.363.546
General administrative expenses (Note:6)	138.538	42.833
Total	**6.774.846**	**7.406.379**

Currency: Turkish Lira ("TL")

9 Income from Investment Activities

Income from investment activities for the period ended 31 December 2021 and 31 December 2020 are as follows:

	2021	2020
Increase in fair value of investment funds	22.715.072	33.620.741
Gain on sales of investment funds	3.839.579	65.452
Total	**26.554.651**	**33.686.193**

10 Finance Income and Expenses

Financial incomes for the period ended 31 December 2021 and 31 December 2020 are as follows:

	2021	2020
Interest income	4.895.103	2.163.970
Total	**4.895.103**	**2.163.970**

Financial expenses for the period ended 31 December 2021 and 31 December 2020 are as follows:

	2021	2020
Interest expense	140.845	573.313
Interest expense from leasing transactions (Note 14)	72.995	210.000
Total	**213.840**	**783.313**

Currency: Turkish Lira ("TL")

11 Taxation

The corporate tax rate applied to the company operating in Turkey as of December 31, 2021 is 25% (December 31, 2020: 22%). The corporate tax rate is applied to the tax base that will be found as a result of adding the non-deductible expenses to the commercial earnings of the companies and deducting the exemptions stated in the tax laws.

With the Law No. 7316 published on April 22, 2021, the Law on Collection of Public Receivables was amended, and the corporate tax rate was increased to 25% for the 2021 fiscal year and to 23% for the 2022 fiscal year.

According to the Corporate Tax Law, 75% of the earnings arising from the sale of founding shares, usufruct shares and pre-emptive rights with the same duration as the participation shares owned by the institutions for at least two years and the earnings arising from the sale of the immovables owned for the same period after December 5, 2018. If 50% of it is recorded in equity accounts within five years from the date of sale, it becomes subject to tax exemption. The remaining 50% is subject to corporate tax.

In addition, there is a withholding tax liability on dividend distributions, and this withholding liability is accrued in the period when the dividend payment is made. Turkey is being implemented via a representative or permanent resident institutions generating income with 15% withholding tax on dividends paid to non-resident institutions other than those made in Turkey. In the application of the withholding rates regarding the dividend distributions made to non-resident taxpayer institutions and real persons, the withholding rates included in the related Double Taxation Prevention Agreements are also taken into consideration.

According to the Turkish tax legislation, financial losses can be carried forward for five years to be offset from future corporate earnings, but financial losses cannot be carried back retrospectively.

To reconcile with the tax authorities about the tax payable in Turkey is not such an application. Corporate tax returns are submitted within four months following the end of the accounting period. Authorities competent for tax inspection can examine the tax returns and the underlying accounting records for five years, starting from the beginning of the year following the filing of the tax return, and make a re-assessment as a result of their findings.

Financial losses can be carried forward to the next taxable years from the year the loss occurred in order to be offset from the future corporate income. If financial losses are reported to the tax authorities for four consecutive tax periods, the tax authorities are entitled to unplanned audits.

(i) Income tax

Total income tax recognized in the statement of comprehensive income comprised current tax and deferred tax as follows:

	2021	**2020**
Arising from temporary differences	174.309	458.975
Current income tax expense	(17.728.477)	(16.537.664)
Income tax benefit/(expense) recognized in profit or loss	**(17.554.168)**	**(16.078.689)**
Other comprehensive income		
Tax effects of actuarial differences	(178.247)	(2.318)
	(178.247)	**(2.318)**
Total tax income /(expense)	**(17.732.415)**	**(16.081.007)**

Currency: Turkish Lira ("TL")

11 Taxation *(continued)*

(i) Income tax *(continued)*

Current Period Tax Assets/Liabilities

	31 December 2021	31 December 2020
Current income tax liabilities	(12.334.231)	(12.315.661)
Balance at 31 December	**(12.334.231)**	**(12.315.661)**

	2021	2020
Balance at 1 January	12.315.661	9.633.192
Calculated corporation tax	17.728.477	16.537.664
Transfer to other debts	(8.205.510)	(9.458.544)
Deducted tax	(3.577.026)	(1.622.009)
Paid corporation tax	(5.927.371)	(2.774.642)
Balance at 31 December	**12.334.231**	**12.315.661**

The reconciliation of the effective tax rate for the years ended 31 December is as follows:

