GSD Holding
Anonim Şirketi

Consolidated Financial Statements
As at and For the Year Ended
31 December 2023
Together With Independent Auditors
Report on
Consolidated Financial Statements

3 May 2024

This report contains "Independent Auditors' Report" comprising 6 pages and; "Consolidated Financial Statements and Related Disclosures and Footnotes" comprising 83 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 2023, the consolidated statement of profit or loss and 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 2023, 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 adopted within the framework of the regulations of the Capital Markets Board and 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") the ethical requirements regarding independent audit in regulations issued by the POA; the regulations of the Capital Markets Board; and other relevant legislation 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 2023, the Group obtained sales revenue of TL 775.213 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
Application of TAS 29, "Financial Reporting in Hyperinflationary Economies"	
As described in Note 2, the Company has applied TAS 29 "Financial reporting in hyperinflationary economies" ("TAS 29") in its financial statements as at and for the year ending 31 December 2023. TAS 29 requires financial statements to be restated into the current purchasing power at the end of the reporting period. Therefore, transactions in 2023 and non-monetary balances at the end of the period were restated to reflect a price index that is current at the balance sheet date as of 31 December 2023. The application of TAS 29 has a pervasive and material impact on the financial statements and the impact of TAS 29 is reliant upon a number of key judgements. Considering the risk of inaccurate or incomplete data used in the application of TAS 29 and the additional associated audit effort, the application of TAS 29 has been identified as a key audit matter for our audit.	The following audit procedures were addressed in our audit work for the application of TAS 29: • Understanding and evaluating the process and controls related to the implementation of TAS 29 designed and implemented by management, • Verifying whether the determination of monetary and non-monetary items made by the management is in compliance with TAS 29, • Obtaining detailed lists of non-monetary items and testing the original entry dates and amounts on a sample basis, • Evaluating the calculation methods used by management and verifying whether they are consistently used in all periods, • Verifying the general price index rates used in calculations with the coefficients obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute, • Evaluating the mathematical accuracy of non-monetary items, income statement, other comprehensive income statement and cash flow statement adjusted for inflation effects, • Evaluating the adequacy of disclosures related to the application of TAS 29 in the notes to the financial statements in accordance 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 615.902 thousand of loans from the Group's banking activities and an expected loss provision of TL 103 thousand, which has a significant share in the assets of the consolidated financial statements as of 31 December 2023. 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.

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)	
	• 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.

Key Audit Matters	How the key audit matter was addressed in the audit
Impairment of factoring receivables	
the Company has a total of TL 1.254.545.823 gross factoring receivables, including receivables under follow-up, in its financial statement as of 31 December 2023; the explanations regarding the TL 11.506.864 impairment provisions set aside by the Company for factoring receivables within the framework of the BRSA Accounting and Financial Reporting Legislation are included in footnotes 3 and 5 of the accompanying financial statements as of 31 December 2023. The reason we focused on this area within the scope of our audit is the size of the factoring receivables and the related impairment provisions in the financial statement, the importance of classifying the factoring receivables subject to impairment as determined in the legislation and determining the impairment provision to be calculated according to these classifications in accordance with the legislation. Since the judgments and estimates made by the management in determining the default status of factoring receivables in a correct and timely manner and in allocating appropriate impairment provisions will significantly affect the amount of impairment provisions carried in the statement of financial position, this area has been considered as a key audit matter.	Within the scope of our audit studies, we evaluated the processes implemented by the Company, which we deemed important, regarding the determination of the impairment of factoring receivables and the calculation of the amount of the impairment in accordance with the relevant legislation. Within the scope of our audit studies, we tested a sample set that we selected from factoring receivables in order to determine whether the factoring receivables were impaired and whether the relevant impairment provision was established in a timely manner and in accordance with the provisions of the legislation. In addition, we tested whether the provisions recognized for the impaired factoring receivables were calculated in accordance with the BRSA Accounting and Financial Reporting legislation. We evaluated the adequacy and accuracy of the disclosures made in the financial statements regarding the impairment provisions of factoring receivables.

4. 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.

5. 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 2023 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 5 May 2024.

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

Erkan Baki Erdal, SMMM
Independent Auditor

Istanbul, 5 May 2024

GSD HOLDİNG ANONİM ŞİRKETİ
CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED TOGETHER WITH 31 DECEMBER 2023

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GSD HOLDİNG ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

	Notes	Audited As Of 31.12.2023	Audited As Of 31.12.2022
ASSETS			
Current Assets		**4,305,590**	**7,099,906**
Cash and cash equivalents	**35**	**1,093,998**	**1,501,261**
Financial Investments	**35**	**1,448,911**	**2,169,407**
Financial Assets Designated at Fair Value Through Profit or Loss		1,398,254	2,081,201
Financial Assets at Fair Value Through Other Comprehensive Income		11,758	-
Other Financial Assets Measured at Amortised Cost (net)		38,899	88,206
Trade Receivables	**6**	**2,391**	**799,590**
Trade Receivables Due From Unrelated Parties		2,391	799,590
Receivables From Financial Sector Operations	**7**	**1,669,444**	**2,539,465**
Receivables From Financial Sector Operations Due From Related Parties		**2,851**	**-**
Loans and Advances		2,851	-
Receivables From Financial Sector Operations Due From Unrelated		**1,666,593**	**2,539,465**
Loans and Advances		423,506	1,107,674
Factoring Receivables		1,243,039	1,431,738
Financial Leasing Receivables		48	53
Other Receivables	**8**	**17,309**	**33,757**
Other Receivables Due From Unrelated Parties		17,309	33,757
Inventories		**5,554**	**-**
Derivative Instruments for Trading Purposes		5,554	-
Inventories	**9**	**11,962**	**13,869**
Prepayments	**10**	**46,235**	**33,541**
Prepayments to Unrelated Parties		46,235	33,541
Current Tax Assets	**31**	**69**	**119**
Other Current Assets	**21**	**8,488**	**7,668**
Other Current Assets Due From Unrelated Parties		8,488	7,668
SUBTOTAL		**4,304,361**	**7,098,677**
Fixed Assets Classified as Held for Sale	**30**	**1,229**	**1,229**
Fixed Assets Classified as Held for Sale from Continuing Operations		1,229	1,229
Non Current Assets		**4,745,209**	**3,810,757**
Investments in Subsidiaries, Joint Ventures and Associates	**35**	**6,152**	**6,152**
Receivables From Financial Sector Operations	**7**	**765**	**5,960**
Receivables From Financial Sector Operations Due From Related Parties		**725**	**849**
Loans and Advances		725	849
Receivables From Financial Sector Operations Due From Unrelated Parties		**40**	**5,111**
Loans and Advances		40	5,111
Other Receivables	**8**	**26**	**43**
Other Receivables Due From Unrelated Parties		26	43
Property, Plant and Equipment	**11**	**4,723,731**	**3,775,709**
Buildings		21	22
Machinery and Equipments		1,860	1,368
Vehicles		4,513,166	3,239,119
Fixtures and Fittings		8,724	7,331
Leasehold Improvements		2,101	2,105
Construction in Progress		192,879	520,806
Other Property, Plant and Equipment		4,980	4,958
Right of Use Assets	**12**	**9,259**	**14,279**
Intangible Assets	**13**	**3,299**	**3,077**
Brand Names		4	7
Licenses		3,208	2,946
Other Intangible Assets		87	124
Prepayments	**10**	**10**	**5**
Prepayments to Unrelated Parties		10	5
Deferred Tax Asset	**31**	**1,950**	**5,515**
Other Non-current Assets		**17**	**17**
Other Non-current Assets Due From Unrelated Parties		17	17
TOTAL ASSETS		**9,050,799**	**10,910,663**

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

GSD HOLDİNG ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2023
(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

	Notes	Audited As Of 31.12.2023	Audited As Of 31.12.2022
LIABILITIES			
Current Liabilities		**1,321,973**	**1,844,512**
Current Borrowings	**35**	**2,075**	**98,147**
Current Borrowings From Related Parties		1,970	2,193
Lease Liabilities		1,970	2,193
Current Borrowings From Unrelated Parties		105	95,954
Bank Loans		-	95,568
Lease Liabilities		105	386
Current Portion of Non-current Borrowings	**35**	**137,880**	**133,303**
Current Portion of Non-current Borrowings From Related Parties		1,012	1,523
Lease Liabilities		1,012	1,523
Current Portion of Non-current Borrowings from Unrelated Parties		136,868	131,780
Bank Loans		135,013	129,032
Lease Liabilities		1,855	2,748
Trade Payables	**6**	**36,424**	**46,044**
Trade Payables to Unrelated Parties		36,424	46,044
Payables on Financial Sector Operations		**1,011,664**	**1,357,764**
Payables to Related Parties on Financial Sector Operations	**5**	**89,483**	**62,091**
Borrower Funds		89,483	62,091
Payables to Unrelated Parties on Financial Sector Operations	**7**	**922,181**	**1,295,673**
Payables from Money Market Transactions		401,410	179,553
Borrower Funds		3,610	248,525
Credits Obtained		516,818	866,824
Factoring Payables		164	575
Financial Leasing Receivables		179	196
Other Payables	**8**	**21,777**	**52,093**
Other Payables to Unrelated Parties		21,777	52,093
Deferred Income Other Than Contract Liabilities	**10**	**29,858**	**51,366**
Deferred Income Other Than Contract Liabilities from Unrelated Parties		29,858	51,366
Current Tax Liabilities, Current	**31**	**51,023**	**77,082**
Current Provisions		**31,263**	**28,713**
Current Provisions for Employee Benefits	19	23,701	16,853
Other Current Provisions	17	7,562	11,860
Other Current Liabilities	**21**	**9**	**-**
Other Short-Term Liabilities to Non-Related Parties		9	-
Subtotal		**1,321,973**	**1,844,512**
Non-Current Liabilities		**652,887**	**868,879**
Long Term Borrowings	**35**	**615,622**	**787,496**
Long Term Borrowings From Related Parties		-	1,059
Lease Liabilities		-	1,059
Long Term Borrowings From Unrelated Parties		615,622	786,437
Bank Loans		614,081	783,184
Lease Liabilities		1,541	3,253
Non-Current Provisions		**5,560**	**21,343**
Non-Current Provisions for Employee Benefits	19	5,560	21,343
Deferred Tax Liabilities	**31**	**31,705**	**60,040**
Total Liabilities		**1,974,860**	**2,713,391**
EQUITY		**7,075,939**	**8,197,272**
Equity Attributable to Owners of Parent	**22**	**6,536,089**	**7,741,083**
Issued capital		**1,000,000**	**1,000,000**
Inflation Adjustments on Capital		**6,363,374**	**6,363,374**
Treasury Shares (-)		**(1,283,346)**	**(1,283,346)**
Share Premium (Discount)		**337,381**	**337,381**
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss	**29**	**(5,233)**	**(4,616)**
Gains (Losses) on Revaluation and Remeasurement		**(5,233)**	**(4,616)**
Gains (Losses) on Remeasurements of Defined Benefit Plans		(4,738)	(4,616)
Other Revaluation and Measurement Gains (Loss)		(495)	-
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss	**29**	**2,865,950**	**2,282,647**
Exchange Differences on Translation		2,865,950	2,282,647
Restricted Reserves Appropriated From Profits		**1,639,413**	**1,627,120**
Legal Reserves		356,067	343,774
Treasury Share Reserves		1,283,346	1,283,346
Prior Years' Profits or Losses		**(2,702,176)**	**(82,279)**
Current Period Net Profit Or Loss		**(1,679,274)**	**(2,499,198)**
Non-Controlling Interests	**31**	**539,850**	**456,189**
TOTAL LIABILITIES		**9,050,799**	**10,910,663**

