GSD Holding
Anonim Şirketi

Consolidated Financial Statements
As at and For the Year Ended
31 December 2022
Together With Independent Auditors
Report on
Consolidated Financial Statements

13 March 2023

This report contains "Independent Auditors' Report" comprising 6 pages and; "Consolidated Financial Statements and Related Disclosures and Footnotes" comprising 88 pages and 4 pages of supplementary information.

GSD Holding Anonim Şirketi

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**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH**

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of GSD Holding A.Ş.

A. Audit of the consolidated financial statements

1. Our opinion

We have audited the accompanying consolidated financial statements of GSD Holding A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate 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 consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	**How the key audit matter was addressed in the audit**
Recognition of revenue from maritime operations	
During the year ended 31 December 2022, the Group obtained sales revenue of TL 978.085 thousand from its maritime activities. When the Group fulfills its performance obligation by transferring a promised service to its customer in maritime activities within the scope of chartering, the revenue is recognized in its consolidated financial statements. Revenue represents one of the most significant amounts in the Group's statement of profit or loss and other comprehensive income and is defined as an important matter for our audit procedures as it has a weighted effect on the Group's key performance indicators. Revenue recognition has been identified as a key audit matter by us for the reasons stated.	The following procedures have been applied for the revenue recognition audit: • We have understood the sales processes and evaluated the design of the controls related to these processes. • We conducted analyzes on whether the revenue recorded in the consolidated financial statements is at the expected levels. • We tested the revenue with supporting documents such as invoices and contracts by sampling method. • We reviewed the Group's sales agreements with its customers and evaluated the timing of revenue recognition for different performance obligations. • We checked the compliance of the disclosures in the footnotes of the consolidated financial statements regarding the revenue with TFRS.

Key Audit Matters	How the key audit matter was addressed in the audit
Determining the fair value of financial assets at fair value through profit or loss (Note 2 and 48)	
As of 31 December 2022, the Group has financial assets amounting to TL 835.080 thousand, the fair value difference of which is reflected in the profit or loss statement and the fair value is calculated using the cash flow method. Valuation techniques including significant future estimates and assumptions such as Determining the fair value of financial assets whose fair value difference is reflected in the profit or loss statement, the importance of these financial assets when the consolidated financial statements are considered as a whole, the valuation study includes important future management estimates and assumptions and data that cannot be easily observed in the market, and the use of estimates and assumptions has been identified as one of the key audit matters due to uncertainties regarding the realization.	Significant audit procedures we perform in determining the fair value of financial assets at fair value through profit or loss include the following: • We checked the mathematical accuracy of the calculations used in the valuation studies. • We evaluated the valuation methods and the technical data used, with the participation of our experts, by interviewing the expert who carried out the relevant study and the Group management. • We checked the setup and mathematical accuracy of the discounted cash flow calculation model, and evaluated the suitability of the important future forecasts and assumptions by comparing them with our experts and independent data sources. • We checked the sensitivity of the assumptions used to market conditions through management analysis. • We checked the compliance of the disclosures in the footnotes of the consolidated financial statements regarding financial investments with TFRS.

Key Audit Matters	How the key audit matter was addressed in the audit
Expected loan loss provision for loans in accordance with TFRS 9 "Financial Instruments Standard" ("TFRS 9") (Note 2, 8 and 49)	
There is a total of TL 675,860 thousand of loans from the Group's banking activities and an expected loss provision of TL 450 thousand, which has a significant share in the assets of the consolidated financial statements as of 31 December 2022. The Bank allocates expected loss provisions in accordance with TFRS 9 provisions. The Bank uses complex models based on data obtained from multiple systems and external sources to detect significant increase in credit risk and calculate TFRS 9 expected loss allowance. These models include judgments and estimations such as creating future expectations, scenarios of macroeconomic conditions and weighting of scenarios. Information including past events, current conditions and macroeconomic estimates taken into account in expected loss provision accounting should be reasonable and supportable. The reason why we focus on this area during our audit; the expected provision for credit losses, as a whole, contains complex information and estimations, such as past events, current conditions, future macroeconomic expectations, and the formulation and weighting of macroeconomic scenarios; size of loans; The importance of classifying these loans according to their stages and determining the expected loss provision calculated for them. Since the accurate and timely determination of credit defaults and the significant increase in credit risk and other judgments and estimations made by the management will significantly affect the amount of provisions carried in the balance sheet, this area has been considered as a key audit matter by us.	Within the scope of the audits we have carried out, we have evaluated the Bank's policies, procedures and management principles regarding the classification of loans according to stages and calculation of expected loss provision in accordance with the relevant legislation. We tested the design and operation efficiency of application controls established in line with these principles. We evaluated together with our financial risk experts that the methods used in the models developed for classification of loans according to their stages and determination of expected loan loss provisions were prepared in accordance with TFRS 9 principles within the framework of the Bank's policies and procedures. We interviewed management and evaluated these assumptions using publicly available information. Together with our financial risk experts, the segmentation used in the models considered in the expected loan loss provision methodology, the expected lifetime probabilities of default, the risk amount if defaulted, the loss-on-default ratio models, and reasonable and supportable projections for the future (including macroeconomic factors) together with our financial risk experts. We evaluated and tested. Our work also includes the following procedures: • We evaluated and tested the suitability of the models in the expected credit loss provision methodology with our financial risk experts.

	• We checked the probability of default models used in determining the Bank's provisions for various loan portfolios by recalculating them on a sample basis with our financial risk experts. • We checked the Loss on Default (THK) calculations, which are subject to the expected loan loss calculation by the bank, and tested the collaterals, collections and expenses considered in addition to the arithmetic calculations. • We checked the sources of data used in the expected credit loss models used by the Bank to determine the provision for impairment. We tested the reliability and completeness of the data used in the calculation of the expected loan loss allowance with our knowledge and technology experts. • We checked the accuracy of the calculations, which reached the final values in the calculation of the expected loan loss provisions, by means of samples. • We conducted a loan review process for the selected loan group on a sample basis to determine whether the classification of loans according to credit risk is reasonable, whether they are impaired or not, and whether the provision for impairment of the receivable is established in a timely and appropriate manner. • We evaluated the adequacy of the disclosures made in the consolidated financial statements regarding the provisions for impairment of loans within the scope of TFRS.

4. Other matters

The financial statements of the Company for the year ended 31 December 2021 were audited by another firm of auditors whose report. , dated 11 March 2022, expressed an unqualified opinion on those statements.

5. Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

6. Auditor's responsibilities for the audit of the consolidated financial statements

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

Our aim is 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 SIA 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement in the consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion

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.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2022 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.

2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 13 March 2023.

Additional explanation for convenience translation into English

Turkish Financial Reporting Standards differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of IAS 29 - Financial Reporting in Hyperinflationary Economies by 31 December 2022. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position and results of operations of the Group in accordance with IFRS.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

ORIGINAL COPY SIGNED IN TURKISH

Baki Erdal,SMMM
Partner

Istanbul, 13 March 2023

GSD HOLDİNG ANONİM ŞİRKETİ
CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED TOGETHER WITH 31 DECEMBER 2022
INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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GSD Holding Anonim Şirketi
Consolidated Statement of Financial Position
As at 31 December 2022
(Currency: Thousands of Turkish Lira ("TL") unless otherwise stated)

	Notes	Audited As Of 31.12.2022	Audited As Of 31.12.2021 Revised (*)
Assets			
Current Assets		**4,308,000**	**2,170,972**
Cash and cash equivalents	**48**	**911,109**	**588,207**
Financial Investments	**48**	**1,316,604**	**416,916**
Financial Assets Designated at Fair Value Through Profit or Loss	**2**	1,263,072	416,916
Other Financial Assets Measured at Amortised Cost (net)		53,532	-
Trade Receivables	**7**	**485,268**	**139,019**
Trade Receivables Due From Related Parties		-	-
Trade Receivables Due From Unrelated Parties		485,268	139,019
Receivables From Financial Sector Operations	**8**	**1,541,191**	**996,913**
Receivables From Financial Sector Operations Due From Related Parties		**-**	**-**
Receivables From Financial Sector Operations Due From Unrelated Parties		**1,541,191**	**996,913**
Loans and Advances		672,243	639,468
Factoring Receivables		868,916	357,421
Financial Leasing Receivables		32	24
Other Receivables	**9**	**20,487**	**13,352**
Other Receivables Due From Related Parties		-	-
Other Receivables Due From Unrelated Parties		20,487	13,352
Inventories	**10**	**8,417**	**4,510**
Prepayments	**12**	**20,120**	**8,679**
Prepayments to Related Parties		-	-
Prepayments to Unrelated Parties		20,120	8,679
Current Tax Assets	**41**	**72**	**13**
Other Current Assets	**30**	**4,656**	**3,051**
Other Current Assets Due From Related Parties		-	-
Other Current Assets Due From Unrelated Parties		4,656	3,051
Subtotal		**4,307,924**	**2,170,660**
Fixed Assets Classified as Held for Sale	**40**	**76**	**312**
Non Current Assets		**2,302,500**	**1,997,450**
Investments in Subsidiaries, Joint Ventures and Associates	**1,48**	**377**	**377**
Trade Receivables	**7**	**-**	**333,225**
Trade Receivables Due From Related Parties		-	-
Trade Receivables Due From Unrelated Parties		-	333,225
Receivables From Financial Sector Operations	**8**	**3,617**	**5,077**
Receivables From Financial Sector Operations Due From Related Parties		**515**	**-**
Loans and Advances		515	-
Receivables From Financial Sector Operations Due From Unrelated Parties		**3,102**	**5,077**
Loans and Advances		3,102	5,077
Other Receivables	**9**	**26**	**4**
Other Receivables Due From Related Parties		-	-
Other Receivables Due From Unrelated Parties		26	4
Investments Accounted For Using Equity Method	**14**	**-**	**12,351**
Property, Plant and Equipment	**15**	**2,286,451**	**1,639,459**
Buildings		2	2
Machinery and Equipments		569	365
Vehicles		1,964,153	1,475,290
Fixtures and Fittings		3,082	1,372
Leasehold Improvements		935	339
Construction in Progress		316,799	161,281
Other Property, Plant and Equipment		911	810
Right of Use Assets	**15.1**	**6,466**	**2,795**
Intangible Assets	**18,19**	**765**	**863**
Brand Names		4	4
Licenses		719	833
Other Intangible Assets		42	26
Prepayments	**12**	**3**	**8**
Prepayments to Related Parties		-	-
Prepayments to Unrelated Parties		3	8
Deferred Tax Asset	**41**	**4,790**	**3,286**
Other Non-current Assets		**5**	**5**
TOTAL ASSETS		**6,610,500**	**4,168,422**

(*) The effect of restating the consolidated financial statements of the previous year is disclosed in Note 2.

The accompanying policies and explanatory notes form an integral part of these consolidated financial statements.

GSD Holding Anonim Şirketi
Consolidated Statement of Financial Position
As at 31 December 2022
(Currency: Thousands of Turkish Lira ("TL") unless otherwise stated)

	Notes	Audited As of 31.12.2022	Audited As of 31.12.2021 Revised (*)
LIABILITIES			
Current Liabilities		**1,119,428**	**573,013**
Current Borrowings	**48**	**59,565**	**40,097**
Current Borrowings From Related Parties		1,331	-
Current Borrowings From Unrelated Parties		58,234	40,097
Bank Loans		58,000	40,040
Lease Liabilities		234	57
Current Portion of Non-current Borrowings	**48**	**80,901**	**115,605**
Current Portion of Non-current Borrowings From Related Parties		924	876
Lease Liabilities		924	876
Current Portion of Non-current Borrowings from Unrelated Parties		79,977	114,729
Bank Loans		78,309	113,783
Lease Liabilities		1,668	946
Trade Payables	**7**	**27,944**	**8,231**
Trade Payables to Related Parties		-	-
Trade Payables to Unrelated Parties		27,944	8,231
Payables on Financial Sector Operations	**8**	**824,022**	**297,852**
Payables to Related Parties on Financial Sector Operations		**37,683**	**122,354**
Borrower Funds		37,683	122,354
Payables to Unrelated Parties on Financial Sector Operations		**786,339**	**175,498**
Payables from Money Market Transactions		108,970	46,301
Borrower Funds		150,829	4,399
Credits Obtained		526,072	124,256
Factoring Payables		349	454
Financial Leasing Receivables		119	88
Other Payables	**9**	**31,615**	**17,044**
Other Payables to Related Parties		-	-
Other Payables to Unrelated Parties		31,615	17,044
Deferred Income Other Than Contract Liabilities	**12**	**31,174**	**16,142**
Deferred Income Other Than Contract Liabilities from Related Parties		-	-
Deferred Income Other Than Contract Liabilities from Unrelated Parties		31,174	16,142
Current Tax Liabilities, Current	**41**	**46,781**	**69,433**
Current Provisions		**17,426**	**8,584**
Current Provisions for Employee Benefits	28	10,228	3,506
Other Current Provisions	26	7,198	5,078
Other Current Liabilities	**30**	-	**25**
Subtotal		**1,119,428**	**573,013**
Non-Current Liabilities		**526,654**	**637,126**
Long Term Borrowings	**48**	**477,928**	**623,237**
Long Term Borrowings From Related Parties		643	694
Lease Liabilities		643	694
Long Term Borrowings From Unrelated Parties		477,285	622,543
Bank Loans		475,311	622,052
Lease Liabilities		1,974	491
Non-Current Provisions		**12,953**	**5,784**
Non-Current Provisions for Employee Benefits	28	12,953	5,784
Deferred Tax Liabilities	**41**	**35,773**	**8,105**
Total Liabilities		**1,646,082**	**1,210,139**
EQUITY	**31**	**4,964,418**	**2,958,283**
Equity Attributable to Owners of Parent		**4,616,080**	**2,756,836**
Issued capital		**1,000,000**	**450,000**
Inflation Adjustments on Capital		**85,986**	**85,986**
Treasury Shares (-)		**(94,706)**	**(39,706)**
Share Premium (Discount)		**84,591**	**84,591**
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss	**39**	**(3,159)**	**52**
Gains (Losses) on Revaluation and Remeasurement		**(3,159)**	52
Gains (Losses) on Remeasurements of Defined Benefit Plans		**(3,159)**	52
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss	**2**	**1,384,733**	**784,716**
Exchange Differences on Translation	**39**	1,384,733	784,716
Restricted Reserves Appropriated From Profits		**162,333**	**176,210**
Profit from Sales of Participation Shares or Property that will be Added to Share Capital		**-**	80,310
Legal Reserves		67,627	56,194
Treasury Share Reserves		94,706	39,706
Prior Years' Profits or Losses		**634,536**	**686,076**
Current Period Net Profit Or Loss		**1,361,766**	**528,911**
Non-Controlling Interests	**31**	**348,338**	**201,447**
TOTAL LIABILITIES		**6,610,500**	**4,168,422**

(*) The effect of restating the consolidated financial statements of the previous year is disclosed in Note 2.

The accompanying policies and explanatory notes form an integral part of these consolidated financial statements.

GSD Holding Anonim Şirketi
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2022
(Currency: Thousands of Turkish Lira ("TL") unless otherwise stated)

	Notes	Audited As Of 01.01.2022-31.12.2022	Audited As Of Revised (*) 01.01.2021-31.12.2021
CONTINUING OPERATIONS			
Revenue	**32**	978,085	563,523
Cost of Sales	**32**	(385,046)	(216,946)
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		**593,039**	**346,577**
Revenue from Finance Sector Operations		**459,653**	**257,364**
Fee, Premium, Commission and Other Service Income	**32**	92,017	45,829
Foreign Exchange Gains		5,977	56,913
Interest Income	**32**	325,211	152,293
Other Revenues from Finance Sector Operations	**32**	36,448	2,329
Cost of Finance Sector Operations (-)		**(107,082)**	**(70,000)**
Fee, Premium, Commissions and Other Service Expenses	**32**	(10,912)	(1,704)
Foreign Exchange Loss		-	(15,543)
Interest Expenses	**32**	(90,617)	(42,591)
Other Expenses Related with Finance Sector Operations	**32**	(5,553)	(10,162)
Gross Profit/(Loss) From Financial Sector Operations		**352,571**	**187,364**
GROSS PROFIT/(LOSS)		**945,610**	**533,941**
Administrative expenses (-)	**34**	(122,342)	(60,192)
Other income from operating activities	**35**	24,103	65,147
Other expense from operating activities (-)	**35**	(1,545)	(7,572)
OPERATING PROFIT/(LOSS)		**845,826**	**531,324**
Income from investment activities	**36**	800,207	270,710
Expense from investment activities (-)	**36, 2**	(3,194)	(95,123)
Share of profit / (loss) of equity accounted investees		-	(149)
OPERATING PROFIT/(LOSS) BEFORE FINANCING EXPENSES		**1,642,839**	**706,762**
Financing expenses (-)	**38**	(54,643)	(18,872)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**1,588,196**	**687,890**
Tax income/(expense) from continuing operations		**(152,421)**	**(113,374)**
Current tax income/(expense)	**41**	(125,334)	(109,222)
Deferred tax income/(expense)	**41**	(27,087)	(4,152)
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**1,435,775**	**574,516**
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	**40**	**-**	**-**
NET PROFIT/(LOSS)	**2**	**1,435,775**	**574,516**
Net profit/(loss) (continuing and discontinued operations) attributable to:			
Non-controlling interest	**31**	**74,009**	**45,605**
Equity holders of the company		**1,361,766**	**528,911**
Net profit/(loss) (continuing operations) attributable to:			
Non-controlling interest		**74,009**	**45,605**
Equity holders of the company		**1,361,766**	**528,911**
Net profit/(loss) (discontinued operations) attributable to:			
Non-controlling interest		**-**	**-**
Equity holders of the company		**-**	**-**
		2.990	**1.161**
Earnings per share from continuing operations (1)	**42**	2.990	1.161
Earnings per share from discontinued operations (1)	**42**	0.000	0.000
Diluted Earnings Per Share		**2.990**	**1.161**
Diluted Earnings (Loss) Per Share from Continuing Operations (1)	**42**	2.990	1.161
Diluted Earnings (Loss) Per Share from Discontinued Operations (1)	**42**	0.000	0.000

(1) Earnings per share (in full TL per share with a nominal value of full TL)

(*) The effect of restating the consolidated financial statements of the previous year is disclosed in Note 2.

The accompanying policies and explanatory notes form an integral part of these consolidated financial statements.

GSD Holding Anonim Şirketi
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2022
(Currency: Thousands of Turkish Lira ("TL") unless otherwise stated)

	Notes	Audited As Of 01.01.2022 31.12.2022	Audited As Of Revised(*) 01.01.2021 31.12.2021
NET PERIOD PROFIT / (LOSS)		**1,435,775**	**574,516**
OTHER COMPREHENSIVE INCOME	**39**		
Other comprehensive income which will be not reclassified in profit or loss		**(3,357)**	**60**
Remeasurements of the net defined benefit liability (asset)		(3,357)	60
Other comprehensive income which will be reclassified in profit or loss	**2**	**673,097**	**570,109**
Foreign Currency Conversion Differences Regarding the Conversion of Foreign Businesses		673,097	570,109
- Gains (Losses) from Foreign Currency Translation Differences Related to the Translation of Foreign Businesses		673,097	570,109
OTHER COMPREHENSIVE INCOME		**669,740**	**570,169**
TOTAL COMPREHENSIVE INCOME		**2,105,515**	**1,144,685**
Total comprehensive income attributable to:			
Non-controlling interest		**146,891**	**107,384**
Equity holders of the company		**1,958,624**	**1,037,301**

(*) The effect of restatement of prior year consolidated financial statements is disclosed in Note 2.

The accompanying policies and explanatory notes form an integral part of these consolidated financial statements.

GSD Holding Anonim Şirketi
Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2022
(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

		Equity																				
		Equity Holders of Parent																				
								Other accumulated comprehensive income and expense which will be not reclassified in profit or loss				Other accumulated comprehensive income and expense which will be reclassified in profit or loss				Accumulated Profits						
								Revaluation and Measurement Gains / Losses					Revaluation and remeasurement gain/loss									
	Notes	Share capital	Inflation adjustment to share capital	Treasury shares	Mutual Affiliate Capital Adjustment	Share Premium (discount)	Changes in non-controlling interest reserve	Tangible Fixed Assets Revaluation Increases /Decreases	Revaluation and remeasurement gain/loss		Other accumulated comprehensive income and expense which will be not reclassified in profit or loss	Foreign Currency Conversion Differences	Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income)	Revaluation and remeasurement gain/loss	Other accumulated comprehensive income and expense which will be reclassified in profit or loss	Restricted Reserves Allocated from Profit	Prior Period Profit or (Loss)	Net Profit or (Loss) for the Period	Retained earnings	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
At 1 January 2021	31	450,000	85,986	(39,706)	-	103,422	(3,774)	-	(337)	(337)	(337)	276,378	-	-	276,378	79,920	717,734	48,507	766,241	1,718,130	62,663	1,780,793
Adjustments related with changes in accounting policies (*)	2	-	-	-	-	-	-	-	-	-	-	-	95,095	95,095	95,095	-	-	(95,095)	(95,095)	-	-	-
Amount After Adjustments		450,000	85,986	(39,706)	-	103,422	(3,774)	-	(337)	(337)	(337)	276,378	95,095	95,095	371,473	79,920	717,734	(46,588)	671,146	1,718,130	62,663	1,780,793
Transfers		-	-	-	-	(18,831)	3,774	-	337	337	337	-	-	-	-	96,290	(33,063)	(48,507)	(81,570)	-	-	-
Total comprehensive income (expense)		-	-	-	-	-	-	-	52	52	52	508,338	(95,095)	(95,095)	413,243	-	-	624,006	624,006	1,037,301	107,384	1,144,685
Net profit (loss)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	624,006	624,006	624,006	45,605	669,611
Other comprehensive income (expense)		-	-	-	-	-	-	-	52	52	52	508,338	(95,095)	(95,095)	413,243	-	-	-	-	413,295	61,779	475,074
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividend distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/Decrease Due to Share Buyback Transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase arising from share-based transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/Decrease Arising from Changes Without Resulting Loss of Control in Shareholding Ratios of Subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Subsidiary Share Ratio Due to Share Purchase																						
Change in Share Ratio In Subsidiaries Due to Subsidiary Buyback		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in subsidiary share ratio due to share purchase Change in share ratio in subsidiaries due to subsidiary buyback		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,400	31,400
Capital paid to subsidiaries by non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,608	31,608
The effect of premium participation of non-controlling interests on the subsidiary's cash capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(208)	(208)
Increase/decrease arising from other adjustments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,405	-	1,405	1,405	-	1,405
At 31 December 2021		450,000	85,986	(39,706)	-	84,591	-	-	52	52	52	784,716	-	-	784,716	176,210	686,076	528,911	1,214,987	2,756,836	201,447	2,958,283
At 1 January 2022	31	450,000	85,986	(39,706)	-	84,591	-	-	52	52	52	784,716	-	-	784,716	176,210	686,076	528,911	1,214,987	2,756,836	201,447	2,958,283
Adjustments to Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount After Adjustments		450,000	85,986	(39,706)	-	84,591	-	-	52	52	52	784,716	-	-	784,716	176,210	686,076	528,911	1,214,987	2,756,836	201,447	2,958,283
Transfers		-	-	-	-	-	-	-	(52)	(52)	(52)	-	-	-	-	11,433	517,530	(528,911)	(11,381)	-	-	-
Total comprehensive income (expense)		-	-	-	-	-	-	-	(3,159)	(3,159)	(3,159)	600,017	-	-	695,112	-	(95,095)	1,361,766	1,361,766	1,958,624	146,891	2,105,515
Net profit (loss)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,361,766	1,361,766	1,361,766	74,009	1,435,775
Other comprehensive income (expense)		-	-	-	-	-	-	-	(3,159)	(3159)	(3,159)	600,017	-	-	695,112	-	-	-	-	596,858	72,882	669,740
Share Capital Increase		550,000	-	(55,000)	-	-	-	-	-	-	-	-	-	-	-	(25,310)	(469,690)	-	(469,690)	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(101,250)	-	(101,250)	(101,250)	-	(101,250)
Cash dividend distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(101,250)	-	(101,250)	(101,250)	-	(101,250)
Increase (Decrease) Due to Share Buyback Transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) Due to Share Based Transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) Due to Share Ratio Changes in Subsidiaries Not Resulting in Loss of Control		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subsidiary Share Ratio Change Due to Share Purchase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
in Subsidiaries Due to The Repurchase of The Subsidiary Share Rate Change		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital paid to subsidiaries by non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
The effect of premium participation of non-controlling interests on the subsidiary's cash capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease arising from other adjustments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,870	-	1,870	1,870	-	1,870
At 31 December 2022	31	1,000,000	85,986	(94,706)	-	84,591	-	-	(3,159)	(3,159)	(3,159)	1,384,733	-	-	1,384,733	162,333	634,536	1,361,766	1,996,302	4,616,080	348,338	4,964,418

(*) The effect of restatement of prior year consolidated financial statements is disclosed in Note 2.

The accompanying policies and explanatory notes form an integral part of these consolidated financial statements.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

	Notes	Current Period Audited As Of 01.01.2022 31.12.2022	Prior Period Audited As Of 01.01.2021 31.12.2021
A. CASH FLOWS FROM OPERATING ACTIVITIES		**538,545**	**78,032**
Cash flows from operating activities of continuing operations		**1,431,485**	**757,232**
- Receipts from Sales of Goods and Rendering of Services		**978,085**	**563,523**
Holding activities income		2	13
Marine sector income		978,083	563,510
- Cash Payments from Interest, Fees, Commissions and Other Revenues		**453,400**	**193,709**
Interest Received From Financial Sector Activities		361,383	147,880
Interest Paid For Financial Sector Activities Interest Paid For Financial Sector Activities		92,017	45,829
- Cash Inflows Related to Contracts Held for Trading		**-**	**-**
-Cash Inflows From Derivative Instruments For Trading		-	-
Cash Outflows from Operating Activities		**(531,428)**	**(247,316)**
- Payments To Suppliers For Goods And Services		**(282,377)**	**(164,463)**
Marine Sector Expenses		(257,148)	(151,503)
-Non-Personnel General Administrative Expenses		(25,229)	(12,960)
- Cash Outflows from Interest, Fees, Premiums, Commissions and Other Income		**(175,673)**	**(44,780)**
-Interests Paid from Finance Sector Activities		(164,761)	(43,076)
-Service Expenses from Finance Sector Activities		(10,912)	(1,704)
- Cash Outflows from Payments Made to and behalf of Employees		**(73,166)**	**(37,904)**
- Rent Payments		**(212)**	**(169)**
Net Cash Flows from Operations		**900,057**	**509,916**
Interest Received		**5,812**	**1,580**
Tax Refunds(Payments)	*41*	**(94,279)**	**(43,929)**
Other Cash Inputs(Outputs)		**5,777**	**2,058**
Changes in Operational Assets and Liabilities		**(278,822)**	**(391,593)**
-Required Reserves (Increase)/Decrease		(90)	4
Change In Loans and Advances to Customers		(26,726)	(342,781)
Change In Factoring Receivables		(529,609)	(47,531)
Change In Finance Lease Receivables		8	(374)
Change In Other Assets		155,674	(75,197)
Change In Payables Due to Money Market Transactions		62,669	(7,084)
Change In Borrowers' Funds		61,291	65,571
Change In Factoring Payables		(105)	102
Change In Liabilities Arising From Finance Leases		31	36
Change In Other Liabilities		(1,965)	15,661
B. CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		**(429,219)**	**(171,502)**
Cash Outflow Due to Share Purchase or Capital Increase in Subsidiaries and/or Joint Ventures		**12,202**	**(12,500)**
Cash Inflows from the Sales of Shares of Other Businesses or Funds or Debt Instruments		**201,901**	**85,941**
- Cash Inflows Related to the Sale of Financial Assets Classified as Fair Value Through Profit or Loss		192,075	85,941
- Cash Inflows for Selling Financial Assets Measured at Amortized Cost		9,826	-
Cash Outflows for the Acquisition of Shares of Other Businesses or Funds or Debt Instruments		**(631,814)**	**(18,165)**
- Cash Outflows from the Sale of Financial Assets Classified as Fair Value Through Profit/Loss		(570,336)	(18,165)
- Cash Outflows for Selling Financial Assets Meaured at Amortized Cost		(61,478)	-
Cash Inflows from Sale of Tangible and Intangible Assets		**241**	**1,315**
-Cash Inflows from Sale of Tangible Fixed Assets	*15*	241	1,315
Cash Outflows from the Purchase of Tangible and Intangible Assets		**(103,259)**	**(248,985)**
-Cash Outflows Resulting from the Purchase of Tangible Fixed Assets	*15*	(103,224)	(248,347)
-Cash Outflows from the Purchase of Intangible Assets	*18*	(35)	(638)
Cash Inflows from Sale of Fixed Assets Held for Sale		**400**	**-**
Interest Received		**26,599**	**-**
Other Inflows (Outflows) of Cash	*36*	**64,511**	**20,892**
C. CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		**59,958**	**485,125**
Cash Inflows from Changes in Shares of Subsidiaries without Loss of Control		**-**	**-**
Cash Inflows from Issuance of Shares and Other Equity Instruments		**-**	**31,608**
-Capital Paid to Subsidiaries by Non-Parent Shares		-	31,608
Cash Inflows from Selling of Own Shares and Other Equity Instruments of the Entity		**-**	**-**
-Cash Inflows from Sales of Repurchased Shares		-	-
Cash Inflows from Borrowing		**1,001,183**	**804,466**
Cash Outflows Related to Debt payments		**(771,351)**	**(324,380)**
Cash Outflows Related to Debt Payments Arising from Rental Agreements		**(14,515)**	**(8,039)**
Dividends Paid		**(101,250)**	**-**
-Dividends Paid to Shareholders by the Company		(101,250)	-
Interest paid		**(52,389)**	**(18,056)**
Other inflows (outflows) of cash		**(1,720)**	**(474)**
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY CONVERSION DIFFERENCES		**169,284**	**391,655**

The accompanying policies and explanatory notes form an integral part of these consolidated financial statements.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

	Notes	Audited As Of 01.01.2022 31.12.2022	Audited As Of 01.01.2021 31.12.2021
CONTUINING OPERATIONS			
Effect of net foreign exchange difference on cash and cash equivalents		**68,062**	**87,444**
Net (decrease) / increase in cash and cash equivalents		**237,346**	**479,099**
Cash and cash equivalents at 1 January		**588,184**	**109,085**
Cash and cash equivalents at 31 December		**825,530**	**588,184**
DISCONTINUED OPERATIONS	*40*		
Effect of net foreign exchange difference on cash and cash equivalents		-	-
Net (decrease) / increase in cash and cash equivalents		-	-
Cash and cash equivalents at 1 January	*54*	-	-
Cash and cash equivalents at 31 December		-	-
D. EFFECT OF NET FOREIGN EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS		**68,062**	**87,444**
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**237,346**	**479,099**
E. CASH AND CASH EQUIVALENTS AT 1 JANUARY	*54*	**588,184**	**109,085**
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	*54*	**825,530**	**588,184**

The accompanying policies and explanatory notes form an integral part of these consolidated financial statements.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

1. REPORTING ENTITY

GSD Holding Anonim Şirketi (the "Company") was established in Istanbul in 1986. The Company is a holding entity; investing in companies in different sectors, realizing the establishment and participating in the management of these companies.