		2021		2020
Profit for the year		61.642.899		58.635.624
Less: total income tax expense		(17.554.168)		(16.078.689)
Loss excluding income tax	**%**	**79.197.067**	**%**	**74.714.313**
Calculated corporate tax via statutory rate	25%	(19.799.267)	22%	(16.437.149)
Tax deductions and exemptions	(4)%	3.235.993	(2)%	1.586.392
Nondeductible expenses	1%	(980.173)	1%	(1.074.390)
Others	0%	(10.721)	0%	(153.542)
Income tax expense	**22%**	**(17.554.168)**	**21%**	**(16.078.689)**

Currency: Turkish Lira ("TL")

11 Taxation *(continued)*

(ii) Deferred tax asset and liabilities

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The tax rate used for deferred tax assets and liabilities in the financial statements as of 31 December 2021 is 20%.

The temporary differences and the resulting deferred tax assets/ (liabilities) of the Company as of 31 December comprised the following:

	Assets		**Liabilities**		**Deferred Tax Assets and Liabilities**	
	31 December 2021	**31 December 2020**	**31 December 2021**	**31 December 2020**	**31 December 2021**	**31 December 2020**
Property plant and equipment and intangible assets	--	--	(1.264.247)	(1.042.636)	(1.264.247)	(1.042.636)
Unused vacation provision	73.386	37.412	--	--	73.386	37.412
Employment termination indemnities	1.571.774	1.320.569	--	--	1.571.774	1.320.569
Exchange rate valuations	--	--	(26.109)	--	(26.109)	--
Rediscount on trade payables	--	--	--	(9.102)	--	(9.102)
Provision for doubtful accounts	3.768	--	--	--	3.768	--
Loan interest adjustments	--	103	--	--	--	103
Provision for litigation	145.006	145.006	--	--	145.006	145.006
Leases	--	55.963	--	--	--	55.963
Other	19.198	19.399	--	--	19.198	19.399
Total deferred tax assets/(liabilities)	**1.813.132**	**1.578.452**	**(1.290.356)**	**(1.051.738)**	**522.776**	**526.714**
Set Off of Tax	(1.290.356)	(1.051.738)	1.290.356	1.051.738	--	--
Net deferred tax assets/(liabilities)	**522.776**	**526.714**	**--**	**--**	**522.776**	**526.714**

Currency: Turkish Lira ("TL")

12 Property, Plant and Equipment

Movement of property and equipments and related accumulated depreciation for the year ended 31 December 2021 is as follows:

	Land	Machinery, Plant and Equipment	Motor Vehicles	Furniture and Fixtures	Construction in Progress	Leasehold Improvements	Total
Balance at 1 January 2021	1.715.264	26.844.133	9.750.837	1.605.783	--	20.872.863	60.788.880
Additions	--	7.965.196	--	427.800	1.669.935	--	10.062.931
Balance at 31 December 2021	**1.715.264**	**34.809.329**	**9.750.837**	**2.033.583**	**1.669.935**	**20.872.863**	**70.851.811**
Accumulated Depreciation							
Balance at 1 January 2021	(824.071)	(20.018.829)	(6.034.431)	(1.273.673)	--	(6.315.893)	(34.466.897)
Current Period Depreciation Charge	(80.877)	(3.161.102)	(501.987)	(159.897)	--	(1.106.008)	(5.009.871)
Balance at 31 December 2021	**(904.948)**	**(23.179.931)**	**(6.536.418)**	**(1.433.570)**	**--**	**(7.421.901)**	**(39.476.768)**
1 January 2021 Net Book Value	**891.193**	**6.825.304**	**3.716.406**	**332.110**	**--**	**14.556.970**	**26.321.983**
31 December 2021 Net Book Value	**810.316**	**11.629.398**	**3.214.419**	**600.013**	**1.669.935**	**13.450.962**	**31.375.043**

As of 31 December 2021, the Company has pledges on its property and equipments amounting to TL 11.215.829 (31 December 2020: TL 14.857.206).