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

GSD HOLDİNG ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Turkish Lira (“TL”), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

	Notes	Audited As Of 31.12.2023	Audited As Of 31.12.2022
CONTINUING OPERATIONS			
Revenue	**23**	775,213	1,611,618
Cost of Sales	**23**	(638,462)	(634,452)
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		**136,751**	**977,166**
Revenue from Finance Sector Operations	**23**	**1,082,104**	**862,289**
Fee, Premium, Commission and Other Service Income		121,700	172,421
Foreign Exchange Gains		22,403	10,448
Interest Income		722,026	614,700
Gain from Derivative Financial Transactions		8,260	-
Other Revenues from Finance Sector Operations		207,715	64,720
Cost of Finance Sector Operations (-)	**23**	**(283,407)**	**(197,453)**
Fee, Premium, Commissions and Other Service Expenses		(39,752)	(18,342)
Foreign Exchange Loss		(16,998)	735
Interest Expenses		(223,057)	(170,204)
Other Expenses Related with Finance Sector Operations		(3,600)	(9,642)
Gross Profit/(Loss) From Financial Sector Operations		**798,697**	**664,836**
GROSS PROFIT/(LOSS)		**935,448**	**1,642,002**
Administrative expenses (-)	**24**	(365,919)	(240,494)
Other income from operating activities	**25**	157,743	46,567
Other expense from operating activities (-)	**25**	(9,698)	(3,734)
OPERATING PROFIT/(LOSS)		**717,574**	**1,444,341**
Income from investment activities	**26**	468,833	1,465,461
Expense from investment activities (-)	**26**	(200,206)	(5,263)
OPERATING PROFIT/(LOSS) BEFORE FINANCING EXPENSES		**986,201**	**2,904,539**
Financing expenses (-)	**28**	(71,703)	(93,949)
Net Monetary Position Gains (Losses)		(2,468,971)	(5,022,760)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**(1,554,473)**	**(2,212,170)**
Tax income/(expense) from continuing operations		**(234,507)**	**(283,357)**
Current tax income/(expense)	**31**	(237,143)	(237,632)
Deferred tax income/(expense)	**31**	2,636	(45,725)
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**(1,788,980)**	**(2,495,527)**
NET PROFIT/(LOSS)		**(1,788,980)**	**(2,495,527)**
Non-controlling interest	**31**	**(109,706)**	**3,671**
Equity holders of the company	**31**	**(1,679,274)**	**(2,499,198)**
Earnings Per Share		**(1,866)**	**(5,488)**
Earnings per share from continuing operations (*)	**32**	(1,866)	(5,488)
Diluted Earnings Per Share		**(1,866)**	**(5,488)**
Diluted Earnings (Loss) Per Share from Continuing Operations (*)	**32**	(1.866)	(5,488)

(*) 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.

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

	Notes	Audited As Of 31.12.2023	Audited As Of 31.12.2022
NET PERIOD PROFIT / (LOSS)		**(1,788,980)**	**(2,495,527)**
OTHER COMPREHENSIVE INCOME			
Other comprehensive income which will be not reclassified in profit or loss	**29**	**(2,040)**	**(5,737)**
Remeasurements of the net defined benefit liability (asset)		(1,545)	(5,737)
Other Comprehensive Income Items That Will Not Be Reclassified as Profit or Loss		(495)	-
Other comprehensive income which will be reclassified in profit or loss	**2**	**773,477**	**761,705**
Foreign Currency Conversion Differences Regarding the Conversion of Foreign Businesses		773,477	761,705
- Gains (Losses) from Foreign Currency Translation Differences Related to the Translation of Foreign Businesses		*773,477*	*761,705*
OTHER COMPREHENSIVE INCOME		**771,437**	**755,968**
TOTAL COMPREHENSIVE INCOME		**(1,017,543)**	**(1,739,559)**
Total comprehensive income attributable to:			
Non-controlling interest		**83,661**	**124,259**
Equity holders of the company		**(1,101,204)**	**(1,863,818)**

(*) 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 HOLDİNG ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 December 2023

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

		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 not reclassified in profit or loss		Restricted Reserves Allocated from Profit			Accumulated Profits					
						Revaluation and Measurement Gains / Losses														
	Notes	Share capital	Inflation adjustment to share capital	Treasury shares (-)	Premiums (Discounts) Related to Shares	Revaluation and remeasurement gain/loss	Other Revaluation and Measurement Gains / Losses)			Foreign Currency Conversion Differences		Legal Reserves	Reserves for Repurchased Shares		Prior Period Profit or (Loss)	Net Profit or (Loss) for the Period			Non-controlling interests	
At January 2022	22	**450,000**	**6,007,123**	**(470,680)**	**337,381**	**-**	**-**	**-**	**-**	**1,642,649**	**1,642,649**	**322,035**	**1,657,320**	**1,979,355**	**(811,874)**	**1,689,008**	**877,134**	**10,822,962**	**331,931**	**11,154,893**
Amount After Adjustments		450,000	6,007,123	(470,680)	337,381	-	-	-	-	1,642,649	1,642,649	322,035	1,657,320	1,979,355	(811,874)	1,689,008	877,134	10,822,962	331,931	11,154,893
Transfers		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**21,739**	**-**	**21,739**	**1,667,270**	**(1,689,008)**	**(21,739)**	**-**	**-**	**-**
Transfer to retained earnings/(losses)		-	-	-	-	-	-	-	-	-	-	-	-	-	1,689,008	(1,689,008)	-	-		-
Transfer to legal reserves		-	-	-	-	-	-	-	-	-	-	21,739	-	21,739	(21,739)	-	(21,739)	-		-
Total comprehensive income (expense)		**-**	**-**	**-**	**-**	**(4,616)**	**-**	**(4,616)**	**(4,616)**	**639,998**	**639,998**	**-**	**-**	**-**	**-**	**(2,499,198)**	**(2,499,198)**	**(1,863,816)**	**124,258**	**(1,739,559)**
Net profit (loss)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,499,198)	(2,499,198)	(2,499,198)	3,671	(2,495,527)
Other comprehensive income (expense)		-	-	-	-	(4,616)	-	(4,616)	(4,616)	639,998	639,998	-	-	-	-	-	-	635,382	120,586	755,968
Share Capital Increase		**550,000**	**356,251**	**(812,666)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(373,974)**	**(373,974)**	**(773,922)**	**-**	**(773,922)**	**(1,054,311)**	**-**	**(1,054,311)**
Dividends		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(166,833)**	**-**	**(166,833)**	**(166,833)**	**-**	**(166,833)**
Cash dividend distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	(166,833)	-	(166,833)	(166,833)		(166,833)
Increase/decrease arising from other adjustments		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,081**	**-**	**3,081**	**3,081**	**-**	**3,081**
Increase/decrease arising from other adjustments		-	-	-	-	-	-	-	-	-	-	-	-	-	3,081	-	3,081	3,081		3,081
At 31 December 2022 After Adjustments		**1,000,000**	**6,363,374**	**(1,283,346)**	**337,381**	**(4,616)**	**-**	**(4,616)**	**(4,616)**	**2,282,647**	**2,282,647**	**343,774**	**1,283,346**	**1,627,120**	**(82,279)**	**(2,499,198)**	**(2,581,477)**	**7,741,083**	**456,189**	**8,197,272**
At 1 January 2023	22	**1,000,000**	**6,363,374**	**(1,283,346)**	**337,381**	**(4,616)**	**-**	**(4,616)**	**(4,616)**	**2,282,647**	**2,282,647**	**343,774**	**1,283,346**	**1,627,120**	**(82,279)**	**(2,499,198)**	**(2,581,477)**	**7,741,083**	**456,189**	**8,197,272**
Amount After Adjustments		1,000,000	6,363,374	(1,283,346)	337,381	(4,616)	-	(4,616)	(4,616)	2,282,647	2,282,647	343,774	1,283,346	1,627,120	(82,279)	(2,499,198)	(2,581,477)	7,741,083	456,189	8,197,272
Transfers		**-**	**-**	**-**	**-**	**4,616**	**-**	**4,616**	**4,616**	**-**	**-**	**12,293**	**-**	**12,293**	**(2,516,108)**	**2,499,198**	**(16,909)**	**-**	**-**	**-**
Transfer to retained earnings/(loss)		-	-	-	-	4,616	-	4,616	4,616	-	-	-	-	-	(2,503,815)	2,499,198	(4,616)	-		-
Transfer to legal reserves		-	-	-	-	-	-	-	-	-	-	12,293	-	12,293	(12,293)	-	(12,293)	-		-
Total comprehensive income (expense)		**-**	**-**	**-**	**-**	**(4,738)**	**(495)**	**(5,233)**	**(5,233)**	**583,303**	**583,303**	**-**	**-**	**-**	**-**	**(1,679,274)**	**(1,679,274)**	**(1,101,204)**	**83,661**	**(1,017,543)**
Net profit (loss)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,679,274)	(1,679,274)	(1,679,274)	(109,706)	(1,788,980)
Other comprehensive income (expense)		-	-	-	-	(4,738)	(495)	(5,233)	(5,233)	583,303	583,303	-	-	-	-	-	-	578,070	193,367	771,437
Share Capital Increase		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Dividends		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(103,663)**	**-**	**(103,663)**	**(103,663)**	**-**	**(103,663)**
Cash dividend distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	(103,663)	-	(103,663)	(103,663)		(103,663)
Increase/decrease arising from other adjustments		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(127)**	**-**	**(127)**	**(127)**	**-**	**(127)**
Increase/decrease arising from other adjustments		-	-	-	-	-	-	-	-	-	-	-	-	-	(127)	-	(127)	(127)		(127)
At December 2023	22	**1,000,000**	**6,363,374**	**(1,283,346)**	**337,381**	**(4,738)**	**(495)**	**(5,233)**	**(5,233)**	**2,865,950**	**2,865,950**	**356,067**	**1,283,346**	**1,639,413**	**(2,702,176)**	**(1,679,274)**	**(4,381,450)**	**6,536,089**	**539,850**	**7,075,939**