The registered office address of the Company is Aydınevler Mahallesi, Kaptan Rıfat Sokak, No: 3, 34854, Maltepe, Istanbul, Turkey.

As at 31 December 2022, average number of employees is 107 (31 December 2021: 108).

As at 31 December 2022 and 31 December 2021, the composition of shareholders and their respective percentages of ownership can be summarized as follows:

31 December 2022

(Full TL)	Class (A)	Class (B)	Class (C)	Class (D)	Total	Share (%)
Publicly owned	-	-	-	598,611,289	598,611,289	59,861
M. Turgut Yılmaz	1,571	981	1,571	254,995,886	255,000,009	25,500
GSD Holding A.Ş.	-	-	-	100,000,112	100,000,112	10,000
MTY Delta Denizcilik İç ve Dış Ticaret A.Ş.	-	-	-	45,000,000	45,000,000	4,500
Adeo Turizm Otelcilik Ticaret Limited Şirketi	-	-	-	1,388,000	1,388,000	0,139
Other privileged shareholders	-	590	-	-	590	0,000
Share capital	**1,571**	**1,571**	**1,571**	**999,995,287**	**1,000,000,000**	**100,000**
Inflation adjustment on share capital					85,985,890	
Inflation adjusted share capital					**1,085,985,890**	

(*)Samet Ali Yavuz's share in the capital is 6.14%.

31 December 2021

(Full TL)	Class (A)	Class (B)	Class (C)	Class (D)	Total	Share (%)
Publicly owned	-	-	-	269,375,129	269,375,129	59,861
M. Turgut Yılmaz	707	441	707	114,748,150	114,750,005	25,500
GSD Holding A.Ş.	-	-	-	45,000,000	45,000,000	10,000
MTY Delta Denizcilik İç ve Dış Ticaret A.Ş.	-	-	-	20,250,000	20,250,000	4,500
Adeo Turizm Otelcilik Ticaret Limited Şirketi	-	-	-	624,600	624,600	0,139
Other privileged shareholders	-	266	-	-	266	0,000
Share capital	**707**	**707**	**707**	**449,997,879**	**450,000,000**	**100,000**
Inflation adjustment on share capital					85,985,890	
Inflation adjusted share capital					**535,985,890**	

As of 31 December 2022 in Company's, as explained in the capital structure presented above, 59.86% of the in its shares are open to the public (31 December 2021: 59.86%). Additionally in proportion 32% shares of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., the subsidiary subject to consolidation, as of 31 December 2022, are open to the public (31 December 2021: 32%).

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

1. REPORTING ENTITY (continued)

Nature of Activities of the Company and the Consolidated Group Companies

For the purposes of the consolidated financial statements. the Company and its consolidated subsidiaries are referred to as "the Group". The subsidiaries included in consolidation and the effective ownership percentages of the Group as at 31 December 2022 and 31 December 2021 are as follows:

Subsidiaries	Country of Incorporation	BIST Code	Principal Activities	Effective Shareholding(%)	
				31 December 2022	31 December 2021
GSD Yatırım Bankası A.Ş. (1)	Turkey	-	Investment Banking	100	100
GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. ("GSD Marin'') (1) (2) (3)	Turkey	GSDDE	Maritime	68.00	68.00
GSD Faktoring A.Ş. (1)	Turkey	-	Factoring	89.36	89.36
Dodo Maritime Ltd. (2)	Malta	-	Maritime	100	100
Cano Maritime Ltd. (2)	Malta	-	Maritime	68.00	68.00
Hako Maritime Ltd. (2)	Malta	-	Maritime	68.00	68.00
Zeyno Maritime Ltd. (2)	Malta	-	Maritime	100	100
Neco Maritime Ltd. (2)	Malta	-	Maritime	100	100
GSD Shipping B.V. (1) (2) (3)	Netherlands	-	Maritime	100	100
Mila Maritime Ltd. (2)	Malta	-	Maritime	100	100
Lena Maritime Ltd. (2) (3)	Marshall Islands	-	Maritime	100	100
Nejat Maritime Ltd. (2) (3)	Marshall Islands	-	Maritime	100	100
Nehir Maritime Ltd. (2) (3)	Marshall Islands	-	Maritime	68.00	68.00

(1) The financial statements of GSD Shipping B.V., GSD Marin, GSD Faktoring A.Ş. and GSD Yatırım Bankası A.Ş. have been consolidated to GSD Holding A.Ş.
(2) The financial statements of Cano Maritime Ltd., Hako Maritime Ltd. and Nehir Maritime Ltd. have been consolidated to GSD Marin, the financial statements of Zeyno Maritime Ltd., Dodo Maritime Ltd., Neco Maritime Ltd., Mila Maritime Ltd., Lena Maritime Ltd. And Nejat Maritime Ltd. have been consolidated to GSD Shipping B.V
(3) Lena Maritime Limited was established on 18 March 2021 and Nejat Maritime Limited on 23 June 2021, each as a 100% subsidiary of GSD Shipping B.V. and with a capital of 5,000 USD to operate in maritime transport. Nehir Maritime Limited was established on 23 June 2021 as a 100% subsidiary of GSD Denizcilik Gayrimenkul İnş San ve Tic AŞ with a capital of 5,000 USD in Marshall Islands.

Unconsolidated Subsidiaries

The subsidiaries which are not included in consolidation and the ownership percentages of the Group in those subsidiaries as at 31 December 2022 and 31 December 2021 are as follows:

Subsidiaries	Country of Incorporation	Principal Activities	Effective Shareholding and Voting Rights (%)	
			31 December 2022	31 December 2021
GSD Eğitim Vakfı	Turkey	Education Foundation	100.00	100.00

The subsidiary is not consolidated and are carried at cost and are classified in the "unquoted equity instruments" caption in the consolidated financial statements, since the volume of transactions of these companies are limited and the total assets and revenues of these subsidiaries are immaterial

Subsidiaries	Country of Incorporation	Principal Activities	Effective Shareholding and Voting Rights (%)	
			31 December 2022	31 December 2021
GSD Havacılık A.Ş. (1)	Turkey	Aviation	-	50.00

(1) GSD Holding A.Ş. established a new company on February 9, 2021 to operate in the field of air transportation. The capital of the company is 25,000 TL and 50% of the company shares have been participated. Our company sold all of its shares in GSD Havacılık A.Ş., representing 50% of the capital, with a nominal amount of TL 12,500, on 15 March 2022.

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS

Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB").

The Company and its subsidiaries which were incorporated in Turkey maintain their books of account and prepare their statutory financial statements in accordance with the regulations on accounting and reporting framework and accounting standards which are determined by the provisions of Turkish Banking Law, Finance Leasing, Factoring and Financing Companies Law, Turkish Commercial Code, the regulations of the Public Oversight, Accounting and Auditing Standards Authority of Turkey and the Capital Markets Board of Turkey ("CMB") and Tax Legislation. The foreign subsidiaries maintain their books of account and prepare their statutory financial statements in their functional currencies and in accordance with the regulations of the countries in which they operate.

Preparation of Financial Statements and Functional Currency

The Company and its subsidiaries located in Turkey, submit their legal financial statements to the Turkish Commercial Code ("TCC"), tax legislation, the regulations, explanations and circulars published by the BRSA on accounting and financial reporting principles for banks and factoring companies, and the Banking Law. and for other companies T.C. It is prepared in Turkish Lira in accordance with the Uniform Chart of Accounts published by the Ministry of Finance. Subsidiaries located abroad prepare their accounting records and financial statements in accordance with the principles and rules of the countries where they are established.

The consolidated financial statements are based on the legal records of the Company and its subsidiaries and are expressed in Turkish Lira ("TL"). As mentioned above, in accordance with the TFRSs issued by the POA, in order to adequately present the status of the Company and its subsidiaries, some adjustments and revisions are made. prepared by classification.

In the preparation of these financial statements, the fair value for financial assets and derivative financial instruments classified as fair value through profit/loss and fair value through other comprehensive income, the book value for non-current assets held for sale and the fair value less costs to sell. the lower one, and historical cost for other statement of financial position items. Functional currencies of group companies established in Turkey are TL, group companies established abroad are Cano Maritime Limited, Dodo Maritime Limited, Hako Maritime Limited, Zeyno Maritime Limited, Neco Maritime Limited, GSD Shipping B.V., Mila Maritime Limited, Lena The functional currencies of Maritime Limited, Nejat Maritime Limited and Nehir Maritime Limited are US Dollars.

Accounting in Hyperinflationary Economies

The consolidated financial statements of the Group until 31 December 2004 have been adjusted for inflation in accordance with "Financial Reporting in Hyperinflationary Economies" ("TAS 29"). With a decision taken on March 17, 2005, the CMB declared that the application of inflation accounting is not required for publicly traded companies operating in Turkey, effective from January 1, 2005. POA made a statement on January 20, 2022, in order to eliminate the hesitations about whether the companies that apply Turkish Financial Reporting Standards (TFRS) will apply TAS 29 Financial Reporting in High Inflation Economies in the 2021 financial reporting period. Accordingly, it has been stated that the enterprises applying TFRS do not need to make any adjustments within the scope of TAS 29 Financial Reporting in High Inflation Economies ("TAS 29"), and no new explanation has been made by the POA on the application of TAS 29. Considering that no new disclosure has been made as of the date these consolidated financial statements were prepared, no inflation adjustment was made in accordance with TAS 29 while preparing the consolidated financial statements as of 31 December 2022.

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Applied Consolidation Principles

Consolidated financial statements include the financial statements of the companies controlled by the Company and its subsidiaries. Control is provided by the Company's fulfillment of the following conditions:

- Having power over the invested company/asset,
- Being open to or entitled to variable returns from the investee company/asset, and
- Ability to use power to have an impact on returns.

In the event of a situation or event that may cause any change in at least one of the criteria listed above, the Company re-evaluates whether it has control over its investment.
In cases where the Company does not have majority voting rights on the investee company/asset, it has control power over the investee company/asset, provided that it has sufficient voting rights to direct/manage the activities of the relevant investment. The Company considers all relevant events and circumstances in assessing whether the majority of votes in the relevant investment is sufficient to gain control, including the following:

- Comparing the voting rights of the Company with the voting rights of other shareholders,
- Potential voting rights held by the company and other shareholders,
- Rights arising from other contractual agreements and
- Other events and conditions that may indicate whether the Company has the current power to manage the relevant activities (including the voting at the previous general assembly meetings) in cases where a decision needs to be made.

Consolidation of a subsidiary begins when the Company has control over the subsidiary and ends when it loses control. Subsidiaries purchased or disposed of during the year Income and expenses of partnerships are included in the consolidated statement of profit or loss and other comprehensive income from the date of acquisition to the date of disposal.

Each item of profit or loss and other comprehensive income belongs to the parent shareholders and non-controlling interests. Even if the non-controlling interests result in a reverse balance, the total comprehensive income of the subsidiaries is transferred to the parent shareholders and non-controlling interests.

Foreign Currency Translation

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities 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. Foreign currency differences arising on translation of foreign currency transactions are recognized in the income statement. 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 period.

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. Foreign currency differences arising on retranslation are recognized in profit or loss, except for differences arising on the retranslation of the available-for-sale equity instruments, which are recognized directly in equity.

Foreign currency translation rates used by the Group as of respective period-ends are as follows:

Date	TL/EURO (full)	TL/US DOLLAR (full)
31 December 2022	18.6983	19.9349
31 December 2021	15.0867	13.3290

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Foreign Currency Translation (continued)

(ii) Foreign operations

The asset and liability items in the statements of financial position of Cano Maritime Limited, Dodo Maritime Limited, Hako Maritime Limited, Zeyno Maritime Limited, Neco Maritime Limited, Mila Maritime Limited, GSD Shipping B.V., Lena Maritime Limited, Nejat Maritime Limited and Nehir Maritime Limited the foreign consolidated subsidiaries of the Group, are translated at the relevant end of period exchange rates and the comprehensive income statement items translated at the average exchange rates to be included in the consolidated financial statements of the Group. The differences arising from the translation of the opening net assets of these foreign subsidiaries at a closing exchange rate different from the previous closing exchange rate. the translation of their comprehensive income statement items at the average exchange rates and the translation of the long term receivables of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. from Cano Maritime Limited, Hako Maritime Limited and Nehir Maritime Limited for which settlement is neither planned nor likely to occur in the foreseeable future and as such forming a part of its net investment in these foreign subsidiaries, with a closing exchange rate different from the previous closing exchange rate. are accounted for as "foreign currency translation differences" in other comprehensive income of the Group and accumulated in "the translation reserve" under the shareholders' equity in the consolidated statement of financial position of the Group. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation recognised in other comprehensive income and accumulated in the separate component of equity are reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognized.

Netting

Financial assets and liabilities are offset in the consolidated statement of financial position in the event that they have a legal right and sanction power to offset and there is an intention to collect/pay on a net basis or to settle them simultaneously.

Business Continuity

The Group has prepared its financial statements in accordance with the going concern principle.

Comparative Information and Adjustment of Prior Period Financial Statements

Group management has restated the consolidated financial statements of the previous period within the scope of TFRS 9 "Financial Instruments" standard. Financial investments, which were previously considered as financial assets measured at fair value through other comprehensive income, are accounted for at fair value through profit or loss.

	Previously Reported	Re-adjustment effect (after tax)	Revised
Revaluation and reclassification losses – Equity and other comprehensive income	(95,095)	95,095	-
Net Perıod Profit / (Loss)	669,611	(95,095)	574,516
Expense from investment activities (-)	(28)	(95,095)	(95,123)

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Estimates Used

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

- **Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021);** As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. 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.

- **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 recognize such sales proceeds and related cost in profit or loss.

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

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

b) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2022:

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

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

- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

- **Amendment to IAS 1 – Noncurrent liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

IFRS 17, 'Insurance Contracts', as amended in December 2021; 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.

These changes have no effect on the financial position and performance of the Group.

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

CHANGES TO ACCOUNTING POLICIES

Significant changes in accounting policies are applied retrospectively and prior period financial statements are restated. The Group has applied its accounting policies consistent with the previous financial year.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING EVALUATION, FORECAST AND ASSUMPTION

Classification and measurement of financial assets and financial liabilities

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities and derivative financial instruments.

The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI ("financial asset measured at fair value through other comprehensive income") – debt investment; FVOCI – equity investment; or FVTPL ("financial asset measured at fair value through profit/loss"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

1 It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
2 Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

1 It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
2 Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Grup may irrevocably elect to present subsequent changes in the investment's fair value in OCI ("other comprehensive income"). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized for the FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Grup may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized for the at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Classification of financial assets and liabilities (continued)

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

The effect of adopting IFRS 9 on the carrying amounts of financial assets relates solely to the new impairment and reclassification requirements, as described further below.

Borrowing Funds

The most important funding sources of the Group are equity placed in liquid assets, funds obtained from domestic and foreign banks, interbank money market and their borrowers. Due to the short-term nature of the borrowed funds, it is assumed that their fair values approximate their book values.

Loans

Loans are financial assets created by providing money, goods or services to the borrower. The said loans and receivables are first recorded over the acquisition cost reflecting their fair value and are afterwards measured at their amortized amounts using the effective rate of interest (internal rate of return) method. Paid fees and other similar expenses related to the assets received as collateral of these are not accepted as part of the transaction cost and are reflected in the expense accounts. All of the Bank's loans are recorded under the account "Measured at Amortised Cost".

Evaluation of the Business Model Used by the Bank

The Bank classifies its financial assets based on the business model for managing the financial assets. According to IFRS 9 the business model is determined to show how financial asset groups are managed together in order to manage a specific management purpose. When evaluating the business model used for the management of financial assets, all relevant evidence that can be obtained at the date of the assessment is taken notice.

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Classification of financial assets and liabilities (continued)

Impairment of Financial Assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The financial assets at amortized cost consist of trade receivables, cash and cash equivalents, and corporate debt securities.

Under IFRS 9, loss allowances are measured on either of the following bases:

–12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and

–Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions.

These financial assets are divided into three categories depending on the gradual increase in credit risk observed since their initial recognition:

Stage 1: For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk is recorded in the amount of 12-month expected credit losses.

Stage 2: In the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. Impairment for credit risk is determined on the basis of the instrument's lifetime expected credit losses.

The purpose of the provision for impairment is to include the expected credit losses to financial statements that have material increases in the credit risk since the first time credit risks applied to the financial statements.

Stage 3: Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized and interest revenue is calculated on the net carrying amount.

TFRS 16 Leases

TFRS 16 introduced a single lease accounting model for lessees. As a result, the Group, as a lessee, recognized the right-of-use asset representing the right to use the underlying asset and lease liabilities representing the lease payments that it is obligated to pay rent. Accounting for the lessor is similar to previous accounting policies.

a) Rental Definition

Previously, the Group decided whether a contract contains a lease at the inception of the contract according to TFRS Interpretation 4 "Determining whether an arrangement includes a lease", but the Group now evaluates whether a contract includes a lease based on the new definition of lease. In accordance with TFRS 16, if the right to control the use of the asset defined under a contract is transferred for a specified period, that contract is or includes a lease.

The group allocates to each lease and non-lease component on the basis of its relative stand-alone price at reassessment or contract inception of a contract that includes a lease component. However, for properties of which it is a lessee, the Group has chosen not to separate the non-lease components and to account for the non-lease and non-lease components as a single lease component.

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Classification of financial assets and liabilities (continued)

TFRS 16 Leases (continued)

b) As a tenant

The Group leases many assets, including real estate and land vehicles. As a lessee, the Group has previously classified the lease as an operating or finance lease based on an assessment of whether all of the risks and benefits of ownership of the asset are transferred.

In accordance with TFRS 16, the Group has recognized right-of-use assets and lease liabilities for most leases. In other words, these lease transactions are presented in the statement of financial position.

The Group has presented its lease liabilities in the statement of financial position in the "Liabilities from Lease Transactions".

The Group recognizes the right-of-use asset and the lease liability at the commencement date of the lease. The right-of-use asset is measured initially at cost and subsequently at cost less accumulated depreciation and accumulated impairment losses and adjusted for remeasurement of the lease liability. Right-of-use asset is initially measured at cost and after the lease actually commenced, it is measured at fair value in accordance with the Group's accounting policies.

At the commencement date of the lease, the lease liability is measured at the present value of the lease payments not paid at that date. Lease payments are discounted using the Group's alternative borrowing rate, if the implied interest rate in the lease can be easily determined, if not easily determined. Generally, the Group has used the alternative borrowing interest rate as the discount rate.

After the commencement date of the lease, the lessee increases the carrying amount of the lease liability to reflect the interest on the lease liability and the carrying amount to reflect the lease payments made thereby reducing. It is remeasured in the event of a change in the lease term and in the assessment of the option to purchase the asset, and in the event of a change in the amounts expected to be paid under the residual value commitment and in the event of a change in these payments as a result of a change in the index or rate.

The Group has used its judgment to determine the lease term for some leases that include renewal options. The assessment of whether the Group is reasonably confident to exercise such options affects the lease term; therefore, this matter significantly affects the amounts of lease liabilities and right-of-use assets recognized.

Tangible Assets

(i) Recognition and measurement

The cost of the tangible assets purchased before 31 December 2004 are restated for the effects of inflation in TL units current at 31 December 2004 pursuant to IAS 29. Tangible assets purchased after this date are recorded at their historical costs. Accordingly, tangible assets are carried at cost, less accumulated depreciation and impairment losses, except for buildings. Buildings are recorded at the fair value and the amounts over carrying value of the buildings are recorded as property revaluation reserve under equity.

While preparing the consolidated financial statements dated December 31, 2021, the possible effects of the COVID-19 outbreak were evaluated and the estimates and assumptions used in the preparation of the consolidated financial statements were reviewed. In this context, may occur probable impairments in the consolidated financial statements dated December 31, 2021 has been evaluated.

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Classification and measurement of financial assets and financial liabilities (continued)

Tangible Assets (continued)

(i) Recognition and measurement (continued)

Gains/losses on disposal of an item of tangible assets are determined by comparing the proceeds from disposal with the carrying amount of tangible assets and are recognized net within other income or other expenses in profit or loss.

Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of tangible assets have different useful lives, they are accounted for as separate items (major components) of tangible assets.

(ii) Subsequent costs

The cost of replacing part of an item of tangible assets is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced item is derecognized. The costs of the day-to-day servicing of tangible assets are recognized in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of tangible assets since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. The residual values of the ships of the Group are determined based on the actual sale prices published as of the report date for the ships having the same or similar qualifications which are of the age and condition expected at the end of their useful lives being equal to the depreciation period of 18 years. Depreciation methods, useful lives and residual values are reviewed at least annually unless there is a triggering event.

	Years
Buildings	50
Ships	18
Office and vehicle equipment	2-15
Motor vehicles	5
Drydock	5
Leasehold improvements	Lease term, not less than 5 years

The carrying values of tangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of tangible assets is the greater of the fair value less costs to sell and value in use. Impairment losses are recognized in the consolidated income statement. The Group has started using accelerated depreciation method for tangible assets starting from October 2016.

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Classification and measurement of financial assets and financial liabilities (continued)

Tangible Assets (continued)

(iii) Depreciation (continued)

An item of tangible assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the year the asset is derecognized.

Upon acquisition of a vessel, the components of the vessel which are required to be replaced at the next dry-docking are identified and their costs are depreciated over the period to the next estimated dry-docking date. Costs incurred on subsequent dry-docking of vessels are capitalized and depreciated over the period to the next estimated drydocking date. When significant dry-docking costs incurred prior to the expiry of the depreciation period, the remaining costs of the previous dry-docking are written off immediately.

Repairs and maintenance costs are charged to the consolidated income statement during the financial period in which they are incurred. The cost of major renovations are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

Intangible Assets

Intangible assets acquired separately from a business are capitalized at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Intangible assets, excluding development costs, created within the business, are not capitalized and expenditure is charged against profits in the year in which it is incurred. The cost of the intangible assets purchased before 31 December 2005 are restated for the effects of inflation in TL units current at 31 December 2005 pursuant to IAS 29.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized on a straight-line basis over the best estimate of their useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

The Group amortizes intangible assets with a finite life on a straight-line basis over the estimated useful lives of 3-15 years. There are no intangible assets with indefinite useful lives.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated income statement when the asset is derecognized.

Assets Held for Sale

A property is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. A property is not depreciated and is stated at the lower of it carrying amount and fair value less costs to sell while it is classified as held for sale or while it is a part of a disposal group classified as held for sale. A property that ceases to be classified as held for sale or ceases to be included in a disposal group classified as held for sale is measured at the lower of its carrying amount before the property or disposal group was classified as held for sale, adjusted for any depreciation or revaluations that would have been recognized had the property or disposal group not been classified as held for sale, and its recoverable amount at the date of subsequent decision not to sell.

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Classification and measurement of financial assets and financial liabilities (continued)

Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflect current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the consolidated income statement in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Cash Flow Statement

In terms of the presentation of the consolidated statement of cash flows, cash and cash equivalents, cash in hand and bank deposits with original maturity less than 3 months, Türkiye Cumhuriyet Merkez Bankası A.Ş. ("CBRT") and other financial institutions, money market receivables and other short-term investments with high liquidity that can be converted into cash.

Leases

i) Finance leases (the Group as lessor)

The Group presents leased assets as receivables equal to the net investment in the leases. Finance income is based on a pattern reflecting a constant periodic rate of return on the net investment outstanding.

ii)Finance leases (the Group as lessee)

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalized leased assets are depreciated over the estimated useful life of the asset.

Factoring Receivables

Factoring receivables are measured at amortized cost less specific allowances for uncollectibility and unearned interest income. Specific allowances are made against the carrying amount of factoring receivables and that are identified as being impaired based on regular reviews of outstanding balances to reduce factoring receivables to their recoverable amounts. When a factoring receivable is known to be uncollectible, all the necessary legal procedures have been completed, and the final loss has been determined, receivable is written off immediately.

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Taxes Calculated on Corporate Income

Tax expense/(income) represents the total balance used in determining the net profit or loss for the period, taking into account current and deferred tax. The tax is included in the statement of profit or loss, provided it is not directly related to a transaction accounted for under equity. Otherwise, the tax is accounted for under equity along with the related transaction.

Deferred tax is calculated using the statement of financial position liability method, taking into account the tax effect of temporary differences between the values of assets and liabilities reflected in the financial reporting and the amounts that are the basis for the tax calculation. Deferred tax liability is calculated over all temporary differences except transactions that have no taxable profit effect.

Deferred tax asset is calculated over carried and unused accumulated losses and all kinds of deductible temporary differences, when it is deemed possible to generate sufficient profit to be able to deduct these losses in the future.

The Group reviews the deferred tax assets at the end of each reporting period and reverses the deferred tax assets that are determined not to be deductible from taxable income in the following years by expense. Deferred tax assets and liabilities are calculated on the basis of tax rates that are enacted or enacted at the end of the reporting period, which are expected to be valid when the related asset will be realized or the liability will be fulfilled.

Since the current tax amounts to be paid are related to the prepaid tax amounts and corporate tax, they are netted for each group company. Deferred tax assets and liabilities are also netted off for each group company. Companies in Turkey cannot file consolidated tax returns, therefore, deferred tax positions of companies with deferred tax assets and companies with deferred tax liabilities have not been netted and disclosed separately.

Derivative Financial Instruments

Most of the derivative transactions are considered as effective economic hedges under the Group's risk management policies; however since they do not qualify for hedge accounting under the specific provisions of IFRS 9 "Financial Instruments", they are treated as derivatives held for trading. Derivative financial instruments are initially recognized at fair value on the date at which a derivative contract is entered into and subsequently re-measured at fair value. Any gains or losses arising from changes in fair value on derivatives are recognized in the consolidated income statement.

Fair values are obtained from quoted market prices in active markets, including recent market transactions, to the extent publicly available, and valuation techniques, including discounted cash flow models and options pricing models as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Custody Assets

Assets held by the Group in a custody agency or custodian capacity for its customers are not included in the statement of financial position, since such items are not treated as assets of the Group.

Credits Used

The credits used are recorded with the fair value of the acquired value after deducting the costs directly related to the transaction. After initial recognition, the repaid amounts are deducted and carried from the discounted amounts using the effective interest method. The discounted amount is calculated by taking into account all discounts and premiums on the transaction date. Income or expense incurred when the related liability is derecognised or impaired is recognized in consolidated profit or loss.