Currency: Turkish Lira ("TL")

12 Property, Plant and Equipment *(continued)*

Movement of property, plant and equipment and related accumulated depreciation for the year ended 31 December 2020 are as follows:

	Land	**Machinery, Plant and Equipment**	**Motor Vehicles**	**Furniture and Fixtures**	**Construction in Progress**	**Leasehold Improvements**	**Total**
Balance at 1 January 2020	1.715.264	25.032.224	9.087.959	1.508.483	--	20.151.162	57.495.092
Additions	--	1.811.909	662.878	97.300	696.413	25.288	3.293.788
Transfers	--	--	--	--	(696.413)	696.413	--
Balance at 31 December 2020	**1.715.264**	**26.844.133**	**9.750.837**	**1.605.783**	**--**	**20.872.863**	**60.788.880**
Accumulated Depreciation							
Balance at 1 January 2020	(743.186)	(16.182.387)	(5.546.776)	(1.139.976)	--	(5.247.890)	(28.860.215)
Current Period Depreciation Charge	(80.885)	(3.836.442)	(487.655)	(133.697)	--	(1.068.003)	(5.606.682)
Balance at 31 December 2020	**(824.071)**	**(20.018.829)**	**(6.034.431)**	**(1.273.673)**	**--**	**(6.315.893)**	**(34.466.897)**
1 January 2020 Net Book Value	**972.078**	**8.849.837**	**3.541.183**	**368.507**	**--**	**14.903.272**	**28.634.877**
31 December 2020 Net Book Value	**891.193**	**6.825.304**	**3.716.406**	**332.110**	**--**	**14.556.970**	**26.321.983**

Currency: Turkish Lira (“TL”)

13 Intangible Assets

For the ended 31 December 2021, movement of intangible assets are as follows.

	Rights (*)	**Software**	**Total**
Balance at 1 January 2021	24.129.218	1.423.779	25.552.997
Balance at 31 December 2021	**24.129.218**	**1.423.779**	**25.552.997**
Accumulated Amortization			
Balance at 1 January 2021	(14.346.498)	(835.685)	(15.182.183)
Current Period Amortization Charge	(801.468)	(67.647)	(869.115)
Balance at 31 December 2021	**(15.147.966)**	**(903.332)**	**(16.051.298)**
1 January 2021 Net Book Value	**9.782.720**	**588.094**	**10.370.814**
31 December 2021 Net Book Value	**8.981.252**	**520.447**	**9.501.699**

For the ended 31 December 2020, movement of intangible assets are as follows:

	Rights (*)	**Software**	**Total**
Balance at 1 January 2020	24.129.218	1.399.098	25.528.316
Additions	--	24.681	24.681
Balance at 31 December 2020	**24.129.218**	**1.423.779**	**25.552.997**
Accumulated Amortization			
Balance at 1 January 2020	(13.545.032)	(733.315)	(14.278.347)
Current Period Amortization Charge	(801.466)	(102.370)	(903.836)
Balance at 31 December 2020	**(14.346.498)**	**(835.685)**	**(15.182.183)**
1 January 2020 Net Book Value	**10.584.186**	**665.783**	**11.249.969**
31 December 2020 Net Book Value	**9.782.720**	**588.094**	**10.370.814**

(*) With respect to the tender of T.C. Başbakanlık Özelleştirme İdaresi Başkanlığı on 22 November 2003, operating right of Trabzon Port was devolved by the Company for 30 years by amount of USD 20.160.000. As of 31 December 2021, this operating right is carried with its net book value amounting TL 8.981.252 (31 December 2020: TL 9.782.720). The operating rights are amortised over the lease term which is 30 years.

Currency: Turkish Lira ("TL")

14 Leasing Transactions

Right of Use Assets

The Company reflects a right of use and a lease liability in the financial statements at the date when the lease actually started within the scope of IFRS 16.

The right of use asset is first accounted for using the cost method and includes:

a) The first measurement amount of the lease liability,

b) All initial direct costs used by the Company.

While applying the cost method, the Company measures the existence of the right to use, over accumulated depreciation, accumulated impairment losses and corrected cost according to the reassessment of the lease liability.

The Company applies depreciation provisions in IAS 16 Property, Plant and Equipment while subjecting the right of use to depreciation.