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

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

	Notes	**Current Period Audited As Of 01.01.2023 31.12.2023**	**Prior Period Audited As Of 01.01.2022 31.12.2022**
A. CASH FLOWS FROM OPERATING ACTIVITIES		**2,176,063**	**2,050,522**
Cash flows from operating activities of continuing operations		**1,792,062**	**2,461,421**
- Receipts from Sales of Goods and Rendering of Services		**775,213**	**1,611,618**
Holding activities income		-	2
Marine sector income		775,213	1,611,616
- Cash Payments from Interest, Fees, Commissions and Other Revenues		**1,014,143**	**849,803**
Interest Received From Financial Sector Activities		892,443	677,382
Interest Paid For Financial Sector Activities Interest Paid For Financial Sector Activities		121,700	172,421
- Cash Inflows Related to Contracts Held for Trading		**2,706**	**-**
-Cash Inflows From Derivative Instruments For Trading		2,706	-
Cash Outflows from Operating Activities		**(942,002)**	**(912,499)**
- Payments To Suppliers For Goods And Services		**(566,583)**	**(461,662)**
Marine Sector Expenses		(438,039)	(423,704)
-Non-Personnel General Administrative Expenses		(128,544)	(37,958)
- Cash Outflows from Interest, Fees, Premiums, Commissions and Other Income		**(200,474)**	**(310,710)**
-Interests Paid from Finance Sector Activities		(160,722)	(292,368)
-Service Expenses from Finance Sector Activities		(39,752)	(18,342)
- Cash Outflows from Payments Made to and behalf of Employees		**(173,498)**	**(139,723)**
Cash Outflows Resulting from Payments Made to Employees and on Behalf of Employees		(145,089)	(130,413)
Payments Made Within the Scope of Provisions for Benefits Provided to Employees		(28,409)	(9,310)
- Rent Payments		**(1,447)**	**(404)**
Net Cash Flows from Operations		**850,060**	**1,548,922**
Interest Received		**43,562**	**7,448**
Tax Refunds(Payments)		**(220,284)**	**(128,257)**
Other Cash Inputs(Outputs)		**1,502,725**	**622,409**
Other Cash Inputs(Outputs)		**30,496**	**10,232**
Changes in Operational Assets and Liabilities		**1,472,229**	**612,177**
-Required Reserves (Increase)/Decrease		(267)	(148)
Change In Loans and Advances to Customers		686,512	638,522
Change In Factoring Receivables		188,699	(493,633)
Change In Finance Lease Receivables		5	38
Change In Other Assets		645,189	617,803
Change In Payables Due to Money Market Transactions		221,857	54,227
Change In Borrowers' Funds		(217,523)	(33,239)
Change In Factoring Payables		(411)	(656)
Change In Liabilities Arising From Finance Leases		(17)	(43)
Change In Other Liabilities		(51,815)	(170,695)
B. CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		**480,408**	**946,983**
Cash Inflows Caused by Share Sales or Capital Decrease of Associates and / or Joint Ventures		**-**	**33,185**
Cash Inflows from the Sales of Shares of Other Businesses or Funds or Debt Instruments		**1,918,366**	**332,672**
- Cash Inflows Related to the Sale of Financial Assets Classified as Fair Value Through Profit or Loss		1,866,646	316,482
- Cash Inflows for Selling Financial Assets Measured at Amortized Cost		51,720	16,190
Cash Outflows for the Acquisition of Shares of Other Businesses or Funds or Debt Instruments		**(1,904,282)**	**(1,142,356)**
- Cash Outflows from the Sale of Financial Assets Classified as Fair Value Through Profit/Loss		(1,899,855)	(1,041,059)
- Cash Outflows for Selling Financial Assets Measured at Amortized Cost		(4,427)	(101,297)
Cash Inflows from Sale of Tangible and Intangible Assets		**223,173**	**1,154,728**
-Cash Inflows from Sale of Tangible Fixed Assets		223,173	1,154,728
Cash Outflows from the Purchase of Tangible and Intangible Assets		**(1,058,035)**	**(178,250)**
-Cash Outflows Resulting from the Purchase of Tangible Fixed Assets		(1,057,299)	(176,694)
-Cash Outflows from the Purchase of Intangible Assets		(736)	(1,556)
Cash Inflows from Sale of Fixed Assets Held for Sale		**-**	**(114)**
Interest Received		**6,803**	**41,242**
Other Inflows (Outflows) of Cash		**1,294,383**	**705,876**
C. CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		**(622,960)**	**1,685,915**
Cash Inflows from Issuance of Shares and Other Equity Instruments		**1,963**	**2,757,963**
Cash Inflows from Share Issuance		1,963	2,757,963
Cash Inflows from Borrowing		**1,114,178**	**1,513,480**
Cash Outflows Related to Debt payments		**(1,735,425)**	**(2,087,797)**
Cash Outflows Related to Debt Payments Arising from Rental Agreements		**(21,109)**	**(23,916)**
Dividends Paid		**89,712**	**(380,159)**
-Dividends Paid to Shareholders by the Company		(103,663)	(166,833)
Dividends Paid by Subsidiaries to Non-Parent Shares		193,375	(213,326)
Interest paid		**(69,225)**	**(90,959)**
Other inflows (outflows) of cash		**(3,054)**	**(2,697)**
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY CONVERSION DIFFERENCES		**2,033,511**	**4,683,420**

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

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

	Notes	Current Period Audited As Of	Prior Period Audited As Of
		01.01.2023	01.01.2022
		31.12.2023	31.12.2022
CONTINUING OPERATIONS			
Effect of net foreign exchange difference on cash and cash equivalents		**(211,313)**	**(452,643)**
Net (decrease) / increase in cash and cash equivalents		**(357,399)**	**391,075**
Cash and cash equivalents at 1 January		**1,360,226**	**969,151**
Cash and cash equivalents at 31 December		**1,002,827**	**1,360,226**
CONTINUING OPERATIONS		**(2,179,597)**	**(3,839,703)**
D. EFFECT OF NET FOREIGN EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS		**(2,390,910)**	**(4,292,345)**
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(357,399)**	**391,075**
E. CASH AND CASH EQUIVALENTS AT 1 JANUARY		**1,360,226**	**969,151**
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		**1,002,826**	**1,360,226**

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

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

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, Türkiye.

As at 31 December 2023, average number of employees is 121 (31 December 2022: 107).

As at 31 December 2023 and 31 December 2022, the composition of shareholders and their respective percentages of ownership can be summarized as follows:

31 December 2023

(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					6,363,374,000	
Inflation adjusted share capital					**7,363,374,000**	

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

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					6,363,374,000	
Inflation adjusted share capital					**7,363,374,000**	

As of 31 December 2023 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 2022: 59.86%). According to the special situation statement announced on KAP on December 20, 2022, Samet Ali Yavuz. It has a 6.14% share in the publicly traded segment. Additionally in proportion 32% shares of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., the subsidiary subject to consolidation, as of 31 December 2023, are open to the public (31 December 2022: 32%).

(Amounts expressed in Turkish Lira (“TL”), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

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 2023 and 31 December 2022 are as follows:

Subsidiaries	Country of Incorporation	BIST Code	Principal Activities	Effective Shareholding(%)	
				31 December 2023	31 December 2022
GSD Yatırım Bankası A.Ş. (1)	Türkiye	-	Banking	100	100
GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. (“GSD Marin’’) (1) (2) (3)	Türkiye	GSDDE	Maritime	68.00	68.00
GSD Faktoring A.Ş. (1)	Türkiye	-	Faktoring	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)	Netherlands	-	Maritime	100	100
Mila Maritime Ltd. (2)	Malta	-	Maritime	100	100
Lena Maritime Ltd. (2) (4)	Marshall Islands	-	Maritime	100	100
Nejat Maritime Ltd. (2) (4)	Marshall Islands	-	Maritime	100	100
Nehir Maritime Ltd. (2) (4)	Marshall Islands	-	Maritime	68.00	68.00
GSD Ship Finance B.V. (2) (3)	Netherlands	-	Maritime	68.00	68.00
Guzide Maritime Ltd. (2) (5)	Malta	-	Maritime	100	100

(1)GSD Yatırım Bankası A.Ş., GSD Denizcilik Gayrimenkul İnş. San.ve Tic. A.Ş., GSD Factoring A.Ş. and GSD Shipping BV's financial statements are consolidated under GSD Holding A.Ş.

(2)The financial statements of Cano Maritime Ltd., Hako Maritime Ltd., Nehir Maritime Ltd. and GSD Ship Finance BV companies are consolidated under GSD Denizcilik Gayrimenkul İnş. San.ve Tic.A.Ş., Zeyno Maritime Ltd., Dodo Maritime Ltd., Neco Maritime Ltd., Mila Maritime Ltd., Lena Maritime Ltd., Nejat Maritime Ltd and Guzide Maritime Ltd.’s the financial statements are consolidated under GSD Shipping BV.