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing costs may include interest expense calculated using the effective interest method, finance charges in respect of finance leases and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost. The Group begins capitalizing borrowing costs as part of the cost of a qualifying asset when it incurs expenditures for the asset and borrowing costs and undertakes activities that are necessary to prepare the asset for its intended use or sale. The Group ceases capitalizing borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Repurchased Shares and Mutual Affiliate Capital Adjustment

The amount paid on purchase for Company shares acquired by the Group's companies subject to consolidation is deducted from equity under the item "Redeemed Shares" for those acquired directly by the Company itself and "Mutual Participation Capital Adjustment" for those acquired by the Company's consolidated subsidiaries; On disposal, these items are credited in the amount of the purchase cost. The profit/loss on disposal of the shares followed in the “Repurchased Shares” and “Mutual Participation Capital Adjustment” items is recorded in the “Repurchased Shares Reserves” and “Premiums/Discounts on Shares” items, respectively, in the consolidated equity. In the change table, the items related to the changes of these items are shown. No profit or loss is recorded in the consolidated statement of profit or loss due to the purchase, disposal, issue or cancellation of its own shares acquired by the Company or its consolidated subsidiaries.

Employee Benefits

The Group has both defined benefit and defined contribution plans as described below:

i) Defined benefit plans

In accordance with existing social legislation in Turkey, the Company and its subsidiaries incorporated in Turkey are required to make lump-sum termination indemnities 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.

In the accompanying consolidated financial statements, the Group has reflected a liability calculated using actuarial method and discounted by using the current market yield at the reporting date on government bonds, in accordance with IAS 19 “Employee Benefits”.

The Group, except to the extent that another IFRS requires or permits their inclusion in the cost of an asset, has recognized service cost and net interest on the net defined benefit liability (asset) in the consolidated income statement and remeasurements of the net defined benefit liability (asset) in the consolidated of other comprehensive income statement, which are the components of defined benefit cost.

Remeasurements of the net defined benefit liability (asset) recognized in other comprehensive income shall not be reclassified to profit or loss in a subsequent period. However, the entity may transfer those amounts recognized in other comprehensive income within equity. The Group, within the scope of that provision, adopted the accounting policy to transfer the prior-year-end balance of the Remeasurements of the Net Defined Benefit Liability (Asset) cumulatively recognized as other comprehensive income within equity to the Retained Earnings within equity as at each year-beginning.

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Employee Benefits (continued)

i) Defined benefit plans (continued)

The computation of the liability is predicated upon retirement pay ceiling announced by the Government. The ceiling amount at 31 December 2022 is full TL 8,285 (31 December 2021: full TL 7,117). The liability is not funded, as there is no funding requirement.

In the accompanying consolidated financial statements, the Group has reflected a liability by recognizing the expected cost of bonus payments when, and only when, it has a present constructive obligation to make such payments because of past events and a reliable estimate of the obligation can be made. An obligation under profit-sharing and bonus plans results from employee service and not from a transaction with the Group’s owners. Therefore, the Group recognizes the cost of profit-sharing and bonus plans not as a distribution of profit but as an expense.

The Group has recognized the expected cost of employee benefits in the form of accumulated vesting paid absences relating to the unused entitlement arising from the services rendered by the Group’s employees, required to be paid when the employment of the personnel is terminated due to any reason in accordance with the existing social legislation in Turkey, as a long-term liability by measuring it on an undiscounted basis since its discounting does not have a significant impact on the consolidated financial position or performance of the Group.

ii) Defined contribution plans

For defined contribution plans, the Group pays contributions to publicly administered social security funds on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

Provisions, Contingent Liabilities and Assets

i) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, 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, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

ii) Contingent liabilities and assets

Contingent liabilities are not recognized in the financial statements but disclosed in the notes if the possibility of any outflow is low. Contingent assets are not included in financial statements but explained in the notes if an inflow of economic benefits is probable.

Trade Receivables

All debts are recorded with the cost value found by deducting the resource cost of the debt from their fair values at the date of receipt.
After the initial recording date, the liabilities are valued at their amortized cost using the effective interest rate method in the following periods. Discounted cost is calculated taking into account issuance costs, discounts and premiums.
Gains or losses on these liabilities are shown in net profit or loss as liabilities arise.

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Income and Expense Recognition

Interest income and expense are recognized in the consolidated income statement for all interest bearing instruments on an accrual basis using the effective yield method based on the actual purchase price. Interest income recognition on loans and factoring receivables are suspended when loans and factoring receivables are overdue by more than 90 days and on financial lease receivables overdue by more than 150 days. Interest accrual does not start until such loans become performing. Interest income includes interest income earned on financial assets– fair value through profit/loss, financial assets– fair value through other comprehensive income.

General model for accounting of revenue

In accordance with IFRS 15, a five-step model is followed in recognizing revenue for all contacts with customers.

Step 1: Identify the contract
A contract with a customer is in the scope of the new standard when the contract is legally enforceable and certain criteria are met. If the criteria are not met, then the contract does not exist for purposes of applying the general model of the new standard, and any consideration received from the customer is generally recognized as a deposit (liability). Contracts entered into at or near the same time with the same customer (or a related party of the customer) are combined and treated as a single contract when certain criteria are met.

Step 2: Identify the performance obligations

The Group defines the "performance obligations" as a unit of account for revenue recognition. The company assesses the goods or services it has committed in a contract with the customer and determines each commitment to the customer as one of the performan obligations as a performans obligation:

(a) good or service (or a bundle of goods or services) that is distinct; or

(b) series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The Group may define a contract or a service separately from other contractual obligations and define it as a different commodity or service if the customer makes use of such goods or services alone or in combination with other resources available for use. A single contract may contain promises to deliver to the customer more than one good or service. At contract inception, an entity evaluates the promised goods or services to determine which goods or services (or bundle of goods or services) are distinct and therefore constitute performance obligations.

Step 3: Determine the transaction price

When determining the transaction price, an entity assumes that the goods or services will be transferred to the customer based on the terms of the existing contract. In determining the transaction price, an entity considers variables considerations and significant financing components.

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Income and Expense Recognition (continued)

Significant financing component

To estimate the transaction price in a contract, the Group adjusts the promised amount of consideration to reflect the time value of money if the contract contains a significant financing component. Significant financing component exists if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. The Group does not have a sales transaction with a significant financiang component.

Variable consideration

The Entity identifies items such as price concessions, incentives, performance bonuses, completion bonuses, price adjustment clauses, penalties, discounts, credits, or similar items may result in variable consideration if there is any in a customer contract.

Step 4: Allocate the transaction price

The transaction price is allocated to each performance obligation – generally each distinct good or service – to depict the amount of consideration to which an entity expects to be entitled in exchange for transferring the promised goods or services to the customer.

Step 5: Recognize revenue

An entity recognizes revenue over time when one of the following criterias are met:

• Customer simultaneously receives and consumes the benefits as the entity performs, or

• The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced, or

• The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

For each performance obligation that is satisfied over time, an entity applies a single method of measuring progress toward complete satisfaction of the obligation. The objective is to depict the transfer of control of the goods or services to the customer. To do this, an entity selects an appropriate output or input method. It then applies that method consistently to similar performance obligations and in similar circumstances.

If a performance obligation is not fulfilled in time, then the Group recognizes revenue when the control of goods or services is transferred to the customer.

Revenues are recognized on an accrual basis at the time the services are given and the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group at the fair value of considerations received or receivable.

Marine sector revenues and expenses are recognized on accrual basis. The rent revenue is earned by leasing the vessels within time charter. Rental incomes are collected at the beginning of the agreement for each 15 day periods within the scope of agreement.

Interest income and other income from finance sector activities are recognized on accrual basis using the effective interest method.Dividend income is recognized in profit or loss in the period they are declared. Other income and expenses are recognized on accrual basis.

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Income and Expense Recognition (continued)

Contract changes

If the Group commits to providing an additional service, it accepts the contract modification as a separate contract. In case of termination of the existing contract and creation of a new contract, the relevant changes are accounted for if the services provided are different. If the modification to the contract does not create separate services, the entity accounts for combining the additional services with the original contract as if they were part of the original contract.

The main revenue elements of the Group in non-financial sectors consist of ship chartering and other maritime sector service income. When the Group fulfills its performance obligation by transferring a promised service to its customer, it recognizes revenue in its consolidated financial statements.

Rental income is obtained by renting ships within the scope of time charter. Rental fees are collected at the beginning of the rental period in 15-day periods within the scope of the contract, and are income at the end of the rental period.

Interest and other income from finance sector activities are accounted for on an accrual basis using the effective interest method. Dividend income is recognized in profit or loss on the date of declaration. Other income and expenses are accounted for on an accrual basis. Financial income and expenses are accounted for on an accrual basis using effective interest management.

Earnings per Share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Increases in the number of shares due to share capital increases made from internal resources during the period or after the end of the period until the financial statements are authorized for issue are taken into consideration in the calculation of weighted average number of the shares from the beginning of the period.

Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the reporting dates (adjusting events) are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

Related Parties

A party is related to an entity if:

(a) Directly, or indirectly through one or more intermediaries, the party:

- (i) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- (ii) has an interest in the entity that gives it significant influence over the entity; or
- (iii) has joint control over the entity;

(b) the party is an associate of the entity;

(c) the party is a joint venture in which the entity is a venturer

(d) the party is a member of the key management personnel of the entity or its parent;

(e) the party is a close member of the family of any individual referred to in (a) or (d);

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Related Parties (continued)

(f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or

(g) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Group management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3. BUSINESS COMBINATIONS

None.

4. SHARES IN OTHER BUSINESSES

Information on interests in other businesses, Note 1 Group's Organization and Field of Activity "Company and Consolidated Group Companies' Activities", "Unconsolidated Subsidiaries" and "Jointly Managed Subsidiaries and Affiliates" and Note 48 Financial Instruments "FVPL" Financial Assets Reflected in Profit/Loss" section.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

5. SEGMENT INFORMATION

The Group conducts the majority of its business activities in four business segments as banking, marine, factoring and holding and in two geographical areas as Turkey and International (Netherlands, Malta and Marshall Islands).

Consolidated Income Statement (01.01.2022-31.12.2022)										
Country of Operation	**Turkey**	**Turkey& International**	**Turkey**	**Turkey**			**Segment Information Combined by Countries**			
	Banking	**Marine (*) (**)**	**Factoring**	**Holding**	**Inter-segment eliminations**	**Group**	**Turkey**	**International (**)**	**Inter-country eliminations**	**Group**
Revenue	-	991,911	-	3,041	(16,867)	978,085	22,646	978,083	(22,644)	978,085
Cost of sales (-)	-	(385,046)	-	(2,057)	2,057	(385,046)	(3,059)	(385,046)	3,059	(385,046)
Gross profit/(loss) from financial activities	**-**	**606,865**	**-**	**984**	**(14,810)**	**593,039**	**19,587**	**593,037**	**(19,585)**	**593,039**
Revenue from finance activities	**272,478**	**109**	**229,112**	**-**	**(42,046)**	**459,653**	**501,699**	**-**	**(42,046)**	**459,653**
Fee, commission and other service income	95,703	-	475	-	(4,161)	92,017	96,178	-	(4,161)	92,017
Foreign exchange income	5,977	10	332	-	(342)	5,977	6,319	-	(342)	5,977
Interest income	136,335	83	223,887	-	(35,094)	325,211	360,305	-	(35,094)	325,211
Other financial sector operations income, net	34,463	16	4,418	-	(2,449)	36,448	38,897	-	(2,449)	36,448
Cost of finance activities (-)	**(24,784)**	**(2)**	**(126,672)**	**-**	**44,376**	**(107,082)**	**(151,458)**	**-**	**44,376**	**(107,082)**
Fee, commission and other service expense	(1,864)	-	(13,203)	-	4,155	(10,912)	(15,067)	-	4,155	(10,912)
Foreign exchange expense	(312)	(2)	-	-	314	-	(314)	-	314	-
Interest expense	(20,014)	-	(110,510)	-	39,907	(90,617)	(130,524)	-	39,907	(90,617)
Other financial sector operations expense net	(2,594)	-	(2,959)	-	-	(5,553)	(5,553)	-	-	(5,553)
Gross profit/(loss) from financial sector operations	**247,694**	**107**	**102,440**	**-**	**2,330**	**352,571**	**350,241**	**-**	**2,330**	**352,571**
GROSS PROFIT/(LOSS)	**247,694**	**606,972**	**102,440**	**984**	**(12,480)**	**945,610**	**369,828**	**593,037**	**(17,255)**	**945,610**
General administrative expenses (-)	(36,376)	(28,067)	(31,514)	(42,734)	16,349	(122,342)	(122,644)	(20,969)	21,271	(122,342)
Other income from operating activities	90	16,098	3	18,964	(11,052)	24,103	24,702	10,453	(11,052)	24,103
Other expense from operating activities (-)	-	(1,187)	-	(1,107)	749	(1,545)	(2,162)	(132)	749	(1,545)
OPERATING PROFIT/(LOSS)	**211,408**	**593,816**	**70,929**	**(23,893)**	**(6,434)**	**845,826**	**269,724**	**582,389**	**(6,287)**	**845,826**
Income from investment activities	164	42,258	47	757,589	149	800,207	803,834	2,714	(6,341)	800,207
Expense from investment activities (-)	-	(3,194)	-	-	-	(3,194)	-	(3,194)	-	(3,194)
OPERATING PROFIT/(LOSS) BEFORE FINANCING EXPENSES	**211,572**	**632,880**	**70,976**	**733,696**	**(6,285)**	**1,642,839**	**1,073,558**	**581,909**	**(12,628)**	**1,642,839**
Financing expenses (-)	(940)	(41,887)	(490)	(13,831)	2,505	(54,643)	(16,246)	(47,392)	8,995	(54,643)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**210,632**	**590,993**	**70,486**	**719,865**	**(3,780)**	**1,588,196**	**1,057,312**	**534,517**	**(3,633)**	**1,588,196**
Tax income/(expense) from continuing operations	**(53,041)**	**230**	**(19,087)**	**(80,523)**	**-**	**(152,421)**	**(150,451)**	**(1,970)**	**-**	**(152,421)**
Current tax income/(expense)	(54,143)	712	(19,526)	(52,377)	-	(125,334)	(123,364)	(1,970)	-	(125,334)
Deferred tax income/(expense)	1,102	(482)	439	(28,146)	-	(27,087)	(27,087)	-	-	(27,087)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**157,591**	**591,223**	**51,399**	**639,342**	**(3,780)**	**1,435,775**	**906,861**	**532,547**	**(3,633)**	**1,435,775**

(1) The maritime section is composed of the relevant amounts of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş and GSD Shipping B.V.
(2) GSD Maritime Real Estate Construction Industry and Trade Inc. and GSD Shipping B.V.'s subsidiaries established in Malta are registered in the Malta International Ship Registry, and the ship owned by the Marshall Islands subsidiary of GSD Shipping B.V. is registered in the Marshall Islands International Ship Registry and operates in the field of international freight transport.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

5. SEGMENT INFORMATION (continued)

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued) (01.01.2022-31.12.2022)

Country of Operation	Turkey	Turkey& International	Turkey	Turkey			Segment Information Combined by Countries			
	Banking	Marine (*) (**)	Factoring	Holding	Inter-segment eliminations	Group	Turkey	International (**)	Inter-country eliminations	Group
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
NET PROFIT/(LOSS)	**157,591**	**591,223**	**51,399**	**639,342**	**(3,780)**	**1,435,775**	**906,861**	**532,547**	**(3,633)**	**1,435,775**
Net profit/(loss) (continuing and discontinuing operations) attributable to										
Non-controlling interest	**-**	**68,538**	**5,471**	**-**	**-**	**74,009**	**74,009**	**-**	**-**	**74,009**
Equity holders of the company	**157,591**	**522,685**	**45,928**	**639,342**	**(3,780)**	**1,361,766**	**832,852**	**532,547**	**(3,633)**	**1,361,766**
OTHER COMPREHENSIVE INCOME										
Which will be not classified in profit or loss	**(474)**	**(445)**	**(526)**	**(1,912)**	**-**	**(3,357)**	**(3,357)**	**-**	**-**	**(3,357)**
Defined benefit plans re-measurement gains / losses	(474)	(445)	(526)	(1,912)	-	(3,357)	(3,357)	-	-	(3,357)
Which will be classified in profit or loss	**-**	**672,926**	**-**	**-**	**171**	**673,097**	**201,734**	**471,192**	**171**	**673,097**
Foreign Currency Conversion Differences for Foreign Operations	-	672,926	-	-	171	673,097	201,734	471,192	171	673,097
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-
Taxes Relating to Components of Other Comprehensive Income that will be Reclassified to Profit or Loss	-	-	-	-	-	-	-	-	-	-
OTHER COMPREHENSIVE INCOME (AFTER TAX)	**(474)**	**672,481**	**(526)**	**(1,912)**	**171**	**669,740**	**198,377**	**471,192**	**171**	**669,740**
TOTAL COMPREHENSIVE INCOME	**157,117**	**1,263,704**	**50,873**	**637,430**	**(3,609)**	**2,105,515**	**1,105,238**	**1,003,739**	**(3,462)**	**2,105,515**
Non-controlling interest	-	141,476	5,415	-	-	146,891	146,891	-	-	146,891
Equity holders of the company	**157,117**	**1,122,228**	**45,458**	**637,430**	**(3,609)**	**1,958,624**	**958,347**	**1,003,739**	**(3,462)**	**1,958,624**
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (31 December 2022)										
TOTAL ASSETS	**980,387**	**3,535,661**	**889,711**	**1,574,072**	**(369,331)**	**6,610,500**	**3,705,654**	**3,387,083**	**(482,237)**	**6,610,500**
TOTAL LIABILITIES	**440,907**	**714,581**	**750,074**	**109,851**	**(369,331)**	**1,646,082**	**1,316,999**	**811,320**	**(482,237)**	**1,646,082**
Other segment information (continued and discontinued operations)										
(Advances given)/Transfer of advances given for capital expenditures	**-**	**77,076**	-	-	**-**	**77,076**	-	77,076	-	77,076
Capital (Fixed Asset) expenditures (****)	**680**	**20,498**	2,092	2,913	**-**	**26,183**	5,794	20,389	-	26,183
Depreciation expense	**(339)**	**(128,066)**	(572)	(537)	**-**	**(129,514)**	(1,616)	(127,898)	-	(129,514)
Amortization expense	**(94)**	**(10)**	(24)	(5)	**-**	**(133)**	(133)	-	-	(133)
Impairment (losses)/reversal income recognized in income statement	**(1,933)**	**16**	1,156	-	**-**	**(761)**	(761)	-	-	(761)

(*) The marine segment consists of the relevant amounts of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Shipping B.V.

(**) The vessels of the subsidiaries established in Malta of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Shipping B.V. are registered in Malta International Ship Register and operating in international freight forwarding.

(Currency - Thousands of Turkish Lira (“TL”) unless otherwise stated)

5. SEGMENT INFORMATION (continued)

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)
(01.01.2021-31.12.2021)

Country of Operation	Turkey	Turkey & International	Turkey	Turkey			Segment Information Combined by Countries			
	Banking	Marine (*) (**)	Factoring	Holding	Inter-segment eliminations	Group	Turkey	International (**)	Inter-country eliminations	Group
Revenue	-	570,521	-	18,999	(25,997)	563,523	29,310	563,510	(29,297)	563,523
Cost of sales (-)	-	(216,946)	-	(1,070)	1,070	(216,946)	(1,564)	(216,946)	1,564	(216,946)
Gross profit/(loss) from financial activities	**-**	**353,575**	**-**	**17,929**	**(24,927)**	**346,577**	**27,746**	**346,564**	**(27,733)**	**346,577**
Revenue from finance activities	**140,660**	**13**	**139,248**	**-**	**(22,557)**	**257,364**	**279,921**	**-**	**(22,557)**	**257,364**
Fee, commission and other service income	45,810	-	33	-	(14)	45,829	45,843	-	(14)	45,829
Foreign exchange income	9,722	11	49,662	-	(2,482)	56,913	59,395	-	(2,482)	56,913
Interest income	82,164	-	88,615	-	(18,486)	152,293	170,779	-	(18,486)	152,293
Income from derivative financial instruments	-	-	-	-	-	-	-	-	-	-
Other financial sector operations income, net	2,964	2	938	-	(1,575)	2,329	3,904	-	(1,575)	2,329
Cost of finance activities (-)	**(16,030)**	**(365)**	**(106,965)**	**-**	**53,360**	**(70,000)**	**(123,360)**	**-**	**53,360**	**(70,000)**
Fee, commission and other service expense	(1,023)	-	(694)	-	13	(1,704)	(1,717)	-	13	(1,704)
Foreign exchange expense	(1,743)	(1)	(49,705)	-	35,906	(15,543)	(51,449)	-	35,906	(15,543)
Interest expense	(10,342)	-	(49,690)	-	17,441	(42,591)	(60,032)	-	17,441	(42,591)
Loss from derivative financial instruments	-	-	-	-	-	-	-	-	-	-
Other financial sector operations expense net	(2,922)	(364)	(6,876)	-	-	(10,162)	(10,162)	-	-	(10,162)
Gross profit/(loss) from financial sector operations	**124,630**	**(352)**	**32,283**	**-**	**30,803**	**187,364**	**156,561**	**-**	**30,803**	**187,364**
GROSS PROFIT/(LOSS)	**124,630**	**353,223**	**32,283**	**17,929**	**5,876**	**533,941**	**184,307**	**346,564**	**3,070**	**533,941**
General administrative expenses (-)	(20,818)	(15,077)	(16,397)	(16,191)	8,291	(60,192)	(59,753)	(11,536)	11,097	(60,192)
Other income from operating activities	188	52,541	97	51,780	(39,459)	65,147	103,205	1,401	(39,459)	65,147
Other expense from operating activities (-)	-	(3,030)	-	(7,241)	2,699	(7,572)	(10,254)	(17)	2,699	(7,572)
OPERATING PROFIT/(LOSS)	**104,000**	**387,657**	**15,983**	**46,277**	**(22,593)**	**531,324**	**217,505**	**336,412**	**(22,593)**	**531,324**
Income from investment activities	62	216	-	270,630	(198)	270,710	271,269	18	(577)	270,710
Expense from investment activities (-)	-	(28)	-	(95,095)	-	(95,123)	(95,123)	-	-	(95,123)
Shares of Profits (Losses) of Investments Valued by Equity Method	-	-	-	-	(149)	(149)	-	-	(149)	(149)
OPERATING PROFIT/(LOSS) BEFORE FINANCING EXPENSES	**104,062**	**387,845**	**15,983**	**221,812**	**(22,940)**	**706,762**	**393,651**	**336,430**	**(23,319)**	**706,762**
Financing income	-	-	-	-	-	-	-	-	-	-
Financing expenses (-)	(417)	(29,197)	(329)	(1,966)	13,037	(18,872)	(3,119)	(29,169)	13,416	(18,872)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**103,645**	**358,648**	**15,654**	**219,846**	**(9,903)**	**687,890**	**390,532**	**307,261**	**(9,903)**	**687,890**
Tax income/(expense) from continuing operations	**(25,694)**	**(10,046)**	**(4,276)**	**(73,358)**	**-**	**(113,374)**	**(111,748)**	**(1,626)**	**-**	**(113,374)**
Current tax income/(expense)	(26,160)	(10,175)	(4,303)	(68,584)	-	(109,222)	(107,596)	(1,626)	-	(109,222)
Deferred tax income/(expense)	466	129	27	(4,774)	-	(4,152)	(4,152)	-	-	(4,152)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**77,951**	**348,602**	**11,378**	**146,488**	**(9,903)**	**574,516**	**278,784**	**305,635**	**(9,903)**	**574,516**

(1) The Maritime section is composed of the relevant amounts of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş and GSD Shipping B.V.

(2) GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Shipping B.V.'s subsidiaries established in Malta are registered in the Malta International Ship Registry, and the ship owned by the Marshall Islands subsidiary of GSD Shipping B.V. is registered in the Marshall Islands International Ship Registry and operates in the field of international freight transport.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

5. SEGMENT INFORMATION (continued)

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued) (01.01.2021-31.12.2021)										
Country of Operation	**Turkey**	**Turkey& International**	**Turkey**	**Turkey**			**Segment Information Combined by Countries**			
	Banking	**Marine (*) (**)**	**Factoring**	**Holding**	**Inter-segment eliminations**	**Group**	**Turkey**	**International (**)**	**Inter-country eliminations**	**Group**
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
NET PROFIT/(LOSS)	**77,951**	**348,602**	**11,378**	**146,488**	**(9,903)**	**574,516**	**278,784**	**305,635**	**(9,903)**	**574,516**
Net profit/(loss) (continuing and discontinuing operations) attributable to:										
Non-controlling interest	**-**	**44,394**	**1,211**	**-**	**-**	**45,605**	**45,605**	**-**	**-**	**45,605**
Equity holders of the company	**77,951**	**304,208**	**10,167**	**146,488**	**(9,903)**	**528,911**	**233,179**	**305,635**	**(9,903)**	**528,911**
OTHER COMPREHENSIVE INCOME										
Which will be not classified in profit or loss	**13**	**(24)**	**147**	**(76)**	**-**	**60**	**60**	**-**	**-**	**60**
Defined benefit plans re-measurement gains / losses	13	(24)	147	(76)	-	60	60	-	-	60
Which will be classified in profit or loss	**-**	**570,322**	**-**	**-**	**(213)**	**570,109**	**149,957**	**425,537**	**(5,385)**	**570,109**
Change in currency translation differences	-	570,322	-	-	(213)	570,109	149,957	425,537	(5,385)	570,109
OTHER COMPREHENSIVE INCOME (AFTER TAX)	**13**	**570,298**	**147**	**(76)**	**(213)**	**570,169**	**150,017**	**425,537**	**(5,385)**	**570,169**
TOTAL COMPREHENSIVE INCOME	**77,964**	**918,900**	**11,525**	**146,412**	**(10,116)**	**1,144,685**	**428,801**	**731,172**	**(15,288)**	**1,144,685**
Non-controlling interest	-	106,157	1,227	-	-	107,384	107,384	-	-	107,384
Equity holders of the company	77,964	812,743	10,298	146,412	(10,116)	1,037,301	321,417	731,172	(15,288)	1,037,301
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (31 December 2021)										
TOTAL ASSETS	**820,458**	**2,414,413**	**362,053**	**989,895**	**(418,397)**	**4,168,422**	**2,350,551**	**2,318,662**	**(500,791)**	**4,168,422**
TOTAL LIABILITIES	**438,095**	**856,051**	**273,289**	**61,101**	**(418,397)**	**1,210,139**	**787,870**	**923,060**	**(500,791)**	**1,210,139**
Other segment information (continued and discontinued operations)										
(Advances given)/Transfer of advances given for capital expenditures	-	120,606	-	-	-	120,606	-	120,606	-	120,606
Capital (Fixed Asset) expenditures (****)	907	126,521	616	333	-	128,377	2,991	125,386	-	128,377
Depreciation expense	(244)	(65,547)	(247)	(377)	-	(66,415)	(972)	(65,443)	-	(66,415)
Amortization expense	(43)	(69)	(13)	(5)	-	(130)	(130)	-	-	(130)
Impairment (losses)/reversal income recognized in income statement	(748)	(364)	(6,274)	-	-	(7,386)	(7,386)	-	-	(7,386)

(*) The marine segment consists of the relevant amounts of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Shipping B.V.

(**) The vessels of the subsidiaries established in Malta of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Shipping B.V. are registered in Malta International Ship Register and operating in international freight forwarding.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

6. RELATED PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making the financial and operating decisions. For the purpose of these consolidated financial statements, unconsolidated subsidiaries and other companies of the shareholders are referred to as related parties. Related parties also include individuals that are principle owners, management and members of the Board of Directors and their families.

In the course of conducting its business, the Group conducted various business transactions with related parties on commercial terms and at rates which approximate market rates:

	31 December 2022			31 December 2021		
	GSD Group	Share-holders	Key Executives	GSD Group	Share-Holders	Key Executives
Deposits-Borrowers' funds	-	37,683	-	-	122,354	-

	31 December 2022			31 December 2021		
	GSD Group	Share-holders	Key Executives	GSD Group	Share-holders	Key Executives
Interest expense	-	5,968		-	5,467	-
Rent expense	-	9,773		-	5,860	-
Commission income	-	-		-	4	-
Donation expense	492	-		100	-	-
Other income	2	-		-	6	-

In the above table, the balances related with the shareholders belong to the Chairman of the Board of Directors of the Company, Mehmet Turgut Yılmaz and Delta Group is under the control of Mehmet Turgut Yılmaz. The balances related with GSD Havacılık A.Ş and GSD Education Foundation.