As of 31 December 2021, the right of use assets and depreciation expenses in the relevant period are as follows:

	1 January 2021	Additions	Disposals	31 December 2021
Cost				
Vehicles	2.842.613	--	--	2.842.613
Total	**2.842.613**	**--**	**--**	**2.842.613**
Accumulated Depreciation				
Vehicles	(1.946.753)	(895.860)	--	(2.842.613)
Total	**(1.946.753)**	**(895.860)**	**--**	**(2.842.613)**
Carrying Value	**895.860**	**(895.860)**	**--**	**--**

As of 31 December 2020, the right of use assets and depreciation expenses in the relevant period are as follows:

	1 January 2020	Additions	Disposals	31 December 2020
Cost				
Vehicles	3.152.678	--	(310.065)	2.842.613
Total	**3.152.678**	**--**	**(310.065)**	**2.842.613**
Accumulated Depreciation				
Vehicles	(1.050.893)	(895.860)	--	(1.946.753)
Total	**(1.050.893)**	**(895.860)**	**--**	**(1.946.753)**
Carrying Value	**2.101.785**	**--**	**(310.065)**	**895.860**

Currency: Turkish Lira ("TL")

14 Leasing Transactions *(continued)*

Liabilities from Leasing Transactions

	31 December 2021	31 December 2020
Short-Term		
Short Term Parts of Liabilities from Long Term Leasing Transactions	--	1.175.675
Total	**--**	**1.175.675**

Movement of liabilities from leasing transactions for the current term is as follows:

	2021	2020
Balance at the Beginning of the Period	1.175.675	2.087.421
Payments	(270.976)	(811.681)
Interest Expenses (Note 10)	72.995	210.000
İncrease/(Decrease)	--	(310.065)
Canceled Lease Obligations	(977.694)	--
Balance at 31 December 2021	**--**	**1.175.675**

15 Prepayments and Deferred Income

Prepayments

Current

As at 31 December, current prepayments comprised the following:

	31 December 2021	31 December 2020
Advances given (*)	2.814.512	217.992
Prepaid expenses for future months	322.534	141.147
Total	**3.137.046**	**359.139**

(*) A significant portion of the relevant amount consists of advances given for the purchase of machinery, plant and equipment.

Deferred Income

Short-Term Deferred Income

As of 31 December 2021, and 31 December 2020, short-term deferred income from non-related parties are as follows:

	31 December 2021	31 December 2020
Advances received	354.420	293.456
Deferred income for future months	78.590	127.134
Total	**433.010**	**420.590**
Advances received from related parties	13.544	1.120.712
Total	**446.554**	**1.541.302**

Currency: Turkish Lira ("TL")

16 Trade and Other Receivables

Current

As at 31 December, current trade and other receivables comprised the following:

	31 December 2021	31 December 2020
Trade receivables	3.842.005	2.050.945
Other receivables	1.257.190	1.265.741
Total current trade and other receivables	**5.099.195**	**3.316.686**

17 Cash and Cash Equivalents

As at 31 December, cash and cash equivalents comprised the following:

	31 December 2021	31 December 2020
Cash on hand	26.610	13.156
Cash at banks	3.935.049	1.549.241
Time deposits	*3.935.049*	*1.549.241*
Total	**3.961.659**	**1.562.397**

The Company's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities is disclosed in note 27.

18 Financial Investments

As of 31 December 2021, the financial investments consist of Hedef Portföy hedge fund investments which are bought via Hedef Portföy Yönetimi A.Ş. The total nominal number of the funds held by the Company is TL 60.760.062 and the cost value is TL 45.392.025 and the fair value is TL 119.006.298. (31 December 2020 nominal number 72.263.649, fair value TL 114.517.939.)

19 Inventories

As at 31 December, inventories comprised the following:

	31 December 2021	31 December 2020
Trade goods	436.852	4.053
Raw materials and supplies	396.894	365.015
Other inventories	69.744	52.626
Total	**903.490**	**421.694**

Currency: Turkish Lira ("TL")

20 Other Current Assets

As at 31 December, other current assets comprised the following:

	31 December 2021	31 December 2020
VAT receivables	1.752.802	1.895.756
Other	65.419	69.399
Total	**1.818.221**	**1.965.155**

21 Capital

Share Capital

As of 31 December 2021, the company's capital has been fully paid and consists of a total of 2.800.000 A group (31 December 2020: 2.800.000 group A) and 18.200.000 group B (31 December 2020: 18.200.000 group B) bearer respectively 21.000.000 shares with nominal value of 1 TL each (31 December 2020: 21.000.000 shares). The shareholders of the Company are as follows:

	31 December 2021		31 December 2020	
Shareholders	**TL**	**%**	**TL**	**%**
Listed	8.299.997	39,52%	7.724.400	36,78%
Ereğli Tekstil Turizm San. ve Tic A.Ş.	6.400.000	30,48%	6.937.259	33,03%
Albayrak Turizm Seyahat İnşaat Tic. A.Ş.	5.614.003	26,73%	5.652.341	26,92%
Others	686.000	3,27%	686.000	3,27%
Paid-in Capital	**21.000.000**	**100%**	**21.000.000**	**100%**

Other Comprehensive Income/Expense Not to Be Reclassified to Profit or Loss

As of 31 December 2021, and 31 December 2020, other comprehensive income not to be reclassified to profit or loss are as follows:

Actuarial Losses

	31 December 2021	31 December 2020
Actuarial losses arising from defined benefits plan	(779.263)	(1.492.250)
Total	**(779.263)**	**(1.492.250)**

Currency: Turkish Lira ("TL")

22 Loans and Borrowings

As of 31 December 2021, and 31 December 2020, financial borrowings are as follows:

31 December 2020			**Face Value**	**Carrying Value (TL)**			
Currency	**Maturity**	**Interest Rate %**	**Original Currency**	**Short term**	**Short term portions of long-term loans**	**Long Term Portion**	**Total Loan**
TL	2021	15,60	1.376.394	--	1.376.394	--	1.376.394
Total			**1.376.394**	**--**	**1.376.394**	**--**	**1.376.394**

23 Employee Benefits and Provisions

Long-term provisions for employee benefits

International Accounting Standard No. 19 "Employee Benefits" requires statistical valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. The principal statistical assumptions used at 31 December are as follows:

	31 December 2021	**31 December 2020**
Interest rate	21,30%	13,20%
The estimated wage increase rate	17,00%	9,00%
Net discount rate	3,68%	3,85%

Movement in the reserve for employee severance indemnity during the years is as follows:

	2021	**2020**
Balance at 1 January	6.602.845	5.642.075
Cost of services	765.505	625.004
Interest expense	1.675.598	871.575
Payment during the period	(293.845)	(524.217)
Actuarial gain	(891.234)	(11.592)
Balance at 31 December	**7.858.869**	**6.602.845**

Payables Related to the Employee Benefits

As of 31 December 2021 and 31 December 2020, Payables Related to the Employee Benefits are as follows:

	31 December 2021	**31 December 2020**
Wages and salaries	1.178.706	881.114
Social security premiums payable	459.447	367.917
Staff payroll taxes	309.661	220.726
Total	**1.947.814**	**1.469.757**

Currency: Turkish Lira ("TL")

23 Employee Benefits and Provisions *(continued)*

Short-term provisions for employee benefits

As at 31 December, short term employee benefits comprised the following:

	31 December 2021	31 December 2020
Provision for unused vacation	366.929	187.060
Balance at 31 December	**366.929**	**187.060**

Other provisions

As at 31 December provisions comprised the following:

	31 December 2021	31 December 2020
Provision for litigation	725.032	725.032
Balance at 31 December	**725.032**	**725.032**

24 Trade and Other Payables

Long-term

As at 31 December, trade and other payables comprised the following:

	31 December 2021	31 December 2020
Re-structured tax payables	9.764.551	10.308.472
Total	**9.764.551**	**10.308.472**

Short-term

As at 31 December, trade and other payables comprised the following:

	31 December 2021	31 December 2020
Re-structured tax payables	7.920.426	5.154.236
Taxes and funds payable	4.545.913	48.159
Suppliers	1.920.810	1.332.627
Notes payables	--	3.595.868
Other payables	141.686	214.644
Total	**14.528.835**	**10.345.534**

The Company's exposure to currency and liquidity risks related to trade and other payables are disclosed in note 27.

25 Commitments, Contingencies and Mortgages

Letters of guarantee given

As at 31 December, details regarding the letters of guarantee and mortgages are as follows (TL equivalents):

Given To	31 December 2021	31 December 2020
Banks and others	934.285.623	758.828.117
Total	**934.285.623**	**758.828.117**

Currency: Turkish Lira ("TL")

26 Related Parties

For the purpose of this report, the shareholders and key management personnel of the Company, the ultimate shareholders of the Company and the companies controlled by/associated with them are referred to as related parties.

A number of transactions are entered into with the related parties in the normal course of business. These transactions were carried out on an arm's-length basis during the normal course of business.