(3)GSD Ship Finance BV was founded on 6 April 2023 by GSD Denizcilik Gayrimenkul İnş. San.ve Tic. It was established in the Netherlands with a capital of 12,000,000 USD to operate in the field of maritime transportation as a 100% subsidiary of A.Ş.

(4)Nejat Maritime Ltd. the purchase process of a dry cargo ship built in Japan has been completed. The ship was taken over on June 27, 2023 and started dry cargo transportation activities in international waters. The purchase of a dry cargo ship built by Nehir Maritime Limited in Japan has been completed. The ship was delivered on 9 August 2023. As of August 10, 2023, it started dry cargo transportation activities in international waters.

(5)Sumisho Marine Co. under the guarantee of Sumitomo Corporation. Ltd. to conclude a shipbuilding contract with 100% owned by our subsidiary GSD Shipping BV. based in Malta the establishment procedures of Guzide Maritime Limited company, with a capital of 5,000 USD, were completed on September 13, 2023.

Unconsolidated Subsidiaries

The subsidiaries which are not included in consolidation and the ownership percentages of the Group in those subsidiaries as at 31 December 2023 and 31 December 2022 are as follows:

Subsidiaries	Country of Incorporation	Principal Activities	Effective Shareholding and Voting Rights (%)	
			31 December 2023	31 December 2022
GSD Eğitim Vakfı	Türkiye	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.

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 Türkiye 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 Türkiye and the Capital Markets Board of Türkiye ("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 Türkiye, 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 Türkiye are TL, functional currencies of group companies established abroad, Cano Maritime Limited, Dodo Maritime Limited, Hako Maritime Limited, Zeyno Maritime Limited, Neco Maritime Limited, GSD Shipping B.V., Mila Maritime Limited, Lena Maritime Limited, Nejat Maritime Limited and Nehir Maritime Limited are US Dollars.

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Reporting in High Inflation Economies

In accordance with the decision of the CMB dated 28 December 2023 and numbered 81/1820. Issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards, it has been decided to apply inflation accounting by applying the provisions of TMS 29 "Financial Reporting Standard in Economies with High Inflation", starting from the annual financial reports for the accounting periods ending as of 31 December 2023. Group, the CMB decision in question, based on the announcement made by the KGK on 23 November 2023 and the "Implementation Guide on Financial Reporting in Economies with High Inflation" published, it has prepared its consolidated financial statements for the year dated 31 December 2023 and ending on the same date, by applying TMS 29 Standard. In accordance with the standard in question, financial statements prepared based on the currency of a hyperinflationary economy. This currency must be prepared in the purchasing power of the balance sheet date and the previous period financial statements must be rearranged in terms of the current measurement unit at the end of the reporting period. Hence the group, also the consolidated financial statements dated 31 December 2022 presented on a purchasing power basis as of 31 December 2023.

Rearrangements made in accordance with TMS 29, it was made using the correction coefficient obtained from the Consumer Price Index in Turkey ("CPI") published by the Turkish Statistical Institute ("TURKSTAT"). As of 31 December 2023, used in restating consolidated financial statements. The indices and correction coefficients for the current and previous periods since January 1, 2005, when the definition of TL as the currency of a high-inflation economy was terminated, are as follows:

Date	Index	Correction coefficient	3-year compound inflation rate
31 December 2023	1,859.38	1,00000	268%
31 December 2022	1,128.45	1,64773	156%
31 December 2021	686.95	2,70672	74%

The main elements of the Group's adjustment for financial reporting purposes in high-inflation economies are as follows:

- Current period consolidated financial statements prepared in TL with the purchasing power of money valid at the balance sheet date. Amounts for previous reporting periods are also expressed by adjusting the purchasing power of the money at the last balance sheet date.

- Monetary assets and liabilities (such as cash and cash equivalents, trade receivables and payables, receivables and payables from financial sector activities, borrowings) are currently available. Since it is expressed in current purchasing power at the balance sheet date, it is not adjusted. Inflation adjusted values of non-monetary items (such as inventories, tangible and intangible assets, investment properties and equity items) exceeds the recoverable amount or net realizable value. Provisions regarding TAS 36 "Impairment of Assets" and TAS 2 "Inventories" Standards have been applied, respectively.

- Non-monetary assets and liabilities and equity items that are not expressed in current purchasing power at the balance sheet date corrected using the relevant correction coefficients.

- Except for those that have an impact on the consolidated income statement of non-monetary items in the consolidated balance sheets. All items included in the consolidated income statement. They are indexed with coefficients calculated over the periods in which income and expense accounts are first reflected in the consolidated financial statements.

- The effect of inflation on the Group's net monetary asset position in the current period recorded in the net monetary position gains/(losses) account in the consolidated income statement. While the purchasing power of companies carrying monetary assets at a higher amount than monetary liabilities weakens with the increase in inflation. The purchasing power of companies carrying a higher amount of monetary liabilities than monetary assets increases with the increase in inflation. Net monetary position gain or loss of non-monetary items of equity it is obtained from the adjustment differences of the items in the income statement and other comprehensive income statement and index-linked monetary assets and liabilities.

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Comparative Information and Correction of Prior Period Financial Statements

Comparative Information and Restatement of Prior Period Consolidated Financial Statements

To enable the determination of financial situation and performance trends. The Group's current period consolidated financial statements are prepared comparatively with the previous period. Comparative information is reclassified when deemed necessary to ensure compliance with the presentation of the current period consolidated financial statements.

Comparative Figures

As described in Note 2 Reporting in High-Inflation Economies figures from the previous reporting period. It is rearranged by applying the general price index in order to present comparative financial statements in the currency valid at the end of the reporting period. Information disclosed for previous periods is also expressed in the currency valid at the end of the reporting period.

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.

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Foreign Currency Translation

(i) Foreign currency transactions

If necessary, adjustments have been made to the accounting policies in the financial statements of the subsidiaries in order to be the same as the accounting policies followed by the Group. All intra-group assets and liabilities, equity, income and expenses and cash flows related to transactions between Group companies are eliminated in consolidation.

Foreign currency transactions are recorded by being valued at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are valued at the exchange rate at the end of the reporting period. All exchange differences arising are reflected in consolidated profit or loss.

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 2023	32.5739	29.4382
31 December 2022	19.9349	18.6983

(ii) Foreign operations

Turkish Accounting Standard No. 21 (TMS 21) "Effects of Exchange Rate Changes" requires that when financial statements prepared in foreign currency are included in the consolidated financial statements of the Group, in the conversion from a currency of a non-hyperinflationary economy to another currency of a non-hyperinflationary economy, all financial position statement items should be converted at the relevant period-end exchange rates and the income statement should be converted at the average exchange rates of the period it ends in, and the exchange rate differences related to receivables and payables in foreign currency should be classified as other comprehensive income in the consolidated financial statements and kept in a separate account under equity as cumulative. As a result of the decision taken by the CMB on March 17, 2005, TL was determined as the currency of a non-hyperinflationary economy and therefore the above-mentioned conversion principles were valid.

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.

Estimates Used

Group management in the preparation of consolidated financial statements will affect reported asset and liability amounts, it is required to make certain estimates and assumptions that may affect the disclosures regarding possible assets and liabilities that will occur as of the end of the reporting period. Actual results may differ from estimates and assumptions. These estimates and assumptions are reviewed regularly necessary adjustments are made and reflected in the operating results of the relevant period. Significant estimates and assumptions that have an impact on the financial statements. It is explained in detail in the relevant sections of the footnotes of the Group's consolidated financial statements prepared as of 31 December 2023.

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Changes in Accounting Policies, Comparative Information

While preparing financial statements in compliance with Turkish Accounting Standards (TMS) or Turkish Financial Reporting Standards (TFRS), changes and comments in the standards should be shown in the footnotes as follows:
Explanations regarding the effects of the new TAS/TFRS on financial statements:

a) Title of TAS/TFRS.

b) The accounting policy change has been made in accordance with the relevant transition provisions, if any.

c) explanation of the change in accounting policy.

d) explanation of transitional provisions, if any.

e) Possible effects of transitional provisions, if any, on future periods.

f) as much as possible. Adjustment Amounts for the current and each previous period presented: i. be presented for each affected financial statement item; and ii. If the "TAS 33. Earnings per Share" standard is valid for the company, ordinary share and diluted earnings per share Amounts must be recalculated.

g) if possible, adjustment amounts for periods before the periods not presented; and

h) if retrospective application is not possible for any period or periods, the events that led to this situation should be explained and the date and how the change in accounting policy was applied should be explained.

a) Standards, amendments, and interpretations applicable as of 31 December 2023:

- **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 recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

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

a. Standards, amendments, and interpretations that are issued but not effective as of 31 December 2023:

- **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.

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Changes in Accounting Policies, Comparative Information (continued)

- **Amendment to IAS 1 – Non-current 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. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- **IFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

With this, in the Board Decision of the POA published in the Official Gazette dated December 29, 2023, it was announced that certain businesses will be subject to mandatory sustainability reporting as of January 1, 2024. Businesses that fall within the scope of sustainability practice are counted for the purpose of Determining Businesses That Will Be Subject to Sustainability Reporting within the Scope of the "Board Decision Regarding the Scope of Application of Turkish Sustainability Reporting Standards (TSRS)" dated January 5, 2024.

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

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.

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

TFRS 9 Financial Instruments

TFRS 9, regulates the provisions regarding the recognition and measurement of financial assets and financial liabilities. This standard replaces TMS 39 Financial Instruments: Recognition and Measurement, details of significant new accounting policies and the impact and nature of changes in previous accounting policies are set out below.

Classification of financial assets and liabilities

The amendments made in TFRS 9 mainly affect the classification and measurement of financial assets and the measurement of financial liabilities classified as measured at fair value through profit or loss, and require the presentation of the credit risk-related portion of the fair value changes of such financial liabilities in the other comprehensive income statement.

TFRS 9 largely preserves the existing provisions in TMS 39 for the classification and measurement of financial liabilities. However. A financial asset held to maturity. The previous IAS 39 classification categories for loans and receivables and available-for-sale financial assets have been abolished.