Rent expenses from the related party balances in the table above, from the amounts paid to Mehmet Turgut Yılmaz by the Group companies; donation expenses consist of donations made by Group companies to the GSD Education Foundation. In the table above, the related party transactions with the names of deposit-borrower funds, interest expense, rent expense, commission income and other income consist of the transactions carried out by the related parties with the Group banks under market conditions. Comparable price method is applied in determination of rental expenses from related party transactions.

The executive and non-executive members of the Board of Directors and the management received remuneration and fees totalling TL 33,110 for continuing operations for the annual period ended 31 December 2022 (31 December 2021: TL 14,603).

(Currency - Thousands of Turkish Lira (“TL”) unless otherwise stated)

7. TRADE RECEIVABLES & TRADE PAYABLES

a) Trade Receivables

	31 December 2022	31 December 2021
Customers (*)	467,486	466,523
Trade receivables from maritime activities	17,782	5,721
Doubtful export goods receivables	1,981	1,981
Less: Provision for doubtful trade receivables	(1,981)	(1,981)
Total	**485,268**	**472,244**

(*) 467,458 TL of the customers amount is the sales price of Silopi Elektrik Üretim A.Ş.'s 5.40 % share. The respective amount is illustrated in the short-term trade receivables in the balance sheet.

Movement in the provision for doubtful trade receivables:

	31 December 2022	31 December 2021
Provision at the beginning of year	**1,981**	**1,981**
Provision for doubtful receivables	-	-
Recoveries	-	-
Provision net of recoveries	**-**	**-**
Provision at the end of period	**1,981**	**1,981**

The analysis related to the Group’s exposure to credit, liquidity and market risks based on the types of financial assets and liabilities is disclosed in Note 49.

b) Trade payables

	31 December 2022	31 December 2021
Payables to marine sector suppliers	27,240	7,606
Payables to suppliers	626	547
Export trade payables	78	78
Total	**27,944**	**8,231**

The analysis related to the Group’s exposure to credit, liquidity and market risks based on the types of financial assets and liabilities is disclosed in Note 49.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

8. LOANS AND ADVANCES TO CUSTOMERS

RECEIVABLES FROM FINANCE SECTOR ACTIVITIES

	31 December 2022					
	Amount			Effective interest rate (%)		
	Turkish lira	Foreign currency	Foreign currency indexed	Turkish lira	Foreign currency	Foreign currency indexed
Corporate loans	431,168	242,036	-	12.48-38.00	7.50-8.75	-
Total	**431,168**	**242,036**	**-**			
Non-performing loans	1	3,105	-	-	-	-
Expected credit loss (*)	(387)	(63)	-	-	-	-
Total	**430,782**	**245,078**	**-**			

(*) The expected credit loss in the current period are presented in other provisions.

	31 December 2021					
	Amount			Effective interest rate (%)		
	TL	Foreign currency	Foreign currency indexed	Turkish lira	Foreign currency	Foreign currency indexed
Corporate loans	311,435	328,234	-	12.48-34.00	1.20-2.25	-
Total	**311,435**	**328,234**	**-**			
Non-performing loans	1	5,412	-	-	-	-
Expected credit loss (*)	(118)	(419)	-	-	-	-
Total	**311,318**	**333,227**	**-**			

(*) The expected credit loss in the current period are presented in other provisions.

Allowance at the beginning of the year

	Continuing Operations	
	31 December 2022	31 December 2021
Allowance at the beginning of the year	**537**	**600**
Recoveries	(456)	(744)
Allowance for impairment	2,389	1,492
Allowance net of recoveries	**1,933**	**748**
Loans written off during the period	-	-
Monetary profit	99	214
Classification of general provisions	(2,119)	(1,025)
Allowance at the end of the period	**450**	**537**

As at 31 December 2022 and 31 December 2021, all of the loans and advances to customers have fixed interest rates.

The Group does not recognize interest accrual on non-performing loans. As at 31 December 2022, the amount of unrecognised interest accrual on non-performing loans is TL 3,106 (31 December 2021: TL 5,413).

The analysis related to the Group's exposure to credit, liquidity and market risks based on the types of financial assets and liabilities is disclosed in Note 49.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

8. LOANS AND ADVANCES TO CUSTOMERS (continued)

FACTORING RECEIVABLES AND PAYABLES

	31 December 2022					
	Amount			Effective interest rate (%)		
	Turkish Lira	Foreign Currency Indexed	Foreign Currency	Turkish Lira	Foreign Currency Indexed	Foreign Currency
Factoring receivables	868,901	-	-	25.97-64.90	-	-
Doubtful factoring receivables	10,960	-	-	-	-	-
Total factoring receivables	**879,861**	**-**	**-**			
Less: Provision for doubtful factoring receivabl	(10,945)	-	-	-	-	-
Factoring receivables, net	**868,916**	**-**	**-**			
Factoring payables	**349**	**-**				

	31 December 2021					
	Amount			Effective interest rate (%)		
	Turkish Lira	Foreign Currency Indexed	Foreign Currency	Turkish Lira	Foreign Currency Indexed	Foreign Currency
Factoring receivables	357,374	-	-	21.35-54.75	-	-
Doubtful factoring receivables	12,148	-	-	-	-	-
Total factoring receivables	**369,522**	**-**	**-**			
Less: Provision for doubtful factoring receivabl	(12,101)	-	-	-	-	-
Factoring receivables, net	**357,421**	**-**	**-**			
Factoring payables	**454**	**-**				

Movement in the provision for doubtful factoring receivables:

	31 December 2022	31 December 2021
Provision at the beginning of year	**12,101**	**5,827**
Recoveries	(4,051)	(554)
Provision for doubtful factoring receivables	2,895	6,828
Provision net of recoveries	**(1,156)**	**6,274**
Factoring receivables written off during the period	-	-
Provision at the end of period	**10,945**	**12,101**

The analysis related to the Group's exposure to credit, liquidity and market risks based on the types of financial assets and liabilities is disclosed in Note 49.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

8. LOANS AND ADVANCES TO CUSTOMERS (continued)

Finance lease receivables, net

	31 December 2022	31 December 2021
Invoiced lease receivables	45	35
Doubtful finance lease receivables	-	5,389
Finance lease receivables, gross	**45**	**5,424**
Less: Unearned interest income	(13)	(11)
Less: Provision for doubtful finance lease receivables	-	(5,389)
Finance lease receivables, net	**32**	**24**

The aging of net finance lease receivables is as follows:

	31 December 2022	31 December 2021
Not later than 1 year	32	24
Finance lease receivables	32	24

Movement in the provision for doubtful finance lease receivables is as follows:

	31 December 2022	31 December 2021
Provision at the beginning of year	**5,389**	**5,025**
Provision for doubtful lease receivables	-	364
Recoveries	(16)	-
Provision net of recoveries	**(16)**	**364**
Finance lease receivables written off during the period	5,373	-
Provision at the end of period	**-**	**5,389**

The analysis related to the Group's exposure to credit, liquidity and market risks based on the types of financial assets and liabilities is disclosed in Note 49.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

8. LOANS AND ADVANCES TO CUSTOMERS (continued)

PAYABLES FROM FINANCE SECTOR ACTIVITIES

a) Lease liabilities

	31 December 2022				31 December 2021			
	Amount		Effective interest rate (%)		Amount		Effective interest rate (%)	
	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency
Short Term	**526,072**	**-**			**124,256**	**-**		
Fixed interest	526,072	-	13.45-23.00	-	124,256	-	17.00-30.00	-
Total	**526,072**	-			**124,256**	-		

b) Liabilities From Money Market Transactions

	31 December 2022				31 December 2021			
	Amount		Effective interest rate (%)		Amount		Effective interest rate (%)	
	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency
Loans from the interbank money market	108,970	-	11.00-12.00	-	46,301	-	15.00-19.50	-
Total money market debts from transactions	**108,970**	-			**46,301**	-		

c) Borrowing funds

	31 December 2022				31 December 2021			
	Amount		Effective interest rate (%)		Amount		Effective interest rate (%)	
	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency
Term	37,812	33	-	-	1,285	18	-	-
Due date	28	150,639	10.00	6.75-7.50	28,455	96,995	13.00-17.00	1.00-1.60
Total	**37,840**	**150,672**			**29,740**	**97,013**		

d) Payables from Financial Leasing Activities

Payables from Short-Term Financial Leasing Activities:

	31 December 2022	31 December 2021
Advances received under financial leasing	119	88
Total	**119**	**88**

The analysis related to the Group's exposure to credit, liquidity and market risks based on the types of financial assets and liabilities is disclosed in Note 49.

(Currency - Thousands of Turkish Lira (“TL”) unless otherwise stated)

9. OTHER RECEIVABLES AND PAYABLES

Other Receivables

	31 December 2022	31 December 2021
Transitory receivables [(1)]	17,187	12,178
Deposits and guarantees given	980	582
Other	2,320	592
Total	**20,487**	**13,352**

(1) There are payment orders in other debts equal to the amount of TL 17,187 in the clearing account in other receivables, and the relevant amounts of these two accounts work mutually.

Collaterals given in other receivables

	31 December 2022	31 December 2021
Other collaterals given	26	4
Total	**26**	**4**

Guarantees Given on Other Receivables

As of 31 December 2022 and 31 December 2021, the details of current assets and deposits and guarantees given in fixed assets are as follows:

	31 December 2022	31 December 2021
Other given guarantee	1,006	586
Total	**1,006**	**586**

Other Payables

	31 December 2022	31 December 2021
Transfer orders	18,001	12,869
Taxes and funds payable other than on income	5,813	3,004
Other	7,801	1,171
Total	**31,615**	**17,044**

The analysis related to the Group’s exposure to credit, liquidity and market risks based on the types of financial assets and liabilities is disclosed in Note 49.

10. INVENTORIES

	31 December 2022	31 December 2021
Ship oil	8,417	4,510
Total	**8,417**	**4,510**

11. LIVING ASSETS

None.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

12. PREPAID EXPENSES & CURRENT LIABILITIES

Prepaid expense, current assets

	31 December 2022	31 December 2021
Short-term prepaid expenses	20,120	8,678
Other	-	1
Total	**20,120**	**8,679**

Prepaid expense, non current assets

	31 December 2022	31 December 2021
Long-term prepaid expenses	3	8
Total	**3**	**8**

Deferred Revenues, Current Liabilities

	31 December 2022	31 December 2021
Deferred income related to ship charters	31,137	16,141
Deferred income related to factoring activity	-	1
Other	37	-
Total	**31,174**	**16,142**

13. INVESTMENT PROPERTIES

None.

14. INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

As at 31 December 2022 and 31 December 2021, iinvestments in equity accounted investees comprised the following:

	31 December 2022		31 December 202	
	%	Amount	%	Amount
GSD Havacılık A.Ş. (1)	-	-	50	12,351
Total		**-**		**12,351**

(1) Losses related to associates are shown in the share of profit / (loss) of equity accounted investees in the consolidated statement of profit or loss.

The table below presents the financial information of the associates as at 31 December 2022:

GSD Havacılık A.Ş.	31 March 2022	31 December 2021
Current assets	3,711	2,768
Non current assets	23,043	22,850
Total Assets	**26,754**	**25,618**
Current liabilities	3,520	780
Non current liabilities	135	135
Total Liabilities	3,655	915
Equity	23,099	24,703
Total Equity and Liabilities	**26,754**	**25,618**
Profit / (Loss) for the year	(1,604)	(297)
Other comprehensive income	-	-
Total Comprehensive Income	**(1,604)**	**(297)**

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

15. TANGIBLE ASSETS

Continuing Operations	**Buildings**	**Office and Vehicle Equipment**	**Leasehold Improvements**	**Ships**	**Dry Docking(**)**	**Motor Vehicles**	**Construction In Progress(***)**	**Total**
At 1 January 2022, net of accumulated depreciation and impairment	**2**	**2,547**	**339**	**1,440,735**	**32,970**	**1,585**	**161,281**	**1,639,459**
Additions	-	2,908	798	14,441	5,948	2,053	77,076	103,224
Disposals, net	-	(8)	(11)	-	-	(158)	-	(177)
Transfers	-	-	-	-	-	-	-	-
Foreign currency translation differences	-	-	-	580,794	14,223	-	78,442	673,459
Depreciation charge for the period	-	(885)	(191)	(106,357)	(21,541)	(540)	-	(129,514)
At 31 December 2022, net of accumulated depreciation and impairment	**2**	**4,562**	**935**	**1,929,613**	**31,600**	**2,940**	**316,799**	**2,286,451**
At 31 December 2022								
Cost	**2**	**10,511**	**3,110**	**463,280**	**38,598**	**4,459**	**197,682**	**717,642**
Foreign currency translation differences	-	-	-	2,327,733	68,522	-	119,117	2,515,372
Accumulated depreciation(*)	-	(5,949)	(2,175)	(861,400)	(75,520)	(1,519)	-	(946,563)
Net carrying amount at 31 December 2022	**2**	**4,562**	**935**	**1,929,613**	**31,600**	**2,940**	**316,799**	**2,286,451**

(*) Accumulated depreciation contains the foreign currency translation differences relating to the accumulated depreciation.

(**) Information on the dry docking is disclosed in the note titled "Summary of Significant Accounting Policies and Estimates" under the heading Tangible Assets.

(***) Nejat Maritime Ltd. and Nehir Maritime Ltd. It consists of the amount given for the construction of 2 dry cargo ships, each of which has a carrying capacity of 38,000 DWT, on behalf of the companies

Continuing Operations	**Building**	**Office and Vehicle Equipment**	**Leasehold Improvements**	**Ships**	**Dry Docking(**)**	**Motor Vehicles**	**Construction In Progress(***)**	**Total**
At 1 January 2021, net of accumulated depreciation and impairment	**2**	**2,225**	**467**	**728,294**	**22,593**	**607**	**-**	**754,188**
Additions	-	873	98	120,807	4,579	1,384	120,606	**248,347**
Disposals, net	-	-	-	(483)	-	(209)	-	**(692)**
Transfers	-	-	-	-	-	-	-	-
Foreign currency translation differences	-	-	-	647,491	15,867	-	40,675	**704,033**
Depreciation charge for the period	-	(551)	(226)	(55,374)	(10,069)	(197)	-	**(66,417)**
Net carrying amount at 31 December 2021	**2**	**2,547**	**339**	**1,440,735**	**32,970**	**1,585**	**161,281**	**1,639,459**
At 31 December 2021								
Cost	**2**	**7,626**	**2,320**	**449,294**	**32,704**	**2,470**	**120,606**	**615,022**
Foreign currency translation differences	-	-	-	1,529,657	38,759	-	40,675	1,609,091
Accumulated depreciation(*)	-	(5,079)	(1,981)	(538,216)	(38,493)	(885)	-	(584,654)
Net carrying amount at 31 December 2021	**2**	**2,547**	**339**	**1,440,735**	**32,970**	**1,585**	**161,281**	**1,639,459**

(*) Accumulated depreciation contains the foreign currency translation differences relating to the accumulated depreciation.

(**) Information on the dry docking is disclosed in the note titled "Summary of Significant Accounting Policies and Estimates" under the heading Tangible Assets.

(***) Nejat Maritime Ltd. and Nehir Maritime Ltd. It consists of the amount given for the construction of 2 dry cargo ships, each of which has a carrying capacity of 38,000 DWT, on behalf of the companies.

As of 31 December 2022, the effects of the ship's impairment have been evaluated for seven dry cargo ships owned by the Group's subsidiaries and they have been carried with their recorded values.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

15.1. RIGHT OF USE ASSETS

The Group, has capitalized right of use asset the amount of 6,465 TL during the period. As at 31 December 2022 and 31 December 2021 the balances of right of use asset and depreciation expenses are as follow:

	Buildings	Motor Vehicles	Total
1 January 2022, net book value	**1,527**	**1,268**	**2,795**
Addition	10,512	5,403	15,915
Disposal	(36)	(17)	(53)
Current period depreciation expense	(9,055)	(3,136)	(12,191)
31 December 2022, net book value	**2,948**	**3,518**	**6,466**
1 January 2022			
Cost	12,307	8,939	21,246
Accumulated depreciation	(9,359)	(5,421)	(14,780)
31 December 2022, net book value	**2,948**	**3,518**	**6,466**

	Buildings	Motor Vehicles	Total
1 January 2021, net book value	**2,818**	**2,390**	**5,208**
Addition	3,430	545	3,975
Disposal	(36)	-	(36)
Current period depreciation expense	(4,685)	(1,667)	(6,352)
31 December 2021, net book value	**1,527**	**1,268**	**2,795**
1 January 2021			
Cost	**10,116**	**5,341**	**15,457**
Accumulated depreciation	(8,589)	(4,073)	(12,662)
31 December 2021, net book value	**1,527**	**1,268**	**2,795**

16. RIGHTS ON SHARES ARISING FROM DECOMMERCE, RESTORATION AND ENVIRONMENTAL REHABILITATION FUNDING

None.

17. MEMBERS' SHARES IN COOPERATIVE ENTERPRISES AND SIMILAR FINANCIAL INSTRUMENTS

None.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

18. INTANGIBLE ASSETS

Continuing Operations	**Patents and Licenses**
At 1 January 2022 net of accumulated amortization	**863**
Additions	35
Disposals, net	-
Amortization charge for the period	(133)
At 31 December 2022 net of accumulated amortization	**765**

At 31 December 2022	
Cost	2,638
Accumulated amortization	(1,873)
31 December 2022, net carrying amount	**765**

Continuing Operations	**Patents and Licenses**
At 1 January 2021 net of accumulated amortization	**355**
Additions	638
Disposals, net	-
Amortization charge for the period	(130)
At 31 December 2021 net of accumulated amortization	**863**

At 31 December 2021	
Cost	2,603
Accumulated amortization	(1,740)
31 December 2021, net carrying amount	**863**

19. GOODWILL

None.

20. RESEARCH AND EVALUATION OF MINING RESOURCES

None.

21. RENTAL PROCEDURES

The Group has leased seven dry cargo ships owned by its subsidiaries with time charter charter agreements. The technical management of the said ships is outsourced to a company abroad by Cano Maritime Limited, Dodo Maritime Limited, Hako Maritime Limited, Zeyno Maritime Limited, Neco Maritime Limited, Lena Maritime Limited and Mila Maritime Limited, under a contract.

22. PRIVILEGED SERVICE AGREEMENTS

None.

23. IMPROVEMENT OF ASSETS

Explanations on trade receivables, loans and advances, factoring receivables and provisions for financial leasing are given in Note 7 Trade Receivables and Payables, Note 8 Receivables and Payables from Finance Sector Operations. The movements of property, plant and equipment, and fixed assets held for sale are given in Note 15 Property, Plant and Equipment and Note 40, Fixed Assets Held for Sale and Discontinued Operations.

24. GOVERNMENT INCENTIVES AND AID

None.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

25. BORROWIG COSTS

In the consolidated financial statements as of 31 December 2022, subsidiaries GSD Shipping B.V. and GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş.'s 100% subsidiaries located in the Marshall Islands, Nejat Maritime Limited and Nehir Maritime Limited are currently under construction, with a total of 19,304 TL borrowing incurred within the scope of the construction of two dry cargo ships, each with a capacity of 38,000 DWT. The cost of the cost is capitalized as part of the costs of the said ships, pursuant to IAS 23 Borrowing Costs Standard, under the investments made in the financial position statement of Nejat Maritime Limited and Nehir Maritime Limited until the ship delivery date. Ships classified under tangible fixed assets after the delivery date will be followed in the account. (31 December 2021: 2,265 TL)

26. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Litigation and Claims

As of 31 December 2022 and 31 December 2021, there are no lawsuits that require disclosure and provision for continued operations.

Short term provisions

	31 December 2022	31 December 2021
General provision for non-cash loans (*)	7,198	5,078
Total	**7,198**	**5,078**

(*) Expected credit loss for non-cash loans are presented in the short-term provisions in liabilities.

The analysis related to the Group's exposure to credit, liquidity and market risks based on the types of financial assets and liabilities is disclosed in Note 49.

27. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group undertakes various commitments and incurs certain contingent liabilities that are not presented in the financial statements including:

	31 December 2022	31 December 2021
Letters of guarantee	7,086,585	4,578,146
Total non-cash loans and off-balance sheet commitn	**7,086,585**	**4,578,146**

The analysis related to the Group's exposure to credit, liquidity and market risks based on the types of financial assets and liabilities is disclosed in Note 49.

(Currency - Thousands of Turkish Lira (“TL”) unless otherwise stated)

28. EMPLOYEE BENEFITS

Provisions for Short-Term Employee Benefits

The Group allocates short-term bonus provisions for premium payments, which it regularly applies every year without legal obligation to pay and therefore becomes a constructive obligation.

	31 December 2022	31 December 2021
Bonus provision [(1)]	10,228	3,506
Total	**10,228**	**3,506**

[(1)] TL 1,189 of the bonus provision amount goes to GSD Holding A.Ş., TL 6,996 to GSD Faktoring A.Ş. (1,264 TL of the 5,711 TL amount is from the board of directors dividend reserves) 1,285 TL from other personnel bonus provisions. 567 TL consists of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş., 1.476 TL belongs to GSD Yatırım Bankası A.Ş. (31 December 2021: 577 TL to GSD Holding A.Ş., 1,892 TL to GSD Faktoring A.Ş. (1,264 TL for board dividend, 628 TL for other personnel bonus), 261 TL for GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. and 776 TL for GSD Yatırım Bankası A.Ş.).

Movements of Bonus Provisions during the Period:

	31 December 2022	31 December 2021
Balance at the beginning of the period	**3,506**	**2,922**
Provision reversed during the period	-	-
Provision made during the period	6,722	584
Period end balance	**10,228**	**3,506**

Provisions for Long-Term Employee Benefits

	31 December 2022	31 December 2021
Provision for severance pay	8,812	3,716
Permission charge	4,141	2,068
Total	**12,953**	**5,784**

Turkish Accounting Standard No. 19 “Employee Benefits” requires actuarial valuation methods to be used to estimate the severance pay liability. The severance pay provision is calculated according to the net present value of the future liabilities due to the retirement of all employees and is reflected in the accompanying consolidated financial statements. The main statistical assumptions used to calculate the liability at the end of the reporting periods are as follows:

	31 December 2022	31 December 2021
Interest rate (%)	10.59	23.28
Estimated Salary / Severance Pay Ceiling Increase Rate (%)	11.63	17.50
Net Discount Rate	(1.04)	5.78

The basic assumption is that the ceiling liability for each year of service will increase in line with inflation. The discount rate applied represents the expected long-term interest rate. The severance pay liability of the Group is calculated over the severance pay ceiling of 15,371.40 full TL as of 1 July 2022 (1 July-31 December 2021: 8,284.51 full TL). As of January 1, 2023, the amount of severance pay is 19,982.83 TL.In the event that the employment contract of its employees is terminated for any reason, the Group classifies the unused leave provision for the annual leave periods that the employees are entitled to but not used over the wages on the date of termination according to the applicable labor law in Turkey, as long-term and the Group's consolidated Since it does not have a material effect on its financial position or performance, it is separated according to the estimated payment date without discounting.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

28. EMPLOYEE BENEFITS (continued)

Movements of Provision for Severance Pay during the Period:

	31 December 2022	31 December 2021
Balance at the beginning of the period	**3,716**	**3,439**
Actuarial loss/(gain)	4,280	(75)
Interest expense on provision	466	257
Response paid back	(578)	(340)
Unpaid reimbursement	(72)	(32)
current service expense	1,000	467
Period end balance	**8,812**	**3,716**

Movements of Leave Provision during the Period:

	31 December 2022	31 December 2021
Balance at the beginning of the period	**2,068**	**1,416**
Provision reversed during the period	-	-
Provision made during the period	2,073	652
Period end balance	**4,141**	**2,068**

29. EXPENSE ACCORDING TO THER QUALITIES

Expenses by nature are disclosed in Note 32 Revenue and Note 34 General Administrative Expenses.

30. OTHER ASSETS & LIABILITIES

Other Current Assets

	31 December 2022	31 December 2021
Personnel and work advances	68	7
Deferred VAT	4,292	3,044
Other	296	-
Total	**4,656**	**3,051**

Other Short-Term Liabilities

	31 December 2022	31 December 2021
Other	-	25
Total	-	**25**

The analysis related to the Group's exposure to credit, liquidity and market risks based on the types of financial assets and liabilities is disclosed in Note 49.

(Currency - Thousands of Turkish Lira (“TL”) unless otherwise stated)

31. SHARE CAPITAL / TREASURY SHARES

Share Capital

As at 31 December 2022 and 31 December 2021, the nominal values and number of shares of the issued capital of the Company are as follows in terms of share groups:

	31 December 2022			31 December 2021		
Share group	**Total number of shares**	**Nominal value per share (full TL)**	**Total nominal value (full TL)**	**Total number of shares**	**Nominal value per share (full TL)**	**Total nominal value (full TL)**
A (bearer shares)	157,120	0.01	1,571,20	70,704	0.01	707,04
B (bearer shares)	157,120	0.01	1,571,20	70,704	0.01	707,04
C (bearer shares)	157,120	0.01	1,571,20	70,704	0.01	707,04
D (bearer shares)	99,999,528,640	0.01	999,995,286,40	44,999,787,888	0.01	449,997,878,88
Total	**100,000,000,000**	**0.01**	**1,000,000,000,00**	**45,000,000,000**	**0.01**	**450,000,000,00**

Privileges

The Company’s Board of Directors consists of 9 members which are selected by the general assembly according to Turkish Commercial Code. 5 members of the board of directors, 2 of whom are required to meet the criteria stipulated by the Corporate Governance Principles for independent board members, are selected from the candidates nominated by Class (A) shareholders, 2 members of the board of directors are selected from the candidates nominated by Class (B) shareholders and 2 members of the board of directors are selected from the candidates nominated by Class (C) shareholders by the general assembly.

The cancellation of privileges given to Class (A) shareholders is possible only with a quorum for meeting and decision of 60% of the Class (A) shareholders, the quorum for decision being independent from the numbers of shareholders who attend the assembly. The cancellation of privileges given to Class (B) shareholders is possible only with a quorum for meeting and decision of 60% of the Class (B) shareholders, the quorum for decision being independent of the numbers of shareholders who attend the assembly. The cancellation of privileges given to Class (C) shareholders is possible only with a quorum for meeting and decision of 60% of the Class (C) shareholders, the quorum for decision being independent of the numbers of shareholders who attend the assembly.

Registered Capital Ceiling

The company is subject to the registered capital system and can increase the capital by issuing shares up to the registered capital ceiling determined in the company's articles of association, regardless of the provisions of the Turkish Commercial Code on increasing the capital, with the decision of the Board of Directors. The registered capital ceiling can be exceeded for once by adding all internal resources other than cash increase to the capital. However, the registered capital ceiling cannot be exceeded with a cash capital increase. The registered capital ceiling allowed by the CMB is valid for a maximum of 5 years, including the year it was allowed.

At the Board of Directors meeting of GSD Holding A.Ş. dated February 24, 2021, it is decided to increase the registered capital ceiling from 1,000,000 TL to 1,500,000 TL, which is stated in article 7 of the articles of association, and the period of the registered capital ceiling to be valid for the years 2021-2025. to be extended for another 5 (five) years, Article 7 of the company's articles of association is amended in accordance with the said registered capital ceiling increase and validity period, and the Capital Markets Board and T.C. After making the necessary applications to the Ministry of Commerce and obtaining the necessary permissions, it was decided to submit the amendment to the shareholders for approval at the first General Assembly to be held.
After the approval of the Capital Markets Board dated March 4, 2021, the relevant amendment draft was approved by the Republic of Turkey. Approved by the Ministry of Commerce, General Directorate of Domestic Trade, on March 18, 2021. After the relevant amendment was approved at the General Assembly meeting on May 26, 2021, the General Assembly decision was registered by the Istanbul Trade Registry on June 2, 2021.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

31. SHARE CAPITAL / TREASURY SHARES (continued)

Treasury Shares

Which is shown under the Group's equity in the consolidated financial statements dated December 31, 2022 and December 31, 2021. the repurchased shares including GSD Holding A.Ş.'s shares are presented below:

	31 December 2022			31 December 2021		
The owner of the treasury Shares	**Carrying value**	**Nominal value**	**Ownership percentage**	**Carrying value**	**Nominal value**	**Ownership percentage**
GSD Holding A.Ş. (1)	94,706	100,000	10.000%	39,706	45,000	10.000%
Total	**94,706**	**100,000**	**10.000%**	**39,706**	**45,000**	**10.000%**

(1) In the current period, there has been an increase of 55,000 TL in the amount of the bonus repurchased shares due to the bonus issue of 550,000 TL.

Profit Distribution

Publicly traded companies make their dividend distributions by their general assemblies in accordance with Article 19 of the Capital Markets Law No. 6362, which came into effect on 30 December 2012, and the Dividend Communiqué No. II.19.1 of the CMB, which entered into force as of February 1, 2014. distribute them within the framework of the profit distribution policies to be determined and in accordance with the provisions of the relevant legislation.