Related party balances and transactions

At 31 December, the Company had the following receivable balances outstanding from its related parties:

Due from related parties	31 December 2021	31 December 2020
Albayrak İnşaat (*)	11.353.555	24.350.291
Transbaş	1.339.531	--
Muzaffer Albayrak	34.450	--
Ahmet Albayrak	34.350	32.019
Bayfa Geri Dönüşüm	23.640	8.474
Bks Turizm	13.940	8.107
Yeşil Adamlar Filo	2.321	--
Albil	2.250	8.223
Ağa Maden	2.034	--
Yeşil Adamlar	1.511	15.366
Halit Muzaffer Ermiş	1.298	--
Tümosan	332	--
Nuri Albayrak	--	10.000
Total	**12.809.212**	**24.432.480**

(*) Consists of amounts for financing purposes. Interest is calculated for this receivable in market conditions.

At 31 December, the Company had the following payable balances outstanding from its related parties:

Due to related parties	31 December 2021	31 December 2020
Varaka	291.148	243.529
Albil	182.523	96.068
Platform Turizm	103.179	90.309
Reklam Piri	33.780	48.244
Ağa Maden	6.391	110.505
Piri Medya	691	--
Bayfa Geri Dönüşüm	--	100.381
Birlikte Dağıtım	--	897
Total	**617.712**	**689.933**

Currency: Turkish Lira ("TL")

26 Related Parties (continued)

Related party balances and transactions *(continued)*

For the years ended 31 December, the Company had the following transactions with related parties:

	2021	2020
	Purchases	**Purchases**
Varaka Kağıt	2.373.447	866.604
TDİ	501.692	328.989
Albil	489.130	311.329
Tümosan	358.508	--
Platform Turizm	351.812	190.199
Albayrak Vakfı	159.940	144.000
Reklam Piri	30.000	40.000
Piri Medya	14.424	3.396
Kademe Atık	4.625	12.113
Bayfa Geri Dönüşüm	--	550.762
Ağa Maden	--	144.372
Birlikte Dağıtım	--	3.000
Total	**4.283.578**	**2.594.764**

	2021	2020
	Sales	**Sales**
Albayrak İnşaat	4.930.259	2.167.570
Transbaş	3.785.743	22.803
Bayfa Geri Dönüşüm	95.698	170.683
Yeşil Adamlar	3.600	3.600
Ağa Maden	3.600	3.600
Nakil Lojistik	3.600	3.300
Total	**8.822.500**	**2.371.556**

Benefits for Top Management

31 December 2021 benefits provided to top management during the period is TL 841.121 (2020: TL 888.189).

Currency: Turkish Lira ("TL")

27 Financial Instruments

Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and other investments.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	**31 December 2021**	**31 December 2020**
Due from related parties	26	12.809.212	24.432.480
Cash and cash equivalents	17	3.935.049	1.549.241
Trade and other receivables	16	5.099.195	3.316.686
Total		**21.843.456**	**29.298.407**

Currency: Turkish Lira ("TL")

27 Financial Instruments *(continued)*

Impairment losses

The Company seeks to manage its credit risk exposure through diversification of sales activities to avoid undue concentrations of risks with individuals or groups of customers in specific locations or businesses. The Company also obtains security when appropriate.

Liquidity risk

At 31 December, the liabilities of the Company by relevant maturity groupings based on the remaining periods to repayment comprised the following:

31 December 2021	**Carrying amount**	**Contractual cash flows**	**3 months or less**	**3-12 months**	**1-5 years**
Non derivative financial liabilities					
Trade and other payables	24.293.386	27.831.313	9.755.220	6.293.621	11.782.472
Employee benefits	1.947.814	1.947.814	1.947.814	--	--
Due to related parties	617.712	617.712	617.712	--	--
Total	**26.858.912**	**30.396.839**	**12.320.746**	**6.293.621**	**11.782.472**

31 December 2020	**Carrying amount**	**Contractual cash flows**	**3 months or less**	**3-12 months**	**1-5 years**
Non derivative financial liabilities					
Loans and borrowings	1.376.394	1.430.885	857.998	572.887	--
Trade and other payables	20.654.006	20.699.514	4.537.739	5.853.303	10.308.472
Employee benefits	1.469.757	1.469.757	1.469.757	--	--
Payables from leases	1.175.675	1.248.670	476.038	772.632	--
Due to related parties	689.933	689.933	689.933	--	--
Total	**25.365.765**	**25.538.759**	**8.031.465**	**7.198.822**	**10.308.472**

Currency: Turkish Lira ("TL")

27 Financial Instruments *(continued)*

Currency risk

The Company is exposed to currency risk arising from various currency exposures primarily with respect to Euro and USD. The Company also has transactional currency exposures.