The application of TFRS 9 did not have a significant impact on the Group's accounting policies regarding its financial liabilities and derivative financial instruments.

The impact of TFRS 9 on the classification and measurement of financial assets is stated 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 Group 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 Group 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.

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Classification of financial assets and liabilities (continued)

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.

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)

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.

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. 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.

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

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Tangible Assets

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 without the purchase of a business are stated by deducting amortization shares from the indexed acquisition cost. Intangible assets created within the business, except for development costs, are not capitalized and are recorded as expenses in the year they are incurred. Intangible assets are amortized on a straight-line basis over their estimated useful lives. Intangible assets are amortized over their estimated useful lives of 3 to 15 years.

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.

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.

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Impairment of Non-Financial Assets (continued)

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

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.

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 Türkiye 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.

Short – Term Employee Benefits

(i) Defined benefit plans

In accordance with existing social legislation in Türkiye, the Company and its subsidiaries incorporated in Türkiye 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".

(ii) Defined Benefit Plan for Bonus Provisions:

However, without the Group having any legal obligation to pay. Bonus provisions for premium payments, which become a tacit obligation as they are implemented regularly every year, are set aside on a short-term basis.

Liability regarding dividend distribution and bonus plans. It is not from a transaction with the Group's shareholders. It arises from the employee's service. Therefore Group the cost of profit sharing and bonus plans. Not as profit distribution recognized as an expense.

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Benefits Provided to Long-Term Employees

(i) Defined Benefit Plan for Severance Pay:

Group, in accordance with current labor law, it is obliged to pay a certain amount of severance pay to the personnel who leave the job due to retirement after serving for at least one year or whose employment is terminated for reasons other than resignation and bad behavior. Group, the severance pay provision in the attached consolidated financial statements was calculated using the "Projection Method" and based on the Group's experience in the past years in completing the personnel service period and being entitled to severance pay, and discounted it at the end of the reporting period. Group except where another IFRS permits or requires inclusion in the cost of an asset. The service cost and net interest on the net defined benefit liability (asset), which are the components of defined benefit cost, are included in profit or loss. Remeasurements of the net defined benefit liability (asset) have been recognized in other comprehensive income. Other remeasurements of the net defined benefit liability (asset) recognized in comprehensive income. It is not reclassified to profit or loss in subsequent periods. However, these amounts recognized in other comprehensive income may be transferred to another element of equity, Group within the scope of this provision. The previous year-end balance of the "Defined Benefit Plans Remeasurement Gains/Losses" fund followed in equity. It is transferred to "Retained Years Profit/(Loss)" in shareholders' equity at the beginning of each year.

(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 Payables

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 performance obligations as a performance 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 financing 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 criteria's 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.

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.

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Income and Expense Recognition (continued)

Contract changes (continued)

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);
(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. 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 37 Financial Instruments "VAR Difference" Financial Assets Reflected in Profit/Loss" section.

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

4. SEGMENT INFORMATION

Country of Operation	**Türkiye**	**Türkiye&Malta Internationalı**	**Türkiye**	**Türkiye**			**Segment Information Combined by Countries**			
Consolidated Income Statement		**(1) (2)**						**Malta-Netherlands**		
(01.01.2023-31.12.2023)	**Banking**	**Marine**	**Faktoring**	**Holding**	**Inter-segment eliminations**	**Group**	**Türkiye**	**International**	**Inter-country elimination**	**Group**
Revenue	-	794,625	-	7,384	(26,796)	775,213	33,368	775,213	(33,369)	775,213
Cost of sales (-)	-	(638,462)	-	(5,230)	5,230	(638,462)	(7,481)	(638,462)	7,481	(638,462)
Gross profit/(loss) from financial activities	**-**	**156,163**	**-**	**2,154**	**(21,566)**	**136,751**	**25,887**	**136,751**	**(25,887)**	**136,751**
Revenue from finance activities	**494,931**	**24**	**619,985**	**-**	**(32,836)**	**1,082,104**	**1,114,939**	**-**	**(32,835)**	**1,082,104**
Fee, commission and other service income	129,487	-	637	-	(8,424)	121,700	130,124	-	(8,424)	121,700
Foreign exchange income	19,286	22	3,122	-	(26)	22,403	22,429	-	(26)	22,403
Interest income	130,822	2	612,107	-	(20,906)	722,026	742,931	-	(20,905)	722,026
Dividend Income	-	-	-	-	-	-	-	-	-	-
Gain from Derivative Financial Transactions	8,260	-	-	-	-	8,260	8,260	-	-	8,260
Other financial sector operations income, net	207,076	-	4,119	-	(3,480)	207,715	211,195	-	(3,480)	207,715
Cost of finance activities (-)	**(54,722)**	**(1)**	**(274,962)**	**-**	**46,277**	**(283,407)**	**(329,684)**	**-**	**46,277**	**(283,407)**
Fee, commission and other service expense	(3,358)	-	(44,818)	-	8,424	(39,752)	(48,176)	-	8,424	(39,752)
Foreign exchange expense	(21,200)	(1)	(1,382)	-	5,585	(16,998)	(22,583)	-	5,585	(16,998)
Interest expense	(29,325)	-	(226,000)	-	32,268	(223,057)	(255,325)	-	32,268	(223,057)
Other financial sector operations expense net	(839)	-	(2,761)	-	-	(3,600)	(3,600)	-	-	(3,600)
Gross profit/(loss) from financial sector operations	**440,209**	**23**	**345,024**	**-**	**13,441**	**798,697**	**785,255**	**-**	**13,442**	**798,697**
GROSS PROFIT/(LOSS)	**440,209**	**156,186**	**345,024**	**2,154**	**(8,125)**	**935,448**	**811,142**	**136,751**	**(12,445)**	**935,448**
General administrative expenses (-)	(108,306)	(56,927)	(86,473)	(138,620)	24,407	(365,919)	(369,400)	(25,247)	28,728	(365,919)
Other income from operating activities	4,521	48,187	3,527	120,597	(19,089)	157,743	141,896	34,936	(19,089)	157,743
Other expense from operating activities (-)	-	(6,244)	-	(3,480)	26	(9,698)	(9,653)	(71)	26	(9,698)
OPERATING PROFIT/(LOSS)	**336,424**	**141,202**	**262,078**	**(19,349)**	**(2,781)**	**717,574**	**573,985**	**146,369**	**(2,780)**	**717,574**
Income from investment activities	-	19,837	-	448,996	-	468,833	481,797	8,826	(21,790)	468,833
Expense from investment activities (-)	-	-	-	(200,206)	-	(200,206)	(200,206)	-	-	(200,206)
OPERATING PROFIT/(LOSS) BEFORE FINANCING EXPENSES	**336,424**	**161,040**	**262,078**	**229,441**	**(2,781)**	**986,201**	**855,576**	**155,195**	**(24,570)**	**986,201**
Financing expenses (-)	(1,365)	(68,219)	(849)	(4,601)	3,331	(71,703)	(33,108)	(63,716)	25,121	(71,703)
Net Monetary Position Gains (Losses)	(901,622)	(318,893)	(290,068)	(3,848,438)	2,890,050	(2,468,971)	(5,359,021)	-	2,890,050	(2,468,971)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**(566,563)**	**(226,073)**	**(28,839)**	**(3,623,598)**	**2,890,600**	**(1,554,473)**	**(4,536,552)**	**91,479**	**2,890,601**	**(1,554,473)**
Tax income/(expense) from continuing operations	**(44,415)**	**(14,473)**	**(84,941)**	**(90,678)**	**-**	**(234,507)**	**(221,125)**	**(13,382)**	**-**	**(234,507)**
Current tax income/(expense)	(41,509)	(15,571)	(84,958)	(95,105)	-	(237,143)	(223,761)	(13,382)	-	(237,143)
Deferred tax income/(expense)	(2,906)	1,098	17	4,427	-	2,636	2,636	-	-	2,636
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**(610,978)**	**(240,546)**	**(113,780)**	**(3,714,276)**	**2,890,600**	**(1,788,980)**	**(4,757,678)**	**78,097**	**2,890,601**	**(1,788,980)**

Group reporting for management purposes Banking, Marine, in four separate activity areas: Factoring and Holding. It is divided into two separate geographical areas: Türkiye and International (Netherlands, Malta and Marshall Islands). Information about the results for each reported segment is presented below:

(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.

(Amounts expressed in Turkish Lira (“TL”), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