According to the TCC, legal reserves consist of first and second legal reserves. The ceiling of the first legal reserve, which is allocated as 5% of the annual net profit, is limited to 20% of the paid-in capital. Except for holding companies, 10% of the distributed dividends exceeding 5% of the paid-in capital must be set aside as a secondary legal reserve. Except for holding companies, legal reserves cannot be distributed unless they exceed 50% of the paid-in capital, but can be used to cover losses in case of exhaustion of extraordinary reserves.

Pursuant to the regulations of the CMB on profit distribution; There is no minimum profit distribution obligation for publicly held joint stock companies whose shares are traded on the stock exchange, and companies that are obliged to prepare consolidated financial statements, the amount to be decided to be distributed, the remaining period profit after deducting the previous year's losses in the legal records of the companies and other resources that may be subject to profit distribution. They will calculate the net distributable profit amount by taking into account the net period profits included in the consolidated financial statements that they will prepare and announce to the public within the framework of the CMB's Communiqué on the Principles of Financial Reporting in the Capital Markets, provided that it can be covered by the total amount.

According to the regulations in force, partnerships distribute their profits within the framework of the profit distribution policies to be determined by their general assembly and in accordance with the provisions of the relevant legislation. Companies pay dividends as determined in their articles of association or dividend policy.

In publicly held corporations, dividends are distributed equally to all existing shares as of the distribution date, regardless of their issuance and acquisition dates. Rights regarding profit share privilege are reserved. In capital increases of publicly held companies, bonus shares are distributed to existing shares on the date of increase.

According to Temporary Article 25 and Repetitive Article 298 of the Tax Procedure Law, if the inflation difference accounts of the liabilities are transferred to another account or withdrawn from the enterprise in any way, they are subject to tax in this period, without being associated with the earnings of the periods in which these transactions were made. However, inflation differences pertaining to equity items can be deducted from previous year's losses as a result of adjustment or added to the capital by corporate taxpayers; These transactions are not considered profit distribution. XII of the General Communiqué on Tax Procedure Law No. 328. According to the section titled "Drawing of Values in Inflation Difference Account for Liabilities", excluding "advance and deposits, progress payments, profit reserves and special funds (such as fixed asset replacement fund)" which are among non-monetary liabilities; If the inflation difference accounts of the liability items are transferred to another account or withdrawn from the business for any reason, they will be subject to tax in this period, without being associated with the earnings of the periods in which these transactions are made.

According to section 19. Profit Distribution of the Tax Procedure Law Circular No. 17, if the previous year's profit, which was not present before the first inflation adjustment and occurred after the first inflation adjustment, is transferred to another account or withdrawn from the enterprise by any means other than addition to the capital, the earnings of the periods in which these transactions are made. will be subject to tax during this period without being associated with.

31. SHARE CAPITAL / TREASURY SHARES (continued)

Profit Distribution Policy

GSD Holding A.Ş.'s Ordinary General Assembly dated May 25, 2022, in line with the Corporate Governance Principles, the dividend distribution policy of the Company for 2022 and the following years "takes into account the growth plans, investment activities and current financing structures of subsidiaries and affiliates". to be used for the financing of growth by retaining profits, to be accumulated in extraordinary reserves to the extent that the criteria in the regulations of the Capital Markets Board regarding bonus issues are met, and to be distributed as a share in bonus capital increases to be met from internal resources or directly from dividends. It has decided to reevaluate this policy every year, taking into account the profit distribution regulations of the Company and the liquidity situation of the Company.

Profit Distribution of GSD Holding A.Ş.

At the Ordinary General Assembly Meeting of GSD Holding A.Ş. for 2021 held on May 25, 2022; From the Company's consolidated TFRS period net profit of TL 624,006 for 2021, TL 11,433 is set aside as first-order legal reserves, and a cash dividend of TL 112,500 from the remaining amount is distributed to our shareholders, a cash dividend of TL 11,250 is distributed to the Members of the Company's Board of Directors, additionally TL 469,690. Distribution of a total dividend of 550,000 TL to the shareholders in the form of shares, through a bonus issue, of which TL 80,310 will be covered from the remaining part of the net profit for the year 2021 and TL 80,310 from the Restricted Reserves Allocated from Profit in the consolidated TFRS statement of financial position. the remaining 19,133 TL from the profit is reserved as extraordinary reserve;

According to the legal records of the Company, from the net profit for the year 2021 of 228,669 Thousand TL, 11,433 TL is set aside as the first legal reserve, and a cash dividend of 112,500 TL from the remaining amount is distributed to the shareholders, a cash dividend of 11,250 TL is distributed to the Members of the Company's Board of Directors, In addition, the remaining part of the net profit for the period of 2021, 93,485 TL, 1,104 TL from previous years' profits, 80,310 TL from the Special Funds Account in the legal records, and 375,101 TL from the extraordinary reserves, making a total capital increase by bonus issue. It has been decided that the Company's Board of Directors will be authorized to distribute the 550,000 TL dividend to our shareholders in the form of shares, and to do all the work and transactions related to this bonus issue.

GSD Holding A.S. On May 31, 2022, the Board of Directors decided to pay cash dividends as August 26, 2022. Thus, cash dividend payments were made on August 26, 2022 for non-public shares, and on August 31, 2022, with a 2-day value for publicly traded shares.

Bonus Capital increase of GSD Holding A.Ş.

In order to increase the issued capital of GSD Holding from 450,000,000.00 TL to 1,000,000,000.00 TL within the registered capital ceiling of 1,500,000,000.00 TL at the 2021 Ordinary General Assembly meeting of GSD Holding dated 25 May 2022, 93,485,334.82 TL will be covered from the net profit for the year 2021, TL 1,103,632.78 will be covered from previous years' profits, TL 80,309,996.60 will be met from the special funds account in the legal records, and TL 375,101,035.80 will be met from the extraordinary reserves. It has been decided to distribute a total dividend of 550,000,000.00 TL to our shareholders by making a bonus issue of 550,000,000.00 TL, and the Capital Markets Board was applied on 5 July 2022 regarding the bonus issue. The relevant application was approved by the Capital Markets Board on November 3, 2022 and published in the bulletin numbered 2022/61, dated November 3, 2022. The amended article 7 of our articles of association titled "Registered Capital" was registered by the Istanbul Trade Registry Directorate on 23 November 2022 and published in the Turkish Trade Registry Gazette dated 28 November 2022 and numbered 10713.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

31. SHARE CAPITAL / TREASURY SHARES (continued)

Retained earnings

	31 December 2022	31 December 2021
Extraordinary reserves	542,218	917,319
Reserves related to withdrawal of shares	6,302	6,302
Inflation adjustment on legal reserves	5,868	5,868
Transaction costs of equity transactions	(901)	(901)
IFRS adjustments	81,049	(242,512)
Retained earnings	**634,536**	**686,076**

The items that may be distributed as dividend to shareholders of the Company arising from its statutory financial statements based on its books of account

	31 December 2022	31 December 2021
Net profit/loss for the period	213,456	228,839
Special funds	-	80,310
Extraordinary reserves (historical)	450,211	825,312
Extraordinary reserves (retained earnings arising from the first application of inflation accounting)	68,925	68,925
Inflation adjustment on extraordinary reserves	23,082	23,082
The items that may be distributed as dividend in statutory financial statements	**755,674**	**1,226,468**

Non-controlling interests

The movement in non-controlling interests classified into the subsidiaries that has non-controlling interests	**GSD Denizcilik Gayrimenkul İnş. San.ve Tic.A.Ş.**	**GSD Faktoring A.Ş.**	**Consolidated**
1 January 2022	**192,003**	**9,444**	**201,447**
Non-controlling interest in net profit/(loss) in the income statement	68,538	5,471	74,009
Non-controlling interest in profit/(loss) from foreign currency translation in other comprehensive income	73,080	-	73,080
Non-controlling interest in profit/(loss) from remeasurements of the net defined benefit liability (asset) in other comprehensive income	(142)	(56)	(198)
31 December 2022	**333,479**	**14,859**	**348,338**

The movement in non-controlling interests classified into the subsidiaries that has non-controlling interests	**GSD Denizcilik Gayrimenkul İnş. San.ve Tic.A.Ş.**	**GSD Faktoring A.Ş.**	**Consolidated**
1 January 2021	**54,446**	**8,217**	**62,663**
Non-controlling interest in net profit/(loss) in the income statement	44,394	1,211	45,605
Non-controlling interest in profit/(loss) from foreign currency translation in other comprehensive income	61,771	-	61,771
Non-controlling interest in profit/(loss) from remeasurements of the net defined benefit liability (asset) in other comprehensive income	(8)	16	8
Participation of the minority in the cash capital increase of GSD Denizcilik	31,608	-	31,608
The effect of the minority participation in the cash capital increase of GSD Denizcilik A.Ş.	(208)	-	(208)
31 December 2021	**192,003**	**9,444**	**201,447**

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

31. SHARE CAPITAL / TREASURY SHARES (continued)

Summarised financial information for the subsidiaries that has non-controlling interests (*)

31 December 2022	GSD Denizcilik Gay. İnş. San.ve Tic.A.Ş.	GSD Faktoring A.Ş.
Current Assets	642,474	884,219
Non- Current Assets	765,399	5,492
Total Asset	**1,407,873**	**889,711**
Short term liabilities	119,399	747,096
Long term liabilities	242,832	2,978
Total liabilities	362,231	750,074
Equity	1,045,642	139,637
Total Liability	**1,407,873**	**889,711**
31 December 2022		
Net period profit/(loss)	214,182	51,399
Other comprehensive income	227,930	(526)
Total comprehensive income	**442,112**	**50,873**

31 December 2021	GSD Denizcilik Gay. İnş. San.ve Tic.A.Ş.	GSD Faktoring A.Ş.
Current Assets	319,775	359,617
Non- Current Assets	546,823	2,436
Total Asset	**866,598**	**362,053**
Short term liabilities	62,882	272,121
Long term liabilities	200,056	1,168
Total liabilities	262,938	273,289
Equity	603,660	88,764
Total Liability	**866,598**	**362,053**
31 December 2021		
Net period profit/(loss)	139,246	11,378
Other comprehensive income	193,009	147
Total comprehensive income	**332,255**	**11,525**

(*) Intragroup eliminations are not included in the table and the data comprised from consolidated IFRS financial statements which are adjusted for consolidation procedures.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

32. OPERATING INCOME

Gross profit/(loss) from holding activities

	31 December 2022	31 December 2021
Rent income from the associate	2	7
Management service income from the associate	-	6
Holding activities income	**2**	**13**
Holding activities expense	**-**	**-**
Gross profit/(loss) from holding activities	**2**	**13**

Gross profit/(loss) from marine sector operations

	31 December 2022	31 December 2021
Rental income on ship time charters	962,577	524,924
Maritime insurance indemnity income	1,903	1,933
Fuel sales income	-	31,540
Other income	13,603	5,113
Marine sector income	**978,083**	**563,510**
Ship depreciation expense	(127,898)	(65,443)
Ship personnel expenses	(133,430)	(65,867)
Various materials, oil and fuel expenses of ships(*)	(77,301)	(34,280)
Fuel selling expenses	-	(19,899)
Ship insurance expenses	(24,451)	(9,209)
Technical management fees	(14,135)	(7,126)
Loss of hire	(2,449)	(1,613)
Other expenses	(5,382)	(13,509)
Marine sector expense	**(385,046)**	**(216,946)**
Gross profit/(loss) from commercial sector operations	**593,037**	**346,564**

(*) Maintenance and repair expenses are included in this line.

Gross profit/(loss) from financial sector operations

a) Service income and cost of service

	31 December 2022	31 December 2021
Fees and commission income	73,093	45,625
Income from banking transactions	18,924	204
Service income	**92,017**	**45,829**
Fees and commission expense	(10,912)	(1,704)
Cost of service	**(10,912)**	**(1,704)**
Service income less cost of service	**81,105**	**44,125**

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

32. OPERATING INCOME (continued)

b) Interest income / (expense)

	31 December 2022	31 December 2021
Interest income		
Interest income on factoring receivables	223,463	88,360
Interest income on loans and advances	98,533	62,872
Interest received from banks	580	530
Interest received from money market transactions	481	497
Interest received from the securities portfolio	2,054	-
Other interest income	17	34
Interest income on finance lease contracts	83	-
Interest income	**325,211**	**152,293**
Interest expense		
Interest expense on funds borrowed	(69,397)	(29,336)
Interest expense on other money market deposits	(11,665)	(6,978)
Other interest expense	(9,555)	(6,277)
Interest expense	**(90,617)**	**(42,591)**
Net interest income	**234,594**	**109,702**

Provision expense arising from financial sector operations

	31 December 2022	31 December 2021
(Provision)/reversal of provision for loans and advances to customers	(1,933)	(748)
(Provision)/reversal of provision for factoring receivables	1,156	(6,274)
(Provision)/reversal of provision for finance lease receivables	16	(364)
Total	**(761)**	**(7,386)**

Capital market transaction profit/loss

a) Capital Market Transaction Profit

	31 December 2022	31 December 2021
Securities valuation profit	30,473	359
Total	**30,473**	**359**

b) Capital Market Transaction Loss

	31 December 2022	31 December 2021
Securities valuation loss	-	(1,287)
Total	-	**(1,287)**
Capital Market Transaction Profit/(Loss), net	**30,473**	**(928)**

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

32. OPERATING INCOME (continued)

Other financial sector operations income/(expense), net

	31 December 2022	31 December 2021
Banking Regulation and Supervision Agency contribution expense	(215)	(155)
Banking Association contribution expense	(54)	(36)
Other income/(expense)	1,468	672
Total	**1,199**	**481**

33. CONSTRUCTION CONTRACTS

None. (31 December 2021: None).

34. ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

Administrative expenses

	31 December 2022	31 December 2021
Personnel expenses	(82,961)	(39,607)
Depreciation expense calculated according to IFRS 16	(12,191)	(6,352)
Taxes paid other than on income	(2,251)	(2,495)
External audit expenses	(2,553)	(1,766)
Communication expenses	(3,473)	(1,606)
Building and fixed-asset expenses	(2,643)	(1,322)
Amortization and depreciation expenses	(1,749)	(1,104)
Vehicle, transportation and travel expenses	(5,416)	(1,067)
Subsidiaries' capital increase expenses	-	(320)
Legal expenses	(31)	(254)
Office and printed material expenses	(406)	(228)
Rent expenses	(212)	(169)
Donation, aid and social responsibility expenses	(493)	(103)
Insurance expense	(164)	(74)
Advertising expenses	(60)	(32)
Other expenses	(7,739)	(3,693)
Total	**(122,342)**	**(60,192)**

Personnel expenses

	31 December 2022	31 December 2021
Wages and salaries	(46,310)	(28,663)
Dividend expense allocated to the board of directors and personnel	(11,250)	-
Cost of defined contribution plan	(5,999)	(3,635)
Paid bonus expense	(4,306)	(3,118)
Other fringe benefits	(4,565)	(2,019)
Provision expense for unused paid vacation obligation	(2,073)	(652)
Provision expense for employee bonus	(6,722)	(584)
Provision expense for employee termination benefits obligation	(1,000)	(467)
Paid expense for employee termination benefits obligation	(583)	(340)
Paid expense for unused paid vacation obligation	(73)	(56)
Other	(80)	(73)
Total	**(82,961)**	**(39,607)**

Marketing Expenses

None. (31 December 2021: None.).

Research and Development Expenses

None. (31 December 2021: None.)

(Currency - Thousands of Turkish Lira (“TL”) unless otherwise stated)

35. OTHER INCOME / (EXPENSE) FROM OPERATING ACTIVITIES

Other income from operating activities

	31 December 2022	31 December 2021
Other foreign exchange gains	16,028	62,562
Interest income on deposits with banks and financial institutions	6,951	1,550
Reversal of provision for employee termination benefits obligation	650	372
Reversal of provision for employee bonus	-	-
Reversal of provision for unused paid vacation obligation	-	-
Other income	474	663
Total	**24,103**	**65,147**

Other expense from operating activities

	31 December 2022	31 December 2021
Other foreign exchange losses	(1,545)	(6,815)
Other	-	(757)
Total	**(1,545)**	**(7,572)**

36. INCOME / (EXPENSE) FROM INVESTMENT ACTIVITIES

Income from investment activities

	31 December 2022	31 December 2021
Foreign exchange gains of financial investments (2)	134	3,052
Gain on disposal of fixed asset	228	62
Gain on sale of available for sale securities	-	38
Gain on sale of fund	-	29
Affiliate exit profit	28,684	-
Currency protected deposit interest income	23,885	-
Currency protected deposit foreign exchange gain	48,035	-
Other income (1)	699,241	267,529
Total	**800,207**	**270,710**

(1) The amount arises from the exchange gains of the sale of shares of Silopi Elektrik Üretim A.Ş.

(2) Current period exchange difference income amount of bonds.

Other income

	31 December 2022	31 December 2021
Income accural of financial asset	36,462	27,991
Foreign exchange difference of receivable from financial asset (1)	187,017	235,163
Silopi Elektrik Üretim A.Ş. Value increase in 2022	461,299	-
Other income	14,463	4,375
Total	**699,241**	**267,529**

(1) The amount arises from the exchange gains of the receivables of Silopi Elektrik Üretim A.Ş.

Expense from investment activities

	31 December 2022	31 December 2021
Loss on disposal of fixed asset	-	(28)
Other expenses (1)	(3,194)	(95,095)
Total	**(3,194)**	**(95,123)**

(1) The depreciation provision of Silopi Elektrik Üretim A.Ş. on 31.12.2021 has been canceled from other comprehensive income and classified into other expenses from investment activities.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

37. EXPENSES CLASSIFIED BY KIND

Expenses classified on the basis of type are disclosed in Note 32 Revenue and Note 34 General Administrative Expenses.

Fees for Services Obtained from Independent Auditor/Independent Audit Firm

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

	31 December 2022	31 December 2021
Independent audit fee for the reporting period	2,191	1,026
Total	**2,191**	**1,026**

38. FINANCING EXPENSES

Financing expenses

	31 December 2022	31 December 2021
Interest expense on borrowings	(52,457)	(18,141)
Interest expense on the provision for employee benefits	(466)	(257)
Other financing expenses	(1,720)	(474)
Total	**(54,643)**	**(18,872)**

39. OTHER COMPREHENSIVE INCOME

Fair value reserve:

Group classifies its financial assets in three categories of financial assets measured at amortised 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 entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The appropriate classification of financial assets is determined at the time of the purchase. As explained in note 6, Silopi Elektrik Üretim A.Ş.'s shares, owned by the Group, are been classified as Financial Assets Designated at Fair Value Through Profit or Loss, and valuation differences will be started to follow in the income statement.

Financial Assets Value Increase Fund Movement Table (*):

	31 December 2021		
	Continuing Operations	**Discontinued Operations**	**Total**
At 1 January	-	-	-
Fund period increase/(decrease) (*)	(101,435)	-	(101,435)
Taxes Relating to Components of Other Comprehensive Income that will be Reclassified to Profit or Loss	6,340	-	6,340
Transferred to net profit/loss for the period	95,095	-	95,095
Closing Balance	-	-	-

(*)Silopi Elektrik Üretim A.Ş. is classified as financial assets measured at fair value through profit or loss in the statement of financial position. as of December 31, 2022. The impairment loss as of December 31, 2021 on comprehensive income was reclassified to the income statement of 2021 as a profit/loss.

(Currency - Thousands of Turkish Lira (“TL”) unless otherwise stated)

39. OTHER COMPREHENSIVE INCOME (Continued)

Translation reserve:

The Group’s translation reserve, between 1 January 2022 and 31 December 2022, belongs to subsidiaries of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Shipping B.V. which are classified as continuing operations in the Group’s consolidated IFRS financial statements.

	31 December 2021	Movement	31 December 2022
Equity FX differences excluding profit	658,827	562.357	1.221.184
Exchange differences arising on income and expenses	152,574	85,945	238,519
Exchange differences arising on long-term receivables	99,184	32,202	131,386
Current tax income/(expense) effect of FX translation difference	(14,306)	(7,407)	(21,713)
Deferred tax income/(expense) effect of FX translation difference	(6,362)	-	(6,362)
Increase/(decrease) in share of non-controlling interest (change at the beginning of period)	(11,155)	(1,487)	(12,642)
Increase/(decrease) in share of non-controlling interest (change at the end of period)	2,718	(1,027)	1,691
Increase/(decrease) in the reserve, net of tax, attributable to non-controlling interests	(96,764)	(70,566)	(167,330)
Increase/(decrease) in share of non-controlling interest (total)	**(105,201)**	**(73,080)**	**(178,281)**
Total translation reserve, net	**784,716**	**600,017**	**1,384,733**

The movement in the translation reserve:

	31 December 2022	31 December 2021
At 1 January	**784,716**	**276,378**
Increase/(decrease) in the reserve	684,779	579,408
Effect of current tax expense recognized in comprehensive income	(7,407)	(4,127)
Increase/(decrease) in the reserve, net of tax, attributable to non-controlling interests	(73,080)	(61,768)
Accumulated translation differences because of that sale of associates and subsidiaries	(4,275)	(5,175)
Closing Balance	**1,384,733**	**784,716**

Remeasurements of the Net Defined Benefit Liability (Asset):

The Group, except to the extent that another IFRS requires or permits their inclusion in the cost of an asset, has recognized service cost and net interest on the net defined benefit liability (asset) in the consolidated income statement and remeasurements of the net defined benefit liability (asset) in the consolidated comprehensive income statement, which are the components of defined benefit cost.

Remeasurements of the net defined benefit liability (asset) recognized in other comprehensive income shall not be reclassified to profit or loss in a subsequent period. However, the entity may transfer those amounts recognised in other comprehensive income within equity. The Group, within the scope of that provision, adopted the accounting policy to transfer the prior-year-end balance of the Remeasurements of the Net Defined Benefit Liability (Asset) cumulatively recognised as other comprehensive income within equity to the Retained Earnings within equity as at each year-beginning.

The Group transferred the balance of TL 52 of the Remeasurements of the Net Defined Benefit Liability (Asset) cumulatively recognised as other comprehensive income within equity as at 31 December 2021 to the Retained Earnings within equity as at 1 January 2022.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

39. OTHER COMPREHENSIVE INCOME (Continued)

The movement in remeasurements of the net defined benefit liability (asset):

31 December 2022	Continuing Operations	Discontinued Operations	Total
At 1 January	**52**	**-**	**52**
Remeasurement gains/losses	(4,280)	-	(4,280)
Effect of deferred tax recognized in equity	923	-	923
Funds transferred to retained earnings	(66)	-	(66)
The effect of deferred tax expense transferred to retained earnings	14	-	14
The change in the remeasurement fund of non-controlling interests at the beginning of the period	-	-	-
Remeasurement fund period-end change of non-controlling interests	-	-	-
Remeasurement fund period share of non-controlling interests	198	-	198
Closing Balance	**(3,159)**	-	**(3,159)**

31 December 2021	Continuing Operations	Discontinued Operations	Total
At 1 January	**(337)**	**-**	**(337)**
Remeasurement gains/losses	75	-	75
Effect of deferred tax recognized in equity	(15)	-	(15)
Funds transferred to retained earnings	422	-	422
The effect of deferred tax expense transferred to retained earnings	(85)	-	(85)
The change in the remeasurement fund of non-controlling interests at the beginning of the period	(8)	-	(8)
Closing Balance	**52**	**-**	**52**

40. ASSETS HELD FOR SALE

Non-current assets held for sale consist of real estates acquired by the Group in return for "Receivables from Financial Sector Activities". In accordance with the "Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Set aside for These", banks are obliged to dispose of the assets they have to acquire due to their receivables within three years from the day of acquisition. Banks may allocate the real estates they acquire due to their receivables for their own use, provided that they do not exceed the limit specified in the first paragraph of Article 57 of the Law and the number and size they need to carry out their banking activities, and that they have their reasons ready for inspection. Banks may allocate the commodities they have acquired due to their receivables for their own use, provided that they are of the number and quality they need in order to carry out their banking activities.

	31 December 2022	31 December 2021
Assets held for sale from continuing operations	76	312
Total	**76**	**312**

Assets held for sale from continuing operations:

	31 December 2022	31 December 2021
Cost	76	312
Total	**76**	**312**

Assets with the criteria of classification as assets held for sale; as measured by the lower of the book values and of fair value less cost for sale.

Movement Table of Fixed Assets Held for Sale from Continuing Operations:

	31 December 2022	31 December 2021
Opening balance at 1 January	**312**	**312**
Additions	-	-
Disposals	(236)	-
Closing balance at the end of period	**76**	**312**

There are no liabilities related to asset groups classified as held for sale from continuing operations.

As at 31 December 2022, the Group has no discontinued operations.

41. TAXATION

Tax Law

The Company and its subsidiaries located in Turkey are subject to the tax legislation and practices in force in Turkey. The subsidiaries of the Company operating abroad are subject to the tax laws of the countries in which they are located.

Corporate Tax Rate

The Company and its subsidiaries located in Turkey are subject to the tax legislation and practices in force in Turkey. Corporate tax is declared until the evening of the last day of the fourth month following the end of the relevant accounting period and is paid in one installment until the end of the relevant month.

The corporate tax rate was applied as 23% after 1 January 2022 (2021: 25%). However, according to the Article 11 of the Law numbered 7316 "Law on Collection Procedure of Public Claims and Law on Amending Certain Laws" which was published on the Official Gazette numbered 31462 on 22 April 2021 and according to the provisional clause 13 added to the Corporate Tax Law numbered 5520; corporate tax rate for the taxation periods of 2021 and 2022 is amended to 25% and 23%, respectively. This amendent is valid for the taxation of corporate earnings for the periods starting from 1 January 2021, starting with the declarations that must be submitted as of 1 July 2021. Due to the tax rate change taking effect as of 22 April 2021, in the financial statements dated 31 December 2021, the tax rate is used as 25%, for the current period the tax rate is 23%.

The law on amending the Tax Procedure Law and the Corporate Tax Law was enacted with the law numbered 7352 on January 20, 2022. It has been decided that the financial statements will not be subject to inflation adjustment, regardless of whether the financial statements have been made. The financial statements dated 31.12.2023 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions are met, the profit/loss difference arising from the inflation adjustment will be shown in the previous years' profit/loss account, the previous year's profit determined in this way will not be taxed, and the previous year's loss will be considered a loss. will not be taken into account in the determination of corporate income.

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

There is a withholding tax liability on dividend distributions, and this withholding liability is accrued in the period when the dividend payment is made. Dividend payments are subject to a 15% withholding tax until 22 December 2021, except for non-resident companies that generate income through a workplace or their permanent representative in Turkey, and those made to companies residing in Turkey. However, in accordance with the President's Decision No. 4936, published in the Official Gazette dated 22 December 2021 and numbered 31697, the withholding tax rate of 15% has been reduced to 10%.

Dividend payments made from joint stock companies residing in Turkey to joint stock companies residing in Turkey are not subject to income tax. In addition, if the profit is not distributed or added to the capital, income tax is not calculated. Dividend earnings of corporations from participation in the capital of another fully liable corporation (except for participation certificates of mutual funds and dividends obtained from shares of investment partnerships) are exempt from corporate tax. In addition, 75% of the profits arising from the sale of the participation shares in the assets of the institutions for at least two full years and the founding certificates of the real estates (immovables) that they own for the same period, the usufruct shares and the preference rights are exempt from corporate tax as of 31 December 2017. However, with the law numbered 7061.

41. TAXATION (continued)

Corporate Tax Rate (continued)

With the amendment, this rate was reduced from 75% to 50% in terms of immovables and the tax to be prepared as of 2018.

This rate is used as 50% in the declarations. In order to benefit from the exemption, the said income must be kept in a passive fund account and not withdrawn from the business for 5 years. The sales price must be collected until the end of the second calendar year following the year of sale. There is no practice in Turkey to reach an agreement with the tax administration regarding the taxes to be paid. Corporate tax returns are submitted within four months following the end of the accounting period. The tax inspection authorities may examine the tax returns and the accounting records underlying them for five years following the accounting period and make a reassessment as a result of their findings.

Income Tax Withholding

There is a withholding tax liability on dividend distributions, and this withholding liability is accrued in the period when the dividend payment is made. Dividend payments are subject to 10% withholding tax, excluding those made to non-resident companies that generate income through a workplace or their permanent representative in Turkey, and to companies residing in Turkey. In the application of withholding tax rates for profit distributions to non-resident companies and real persons, the withholding tax rates in the relevant Double Taxation Agreements are also taken into account. Adding retained earnings to the capital is not considered a dividend distribution, so it is not subject to withholding tax.

Corporate Tax Declaration and Review Period

There is no practice in Turkey to reach a final agreement with the tax authorities. Corporate tax returns are submitted to the tax offices from the first day of the fourth month to the evening of the thirtieth day following the year in which they are concerned. However, the tax inspection authorities may retrospectively review the five-year accounting records and/or change their views on taxation.