The Company manages foreign currency risk by using natural hedges that arise from offsetting foreign currency denominated assets and liabilities.

As at 31 December, the Company's exposure to foreign currency risk was as follows based on notional amounts:

FOREIGN CURRENCY POSITION			
	31 December 2021		
	USD	Euro	Total TL equivalent
-Cash and cash equivalents	24.458	154.549	2.657.630
Total Assets	**24.458**	**154.549**	**2.657.630**
-Trade payables	(200)	--	(2.671)
Total Liabilities	**(200)**	**--**	**(2.671)**
Net Currency Position	**24.258**	**154.549**	**2.654.959**

FOREIGN CURRENCY POSITION			
	31 December 2020		
	USD	Euro	Total TL equivalent
-Cash and cash equivalents	1.794	106.514	972.636
Total Assets	**1.794**	**106.514**	**972.636**
-Trade payables	(1.256)	(404.243)	(3.650.597)
Total Liabilities	**(1.256)**	**(404.243)**	**(3.650.597)**
Net Currency Position	**538**	**(297.729)**	**(2.677.961)**

Currency: Turkish Lira ("TL")

27 Financial Instruments *(continued)*

Currency risk *(continued)*

Sensitivity analysis

A 10 percent strengthening of the TL against the following currencies at 31 December 2021 and 2020 would have increased / (decreased) equity and profit or loss, excluding tax effects, by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2021		**2020**	
	Profit/(Loss)		**Profit/(Loss)**	
	Appreciation of foreign currency	**Depreciation of foreign currency**	**Appreciation of foreign currency**	**Depreciation of foreign currency**
10% When USD gain/loss 10% value over				
1- U.S. Dollar net asset/(liability) due to the resulting revenue/(expense)	32.333	(32.333)	395	(395)
2- Part of hedged from U.S. Dollar risk (-)	--		--	
USD net effect	**32.333**	**(32.333)**	**395**	**(395)**
When EUR gain/loss 10% value over				
5- Euro net asset/(liability) due to the resulting revenue/(expense)	233.163	(233.163)	(268.191)	268.191
6- Part of hedged from Euro risk (-)	--	--	--	--
Euro net effect	**233.163**	**(233.163)**	**(268.191)**	**268.191**
TOTAL NET EFFECT	**265.496**	**(265.496)**	**(267.796)**	**267.796**

*No effect on equity, except for the profit or loss portion.

Currency: Turkish Lira ("TL")

27 Financial Instruments *(continued)*

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

31 December 2021	Financial Assets at Amortized Cost	Financial assets measured at fair value through other comprehensive income	Amortized Financial Liabilities Cost	Book Value	Fair Value
Financial Assets					
Cash and cash equivalents	3.961.659	--	--	3.961.659	3.961.659
Trade and other receivables	17.908.407	-	--	17.908.407	17.908.407
Financial Investments	--	119.006.298	--	119.006.298	119.006.298
Financial Liabilities					
Trade and other payables	24.911.098	--	24.911.098	24.911.098	24.911.098
Employee Benefits	1.947.814	--	1.947.814	1.947.814	1.947.814

31 December 2020	Financial Assets at Amortized Cost	Financial assets measured at fair value through other comprehensive income	Amortized Financial Liabilities Cost	Book Value	Fair Value
Financial Assets					
Cash and cash equivalents	1.562.397	--	--	1.562.397	1.562.397
Trade and other receivables	27.749.166	--	--	27.749.166	27.749.166
Financial Investments	--	114.517.939	--	114.517.939	114.517.939
Financial Liabilities					
Borrowings	1.376.394	--	1.376.394	1.376.394	1.376.394
Trade and other payables	21.343.939	--	21.343.939	21.343.939	21.343.939
Employee Benefits	1.469.757	--	1.469.757	1.469.757	1.469.757
Payables from leases	1.175.675	--	1.175.675	1.175.675	1.175.675

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

28 Subsequent Events

The Company requested an additional 19-year extension of the Port Operating Right until November 20, 2052, upon the time extension proposal submitted to the Company by the Privatization Administration published in the Official Gazette dated 11 January 2022.