4. SEGMENT INFORMATION (continued)

Country of Operation	**Türkiye**	**Türkiye&Malta Internationalı**	**Türkiye**	**Türkiye**			**Segment Information Combined by Countries**			
(01.01.2023-31.12.2023)	**Banking**	**(1) (2) Marine**	**Faktoring**	**Holding**	**Inter-segment eliminations**	**Group**	**Türkiye**	**Malta-Netherlands International**	**Inter-country elimination**	**Group**
NET PROFIT/(LOSS)	**(610,978)**	**(240,545)**	**(113,781)**	**(3,714,276)**	**2,890,600**	**(1,788,980)**	**(4,757,677)**	**78,097**	**2,890,600**	**(1,788,980)**
Non-controlling interest	**-**	**(97,596)**	**(12,110)**	**-**	**-**	**(109,706)**	**(109,706)**	**-**	**-**	**(109,706)**
Equity holders of the company	**(610,978)**	**(142,949)**	**(101,671)**	**(3,714,276)**	**2,890,600**	**(1,679,274)**	**(4,647,971)**	**78,097**	**2,890,600**	**(1,679,274)**
OTHER COMPREHENSIVE INCOME										
Which will be not classified in profit or loss	**(2,196)**	**19**	**(1,456)**	**1,593**	**-**	**(2,040)**	**(2,040)**	**-**	**-**	**(2,040)**
Defined benefit plans re-measurement gains / losses	**(1,701)**	**19**	**(1,456)**	**1,593**	**-**	**(1,545)**	**(1,545)**	**-**	**-**	**(1,545)**
Reinstated as Other Profit or Loss Other Comprehensive Income Items That Will Not Be Classified	**(495)**	**-**	**-**	**-**	**-**	**(495)**	**(495)**	**-**	**-**	**(495)**
Which will be classified in profit or loss	**-**	**1,312,670**	**-**	**-**	**(539,193)**	**773,477**	**228,532**	**1,084,138**	**(539,193)**	**773,477**
Foreign Currency Conversion Differences for Foreign Operations	**-**	**1,312,670**	**-**	**-**	**(539,193)**	**773,477**	**228,532**	**1,084,138**	**(539,193)**	**773,477**
OTHER COMPREHENSIVE INCOME (AFTER TAX)	**(2,196)**	**1,312,689**	**(1,456)**	**1,593**	**(539,193)**	**771,437**	**226,492**	**1,084,138**	**(539,193)**	**771,437**
TOTAL COMPREHENSIVE INCOME	**(613,174)**	**1,072,144**	**(115,237)**	**(3,712,683)**	**2,351,407**	**(1,017,543)**	**(4,531,185)**	**1,162,235**	**2,351,407**	**(1,017,543)**
Non-controlling interest	**-**	**96,043**	**(12,374)**	**-**	**(8)**	**83,661**	**83,669**	**-**	**(8)**	**83,661**
Equity holders of the company	**(613,174)**	**976,101**	**(102,863)**	**(3,712,683)**	**2,351,415**	**(1,101,204)**	**(4,614,854)**	**1,162,235**	**2,351,415**	**(1,101,204)**
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (31 December 2023)										
TOTAL ASSETS	**1,397,988**	**5,496,706**	**1,303,475**	**4,231,900**	**(3,379,270)**	**9,050,799**	**6,717,405**	**6,081,920**	**(3,748,526)**	**9,050,799**
TOTAL LIABILITIES	**611,663**	**911,623**	**1,008,820**	**52,432**	**(609,678)**	**1,974,860**	**1,370,277**	**1,583,516**	**(978,933)**	**1,974,860**
Other segment information (continued and discontinued operations)										
(Advances given)/Transfer of advances given for capital expenditures	-	614,675	-	-	(537,599)	77,076	-	614,675	(537,599)	77,076
Capital (Fixed Asset) expenditures (****)	12,485	405,354	20,329	5,187	537,599	980,954	38,218	405,137	537,599	980,954
Depreciation expense	(2,372)	(214,547)	(3,183)	(3,070)	-	(223,173)	(9,657)	(213,516)	-	(223,173)
Amortization expense	(349)	(36)	(79)	(50)	-	(514)	(514)	-	-	(514)
Impairment (losses)/reversal income recognized in income statement	(423)	-	(315)	-	-	(738)	(738)	-	-	(738)

(1) The marine segment consists of the relevant amounts of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Shipping B.V.
(2) 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.

(Amounts expressed in Turkish Lira (“TL”), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

4. SEGMENT INFORMATION (continued)

Country of Operation	**Türkiye**	**Türkiye&Malta International**	**Türkiye**	**Türkiye**			**Segment Information Combined by Countries**			
Consolidated Statement of and Other Comprehensive Income (01.01.2022-31.12.2022)	**Banking**	**(1) (2) Marine**	**Faktoring**	**Holding**	**Inter-segment eliminations**	**Group**	**Türkiye**	**Malta-Netherlands International**	**Inter-country elimination**	**Group**
Revenue	-	1,638,375	-	5,805	(32,562)	1,611,618	42,083	1,611,616	(42,081)	1,611,618
Cost of sales (-)	-	(634,452)	-	(3,913)	3,913	(634,452)	(5,564)	(634,452)	5,564	(634,452)
Gross profit/(loss) from financial activities	**-**	**1,003,923**	**-**	**1,892**	**(28,649)**	**977,166**	**36,519**	**977,164**	**(36,517)**	977,166
Revenue from finance activities	**514,349**	**248**	**430,449**	**-**	**(82,757)**	**862,289**	**945,047**	**-**	**(82,758)**	862,289
Fee, commission and other service income	179,784	-	815	-	(8,178)	172,421	180,599	-	(8,178)	172,421
Foreign exchange income	10,538	19	690	-	(799)	10,448	11,247	-	(799)	10,448
Interest income	262,862	192	420,614	-	(68,968)	614,700	683,669	-	(68,969)	614,700
Other financial sector operations income, net	61,165	37	8,330	-	(4,812)	64,720	69,532	-	(4,812)	64,720
Cost of finance activities (-)	**(45,691)**	**(4)**	**(239,094)**	**-**	**87,336**	**(197,453)**	**(284,789)**	**-**	**87,336**	(197,453)
Fee, commission and other service expense	(3,576)	-	(22,932)	-	8,166	(8,342)	(26,508)	-	8,166	(18,342)
Foreign exchange expense	-	(4)	(4)	-	743	735	(8)	-	743	735
Interest expense	(37,841)	-	(210,790)	-	78,427	(170,204)	(248,631)	-	78,427	(170,204)
Other financial sector operations expense net	(4,274)	-	(5,368)	-	-	(9,642)	(9,642)	-	-	(9,642)
Gross profit/(loss) from financial sector operations	**468,658**	**244**	**191,355**	**-**	**4,579**	**664,836**	**660,258**	**-**	**4,578**	**664,836**
GROSS PROFIT/(LOSS)	**468,658**	**1,004,167**	**191,355**	**1,892**	**(24,070)**	**1,642,002**	**696,777**	**977,164**	**(31,939)**	**1,642,002**
General administrative expenses (-)	(72,256)	(49,259)	(64,104)	(85,929)	31,054	-240,494	-245,107	(34,551)	39,164	-240,494
Other income from operating activities	171	30,647	6	37,406	(21,663)	46,567	51,006	17,224	(21,663)	46,567
Other expense from operating activities (-)	-	(2,639)	-	(2,564)	1,469	-3,734	-4,985	(218)	1,469	-3,734
OPERATING PROFIT/(LOSS)	**396,573**	**982,916**	**127,257**	**(49,195)**	**(13,210)**	**1,444,341**	**497,691**	**959,619**	**(12,969)**	**1,444,341**
Income from investment activities	270	91,323	108	1,370,911	2,849	1,465,461	1,468,834	4,472	(7,845)	1,465,461
Expense from investment activities (-)	-	(5,263)	-	-	-	-5,263	-	(5,263)	-	-5,263
OPERATING PROFIT/(LOSS) BEFORE FINANCING EXPENSES	**396,843**	**1,068,976**	**127,365**	**1,321,716**	**(10,361)**	**2,904,539**	**1,966,525**	**958,828**	**(20,814)**	**2,904,539**
Financing income	(1,806)	(69,130)	(929)	(26,217)	4,133	(93,949)	(30,687)	(78,089)	14,827	(93,949)
Net Monetary Position Gains (Losses)	(821,592)	(319,365)	(244,240)	(3,636,371)	(1,192)	(5,022,760)	(5,021,568)	-	(1,192)	(5,022,760)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**(426,555)**	**680,481**	**(117,804)**	**(2,340,872)**	**(7,420)**	**(2,212,170)**	**(3,085,730)**	**880,739**	**(7,179)**	**(2,212,170)**
Tax income/(expense) from continuing operations	**(99,671)**	**3,194**	**(35,354)**	**(151,526)**	**-**	**(283,357)**	**(280,111)**	**(3,246)**	**-**	**(283,357)**
Current tax income/(expense)	(101,487)	4,521	(36,077)	(104,589)	-	(237,632)	(234,386)	(3,246)	-	(237,632)
Deferred tax income/(expense)	1,816	(1,327)	723	(46,9379	-	(45,725)	(45,725)	-	-	(45,725)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**(526,226)**	**683,675**	**(153,158)**	**(2,492,398)**	**(7,420)**	**(2,495,527)**	**(3,365,841)**	**877,493**	**(7,179)**	**(2,495,527)**

(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.

(Amounts expressed in Turkish Lira (“TL”), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

4. SEGMENT INFORMATION (continued)

Country of Operation	**Türkiye**	**Türkiye&Malta International**	**Türkiye**	**Türkiye**			**Segment Information Combined by Countries**			
Consolidated Statement of Comprehensive Income (01.01.2022-31.12.2022)	**Banking**	**(1) (2) Marine**	**Faktoring**	**Holding**	**Inter-segment eliminations**	**Group**	**Türkiye**	**Malta-Netherlands International**	**Inter-country elimination**	**Group**
NET PROFIT/(LOSS)	**(526,225)**	**683,676**	**(153,158)**	**(2,492,400)**	**(7,421)**	**(2,495,528)**	**(3,365,842)**	**877,493**	**(7,179)**	**(2,495,528)**
Non-controlling interest	**-**	**19,974**	**(16,301)**	**-**	**(2)**	**3,671**	**3,673**	**-**	**(2)**	**3,671**
Equity holders of the company	**(526,225)**	**663,703**	**(136,857)**	**(2,492,400)**	**(7,419)**	**(2,499,199)**	**(3,369,515)**	**877,493**	**(7,177)**	**(2,499,199)**
OTHER COMPREHENSIVE INCOME										
Which will be not classified in profit or loss	**(1,633)**	**(570)**	**(1,111)**	**(2,424)**	**-**	**(5,738)**	**(5,737)**	**-**	**-**	**(5,737)**
Defined benefit plans re-measurement gains / losses	(1,633)	(570)	(1,111)	(2,424)	-	(5,738)	(5,737)	-	-	(5,737)
Which will be classified in profit or loss	**-**	**760,594**	**-**	**-**	**1,111**	**761,705**	**(15,803)**	**776,397**	**1,111**	**761,705**
Change in currency translation differences	-	760,594	-	-	1,111	761,705	(15,803)	776,397	1,111	761,705
OTHER COMPREHENSIVE INCOME (AFTER TAX)	**(1,633)**	**760,024**	**(1,111)**	**(2,424)**	**1,112**	**755,968**	**(21,540)**	**776,397**	**1,111**	**755,968**
TOTAL COMPREHENSIVE INCOME	**(527,858)**	**1,443,700**	**(154,268)**	**(2,494,824)**	**(6,309)**	**(1,739,559)**	**(3,387,383)**	**1,653,890**	**(6,066)**	**(1,739,559)**
Non-controlling interest	**-**	**140,668**	**(16,409)**	**-**	**-**	**124,259**	**124,259**	**-**	**-**	**124,259**
Equity holders of the company	**(527,858)**	**1,303,032**	**(137,859)**	**(2,494,824)**	**(6,309)**	**(1,863,818)**	**(3,511,642)**	**1,653,890**	**(6,066)**	**(1,863,818)**
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (31.12.2022)										
TOTAL ASSETS	**1,617,876**	**5,843,134**	**1,468,447**	**5,081,379**	**(3,100,173)**	**10,910,663**	**8,615,878**	**5,580,996**	**(3,286,211)**	**10,910,663**
TOTAL LIABILITIES	**726,495**	**1,177,436**	**1,235,919**	**182,101**	**(608,557)**	**2,713,393**	**2,171,154**	**1,336,836**	**(794,599)**	**2,713,391**
Other segment information (continued and discontinued operations)										
(Advances given)/Transfer of advances given for capital expenditures	-	127,000	-	-	-	127,000	-	127,000	-	127,000
Capital (Fixed Asset) expenditures (****)	8,280	33,795	4,144	5,031	-	51,250	17,654	33,596	-	51,250
Depreciation expense	(5,558)	(211,761)	(1,701)	(1,829)	1	(220,848)	(10,108)	(210,741)	1	(220,848)
Amortization expense	(948)	(36)	(82)	(25)	-	(1,091)	(1,091)	-	-	(1,091)
Impairment (losses)/reversal income recognized in income statement	(3,185)	26	2,409	-	-	(750)	(750)	-	-	(750)