Investment allowance

Effective from 24 April 2003, investment allowances provided a deduction from the corporate tax base of 40% of the cost of the purchases or production of the new fixed assets subject to depreciation and exceeding TL 10 and directly related with the production of goods and services. Investment allowance that arose prior to 24 April 2003 was subject to 19.8% withholding tax unless they were converted to the new application at the will of companies. All investment allowances were carried forward with indexed amounts. With respect to the new legislation effective from 1 January 2006, these unused investment allowances could be used until 31 December 2008 and investment allowances ceased to apply to the new investments to be made beginning from 1 January 2006, but continued to apply to the investments started before 1 January 2006. Afterwards, a decision rendered by the Constitutional Court of Turkey cancelling the clause of this legislation limiting the deduction period of the unused investment allowances has again made effective the deductibility of the unused investment allowances after 31 December 2008. According to the decision mentioned above, investment allowances transferred to 2006 due to lack of profit and investment allowances gained by the investments that are commenced before 1 January 2006 and continued after that date constituting economic and technical integrity will not be only used in 2006, 2007 and 2008, but also in the following years. An amendment to the Income Tax Law promulgated in Official Gazette no 6009 dated 1 August 2010 limited the amount of investment allowance to be utilised to 25% of earnings for the year, but the Constitutional Court of Turkey has cancelled this amendment providing 25% utilization of investment allowance and has again made effective utilization of investment allowance up to 100% of tax base by means of a decision dated 9 February 2012, being effective starting from the tax returns to be filed for the fiscal period as at 31 December 2011.

No tax withholding is made from the investment expenditures without incentive certificate. The company is obliged to accrue 19.8% Income Tax Withholding due to the use of investment discounts for the period before dated 24 April 2003. Investment Tax Credit used by the company for the period before 24 April 2003 and related Income Tax Withholding amounting reported in April 2021 corporate tax return has been paid on 26 May 2021.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

41. TAXATION (continued)

As at 31 December 2022 and 31 December 2021, the Group has the following unused investment allowances:

Unused investment allowances				
Group company	**31 December 2022**		**31 December 2021**	
	Subject to 19.8% withholding tax	**Subject to 0% withholding tax**	**Subject to 19.8% withholding tax**	**Subject to 0% withholding tax**
GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş.	373,943	-	163,344	-
Total	**373,943**	**-**	**163,344**	**-**

Consolidated Tax Calculation

Turkish tax legislation, a parent company does not permit its consolidated subsidiaries and affiliates have the financial statements on a consolidated basis over corporate tax declaration and payment arrangements.Therefore, corporate tax provisions that is reflected on the consolidated financial statements and the companies that is in the scope of consolidation is calculated seperately.

Prepaid Income Tax

The prepaid income taxes are netted off against the corporate income taxes payable as follows:

Continuing Operations	**31 December 2022**	**31 December 2021**
Corporate income taxes payable	141,047	113,349
Prepaid income taxes	(94,266)	(43,916)
Income taxes payable, net	**46,781**	**69,433**

Current and deferred corporate tax (expense)/income according to Consolidated Statement of Profit or Loss and Consolidated Other Comprehensive Income

Corporate tax (expense)/income						
	31 December 2022			**31 December 2021**		
Continuing Operations	**Consolidated income statement**	**Consolidated other comprehensive income**	**Consolidated statement of comprehensive income**	**Consolidated income statement**	**Consolidated other comprehensive income**	**Consolidated statement of comprehensive income**
Current income tax benefit/(expense) (*)	(125,334)	(15,713)	(141,047)	(109,222)	(4,127)	(113,349)
Deferred income tax benefit /(expense)	(27,087)	(923)	(26,164)	(4,152)	6,324	2,172
Total	**(152,421)**	**(14,790)**	**(167,211)**	**(113,374)**	**2,197**	**(111,177)**

(*) The Group has benefited from the Corporate Tax exemption for the part of the foreign exchange gains resulting from the 2021 year-end valuation of the Currency Protected Deposit (KKM) accounts for the period of 1 October - 31 December 2021. 8,306 TL in 2021 and 16,888 TL in 2022 are deducted from the tax expense in the consolidated statement of profit or loss for the twelve-month period ending on 31 December 2022.

Continuing Operations Prepaid Income Tax	**31 December 2021**	**Recognized in Period**	**(Taken Back) / Paid in Period**	**31 December 2022**
Taken back from 2021's overpaid corporate tax	13	-	(13)	-
Taken back current year's overpaid corporate tax	-	72	-	72
Prepaid Income Tax	**13**	**72**	**(13)**	**72**

Continuing Operations Prepaid Income Tax	**31 December 2020**	**Recognized in Period**	**(Taken Back) / Paid in Period**	**31 December 2021**
Taken back from 2020's overpaid corporate tax	-	-	-	-
Taken back current year's overpaid corporate tax	-	13	-	13
Prepaid Income Tax	**-**	**13**	**-**	**13**

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

41. TAXATION (continued)

The reconciliation between the corporate tax expense and the corporate tax income/(expense) in the consolidated profit or loss statement after applying the pre-tax legal tax rate:

	Continuing Operations			
	31 December 2022		31 December 2021	
Profit before income tax and non-controlling interest		**1,588,196**		**687,890**
Corporate tax at applicable rate	(24)%	(379,360)	(25)%	(171,893)
Effect of tax-exempt income	1%	19,228	0%	316
Effect of different corporate tax rates	12%	130,403	8%	53,044
Tax effect of value increase of subsidiaries	5%	79,574	-	-
Non-taxable monetary loss	0%	-	0%	-
Effect of non-deductible expenses	0%	(2,739)	0%	(701)
GSD Holding repurchased shares cash dividend income effect	0%	-	0%	-
Provisions (expense) / income for financial sector activities	0%	82	0%	45
Financial sector activities prepaid commission income	0%	67	0%	73
GSD Holding repurchased shares sales profit effect	0%	-	0%	-
Corporate tax exemption effect on affiliate shares sales profit	0%	-	0%	-
Effect of corporate tax exemption on profit from valuation of securities	0%	-	0%	37
Effect of the dividend for Board of Directors	0%	(4,015)	0%	(315)
Tax effect of consolidated elimination adjustments	0%	-	0%	-
Other	0%	4,339	1%	6,100
Income tax benefit /(expense) in the consolidated income statement	**(10)%**	**(152,421)**	**(16)%**	**(113,374)**

Corporate tax liability regarding foreign subsidiaries of the Group

The net profits of Cano Maritime Limited, established on 26 March 2013, Dodo Maritime Limited, established on 26 March 2013, Hako Maritime Limited, established on 1 April 2013, Zeyno Maritime Limited, established on 22 April 2013, Neco Maritime Limited, established on 5 May 2016 and Mila Maritime Limited, established on 21 November 2016 all domiciled in Malta, are subject to 0% corporate tax in Malta. GSD Shipping B.V, established on 19 October 2016 domiciled in the Netherlands, is subject to flexible rate corporate tax in the Netherlands. The current or prior period profits of Cano Maritime Limited and Hako Maritime Limited are subject to 25% corporate tax in Turkey to be taxed in the current period profit of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., in the period when they are recognized as profit by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., 100% shareholder of these companies, having been received through dividend distribution in cash or by bonus issue or through share capital increase by bonus issue. The corporate tax rate has been determined as 20% in the first provisional tax period of 2021, 25% in the second, third and fourth provisional tax periods, and 23% for 2022 in Turkey. Period profits of Lena Maritime Limited established on 18 March 2021, Nejat Maritime Limited and Nehir Maritime Limited established on 23 June 2021 are subject to 0% corporate tax in the Marshall Islands.

Deferred tax assets and liabilities

Deferred tax assets or liabilities of the consolidated assets and liabilities with the values shown in the financial statements of the temporary differences arising between the tax base and amounts considered in the calculation is determined by calculating the tax effects of the balance sheet method.

The company takes into account developments in the sector in which it operates, taxable profit estimates in future periods, the overall economic and political situation of the country of Turkey and its affiliates and/or the general international economic factors such as the political situation may affect the Company in the financial statements of the deferred tax assets.

As at 31 December 2022 and 31 December 2021 the Company's unconsolidated allocated over tax losses and unused in the financial statements and the separation of deferred tax assets, are given in the table above as titled 'Unused Tax losses and Expiry Years' under the group company separation issue. Calculated deferred tax assets and deferred tax liabilities are shown net in the financial statements of different companies subject to consolidation. However, consolidated net deferred tax assets and liabilities in the consolidated financial statements without offsetting assets and liabilities are shown separately in the financial statements arising from different companies that are subject to consolidation in the financial statements.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

41. TAXATION (continued)

Deferred tax assets and liabilities(continued)

Deferred tax assets and liabilities as at 31 December 2022 and 31 December 2021 are as follows:

	31 December 2022	31 December 2021
Deferred tax liabilities		
Valuation differences of securities	37,002	8,711
Valuation and depreciation differences of fixed assets	179	69
Other	70	65
Gross deferred tax liabilities	**37,251**	**8,845**
Deferred tax assets		
Provisions arising from financial sector operations	1,896	2,198
Provision for employee termination benefits obligation	1,955	743
Provision for employee unused paid vacation obligation	941	467
Provision for employee bonus	1,093	516
Valuation differences on fixed asset	70	39
Other	313	63
Gross deferred tax assets	**6,268**	**4,026**
Deferred tax assets/(liabilities), net	**(30,983)**	**(4,819)**

Movement of net deferred tax assets can be presented as follows:

	Continuing Operations	
	31 December 2022	**31 December 2021**
Deferred tax assets, net at 1 January	**(4,819)**	**(6,991)**
Deferred income tax recognized in consolidated income statement	(27,087)	(4,152)
Deferred income tax recognized in consolidated other comprehensive income	(923)	6,324
Deferred tax assets, net at the end of period	**(30,983)**	**(4,819)**

42. EARNINGS PER SHARE

Continuing Operations	31 December 2022	31 December 2021
Parent share in net profit for the period		
Weighted average number of shares with 1 full TL nominal value [1]	1,361,766	528,911
Parent share in net profit for the period	455,424,658	455,424,658
Basic earnings per share with a nominal value of full TL 1	**2.990**	**1.161**
Diluted earnings per share with a nominal value of full TL 1	**2.990**	**1.161**

(1) For the period of 31 December 2022, the weighted average share of the Company, excluding the repurchased shares, has been calculated as 455,424,658. As of 31 December 2022, the company calculated earnings per share by dividing the profit of the parent company by the weighted average number of shares.

43. SHARE BASED PAYMENTS

None.

44. INSURANCE COSTS

None.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

45. EFFECTS OF CURRENCY CHANGE

Information on the effects of currency changes is disclosed in the "Foreign Currency Transactions" section of Note 2 Basis of Presentation of Consolidated Financial Statements and Note 39 Analysis of Other Comprehensive Income.

46. REPORTING IN HIGH INFLATION ECONOMY

With a decision taken by the CMB on March 17, 2005, for companies operating in Turkey and preparing financial statements in accordance with CMB Accounting Standards, the Standard No. 29 "Financial Reporting in Hyperinflationary Economies" published by the IASB as of January 1, 2005 ("IAS 29") application and the Group discontinued the application of inflation accounting as of January 1, 2005.

47. DERIVATIVES

Derivative Liabilities Held for Trading

In the ordinary course of business, the Group enters into various types of transactions that involve derivative financial instruments. A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in price of one or more underlying financial instruments, reference rates or indices

The Group has no derivative transaction as at 31 December 2022. (31 December 2021: None).

48. FINANCIAL INSTRUMENTS

a) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position:

	31 December 2022	31 December 2021
Reserve deposits at the central bank	-	4
TCMB	2,107	988
Cash on hand and balances with the Central Bank	**2,107**	**992**
Banks and financial institutions	**904,781**	**586,191**
Receivables from money market	**4,127**	**1,020**
Reserve requirements	**94**	**4**
Cash and cash equivalents in the statement of financial position	**911,109**	**588,207**

	31 December 2022				31 December 2021			
	Amounts		Effective Interest rate (%)		Amount		Effective Interest rate (%)	
	TL	FC	TL	FC	TL	FC	TL	FC
Cash on hand	-	-	-	-	4	-	-	-
Balances with the Central Bank	1,827	280	-	-	459	529	-	-
Deposits with other banks and financial institutions	8,809	895,972	8.50-12.00	1.75-4.22	1,436	584,755	13.50-13.50	0.10-1.25
Receivables from interbank money market	4,127	-	10.24-10.24	-	1,020	-	14.22-14.22	-
Reserve deposits	-	94	-	-	-	4	-	-
Total	**14,763**	**896,346**			**2,919**	**585,288**		

Main balances in deposits with other banks and financial institutions are demand or overnight deposits.

(Currency - Thousands of Turkish Lira (“TL”) unless otherwise stated)

48. FINANCIAL INSTRUMENTS (continued)

Reserves required to be deposited with the Central Bank

The required reserve deposits maintained with the Central Bank as an average is classified as “Balances with the Central Bank” in the consolidated statement of financial position of the Group. The Central Bank of the Republic of Turkey started to pay interest on the required reserves held in Turkish Liras and Foreign Currency in order of November 2014 and May 2015, respectively.

As of 31 December 2022, the rates valid for required reserves established in the CBRT have started to set aside 8% in TL and 25% in FC for borrowed funds, according to the Related Communiqué.

Required reserves based on the banks’ leverage ratio

The banks whose leverage ratios calculated in accordance with the procedures and principles determined by the Central Bank of the Republic of Turkey based on the accounting standards and the uniform chart of accounts applied by the banks are in the below mentioned ranges are required to maintain reserves with the Central Bank in addition to those mentioned above, to be determined according to the basic arithmetic average of the monthly leverage ratios for the quarterly calculation periods and to be implemented for the liabilities in Turkish Lira and foreign currencies subject to the reserve requirement in all maturities separately, during the 6 required reserve periods starting from the first required reserve period of the 4th calendar month following the calculation period. The leverage ratio is calculated by dividing the primary equity by the total of total liabilities, non-cash loans and liabilities, revocable commitments multiplied with a coefficient of 0.1, commitments arising from derivative financial instruments multiplied with their own loan conversion ratios and irrevocable commitments.
Analysis of credit, liquidity and market risks by types of financial instruments is given in the relevant sections of Note 49: Nature and Level of Risks Arising from Financial Instruments.

Carrying values of financial assets held for trading and related liabilities given as collateral within the framework of repurchase agreements:

None.

b) Financial assets at fair value through profit/loss

	31 December 2022	31 December 2021
Other		
Common stock	1,263,072	416,916
Total	**1,263,072**	**416,916**

31 December 2022			GSD Holding A.Ş’s Shareholding		
Subsidiaries in Financial Assets Classified as Fair Value Through Profit/Loss	**Carrying Value**	**Paid Capital**	**Direct (%)**	**Indirect (%)**	**Total (%)**
Silopi Elektrik Üretim A.Ş.	835,080	1,501,125	9.60	0.00	9.60
Total	**835,080**	**1,501,125**			

"The fair value of the Company's 9.60% ownership stake in Silopi Elektrik Üretim A.Ş. ("Silopi") as of December 31, 2022, was determined using income approaches (December 31, 2021: Income approach and market approach) by an independent valuation company. The remaining shares' fair value, resulting from the valuation, amounted to 835,080 TL (December 31, 2021: 373,781 TL) and was presented in the statement of financial position. Discounted cash flows ("DCF") were utilized in determining the fair value, and a minority discount rate of 20% (December 31, 2021: 14.3%) was applied. The DCF approach incorporated the business plan until December 31, 2047. The weighted average cost of capital ("WACC") rate used in the model was calculated at 22.7% (December 31, 2021: 22.2%) throughout the business plan duration."

In addition, the dividend income obtained by years in accordance with the supplementary agreement has been re-arranged according to the terms of the agreement as of 1 January 2020 and shown in the financial statements.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

48. FINANCIAL INSTRUMENTS (continued)

b) Financial assets at fair value through profit/loss (continued)

With the Law No. 7352 Amending the Tax Procedure Law and the Corporate Tax Law, published in the Official Gazette dated 29 January 2022 and numbered 31734, and the temporary article 14 was added to the Corporate Tax Law No. 5520, and the foreign currencies and gold accounts in the balance sheets of 31 December 2021 were recorded in Turkish. For the taxpayers, who convert the Turkish lira assets into Turkish lira and use them in Turkish lira deposit and participation accounts with a maturity of at least three months opened in this context, the exchange gains they have obtained in the period between October 1, 2021 and December 31, 2021, are obtained at the end of maturity. Within the scope of the principles specified in the regulation for the interest, dividends and other earnings obtained, corporate tax exemption has been introduced for the 2021 accounting period.

With this change in law, the Group decided to open a Currency Protected Deposit Account amounting to TL 194,086 with a maturity of 6 months on 14 February 2022 and a total of 120,614 TL with a maturity of 3 months on 15 August 2022, after the return of the relevant amounts. The interest rate of the current deposit is 17%. The Group has decided to open a Currency Protected Deposit Account with a maturity of 3 months on 15 November 2022, amounting to TL 124,948 and on December 1, 2022, amounting to TL 8,951 The interest rate of the existing deposit opened on November 15, 2022 is 13.50%, and the interest rate on the deposit opened on December 1 is 12%. In the financial statements dated 31 December 2022, the related amount was valued with the forward rate of 19.361252 and dated 1 December 2022 with the forward rate of 19.571048 with the expiry date of 15 November 2022 and presented at their fair value as TL 139,308.

The fair value hierarchy of the financial assets and liabilities of the Group carried at fair value according to the foregoing principles as at 31 December 2022 and 31 December 2021 is given in the table below:

	31 December 2022	31 December 2021
Debt instruments		
Bonds [(1)]	160,259	334
Investment fund [(2)]	90,446	10,250
Other		
Currency Protected Deposit Account "KKMH" [(3)]	139,308	-
Common stocks [(4)]	873,059	406,332
Total	**1,263,072**	**416,916**

(1) It is the TL equivalent of 159,776 TL eurobonds owned by GSD Shipping BV and 483 TL owned by GSD Holding, valued according to the market prices of the bond.

(2) It is the TL equivalent of investment funds held by GSD Yatırım Bankası A.Ş. amounting to TL 17,709 and GSD Shipping BV amounting to TL 72,737, valuated according to market prices.

(3) Currency protected deposit amount as of 31 December 2022.

(4) The shares held by GSD Yatırım Bankası A.Ş. (TL 1,517) and the minimum dividend valuation amount accrued by Silopi Elektrik Üretim A.Ş. .Ş.'s value increase (TL 835,080).

31 December 2022			GSD Holding A.Ş's Shareholding		
Financial assets– fair value through profit/loss	**Carrying Value**	**Paid Capital**	**Direct (%)**	**Indirect (%)**	**Total (%)**
Borsa İstanbul A.Ş.	1,517	423,234	-	0.04	0.04
Total	**1,517**				

31 December 2021			GSD Holding A.Ş's Shareholding		
Financial assets– fair value through profit/loss	**Carrying Value**	**Paid Capital**	**Direct (%)**	**Indirect (%)**	**Total (%)**
Borsa İstanbul A.Ş.	1,517	423,234	-	0.04	0.04
Total	**1,517**				

(Currency - Thousands of Turkish Lira (“TL”) unless otherwise stated)

48. FINANCIAL INSTRUMENTS (continued)

b) Financial assets at fair value through profit/loss (continued)

The movement in financial assets at fair value through profit/loss are summarized as follows:

	31 December 2022	31 December 2021
Opening balance	**416,916**	**93,110**
Transfers [1]	-	373,781
Additions	570,336	18,165
Disposals (sales and redemptions)	(192,075)	(85,921)
Interest received due to redemptions	(58,129)	(16,560)
Foreign exchange difference	(5,730)	7,947
Valuation difference [2]	456,630	(1,287)
Gain / (loss)	75,124	27,681
Closing balance at the end of period	**1,263,072**	**416,916**

(1) Since the value of Silopi Elektrik Üretim A.Ş. has been classified into financial assets at Fair Profit/Loss in the current period,

(2) As of 31.12.2022, the valuation difference of Silopi Elektrik Üretim A.Ş. is 461,299 TL. The remaining amounts consist of the valuation difference of the bonds in Shipping BV and GSD Yatırım Bankası A.Ş.

c) Financial Assets Measured at Amortized Cost

	31 December 2022
Opening balance	**-**
Additions	61,478
Disposals (sales and redemptions)	(9,826)
Interest received due to redemptions	(174)
Gain / (loss)	2,054
Closing balance at the end of period	**53,532**

d) Financial Assets Given as Collateral

None.

e) Unconsolidated Subsidiaries and Other Financial Investments

The unconsolidated subsidiaries and other unquoted equity instruments which are classified in the “unquoted equity instruments” caption in the consolidated financial statements as at 31 December 2022 and 31 December 2021 are as follows:

	31 December 2022	31 December 2021
GSD Eğitim Vakfı	377	377
Total	**377**	**377**

Analysis of credit, liquidity and market risks by types of financial instruments is given in the relevant sections of Note 49: Nature and Level of Risks Arising from Financial Instruments.

f) Bank Loans

	31 December 2022				31 December 2021			
	Amount		Effective interest rate (%)		Amount		Effective interest rate (%)	
	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency
Short term	**58,000**	-	-	-	-	**40,040**		
Fixed interest	58,000	-	24,00-24,00	-	-	40,040	-	2,65-2,65
Floating interest	-	-			-	-	-	
Medium/long		**553,620**			-	**735,835**		
Fixed interest	-	-	-	-	-	272,837	-	3,04-3,34
Floating interest	-	553,620	-	8,47-8,47	-	462,998	-	3,40-3,97
Total	**58,000**	**553,620**			-	**775,875**		

(Currency - Thousands of Turkish Lira (“TL”) unless otherwise stated)

48. FINANCIAL INSTRUMENTS (continued)

f) Bank Loans (continued)

Repayment schedule of borrowings initially recognized as medium/long term borrowings is as follows:

	31 December 2022		31 December 2021	
	Fixed rate	Floating rate	Fixed rate	Floating rate
Less than 1 year	-	78,309	52,909	60,874
Up to 2 years	-	85,264	219,928	63,296
Up to 3 years	-	85,264	-	60,780
Up to 4 years	-	304,783	-	60,780
More than 5 years	-	-	-	217,268
Total	**-**	**553,620**	**272,837**	**462,998**

g) Lease liabilities

	31 December 2022		31 December 2021	
	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency
Short term	**1,565**	**-**	**57**	**-**
Fixed interest	1,565	-	57	-
Floating interest	-	-	-	-
Medium/long term	**5,209**	**-**	**3,007**	**-**
Fixed interest	5,209	-	3,007	-
Floating interest	-	-	-	-
Total	**6,774**		**3,064**	

49. FINANCIAL RISK MANAGEMENT

THE REGULATIONS REGARDING THE RISK MANAGEMENT IN THE GROUP COMPANIES

The Regulations Regarding the Capital Adequacy Requirements of the Group’s Bank

In the Group bank, in accordance with banking regulations, the capital adequacy ratio and, beginning from 1 January 2014, the main capital adequacy ratio and the core capital adequacy ratio are required to be calculated on separate and consolidated bases and meet the minimum 8% and 4.5% respectively and held at these levels. The capital adequacy standard ratio, the main capital adequacy ratio and the core capital adequacy ratio are calculated by dividing the shareholders’ equity, the main equity capital and the core equity capital respectively by the sum of “the amount taken as the basis to the credit risk the amount taken as the basis to the market risk the amount taken as the basis to the operational risk”.

The shareholders’ equity, the main equity capital and the core equity capital are calculated according to the rules and principles stated in the Communique on the Shareholders’ Equities of Banks.

The amount taken as the basis to the credit risk is calculated for the credit risk arising from the on-balance sheet asset items, non–cash loans, commitments and derivative financial instruments. The amount taken as the basis to the credit risk is calculated by means of the standard approach or the approaches based upon internal rating.

The amount taken as the basis to the market risk is calculated by means of the standard method or the risk measurement methods with the permission of BRSA.

The amount taken as the basis to the operational risk is calculated for the losses arising from missing out mistakes and misapplications due to the shortcomings of the bank’s internal controls, not being able to behave according to the time and conditions by the bank management and personnel, the errors in managing the bank, the errors and shortcomings in the management information systems and disasters such as earthquake, fire and flood or terror attacks. The amount taken as the basis to the operational risk is calculated by means of the basic indicator approach and the standard approach or the advanced measurement approaches with the permission of BRSA.

49. FINANCIAL RISK MANAGEMENT (continued)

The Regulations Regarding the Capital Adequacy Requirements of the Group’s Bank(continued)

Internal Capital Adequacy Assessment Process (ICAAP), Capital Planning Buffer, Internal Capital Buffer and Internal Capital Adequacy Requirement

The banks are required to internally calculate the capital that is adequate to meet the risks they are exposed to and can be exposed to, on separate and consolidated bases and maintain their activities by means of a capital over this level. The ICAAP is the set of processes to allow the top management to identify, measure, consolidate and monitor the risks in an accurate and adequate level; to calculate and maintain the adequate internal capital determined based on the bank’s risk profile, strategies and activity plan; establish, implement and develop continuously strong risk management systems.

The Regulations Regarding the Leverage Ratios of the Group Bank

Starting from 1 January 2014, the leverage ratio is calculated by dividing the main equity capital by the total risk amount; the consolidated leverage ratio is calculated by dividing the consolidated main equity capital by the consolidated total risk amount. Starting from 1 January 2015, the quarterly simple arithmetic average as of the periods ended March, June, September and December of the leverage ratios which are calculated monthly on separate and consolidated bases are required to be attained and maintained at a minimum of 3%.

The Regulations Regarding the Equity Standard Ratio of the Group’s Financial Leasing and Factoring Companies

The ratio of the shareholders’ equity to the total assets of the financial leasing and factoring companies are required to be attained and maintained at a minimum of 3% in accordance with the about the Establishment and Operating Principles of Financial Leasing, Factoring and Financing Companies directive.

The Regulations Regarding the Provisions to Be Set Against the Receivables of the Group’s Bank, Financial Leasing and Factoring Companies

The Group Bank in accordance with the relevant regulations, to cover the losses incurred arised or expected to arise from credit and its other receivables but the damages whose amount is not certain, must set aside provisions for expected credit losses in IFRS 9, as stated below within the framework of the procedures and principles set forth in the relevant regulation and communiqué.

Recognition of Expected Credit Losses

As of 1 January 2018, the Bank recognizes provisions for impairment in accordance with IFRS 9 requirements according to the “Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside” published in the Official Gazette dated 22 June 2016 numbered 29750. In this framework, as of 31 December 2017, method of provisions for impairment as set out in accordance with the related legislation of BRSA is changed by applying the expected credit loss model under IFRS 9. Estimation of expected credit losses include supportable informations that are unbiased, weighted by probable outcomes and on past events, current conditions and forecasts for future economic conditions. As of the date of initial recognition, these financial assets have been classified into the following three stages based on the increase in the credit risks observed:

Stage 1: From initial recognition of a financial asset to the date on which an asset has experienced a significant increase in credit risk relative to its initial recognition, a loss allowance is recognized equal to the credit losses expected to result from its default occurring over the earlier of the next 12 months or its maturity date.

Stage 2: An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default occurring over the remaining life of the financial instrument and measures the provision for impairment on this financial instrument at an amount equal to the lifetime expected credit losses. The purpose of impairment provisions matters are recognizing the risk of default occurring over the remaining life of the financial instrument that credit risk has increased significantly since initial recognition is performed at each reporting period.

49. FINANCIAL RISK MANAGEMENT (continued)

The Regulations Regarding the Provisions to Be Set Against the Receivables of the Group's Bank, Financial Leasing and Factoring Companies

Recognition of Expected Credit Losses(continued)

Stage 3: When one or more events that negatively affect future estimated cash flows of a financial asset occur, the related financial asset has met with credit-impairment. For these assets, expected lifetime loss of credit is recorded.

The BRSA's based on resolutions numbered 8948 dated 17 March 2020 and numbered 8970 dated 27 March 2020, mainly due to the disruptions in economic and commercial activities as a result of the COVID-19 pandemic, effective starting from 17 March 2020, within the scope of Articles 4 and 5 of the "Regulation on the Procedures and Principles Regarding the Classification of Loans and the Provisions for These" the 30 days delay period envisaged for the classification of loans in the second group to be applied as 90 days until 31 December 2020 for the credits monitored in the first group and the 90 days delay period foreseen for the non-performing loan classification of loans to be applied as 180 days until 31 December 2020 for the monitored loans in the first and second groups. With the decision of the BRSA dated 8 December 2020 and numbered 9312, the said periods were extended until 30 June 2021.

In this context, as of December 31, 2022, the Bank does not have any loans within the scope of the above mentioned applications.

Factoring companies can set a specific provision at their will (banks, in the above-mentioned ratios; financial leasing and factoring companies, in the ratios to be determined by themselves) against their loan, finance lease and factoring and other receivables, even if the length of non-payment did not exceed the above-mentioned terms, taking into account the credibility of the debtor and the other criteria specified in the relevant communique and directive.