(1) The marine segment consists of the relevant amounts of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Shipping B.V.
(2) 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.

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

5. 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 2023			31 December 2022		
	GSD Group	Share-holders	Key Executives	GSD Group	Share-Holders	Key Executives
Cash loans given	-	3,576	-	-	-	-
Deposits-Borrowers' funds	-	89,483	-	-	62,091	-

	31 December 2023			31 December 2022		
	GSD Group	Share-holders	Key Executives	GSD Group	Share-Holders	Key Executives
Interest expense	-	4,624	-	-	9,834	-
Rent expense	-	19,406	-	-	16,103	-
Donation expense	48,012	-	-	811	-	-

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 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 54,472 for continuing operations for the annual period ended 31 December 2023 (31 December 2022: TL 65,466).

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

6. TRADE RECEIVABLES & TRADE PAYABLES

a) Trade Receivables

	31 December 2023	31 December 2022
Customers [(1)]	52	770,290
Trade receivables from maritime activities	2,339	29,300
Doubtful export goods receivables	1,980	3,263
Less: Provision for doubtful trade receivables	(1,980)	(3,263)
Total	**2,391**	**799,590**

[(1)] As of December 31, 2023, the entire sales price for the 5.40% sold share of Silopi Elektrik Üretim A.Ş. has been collected.

Movement in the provision for doubtful trade receivables:

	31 December 2023	31 December 2022
Provision at the beginning of year	**3,263**	**5,360**
Monetary loss gain	(1,283)	(2,097)
Provision net of recoveries	**(1,283)**	**(2,097)**
Provision at the end of period	**1,980**	**3,263**

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 36.

b) Trade payables

Short Term Trade Payables

	31 December 2023	31 December 2022
Payables to marine sector suppliers	34,711	44,884
Payables to suppliers	1,635	1,031
Export trade payables	78	129
Total	**36,424**	**46,044**

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 36.

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

7. RECEIVABLES FROM FINANCE SECTOR ACTIVITIES

LOANS AND ADVANCES TO CUSTOMERS

a) Loans and Advances

	31 December 2023					
	Amount			Effective interest rate (%)		
	Turkish lira	Foreign currency	Foreign Currency indexed	Turkish lira	Foreign currency	Foreign Currency indexed
Corporate loans	411,183	16,450	-	12.48-58	7-8	-
Total	**411,183**	**16,450**	**-**			
Non-performing loans	-	-	-	-	-	-
Expected credit loss (1)	(511)	-	-	-	-	-
Total	**410,672**	**16,450**	**-**			

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

	31 December 2022					
	Amount			Effective interest rate (%)		
	Turkish lira	Foreign currency	Foreign Currency indexed	Turkish lira	Foreign currency	Foreign Currency indexed
Corporate loans	710,448	398,810	-	12.48-38	7.5-8.75	-
Total	**710,448**	**398,810**	**-**			
Non-performing loans	2	5,116	-	-	-	-
Expected credit loss (1)	(638)	(104)	-	-	-	-
Total	**709,812**	**403,822**	**-**			

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

Allowance at the beginning of the year

	Continuing Operations	
	31 December 2023	31 December 2022
Allowance at the beginning of the year	**741**	**885**
Recoveries	(105)	(751)
Provision for possible losses allocated during the period	524	3,936
Allowance net of recoveries	**419**	**3,185**
Monetary loss gain	(285)	163
Classification of general provisions	(364)	(3,492)
Allowance at the end of the period	**511**	**741**

As at 31 December 2023 and 31 December 2022, all of the loans and advances to customers have fixed interest rates. The Group does not recognize interest accrual on non-performing loans. As of December 31, 2023. There are no loans for which interest has not been accrued. (31 December 2022: TL 5,118).

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 36.

(Amounts expressed in Turkish Lira (“TL”), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

7. RECEIVABLES FROM FINANCE SECTOR ACTIVITIES (continued)

b) Factoring Receivables and Payables

	31 December 2023					
	Amount			Interest rate (%)		
	Turkish Lira	Foreign Currency Indexed	Foreign Currency	Turkish Lira	Foreign Currency Indexed	Foreign Currency
Factoring receivables	1,243,039	-	-	31.82-86	-	-
Doubtful factoring receivables	11,507	-	-	-	-	-
Total factoring receivables	**1,254,546**	**-**	**-**			
Less: Provision for doubtful factoring receivables	(11,507)	-	-	-	-	-
Factoring receivables, net	**1,243,039**	**-**	**-**			
Factoring payables	**164**	**-**	**-**			

	31 December 2022					
	Amount			Interest rate (%)		
	Turkish Lira	Foreign Currency Indexed	Foreign Currency	Turkish Lira	Foreign Currency Indexed	Foreign Currency
Factoring receivables	1,431,714	-	-	25.97-64	-	-
Doubtful factoring receivables	18,059	-	-	-	-	-
Total factoring receivables	**1,449,773**	**-**	**-**			
Less: Provision for doubtful factoring receivables	(18,035)	-	-	-	-	-
Factoring receivables, net	**1,431,738**	**-**	**-**			
Factoring payables	**575**	**-**	**-**			

Movement in the provision for doubtful factoring receivables:

	31 December 2023	31 December 2022
Provision at the beginning of year	**18,034**	**19,939**
Recoveries	(2,354)	(7,626)
Provision for doubtful factoring receivables	2,669	5,243
Provision net of recoveries	**315**	**(2,383)**
Factoring receivables written off during the period	-	-
Monetary loss gain	(6,842)	478
Provision at the end of period	**11,507**	**18,034**

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 36.

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

7. LOANS AND ADVANCES TO CUSTOMERS (continued)

c) Finance lease receivables, net

	31 December 2023	31 December 2022
Invoiced lease receivables	61	74
Finance lease receivables, gross	**61**	**74**
Less: Unearned interest income	(13)	(21)
Finance lease receivables, net	**48**	**53**

The aging of net finance lease receivables is as follows:

	31 December 2023	31 December 2022
Not later than 1 year	48	53
Finance lease receivables	**48**	**53**

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

	31 December 2023	31 December 2022
Provision at the beginning of year	**-**	**14,587**
Recoveries	-	(26)
Provision net of recoveries	**-**	**(26)**
Finance lease receivables written off during the period	-	(8,853)
Monetary profit	-	(5,708)
Provision at the end of period	**-**	**-**

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 36.

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

7. LOANS AND ADVANCES TO CUSTOMERS (continued)

PAYABLES FROM FINANCE SECTOR ACTIVITIES LEASE LIABILITIES

a) Loans Received

	31 December 2023				31 December 2022			
	Amount		Effective interest rate (%)		Amount		Effective interest rate (%)	
	TL	Foreign Currency	TL	Foreign Currency	TL	Foreign Currency	TL	Foreign Currency
Short Term	516,818	-			866,824	-		
Fixed interest	516,818	-	42-48	-	866,824	-	13.45-23	-
Total	**516,818**	**-**			**866,824**	**-**		

b) Liabilities From Money Market Transactions

	31 December 2023				31 December 2022			
	Amount		Effective interest rate (%)		Amount		Effective interest rate (%)	
	TL	Foreign Currency	TL	Foreign Currency	TL	Foreign Currency	TL	Foreign Currency
Loans from the interbank money market	401,410	-	40-43.1	-	179,553	-	11-12	-
Total money market debts from transactions	**401,410**	**-**			**179,553**	**-**		

c) Borrowing funds

	31 December 2023				31 December 2022			
	Amount		Effective interest rate (%)		Amount		Effective interest rate (%)	
	Turkish Lira	Foreign Currency	TL	Foreign Currency	TL	Foreign Currency	TL	Foreign Currency
Term	2,191	1,414	-	-	62,304	54	-	-
Due date	30	89,458	35-35	7-9	46	248,212	10	6.75-7.5
Total	**2,221**	**90,872**			**62,350**	**248,266**		

d) Payables from Financial Leasing Activities

Payables from Short-Term Financial Leasing Activities:

	31 December 2023	31 December 2022
Advances received under financial leasing	179	196
Total	**179**	**196**

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 36.

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

8. OTHER RECEIVABLES AND PAYABLES

Other Receivables

	31 December 2023	31 December 2022
Transitory receivables (*)	5,472	28,320
Deposits and guarantees given	5,560	1,615
Other	6,277	3,822
Total	**17,309**	**33,757**

(*) There are payment orders in other debts equal to the amount of TL 5,472 in the clearing account in other receivables, and the relevant amounts of these two accounts work mutually.