For factoring companies, loans, financial leasing, factoring receivables and other receivables, even if the delay in the collection of payments related to them has not exceeded the specified periods, the credit worthiness of the debtor and the Financial Statements published in the Official Gazette dated 16/1/2005 and numbered 25702 of the Turkish Accounting Standards Board. It may set aside special provisions by taking into account the other criteria specified in the Communiqué on the Conceptual Framework Regarding Preparation and Submission Principles.

Provision under IFRS 9

Banks, twelve-month expected credit loss allowances and lifetime expected credit losses allowance amounts due to a significant increase in the borrower's credit risk, as general provisions, amounts of lifetime expected credit loss provision set aside due to the default of the borrower are considered as special provisions. Classification of loans for loans not covered by IFRS 9 although included in the definition of loans by banks that make provisions in accordance with IFRS 9 and in accordance with the Regulation on the procedures and principles regarding the provisions to be set aside for these, there is no obligation to set aside a separate provision. Banks also take into account country and transfer risks when calculating the provisions they will set aside for expected credit losses pursuant to the first paragraph. The Board considers the size, type, maturity, currency, interest structure, used sector and geographical distribution of the loans, the concentrations observed over time in terms of collateral and similar issues, the level of credit risk and management, and considering that the provisions set aside from banks on a bank or loan basis in accordance with from these provisions set forth in this article may request higher than provision for the amount.

The Board, instead of IFRS 9 according to the assessment it will make by taking into account its activities upon the application of the bank containing the detailed justifications, on a bank basis provisions, may decide to set aside within the scope of Articles 10, 11, 13 and 15.

49. FINANCIAL RISK MANAGEMENT (continued)

THE REGULATIONS REGARDING THE RISK MANAGEMENT IN THE GROUP COMPANIES (continued)

Provision under IFRS 9 (continued)

Factoring companies may set a provision in general and without being directly related to any transaction, to cover losses expected to arise from receivables with no delay or less than ninety days, which amount is not certain, in collection of principal, interest or both.

Sensitivity Analysis for Market Risk

Market risk refers to the risk of potential loss that the Group bears due to fluctuations in interest rates, exchange rates and stock prices related to its assets and liabilities in on- and off-balance sheet accounts.

The amount of market risk that the Group is exposed to and may be exposed to due to its position is closely monitored by the senior management. For this purpose, Market Risk Committees have been established in the Group bank and market risks are measured with the risk measurement models used within the framework of the "Regulation on the Measurement and Evaluation of Capital Adequacy of Banks" and presented to the senior management at regular intervals.

According to the TFRS 7 "Financial Instruments: Disclosures" standard, there are three types of market risk: interest rate risk, currency risk, other price risk. Other price risk consists of risks such as stock price risk, commodity price risk, repayment risk earlier or later than expected, residual value risk. As of 31 December 2022 and 31 December 2021, the Group's consolidated interest rate risk and currency risk sensitivity analyzes are presented in the relevant sections below.

Credit Risk

Financial instruments contain an element of risk that the counter parties of the Group may be unable to meet the terms of the agreements, totally or partially.

The Credit Evaluation and Monitoring Department in the Group's bank is responsible to manage the credit risk. The leasing company of the Group has a department which follows up the risk of the leasing receivables besides the credit risk monitoring department.

In the Group's bank, a rating system related with the follow-up of the credit risk on company and group basis has been initiated, and the top management is informed regularly about the company and group risks.

The loan allocation procedure at the group bank is carried out on a customer and group basis accordance with the credit limits defined in accordance with the article 50 of the Banking Law numbered 5411, titled "Included risk group and terms of credit to members", the limits and lending conditions by the Internal Control and Risk Management Departments is monitored regularly.

For credit transactions carried out abroad, a structure considering the country risk and market conditions of the related countries exists; nevertheless, such risks do not exist in the portfolio. When the Group's activities in the international banking market are evaluated, it is considered that the concentration of international credit risk is low.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

49. FINANCIAL RISK MANAGEMENT (continued)

Arrangements for Provisions to be Set aside for Receivables of Group Banks, Financial Leasing and Factoring Companies (continued)

Credit Risk (continued)

There is a structure in which the country risks and market conditions of the relevant countries are taken into account in the lending transactions carried out abroad, and such risks are not included in the portfolio. When the Group's activities in the international banking market are evaluated, it is considered that the concentration of international credit risk is low.

Distribution of Cash and Non-Cash Loans and Advances by Sectors

	31 December 2022		31 December 2021	
	Cash	**Non-Cash**	**Cash**	**Non-Cash**
Finance	595,785	1,213,688	607,790	883,578
Construction	-	268,443	-	553,164
Production	3,333	2,973,674	17,613	2,732,108
Energy	-	1,527,230	-	-
Service	-	-	3,890	276,033
Other	74,086	1,103,550	10,376	133,263
Corporate loans	**673,204**	**7,086,585**	**639,669**	**4,578,146**
Consumer loans	**-**	**-**	**-**	**-**
Interest accruals	**-**	**-**	**-**	**-**
Loans in arrears	**3,106**	**-**	**5,413**	**-**
Provision for possible loan losses	**(450)**	**-**	**(537)**	**-**
Total	**675,860**	**7,086,585**	**644,545**	**4,578,146**

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

49. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK ANALYSIS OF FINANCIAL INSTRUMENTS

	Receivables										
	Trade receivables		Other receivables		(1)	(2)					
31 December 2022	**Related Party**	**Other Party**	**Related Party**	**Other Party**	**Balances with Banks and other financial institutions**	**Marketable Securities**	**Derivative Financial instruments**	**Loans and Advances to customers**	**Factoring receivables**	**Finance lease Receivables net**	**Other**
The maximum exposure to credit risk at the end of the reporting period (A+B+C+D+E) [3]	**-**	**485,268**	**-**	**20,513**	**911,109**	**443,545**	**-**	**7,762,445**	**868,916**	**32**	
- The part of the maximum exposure to credit risk mitigated by a collateral held as security and	-	-	-	18,074	-	-	-	7,761,930	868,916	32	-
A. The net carrying amount of the financial assets that are neither past due nor impaired	**-**	**485,268**	**-**	**20,513**	**911,109**	**425,836**	**-**	**672,819**	**868,371**	**-**	**-**
B. The net carrying amount of the financial assets that would otherwise be past due or	-	-	-	-	-		-	-	-	-	-
C. The net carrying amount of the financial assets that are past due but not impaired	-	-	-	-	-		-	-	**530**	**32**	-
- The part mitigated by a collateral held as security and other credit enhancements	-	-	-	-	-		-	-	530	32	-
D. The net carrying amount of the financial assets that are individually or collectively	-	-	-	-	-	**17,709**	-	**3,041**	**15**	-	-
- Past due (gross carrying amount)	-	1,981	-	-	-	-	-	3,106	10,960	-	-
- Impairment provision (-)	-	(1,981)	-	-	-	(946)	-	(65)	(10,945)	-	-
- The part mitigated by a collateral held as security and other credit enhancements	-	-	-	-	-	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	18,655	-	385	-	-	-
- Impairment provision (-)	-	-	-	-	-	-	-	(385)	-	-	-
- The part mitigated by a collateral held as security and other credit enhancements	-	-	-	-	-	-	-	-	-	-	-
E. Off-balance sheet credit risk	-	-	-	-	-	-	-	**7,086,585**	-	-	-
31 December 2021											
The maximum exposure to credit risk at the end of the reporting period (A+B+C+D+E)	**-**	**472,244**	**-**	**13,356**	**588,203**	**10,584**	**-**	**5,222,691**	**357,421**	**24**	**-**
- The part of the maximum exposure to credit risk mitigated by a collateral held as security and	-	-	-	12,757	-	-	-	5,222,691	357,421	24	-
A. The net carrying amount of the financial assets that are neither past due nor impaired	**-**	**472,244**	**-**	**13,356**	**588,203**	**334**	**-**	**639,551**	**355,543**	**-**	**-**
B. The net carrying amount of the financial assets that would otherwise be past due or	-	-	-	-	-	-	-	-	-	-	-
C. The net carrying amount of the financial assets that are past due but not impaired	-	-	-	-	-	-	-	-	**1,831**	**24**	-
- The part mitigated by a collateral held as security and other credit enhancements	-	-	-	-	-	-	-	-	1,831	24	-
D. The net carrying amount of the financial assets that are individually or collectively	-	-	-	-	-	**10,250**	-	**4,994**	**47**	-	-
- Past due (gross carrying amount)	-	1,981	-	-	-	-	-	5,413	12,148	5,389	-
- Impairment provision (-)	-	(1,981)	-	-	-	(1,047)	-	(419)	(12,101)	(5,389)	-
- The part mitigated by a collateral held as security and other credit enhancements	-	-	-	-	-	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	11,297	-	118	-	-	-
- Impairment provision (-)	-	-	-	-	-	-	-	(118)	-	-	-
- The part mitigated by a collateral held as security and other credit enhancements	-	-	-	-	-	-	-	-	-	-	-
E. Off-balance sheet credit risk	-	-	-	-	-	-	-	**4,578,146**	-	-	-

(1) Deposits in banks include cash and cash equivalents other than cash in the consolidated statement of financial position.

(2) Since the stocks do not bear credit risk, they are not included in the securities.

(3) In determining the amount, factors that increase credit reliability, such as guarantees received, are not taken into account.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

49. FINANCIAL RISK MANAGEMENT (continued)

Ageing of the financial assets that are past due but not impaired

	Receivables								
31 December 2022	**Trade receivables**	**Other receivables**	**Balances with banks and other financial institutions**	**Marketable securities**	**Derivative financial institutions**	**Loans and customers**	**Factoring receivables**	**Finance lease receivables, net**	**Other**
0-30 days past due	-	-	-	-	-	-	530	32	-
1-3 months past due	-	-	-	-	-	-	-	-	-
3-12 months past due	-	-	-	-	-	-	-	-	-
1-5 years past due	-	-	-	-	-	-	-	-	-
Over 5 years past due	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**530**	**32**	**-**
The part mitigated by a collateral held as security and other credit enhancements	**-**	**-**	**-**	**-**	**-**	**-**	**530**	**32**	**-**

Ageing of the financial assets that are past due but not impaired

	Receivables								
31 December 2021	**Trade receivables**	**Other receivables**	**Balances with banks and other financial institutions**	**Marketable securities**	**Derivative financial institutions**	**Loans and advances to customers**	**Factoring receivables**	**Finance lease receivables, net**	**Other**
0-30 days past due	-	-	-	-	-	-	131	24	-
1-3 months past due	-	-	-	-	-	-	1,700	-	-
3-12 months past due	-	-	-	-	-	-	-	-	-
1-5 years past due	-	-	-	-	-	-	-	-	-
Over 5 years past due	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**1,831**	**24**	**-**
The part mitigated by a collateral held as security and other credit enhancements	**-**	**-**	**-**	**-**	**-**	**-**	**1,831**	**24**	**-**

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

49. FINANCIAL RISK MANAGEMENT (continued)

Collateral obtained against loans and advances to customers that are not impaired:	**31 December 2022**	**31 December 2021**
Real estate mortgage	2,820	2,820
Other collaterals (mortgage over movable properties, institutional and personal guarantees, guarantee notes) (1)	673,040	641,725
Total	**675,860**	**644,545**

(1) Unsecured Cash loan amount is 397,992 TL. (31 December 2021: 607,373 TL)

Collateral obtained against non-cash loans that are not impaired:	**31 December 2022**	**31 December 2021**
Real estate mortgage	396	396
Cash collateral	3,061	3,061
Other collaterals (mortgage over movable properties, institutional and personal guarantees, guarantee notes) (1)	7,083,128	4,574,689
Total	**7,086,585**	**4,578,146**

(1) Non-secured non-cash loan amount is 5,069,721 TL. (31 December 2021: 2,933,713 TL)

Collaterals received for impaired cash loans:

None as of 31 December 2022 (31 December 2021: None).

The collaterals obtained against finance lease receivables in relation to the outstanding lease contracts:

	31 December 2022	**31 December 2021**
Guarantee notes	32	24
Mortgages	-	-
Total	**32**	**24**

Collateral obtained against factoring receivables:

	31 December 2022	**31 December 2021**
Collateral bill	851,205	343,733
Cheque collateral	17,711	13,688
Total	**868,916**	**357,421**

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

49. FINANCIAL RISK MANAGEMENT (continued)

Liquidity Risk

Liquidity risk occurs when there is an insufficient amount of cash or cash inflows to meet the cash outflows in full and on time, resulting from the unstable cash inflows.

Liquidity risk may occur when positions cannot be closed on a timely basis with an appropriate price and enough due to unfavourable market conditions. In factoring companies, to mitigate the liquidity risk from the checks received, the Group attaches importance to the collectability of checks. In the Group's banks, the liquidity position is evaluated daily. In weekly meetings of the Asset-Liability Committee, three month-period cash flow projections are reviewed and the extent of positions to be taken is decided accordingly. Alternative strategies that will be taken in case of lack of liquidity are assessed. The existing limits and limit gaps of the Group within Interbank, Istanbul Stock Exchange, Money Market and secondary markets are followed instantly. The maximum limits in the statement of financial position of the Group related with the maturity risk are determined by the Board of Directors.

The table below analyses the contractual undiscounted cash flows from the financial liabilities of the Group into the maturity groupings based on the remaining period at reporting date to the contractual maturity date.

	Carrying value	Total contractual ndiscounted cash flows	Up to 1 Month	1 to 3 months	3 to 6 months	6 to 12 month	1 to 5 years	Over 5 years
As at 31 December 2022								
Non-derivative								
Financial liabilities								
Liabilities from money market transactions	**108,970**	**109,010**	109,010	-	-	-	-	-
Funds borrowed	**1,137,692**	**1,287,091**	361,186	220,998	83,677	64,486	556,744	-
Lease liabilities	**6,774**	**7,565**	507	1,237	1,278	1,627	2,916	-
Borrowers' funds	**188,512**	**188,653**	37,845	150,780	28	-	-	-
Factoring payables	**349**	**349**	-	349	-	-	-	-
Liabilities arising from finance leases	**119**	**119**	119	-	-	-	-	-
Total	**1,442,416**	**1,592,787**	**508,667**	**373,364**	**84,983**	**66,113**	**559,660**	**-**

	Carrying value	Total contractual undiscounted cash flows	Up to 1 Month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years
As at 31 December 2021								
Non-derivative								
Financial liabilities								
Liabilities from money market transactions	**46,301**	**47,251**	21,804	25,447	-	-	-	-
Funds borrowed	**900,131**	**973,778**	85,453	110,173	28,486	81,569	668,097	-
Lease liabilities	**3,064**	**3,346**	323	539	618	624	1,242	-
Borrowers' funds	**126,753**	**126,924**	31,545	25,396	-	3,154	66,829	-
Factoring payables	**454**	**454**	-	454	-	-	-	-
Liabilities arising from finance leases	**88**	**88**	88	-	-	-	-	-
Total	**1,076,791**	**1,151,841**	**139,213**	**162,009**	**29,104**	**85,347**	**736,168**	**-**

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

49. FINANCIAL RISK MANAGEMENT (continued)

Currency Risk

Currency risk is followed on foreign currency/TL and foreign currency/ foreign currency basis and different risk techniques, methods and instruments are used for each of them. The Group hedges the risk in foreign currency/ foreign currency position with spot/forward arbitrage and future transactions. In the Group's banks, the capital adequacy requirement arising from foreign currency risk is calculated by considering all foreign currency assets and liabilities and derivative financial instruments of the Group's bank. The net short and long positions in terms of TL of each foreign currency are computed. The position with the greater absolute value is determined as the basis for the computation of capital adequacy requirement.

The concentrations of assets, liabilities and off-balance sheet items in terms of currencies:

At 31 December 2022	TL	US Dollars	Euro	Others	Total
Assets from continuing operations					
Cash and balances with the Central Bank	1,827	280	-	-	2,107
Deposits with banks and other financial institutions	8,809	888,603	758	6,611	904,781
Receivables from money market transactions	4,127	-	-	-	4,127
Required reserves	-	94	-	-	94
Financial assets at fair value through profit or loss	975,905	287,167	-	-	1,263,072
Other Financial Assets Measured at Amortised Cost (net)	53,532	-	-	-	53,532
Loans and advances, net	430,782	245,078	-	-	675,860
Factoring receivables, net	868,916	-	-	-	868,916
Finance lease receivables, net	-	20	12	-	32
Unquoted equity instruments	377	-	-	-	377
Assets held for sale	76	-	-	-	76
Investments valued by equity method	-	-	-	-	-
Property and equipment, net	8,439	2,278,012	-	-	2,286,451
Right of use assets	6,466	-	-	-	6,466
Intangible assets, net	765	-	-	-	765
Prepaid expenses	9,970	10,153	-	-	20,123
Prepaid income tax	72	-	-	-	72
Deferred tax asset	4,790	-	-	-	4,790
Trade and other receivables and other assets	25,202	493,657	-	-	518,859
Total assets	**2,400,055**	**4,203,064**	**770**	**6,611**	**6,610,500**
Liabilities from continuing operations					
Liabilities from money market transactions	108,970	-	-	-	108,970
Funds borrowed	584,072	553,620	-	-	1,137,692
Lease liabilities	6,774	-	-	-	6,774
Borrowers' funds	37,840	150,658	14	-	188,512
Factoring payables	349	-	-	-	349
Liabilities arising from finance leases	3	62	54	-	119
Deferred income	37	31,137	-	-	31,174
Income taxes payable	46,781	-	-	-	46,781
Provisions	23,181	-	-	-	23,181
Debt provisions	7,198	-	-	-	7,198
Deferred tax liability	35,773	-	-	-	35,773
Trade and other payables and other liabilities	32,113	27,240	206	-	59,559
Total liability	**883,091**	**762,717**	**274**	**-**	**1,646,082**
Net balance sheet position	**1,516,964**	**3,440,347**	**496**	**6,611**	**4,964,418**
Net off-balance sheet position	**-**	**700,257**	**-**	**-**	**700,257**
Net notional amount of derivatives from continuing operations	-	700,257	-	-	700,257

At 31 December 2021	TL	US Dollars	Euro	Others	Total
Total assets	**1,091,911**	**3,045,100**	**31,384**	**27**	**4,168,422**
Total liabilities	**312,929**	**866,801**	**30,409**	**-**	**1,210,139**
Net balance sheet position	**778,982**	**2,178,299**	**975**	**27**	**2,958,283**
Net off-balance sheet position	**-**	**399,870**	**-**	**-**	**399,870**

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

49. FINANCIAL RISK MANAGEMENT (continued)

Sensitivity Analysis for Currency Risk

At 31 December 2022 and 31 December 2021, if all foreign currencies had strengthened or weakened 10 per cent against TL with all other variables held constant, the changes in the consolidated post-tax profit of the Group for the periods ended 31 December 2022 and 31 December 2021 and other components of equity of the Group as at those dates, which are the changes in net profit or other comprehensive income, net of tax, attributable to equity holders of the parent for the periods 31 December 2022 and 31 December 2021, respectively, would have been as follows:

Sensitivity Analysis for Currency Risk Table				
	31 December 2022			
	Net Profit/(Loss) (1)		**Other Components of Equity (1)**	
	Foreign currencies' strengthening	**Foreign currencies' weakening**	**Foreign currencies' strengthening**	**Foreign currencies' weakening**
The 10% change in TL/USD:				
1- The change in USD denominated assets/liabilities except derivatives	202,409	(202,409)	84,482	(84,482)
2- Hedging effect arising from the derivatives	-	-	-	-
3- Net effect due to the change in TL/USD (1+2)	**202,409**	**(202,409)**	**84,482**	**(84,482)**
The 10% change in TL/EUR:				
4- The change in EUR denominated assets/liabilities except derivatives	39	(39)	-	-
5- Hedging effect arising from the derivatives	-	-	-	-
6- Net effect due to the change in TL/EUR (4+5)	**39**	**(39)**	**-**	**-**
The 10% change in TL/Other foreign currencies:				
7- The change in other foreign currencies denominated assets/liabilities except derivatives	496	(496)	-	-
8- Hedging effect arising from the derivatives	-	-	-	-
9- Net effect due to the change in TL/Other foreign currencies (7+8)	**496**	**(496)**	**-**	**-**
TOTAL (3+6+9)	**202,944**	**(202,944)**	**84,482**	**(84,482)**

Sensitivity Analysis for Currency Risk Table				
	31 December 2021			
	Net Profit/(Loss) (1)		**Other Components of Equity (1)**	
	Foreign currencies' strengthening	**Foreign currencies' weakening**	**Foreign currencies' strengthening**	**Foreign currencies' weakening**
The 10% change in TL/USD:				
1- The change in USD denominated assets/liabilities except derivatives	141,450	(141,450)	19,533	(19,533)
2- Hedging effect arising from the derivatives	-	-	-	-
3- Net effect due to the change in TL/USD (1+2)	**141,450**	**(141,450)**	**19,533**	**(19,533)**
The 10% change in TL/EUR:				
4- The change in EUR denominated assets/liabilities except derivatives	75	(75)	-	-
5- Hedging effect arising from the derivatives	-	-	-	-
6- Net effect due to the change in TL/EUR (4+5)	**75**	**(75)**	**-**	**-**
The 10% change in TL/Other foreign currencies:				
7- The change in other foreign currencies denominated assets/liabilities except derivatives	2	(2)	-	-
8- Hedging effect arising from the derivatives	-	-	-	-
9- Net effect due to the change in TL/Other foreign currencies (7+8)	**2**	**(2)**	**-**	**-**
TOTAL (3+6+9)	**141,527**	**(141,527)**	**19,533**	**(19,533)**

(1) The amounts included in the foreign currency sensitivity analysis under the heading "Profit / Loss" are presented for the net profit for the period of the parent company shares and the other comprehensive income for the shares of the parent company given under "Equity"

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

49. FINANCIAL RISK MANAGEMENT (continued)

FOREIGN CURRENCY POSITION TABLE (*)	**31 December 2022**				**31 December 2021**			
(Unless indicated,orginal currency)	**TL**	**Thousand USD**	**Thousand Euro**	**Other (TL)**	**TL**	**Thousand USD**	**Thousand Euro**	**Other (TL)**
1. Trade Receivables	485,240	25,951	-	-	139,011	10,429	-	-
2a. Monetary Financial Assets (Cash and Bank)	1,389,119	73,896	39	6,611	924,130	66,976	2,081	27
2b. Non-Monetary Financial Assets	36,462	1,950	-	-	27,991	2,100	-	-
3. Other	18,570	992	-	-	12,175	913	-	-
4. Current Asset (1+2+3)	**1,929,391**	**102,789**	**39**	**6,611**	**1,103,307**	**80,418**	**2,081**	**27**
5. Trade Receivables	-	-	-	-	333,225	25,000	-	-
6a. Monetary Financial Assets (Cash and Bank	3,042	163	-	-	4,993	375	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-	-	-	-
7. Other	2,278,012	121,830	-	-	1,634,986	122,664	-	-
8. Non Current Assets (5+6+7)	**2,281,054**	**121,993**	**-**	**-**	**1,973,204**	**148,039**	**-**	**-**
9. Total Assets (4+8)	**4,210,445**	**224,782**	**39**	**6,611**	**3,076,511**	**228,457**	**2,081**	**27**
10. Trade Payables	27,446	1,457	10	-	8,001	595	4	-
11. Financial Liabilities	229,097	12,248	4	-	250,921	16,556	2,005	-
12a. Monetary Other Financial Liabilities	-	-	-	-	95	-	7	-
12b. Non Monetary Other Financial Liabilities	31,137	1,665	-	-	16,141	1,211	-	-
13. Short Term Liability (10+11+12)	**287,680**	**15,370**	**14**	**-**	**275,158**	**18,362**	**2,016**	**-**
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	475,311	25,420	-	-	622,052	46,669	-	-
16 a. Monetary Other Financial Liabilities	-	-	-	-	-	-	-	-
16 b. Non Monetary Other Financial Liabilities	-	-	-	-	-	-	-	-
17. Long Term Liability (14+15+16)	**475,311**	**25,420**	**-**	**-**	**622,052**	**46,669**	**-**	**-**
18. Total Liability (13+17)	**762,991**	**40,790**	**14**	**-**	**897,210**	**65,031**	**2,016**	**-**
19. Net Asset/(Liability) Position of Off Balance Sheet Foreign Currency Derivative Instruments(19a-19b)	**700,257**	**37,450**	-	-	399,870	30,000	-	-
19a. Amount of Liability Characteristic Off Balance Sheet Derivative Instruments(*)	**700,257**	**37,450**	-	-	399,870	30,000	-	-
19b. Amount of Liability Characteristic Off Balance Sheet Derivative Instruments	-	-	-	-	-	-	-	-
20. Net financial position (9-18+19)	**4,147,711**	**221,442**	**25**	**6,611**	**2,579,171**	**193,426**	**65**	**27**
21. Position of Net Monetary Units of Foreign Currency Assets / (Liabilities) (=1+2a+5+6a-10-11-12a-14-15-16a)	**1,145,547**	**60,885**	**25**	**6,611**	**520,290**	**38,960**	**65**	**27**
22.Total Fair value of Financial Instruments used for Currency Hedge	-	-	-	-	-	-	-	-
23. Amount of hedged Foreign Currency Assets	-	-	-	-	-	-	-	-
24. Amount of hedged Foreign Currency Liabilities	-	-	-	-	-	-	-	-
25. Export	-	-	-	-	-	-	-	-
26. Import	-	-	-	-	-	-	-	-

(*) As of 31 December 2022, the Group has started to use 7,190 USD cash in currency protected deposit accounts.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

49. FINANCIAL RISK MANAGEMENT (continued)

Interest Rate Risk

Interest rate risk is the probability of loss due to changes in interest rates depending on the Group's position regarding the interest bearing financial instruments. Interest rate risk arises as a result of maturity mismatch on re-pricing of assets and liabilities, changes in the correlation between interest rates of different financial instruments and unexpected changes in the shape and slope of yield curves. Exposure to interest rate risk arises when there is a mismatch between rate sensitive assets and liabilities. The Group handles the interest rate risk within the context of market risk and asset-liability management. The Group monitors the interest rates in the market on a daily basis and updates its interest rates when necessary. The table below summarizes the Group's exposure to interest rate risk on the basis of the remaining period at the reporting date to the re-pricing date.

Distribution of interest rate sensitive assets and liabilities based on their remaining maturities from the end of the reporting period to the repricing date:

At 31 December 2022	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years	Non interest bearing	Total
Assets from continuing operations								
Cash and balances with the Central Bank	2,107	-	-	-	-	-	-	**2,107**
Deposits with banks and other financial institutions	208,993	652,322	-	-	-	-	43,466	**904,781**
Receivables from money market transactions	4,124	-	-	-	-	-	3	**4,127**
Required reserves	94	-	-	-	-	-	-	**94**
Unquoted equity instruments	-	-	-	-	-	-	377	**377**
Financial assets at fair value through profit or loss	-	139,308	-	-	-	-	1,123,764	**1,263,072**
Other Financial Assets Measured at Amortised Cost (net)	53,532	-	-	-	-	-	-	**53,532**
Assets held for sale	-	-	-	-	-	-	76	**76**
Property and equipment, net	-	-	-	-	-	-	2,286,451	**2,286,451**
Right of use assets	-	-	-	-	-	-	6,466	**6,466**
Loans and advances, net	354,378	249,972	32,443	35,837	574	-	2,656	**675,860**
Factoring receivables, net	263,886	422,243	159,304	23,483	-	-	-	**868,916**
Finance lease receivables, net	32	-	-	-	-	-	-	**32**
Intangible assets, net	-	-	-	-	-	-	765	**765**
Prepaid expenses	-	-	-	-	-	-	20,123	**20,123**
Prepaid income tax	-	-	-	-	-	-	72	**72**
Deferred tax asset	-	-	-	-	-	-	4,790	**4,790**
Trade and other receivables and other assets	17,782	-	-	-	-	-	501,077	**518,859**
Total assets	**904,928**	**1,463,845**	**191,747**	**59,320**	**574**	**-**	**3,990,086**	**6,610,500**
Liabilities from continuing operations								
Payables from leasing activities	-	-	-	-	-	-	119	**119**
Tax liability on current period operations	-	-	10,155	-	-	-	36,626	**46,781**
Payables from money market transactions	108,970	-	-	-	-	-	-	**108,970**
Loans received	417,201	150,414	52,134	42,632	475,311	-	-	**1,137,692**
Lease liabilities	95	196	308	671	1,204	-	4,300	**6,774**
Borrower funds	150,639	28	-	-	-	-	37,845	**188,512**
Deferred income	24,420	-	-	-	-	-	6,754	**31,174**
Factoring payables	-	349	-	-	-	-	-	**349**
Provisions for employee benefits	-	-	-	-	-	-	23,181	**23,181**
Debt provisions	-	-	-	-	-	-	7,198	**7,198**
Deferred tax liability	-	-	-	-	-	-	35,773	**35,773**
Trade and other payables and other liabilities	23,113	-	-	-	-	-	36,446	**59,559**
Total liability	**724,438**	**150,987**	**62,597**	**43,303**	**476,515**	**-**	**188,242**	**1,646,082**
Total interest sensitivity gap	**180,490**	**1,312,858**	**129,150**	**16,017**	**(475,941)**	**-**	**3,801,844**	**4,964,418**
At 31 December 2021								
Total assets	**1,188,033**	**204,200**	**84,624**	**13,634**	**84**	**-**	**2,677,847**	**4,168,422**
Total liabilities	**246,115**	**130,128**	**34,507**	**69,148**	**622,795**	**-**	**107,446**	**1,210,139**
Total interest sensitivity gap	**941,918**	**74,072**	**50,117**	**(55,514)**	**(622,711)**	**-**	**2,570,401**	**2,958,283**

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

49. FINANCIAL RISK MANAGEMENT (continued)

Interest Rate Sensitivity Analysis

Interest Risk Position Table		
	31 December 2022	**31 December 2021**
Financial instruments carried at fair value		
Financial assets	-	-
Financial assets– fair value through profit/loss	139,308	-
Financial liabilities	-	-
Financial instruments carried at other than fair value		
Flexible interest financial instruments		
Financial assets	-	-
Financial liabilities	553,620	462,998
Fixed interest rate financial instruments		
Financial assets	2,481,106	1,490,575
Financial liabilities	904,220	639,695

Sensitivity Analysis for Interest Rate Risk for the Financial Instruments Carried at Fair Value

None.

Sensitivity Analysis for Interest Rate Risk for the Financial Instruments Carried at Other Than Fair Value

If interest rates at 31 December 2022 had been 1 per cent higher at that date and had been constant at this level for the following three months period with all other variables held constant, the consolidated interest income and the consolidated interest expense of the Group for the three months period from 1 January 2023 to 31 March 2023 would have been TL 3,105 and TL 1,635 higher, respectively; the consolidated net interest income/(expense) of the Group before and after non-controlling interest would have been TL 1,470 and TL 1,339 higher, respectively.

If interest rates at 31 December 2022 had been 1 per cent lower at that date and had been constant at this level for the following three months period with all other variables held constant, the consolidated interest income and the consolidated interest expense of the Group for the three months period from 1 January 2023 to 31 March 2023 would have been TL 3,105 and TL 1,635 lower, respectively; the consolidated net interest income/(expense) of the Group before and after non-controlling interest would have been TL 1,470 and TL 1,339 lower, respectively.

If interest rates at 31 December 2021 had been 1 per cent higher at that date and had been constant at this level for the following three months period with all other variables held constant, the consolidated interest income and the consolidated interest expense of the Group for the three months period from 1 January 2022 to 31 March 2022 would have been TL 2,644 and TL 621 higher, respectively; the consolidated net interest income/(expense) of the Group before and after non-controlling interest would have been TL 2,023 and TL 1,984 higher, respectively.

If interest rates at 31 December 2021 had been 1 per cent lower at that date and had been constant at this level for the following three months period with all other variables held constant, the consolidated interest income and the consolidated interest expense of the Group for the three months period from 1 January 2022 to 31 March 2022 would have been TL 2,644 and TL 621 lower, respectively; the consolidated net interest income/(expense) of the Group before and after non-controlling interest would have been TL 2,023 and TL 1,984 lower, respectively.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

49. FINANCIAL RISK MANAGEMENT (continued)

Collaterals, pledges, mortgages and guarantees given by the Group

According to a regulation of the Capital Markets Board of Turkey dated 9 September 2009, the public listed companies except financial institutions and investment trusts can give a collateral, pledge, mortgage and guarantee only in favor of their own judicial entities and their consolidated subsidiaries and other third parties can be a beneficiary of a collateral, pledge, mortgage and guarantee given by exchange-traded companies only if it is provided with the sole aim of conducting ordinary business activities.

As of 31 December 2022 and 31 December 2021, the tables regarding the Group's collateral/pledge/mortgage (CPM) position are as follows:

Continuing Operations **Collaterals, pledges, mortgages and guarantees given by the Group**	**31 December 2022**				
	TL	**US Dollars(4)**	**Euro(4)**	**Others(4)**	**Total**
A. Collaterals, pledges, mortgages and guarantees given by the Group Companies in favor of their own judicial entities	**1,006**	**679,696**	**-**	**-**	**680,702**
1. Letters of guarantee given by the Group Company	-	-	-	-	-
2. Letters of guarantee given by the Non-Group Banks as collateral against cash loans	-	-	-	-	-
3. Other letters of guarantee given by the Non-Group Banks	-	-	-	-	-
4. Marketable Securities	-	-	-	-	-
5. Cash and bank deposit pledges	1,006	-	-	-	1,006
6. Mortgage given as collateral against cash loans (3)	-	679,696	-	-	679,696
7. Subsidiary share pledge given as collateral against cash loans (3)	-	-	-	-	-
8.Other	-	-	-	-	-
B. Collaterals, pledges, mortgages and guarantees given by the Group in favor of consolidated Group Companies	**2,304**	**1,356,683**	**-**	**-**	**1,358,987**
1. Guarantees given as collateral against cash loans (1)	-	1,356,683	-	-	1,356,683
2. Guarantees given as collateral against derivative contracts	-	-	-	-	-
3. Letters of guarantee given as collateral against cash loans	-	-	-	-	-
4. Other non-cash loans	2,304	-	-	-	2,304
5. Mortgage given as collateral against cash loans	-	-	-	-	-
6. Subsidiary share pledge given as collateral against cash loans	-	-	-	-	-
7. Bank deposit given as collateral against cash loans	-	-	-	-	-
8. Other	-	-	-	-	-
C. Collaterals, pledges, mortgages and guarantees given by the Group while conducting ordinary business activities in favor of non-Group entities	**5,756,848**	**1,080,109**	**249,628**	**-**	**7,086,585**
1. Non-cash loans given by the Group Bank	5,756,848	1,080,109	249,628	-	7,086,585
2. Other	-	-	-	-	-
D. Collaterals, pledges, mortgages and guarantees given by the Group in favor of the associates and joint ventures with direct shareholdings pursuant to the Article 12/2. of the Communique on the Corporate Governance	-	-	-	-	-
E. Other collaterals, pledges, mortgages and guarantees given by the Group	-	-	-	-	-
1. Collaterals, pledges, mortgages and guarantees given by the Group in favor of the main shareholder (2)	-	-	-	-	-
2. Collaterals, pledges, mortgages and guarantees given by the Group in favor of Group Companies other than those covered under the classes B and C	-	-	-	-	-
3. Collaterals, pledges, mortgages and guarantees given by the Group in favor of non-Group entities other than those covered under the class C	-	-	-	-	-
Total	**5,760,158**	**3,116,488**	**249,628**	**-**	**9,126,274**

(1) Guarantees given as collateral against cash loans and derivative contracts indicate the total risk exposure arising from guarantees given by the Company as collateral against outstanding cash loans and derivative contracts of its consolidated subsidiaries. The Company has no income or consideration arising from such guarantees it has given in favor of its consolidated subsidiaries.

(2) Collaterals, pledges, mortgages and guarantees given by the Group in favor of the main shareholder indicate the total risk exposure arising from the non-cash loans given by the Group in favor of Mehmet Turgut Yılmaz, the chairman of the Board of Directors of the Company, and Delta Group Companies which are under his control.

(3) M/V Dodo, M/V Cano, M/V Hako, M/V Lena, owned by Dodo Maritime Limited, Cano Maritime Limited, Hako Maritime and Lena Maritime Limited, The dry bulk carriers and GSD Shipping B.V. has given mortgages and pledges in favor of the lending banks, in return for the bank loans used in the financing of the ship purchase, for some of its subsidiary shares, which it owns 100%.

(4) In the tables above, the amounts given for foreign currencies are shown in TL equivalent.

As of December 31, 2022, the ratio of the sum of the CPM by our Company within the framework of the CMB regulations to the total of the assets in the last balance sheet announced to the public was 21.73%.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

49. FINANCIAL RISK MANAGEMENT (continued)

Collaterals, pledges, mortgages and guarantees given by the Group (continued)

Continuing Operations **Collaterals, pledges, mortgages and guarantees given by the Group**	**31 December 2021**				
	TL	**US Dollars** [4]	**Euro** [4]	**Others**[4]	**Total**
A. Collaterals, pledges, mortgages and guarantees given by the Group Companies in favor of their own judicial entities	**586**	**957,709**	**-**	**-**	**958,295**
1. Letters of guarantee given by the Group Company	-	-	-	-	-
2. Letters of guarantee given by the Non-Group Banks as collateral against cash loans	-	-	-	-	-
3. Other letters of guarantee given by the Non-Group Banks	-	-	-	-	-
4. Marketable Securities	-	-	-	-	-
5. Cash and bank deposit pledges	586	-	-	-	586
6. Mortgage given as collateral against cash loans [3]	-	710,355	-	-	710,355
7. Subsidiary share pledge given as collateral against cash loans [3]	-	247,354	-	-	247,354
8.Other	-	-	-	-	-
B. Collaterals, pledges, mortgages and guarantees given by the Group in favor of consolidated Group Companies	**1,701**	**1,496,744**	**-**	**-**	**1,498,445**
1. Guarantees given as collateral against cash loans [1]	-	1,496,744	-	-	1,496,744
2. Guarantees given as collateral against derivative contracts	-	-	-	-	-
3. Letters of guarantee given as collateral against cash loans	-	-	-	-	-
4. Other non-cash loans	1,701	-	-	-	1,701
5. Mortgage given as collateral against cash loans	-	-	-	-	-
6. Subsidiary share pledge given as collateral against cash loans	-	-	-	-	-
7. Bank deposit given as collateral against cash loans	-	-	-	-	-
8. Other	-	-	-	-	-
C. Collaterals, pledges, mortgages and guarantees given by the Group while conducting ordinary business activities in favor of non-Group entities	**3,705,228**	**642,705**	**230,213**	**-**	**4,578,146**
1. Non-cash loans given by the Group Bank	3,705,228	642,705	230,213	-	4,578,146
2.Otherr	-	-	-	-	-
D. Collaterals, pledges, mortgages and guarantees given by the Group in favor of the associates and joint ventures with direct shareholdings pursuant to the Article 12/2. of the Communique on the Corporate Governance	**-**	**-**	**-**	**-**	**-**
E. Other collaterals, pledges, mortgages and guarantees given by the Group	**-**	**-**	**-**	**-**	**-**
1. Collaterals, pledges, mortgages and guarantees given by the Group in favor of the main shareholder [2]	-	-	-	-	-
2. Collaterals, pledges, mortgages and guarantees given by the Group in favor of Group Companies other than those covered under the classes B and C	-	-	-	-	-
3. Collaterals, pledges, mortgages and guarantees given by the Group in favor of non-Group entities other than those covered under the class C	-	-	-	-	-
Total	**3,707,515**	**3,097,158**	**230,213**	**-**	**7,034,886**

(1) Guarantees given as collateral against cash loans and derivative contracts indicate the total risk exposure arising from guarantees given by the Company as collateral against outstanding cash loans and derivative contracts of its consolidated subsidiaries. The Company has no income or consideration arising from such guarantees it has given in favor of its consolidated subsidiaries.

(2) Collaterals, pledges, mortgages and guarantees given by the Group in favor of the main shareholder indicate the total risk exposure arising from the non-cash loans given by the Group in favor of Mehmet Turgut Yılmaz, the chairman of the Board of Directors of the Company, and Delta Group Companies which are under his control.

(3) M/V Dodo, M/V Mila, M/V Cano, M/V Hako and M/V Lena owned by Dodo Maritime Limited, Mila Maritime Limited, Cano Maritime Limited, Hako Maritime Limited and Lena Maritime Limited, The dry bulk carriers M/V Dodo, M/V Mila, M/V Cano, M/V Hako, M/V Lena and GSD Shipping B.V. has given mortgages and pledges in favor of the lending banks, in return for the bank loans used in the financing of the ship purchase, for some of its subsidiary shares, which it owns 100%.

(4) In the tables above, the amounts given for foreign currencies are shown in TL equivalent.

As of December 31, 2021, the ratio of the sum of the CPM by our Company within the framework of the CMB regulations to the total of the assets in the last balance sheet announced to the public was 39.68%.

As at 31 December 2022, the rate of the other collaterals, pledges, mortgages and guarantees given by the Group to shareholders' equity is 0% (31 December 2021: 0%).

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

50. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction.

The table below gives a comparison of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair values in the consolidated financial statements.

	31 December 2022		31 December 2021	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Loans and advances to customers	675,860	675,860	644,545	644,545
Finance lease receivables	32	32	24	24
Factoring receivables	868,916	868,916	357,421	357,421
Total	**1,544,808**	**1,544,808**	**1,001,990**	**1,001,990**
Financial liabilities				
Funds borrowed	1,137,692	1,137,692	900,131	900,121
Lease liabilities	6,774	6,774	3,064	3,064
Factoring payables	349	349	454	454
Total	**1,144,815**	**1,144,815**	**903,649**	**903,639**

The following methods and assumptions were used to estimate the fair values of the financial instruments:

- Fair values of certain financial assets and liabilities carried at cost or amortized cost, including cash and cash equivalents, balances with the Central Bank, deposits with banks and other financial institutions, other money market placements, factoring receivables and payables, demand deposits and reserve deposits at the central bank are considered to approximate their respective carrying values due to their short-term nature.
- Fair values of other financial instruments are determined by using estimation techniques that include taking reference to the current market value of another instrument with similar characteristics or by discounting the expected future cash flows at prevailing interest rates.

Fair Value Hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed debt instruments.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes the OTC derivative contracts. The sources of input parameters like LIBOR yield curve or counterparty credit risk are Bloomberg and Reuters.

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

50. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair Value Hierarchy (continued)

31 December 2021	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit/loss	250,222	176,253	836,597	1,263,072
Total	**250,222**	**176,253**	**836,597**	**1,263,072**

31 December 2021	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit/loss	13,293	28,325	375,298	416,916
Total	**13,293**	**28,325**	**375,298**	**416,916**
Liabilities				
Derivative liabilities held for trading	-	-	-	-
Total	-	-	-	-

51. EVENTS AFTER THE REPORTING PERIOD

GSD Holding and its subsidiaries to donate up to TL 40,000,000 in 2023 to the GSD Education Foundation in order to contribute to the re-establishment of the education infrastructure in our province of Hatay, in the region devastated by the earthquake disaster that took place on 06.02.2023 and affected many of our provinces. Within the framework of the principle decision of 09.02.2023 and numbered 8/174, the donation limit that can be made by each of the subsidiaries is determined and submitted to the approval of the shareholders at the first general assembly meeting, the allocation of space, the design and development of the school to be built by the GSD Education Foundation with the contributions of the GSD Group. After its construction, it was decided to take initiatives before the relevant authorities for its transfer to the Ministry of National Education.

GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. to establish a new company in the Netherlands as a subsidiary and to participate in this company with a capital of 12 million USD; Regarding this resource, the Audit Committee regarding the use of the total of 97,778,414,45 TL fund obtained from the capital increase following the delivery of the 37,800 tons carrying capacity, approximately 25 Million USD ship, which is under construction at the Japanese Imabari shipyard, in August 2023. to publish the Report on the Public Disclosure Platform and on the website; decided.

The Law No. 7438 on Social Security and General Health Insurance and the Law No. 375 on the Amendment of the Decree Law No. 375, which includes the regulation on Persons Aged at Retirement, entered into force after being published in the Official Gazette dated March 3, 2023 and numbered 32121. Although this situation is considered as a non-adjusting event, studies on its impact on the financial position of the Group are ongoing.

By being shown in the corporate tax return for 2022 by corporate taxpayers; Additional tax has been imposed on corporate taxpayers with a new article added to the law proposal that envisages the restructuring of public debts. Although this situation is considered as an event that does not require correction, it is not expected to have a significant impact on the Group's consolidated financial statements.

52. OTHER MATTERS THAT MAY AFFECT THE FINANCIAL STATEMENTS OR MUST BE DISCLOSED FOR THE FINANCIAL STATEMENTS TO BE CLEAR, INTERPRETABLE AND UNDERSTANDABLE

Silopi Elektrik Üretim A.Ş. Shares

The closing of the transaction in connection with the agreement for purchase and sale of shares and of shareholders comprising the purchase of the Class (B) shares with a nominal value of full TL 30,307,500 representing a ratio of 15 % in the share capital of full TL 202,050,000 of Silopi Elektrik Üretim A.Ş. by GSD Holding A.Ş. from Park Holding A.Ş. signed on 8 June 2015, being conditional upon obtaining the necessary regulatory approvals from the relevant regulatory authorities in Turkey, has been executed between GSD Holding A.Ş and Park Holding A.Ş. on 29 June 2015, the total price of US 125,000,000 having been paid by GSD Holding A.Ş. to Park Holding A.Ş. and the assignment by Park Holding A.Ş. to GSD Holding A.Ş. of the shares constituting the subject of the agreement having been made and entered to the share ledger of Silopi Elektrik Üretim A.Ş. as of this date.

On 8 June 2020 it has been decided that GSD Holding A.Ş. has used its put option and sold its 5.40 % shares to Park Holding A.Ş. with a nominal value of TL 10,910,700 that represent 5.40% of capital of Silopi Elektrik Üretim A.Ş. in return of USD 45,000,000 with respect to derogation of existing agreement that was signed on 8 June 2015 between GSD Holding A.Ş. and Park Holding A.Ş.. For the remaining shares representing 9.60% of capital of Silopi Elektrik Üretim A.Ş., GSD Holding A.Ş. and Park Holding A.Ş. agreed on extending the period for the public offering of the company until 31 December 2024, agreed to increase this company's paid in capital by Park Holding A.Ş. from TL 202,050,000 to TL 1,500,000,000. After the capital increase, bonus issues are going to be transferred to GSD Holding A.Ş. from Park Holding A.Ş. through protecting its 9.60% shares of Silopi Elektrik Üretim A.Ş. with a nominal value of TL 124,603,200, cover the remuneration by Park Holding A.Ş., finally in case the Silopi Elektrik Üretim A.Ş.'s public offering is not realized by the stipulated date, the new addendum established right to GSD Holding A.Ş. for the sale of the remaining shares with an option price of USD 30,000,000 to Park Holding A.Ş. and it has been agreed that the minimum dividend to be paid is determined as 3% per annum with respect to the remaining balance of the receivable until 31 December 2024.

As of 31 December 2022, after the additional addendum made on 8 June 2020, TL 36,462 income accrual calculated in the ratio of the number of days until the end of the period over the annual minimum profit share guarantee, is recognized under the item "Other Income from Investment Activities" as valuation income in the statement of profit or loss.

Treasury Shares

Between 30 June 2015 and 14 December 2017, 90,000,000 (full) Company shares were purchased by the Company itself from Borsa Istanbul share amounting to 56,418 TL in for with a share of 0.63 TL. Within the additional period taken from the CMB regarding the sale of the repurchased shares, the company sold a total of 45.000.000 repurchased shares in the price range of 2.10-2.27 between 10 September 2020 and 6 October 2020 on the BIST for a price of 96,631 TL. Thus, the ratio of the total repurchased shares owned by the company to the paid-in capital of TL 450,000 decreased to 10.00%. The amended article 7 of our articles of association, titled "Registered Capital", regarding the increase of the paid-in capital of our company from 450,000 TL to 1,000,000 TL, was registered by the Istanbul Trade Registry on 23 November 2022 and dated 28 November 2022 and numbered 10713 in Turkey. Published in the Trade Registry Gazette. Thus, the ratio of the total repurchased shares owned by the company to the paid-in capital of TL 1,000,000 is 10.00%.

Mehmet Turgut Yılmaz and Shareholders taking joint actions with Mehmet Turgut Yılmaz

As of December 31, 2022, the direct share rate of Mehmet Turgut Yılmaz, the real person ultimate controlling partner of GSD Holding A.Ş., is 25.50%, the direct and indirect total share rate is 28.14%, and the treasury shares are deducted from the capital is 31.27%.

52. OTHER MATTERS THAT MAY AFFECT THE FINANCIAL STATEMENTS OR MUST BE DISCLOSED FOR THE FINANCIAL STATEMENTS TO BE CLEAR, INTERPRETABLE AND UNDERSTANDABLE (continued)

Mehmet Turgut Yılmaz and Shareholders taking joint actions with Mehmet Turgut Yılmaz (continued)

As at 31 December 2022 according to the Communique on Prospectus and Issue Document (II-15.1), the total share of Mehmet Turgut Yılmaz and people acting together is 40.14% and the total share is 33.49% with treasury shares deducted from capital. Regarding the shares of GSD Holding A.Ş., 25.50% of shares owned by Mehmet Turgut Yılmaz, 4.50% of shares owned by MTY Delta Denizcilik İç ve Dış Ticaret A.Ş., 10.00% of shares owned by GSD Holding A.Ş. and 0.14% of shares owned by Adeo Turizm Otelcilik Limited Şirketi, which in total adds up to 40.14%, act in unison.

Establishment of GSD Havacılık A.Ş. and Sale of Shares

At the meeting of GSD Holding A.Ş.'s board of directors on February 9, 2021, it was decided to establish a new company to operate in the field of air transportation, and to participate with a 50% share in GSD Havacılık A.Ş. with a capital of 25,000,000 TL. The company was registered by the Istanbul Trade Registry Office on February 11, 2021.

The 2009 Hawker 900XP model aircraft, purchased by GSD Havacılık AŞ on February 12, 2021, was received on April 22, 2021 and registered in the Turkish Civil Aircraft Registry on May 3, 2021.

GSD Holding A.Ş. sold 49% of its shares representing 50% of the capital, with a nominal value of 12,500,000 TL, in GSD Havacılık A.Ş. to M&S Sillosi Sh.p.k. for 2,715,580 USD and 1% to Hasan Cenk Özbay for 55,420 USD on March 15, 2022.

Currency Protected Deposit Account

With the Law No. 7352 Amending the Tax Procedure Law and the Corporate Tax Law, which was published in the Official Gazette dated 29 January 2022 and numbered 31734, and the temporary article 14 was added to the Corporate Tax Law No. 5520, and the foreign currencies and gold accounts in the balance sheets of 31 December 2021 were recorded in Turkish. For the taxpayers, who convert the Turkish lira assets into Turkish lira and use them in Turkish lira deposit and participation accounts with a maturity of at least three months opened in this context, the exchange gains they have obtained in the period between October 1, 2021 and December 31, 2021, are obtained at the end of maturity. Within the scope of the principles specified in the regulation for the interest, dividends and other earnings obtained, corporate tax exemption has been introduced for the 2021 accounting period.

With this change in law, the Group decided to open a Currency Protected Deposit Account amounting to TL 194,086 with a maturity of 6 months on 14 February 2022 and a total of 120,614 TL with a maturity of 3 months on 15 August 2022, after the return of the relevant amounts. The interest rate of the current deposit is 17%. The Group has decided to open a Currency Protected Deposit Account with a maturity of 3 months on 15 November 2022, amounting to TL 124,948 and on December 1, 2022, amounting to TL 8,951. The interest rate of the existing deposit opened on November 15, 2022 is 13.50%, and the interest rate on the deposit opened on December 1 is 12%. In the financial statements dated 31 December 2022, the related amount was valued with the forward rate of 19.361252 and dated 1 December 2022 with the forward rate of 19.571048 with the expiry date of 15 November 2022 and presented at their fair value as TL 139,308 The benefit of the corporate tax exemption amount of these transactions is 8,306 TL for 2021 and 16,888 TL for 2022.

Transfer of Doubtful Receivables of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş.

Until June 16, 2011, GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret AŞ continued its financial leasing activities, which are subject to the supervision of the BRSA, under the title of Tekstil Finansal Kiralama A.Ş. The company terminated and changed its financial leasing activities on 16 June 2011, and continues its maritime activities except for the financial leasing written in its articles of association.

Pursuant to the permission specified in the BRSA's letter dated 07 January 2022 and numbered E-125090171-110.02.02-37636, the "Doubtful Trade Receivables" in the Portfolio, on February 25, 2022, together with all their interests, other accessories and guarantees, were assigned and transferred to Denge

52. OTHER MATTERS THAT MAY AFFECT THE FINANCIAL STATEMENTS OR MUST BE DISCLOSED FOR THE FINANCIAL STATEMENTS TO BE CLEAR, INTERPRETABLE AND UNDERSTANDABLE (continued)

Transfer of Doubtful Receivables of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. (continued)

Varlık Yönetim AŞ for a price of 60 TL within the framework of Article 183 of the Code of Obligations and the terms and conditions set out in the contract.

Change of Articles of Association of GSD Holding A.Ş.

GSD Holding A.S. In order to comply with the principle no. Capital Markets Board and T.R. After making the necessary applications to the Ministry of Commerce and obtaining the necessary permissions, it has decided to submit the amendment in the article to the approval of the shareholders at the first General Assembly to be held. After the Capital Markets Board's approval on 07 April 2022 regarding the amendment of the articles of association, T.R. Ministry of Commerce, General Directorate of Domestic Trade approved on 19 April 2022. Following the approval of the relevant amendment at the Ordinary General Assembly Meeting dated 25 May 2022, the General Assembly decision was registered by the Istanbul Trade Registry Office on 21 June 2022.

Free Capital Increase Application of GSD Holding A.Ş. to the Capital Markets Board

In order to increase the issued capital of GSD Holding from 450,000,000.00 TL to 1,000,000,000.00 TL within the registered capital ceiling of 1,500,000,000.00 TL at the 2021 Ordinary General Assembly meeting of GSD Holding dated 25 May 2022, 93,485,334.82 TL will be covered from the net profit for the year 2021, TL 1,103,632.78 will be covered from previous years' profits, TL 80,309,996.60 will be met from the special funds account in the legal records, and TL 375,101,035.80 will be met from the extraordinary reserves. It has been decided to distribute a total dividend of 550,000,000.00 TL to our shareholders by making a bonus issue of 550,000,000.00 TL, and the Capital Markets Board was applied on 5 July 2022 regarding the bonus issue. The relevant application was approved by the Capital Markets Board on November 3, 2022 and published in the bulletin numbered 2022/61, dated November 3, 2022. The amended article 7 of our articles of association titled "Registered Capital" was registered by the Istanbul Trade Registry Directorate on 23 November 2022 and published in the Turkish Trade Registry Gazette dated 28 November 2022 and numbered 10713.

GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. to establish a new company in the Netherlands with a capital of 12 million USD

GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. in the Netherlands as a subsidiary and participation in this company to be established with a capital of 12 million USD and the Capital Markets Board's Share Communiqué No. VII-128.1 regarding the use of funds obtained from paid capital increase. In accordance with Article 33 titled "Disclosures to be made", the company to be established in the Netherlands will provide funds for the ongoing ship investment of Nehir Maritime Limited, which is included in the Audit Committee Report dated 25.03.2022, which was recently announced to the public; Regarding this resource, following the delivery of the 37,800 tons carrying capacity, approximately 25 Million USD ship, which is under construction at the Japanese Imabari shipyard, in August 2023, following the receipt of the 97,778 TL fund obtained from the capital increase, the Audit Committee Report on the use of the entire It has been decided to publish it on the Lighting Platform and our Company's website.

53. FIRST ACCESS TO TMS

The Group's first transition to TMS/TFRS (UMS/IFRS) was made in the consolidated financial statements dated 31 December 2003, where the consolidated financial statements of 31 December 2002 are presented comparatively.

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

54. EXPLANATIONS ON STATEMENT OF CASH FLOWS

Cash and Cash Equivalents in the Statement of Cash Flows:

Continuing operations	**31 December 2022**	**31 December 2021**
Cash on hand and balances with the Central Bank	2,107	992
Banks and financial institutions	904,781	586,191
Receivables from money market	4,127	1,020
Reserve requirements	94	4
Cash and cash equivalents in the statement of financial position	**911,109**	**588,207**
Less: Required reserve	(94)	(4)
Less: Accured interest	(3,212)	(19)
Less: Blocked amount [1]	(82,273)	-
Cash and cash equivalents in the statement of cash flows	**825,530**	**588,184**

(1) Consists of blocked amount of Hako Maritime Limited and Dodo Maritime Limited.

55. DISCLOSURES REGARDING STATEMENT OF CHANGES IN EQUITY

The Group has transferred "Remeasurement Profit / Loss of Defined Benefit Plans" amounting to TL 52 in shareholders' equity dated 31 December 2021 as at 1 January 2022 to "Retained Earnings" in shareholders' equity.

Comprehensive disclosures about the statement of changes in shareholders' equity are presented in Note 31 Share Capital / Treasury Shares and Note 39 Other Comprehensive Income.