Collaterals given in other receivables

	31 December 2023	31 December 2022
Other collaterals given	26	43
Total	**26**	**43**

Guarantees Given on Other Receivables

As of 31 December 2023 and 31 December 2022, the details of current assets and deposits and guarantees given in fixed assets are as follows:

	31 December 2023	31 December 2022
Other given guarantee	5,586	1,658
Total	**5,586**	**1,658**

Other Payables Short-Term Liabilities

	31 December 2023	31 December 2022
Transfer orders	6,473	29,661
Taxes and funds payable other than on income	8,705	9,578
Other	6,599	12,854
Total	**21,777**	**52,093**

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 36.

9. INVENTORIES

	31 December 2023	31 December 2022
Ship oil	11,962	13,869
Total	**11,962**	**13,869**

10. PREPAID EXPENSES & CURRENT LIABILITIES

Prepaid expense, current assets

	31 December 2023	31 December 2022
Short-term prepaid expenses	46,235	33,541
Total	**46,235**	**33,541**

Prepaid expense, non current assets

	31 December 2023	31 December 2022
Long-term prepaid expenses	10	5
Total	**10**	**5**

Deferred Revenues, Current Liabilities

	31 December 2023	31 December 2022
Deferred income related to ship charters	29,718	51,305
Other	140	61
Total	**29,858**	**51,366**

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

11. TANGIBLE ASSETS

Continuing Operations	Buildings	Office and Vehicle Equipment	Leasehold Improvements	Ships(4)(5)	Dry Docking (2)	Motor Vehicles	Construction In Progress(3)	Total
At 1 January 2023, net of accumulated depreciation and impairment	**22**	**13,657**	**2,105**	**3,179,480**	**52,068**	**7,571**	**520,806**	**3,775,709**
Additions	-	6,688	813	327,662	77,475	29,986	614,675	**1,057,299**
Disposals, net	-	-	-	-	-	-	-	-
Transfers	-	-	-	841,206	-	-	(841,206)	-
Foreign currency translation differences	-	-	-	157,325	57,967	-	(101,396)	**113,896**
Depreciation charge for the period	(1)	(4,781)	(817)	(162,997)	(50,519)	(4,058)	-	**(223,173)**
At 31 December 2023, net of accumulated depreciation and impairment	**21**	**15,564**	**2,101**	**4,342,676**	**136,991**	**33,499**	**192,879**	**4,723,731**
At 31 December 2023								
Cost	**39**	**68,709**	**16,975**	**1,618,617**	**73,520**	**44,349**	**192,879**	**2,015,088**
Revaluation	-	-	-	-	-	-	-	-
Foreign currency translation differences	-	-	-	4,243,225	232,916	-	-	4,476,141
Accumulated impairment provision	-	-	-	-	-	-	-	-
Accumulated depreciation(1)	(18)	(53,145)	(14,874)	(1,519,166)	(169,445)	(10,850)	-	(1,767,498)
Net carrying amount at 31December 2023	**21**	**15,564**	**2,101**	**4,342,676**	**136,991**	**33,499**	**192,879**	**4,723,731**

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

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

(3) Guzide Maritime Ltd. It consists of the advance amount given for the construction of 1 dry cargo ship with a carrying capacity of 42,350 DWT, which is under construction on behalf of the companies.

(4) Nejat Maritime Ltd. was established in the Marshall Islands with 100% capital share of GSD Shipping BV, our company's 100% subsidiary operating in the Netherlands. The procurement process for a dry cargo ship built in Japan has been completed. The ship was taken over on June 27, 2023 and started dry cargo transportation activities in international waters.

(5) GSD Maritime Real Estate Cons. San.ve Tic. Nehir Maritime Ltd. was established in the Marshall Islands by A.Ş. with 100% capital share. The purchase process of a dry cargo ship built in Japan has been completed. The ship was delivered on 9 August 2023 and started dry cargo transportation activities in international waters on 10 August 2023.

Continuing Operations	Buildings	Office and Vehicle Equipment	Leasehold Improvements	Ships(4)(5)	Dry Docking (2)	Motor Vehicles	Construction In Progress(3)	Total
At 1 January 2022, net of accumulated depreciation and impairment	**22**	**10,832**	**1,279**	**2,849,230**	**66,408**	**5,386**	**351,146**	**3,284,303**
Additions	-	9,936	1,911	23,795	9,801	4,251	127,000	**176,694**
Disposals, net	-	(30)	-	-	-	(126)	-	**(156)**
Transfers	-	-	-	-	-	-	-	-
Foreign currency translation differences	-	-	-	481,702	11,353	-	42,660	**535,715**
Depreciation charge for the period	-	(7,081)	(1,085)	(175,247)	(35,494)	(1,940)	-	**(220,847)**
At 31 December 2022, net of accumulated depreciation and impairment	**22**	**13,657**	**2,105**	**3,179,480**	**52,068**	**7,571**	**520,806**	**3,775,709**
At 31 December 2022								
Cost	**40**	**69,949**	**16,163**	**763,360**	**63,599**	**14,360**	**325,726**	**1,253,197**
Revaluation	-	-	-	-	-	-	-	-
Foreign currency translation differences	-	-	-	3,835,474	112,906	-	195,080	4,143,460
Accumulated impairment provision	-	-	-	-	-	-	-	-
Accumulated depreciation (1)	(18)	(56,292)	(14,058)	(1,419,354)	(124,437)	(6,789)	-	(1,620,948)
Net carrying amount at 31December 2022	**22**	**13,657**	**2,105**	**3,179,480**	**52,068**	**7,571**	**520,806**	**3,775,709**

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

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

(3) CIP's 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 Nejat Maritime Ltd and Nehir Maritime Ltd companies.

As of 31 December 2023, the effects of the ship's impairment have been evaluated for nine dry cargo ships owned by the Group's subsidiaries and they have been carried with their recorded values.

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

12. RIGHT OF USE ASSETS

As at 31 December 2023 and 31 December 2022 the balances of right of use asset and depreciation expenses are as follow:

	Buildings	Motor Vehicles	Total
1 January 2023, net book value	**6,407**	**7,872**	**14,279**
Addition	22,619	(4,331)	18,288
Disposal	(10,403)	10,637	234
Foreign currency conversion differences	-	-	-
Current period depreciation expense	(14,755)	(8,787)	(23,542)
31 December 2023, net book value	**3,868**	**5,391**	**9,259**
1 January 2023			
Cost	**26,558**	**12,655**	**39,213**
Foreign currency conversion differences	-	-	**-**
Accumulated depreciation	(22,690)	(7,264)	(29,954)
31 December 2023, net book value	**3,868**	**5,391**	**9,259**

	Buildings	Motor Vehicles	Total
1 January 2022, net book value	**3,854**	**4,365**	**8,219**
Addition	22,535	15,955	38,490
Disposal	(85)	-	(85)
Foreign currency conversion differences	-	-	-
Current period depreciation expense	(19,897)	(12,448)	(32,345)
31 December 2022, net book value	**6,407**	**7,872**	**14,279**
1 January 2023			
Cost	**25,064**	**29,674**	**54,738**
Foreign currency conversion differences	-	-	**-**
Accumulated depreciation	(18,657)	(21,802)	(40,459)
31 December 2022, net book value	**6,407**	**7,872**	**14,279**

13. INTANGIBLE ASSETS

Continuing Operations	Patents and Licenses
At 1 January 2023 net of accumulated amortization	**3,076**
Additions	736
Disposals, net	-
Amortization charge for the period	(514)
At 31 December 2023 net of accumulated amortization	**3,299**

At 31 December 2023	
Cost	24,223
Accumulated amortization	(20,924)
31 December 2023, net carrying amount	**3,299**

Continuing Operations	Patents and Licenses
At 1 January 2022 net of accumulated amortization	**2,611**
Additions	1,556
Disposals, net	-
Amortization charge for the period	(1,091)
At 31 December 2022 net of accumulated amortization	**3,076**

At 31 December 2022	
Cost	60,133
Accumulated amortization	(57,057)
31 December 2022, net carrying amount	**3,076**

(Amounts expressed in Turkish Lira (“TL”), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

14. RENTAL PROCEDURES

The Group has leased nine 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.

15. IMPROVEMENT OF ASSETS

Explanations on trade receivables, loans and advances, factoring receivables and provisions for financial leasing are given in Note 6 Trade Receivables and Payables, Note 7 Receivables and Payables from Finance Sector Operations. The movements of property, plant and equipment, and fixed assets held for sale are given in Note 11 Property, Plant and Equipment and Note 30, Fixed Assets Held for Sale and Discontinued Operations.

16. BORROWING COSTS

In the consolidated financial statements dated 31 December 2023, our subsidiaries GSD Shipping BV and GSD Denizcilik Gayrimenkul İnşaat San. and Tic. A.Ş., located in the Marshall Islands as a 100% subsidiary. The construction of two dry cargo ships of Nejat Maritime Limited and Nehir Maritime Limited, each with a capacity of 38,000 DWT, has been completed.

The M/V Nejat dry cargo ship, built by Nejat Maritime Limited in Japan, was received on June 27, 2023, and the ship is followed in the ships account classified under tangible assets after the delivery date. The M/V Nehir dry cargo ship, built by Nehir Maritime Limited in Japan, was received on August 9, 2023, and is followed in the ships account classified under tangible fixed assets after the delivery date. There is no borrowing cost as of December 31, 2023. (31 December 2022: TL 31,807).

17. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Litigation and Claims

As of 31 December 2023 and 31 December 2022, there are no lawsuits that require disclosure and provision for continued operations.

Short term provisions

	31 December 2023	31 December 2022
General provision for non-cash loans [1]	7,562	11,860
Total	**7,562**	**11,860**

[1] 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 36.

18. 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 2023	31 December 2022
Letters of guarantee	8,769,736	11,676,773
Total non-cash loans and off-balance sheet commitments	**8,769,736**	**11,676,773**

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 36.

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

19. 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 2023	31 December 2022
Bonus provision (*)	23,701	16,853
Total	**23,701**	**16,853**

(*) TL 1,942 of the bonus provision amount is given to GSD Holding A.Ş. and TL 18,643 is given to GSD Faktoring A.Ş. (16,749 TL of this amount consists of board of directors dividend provision and TL 1,894 consists of other personnel bonus provisions). TL 876 consists of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş., TL 2,240 belongs to GSD Yatırım Bankası A.Ş. (31 December 2022: TL 1,959 to GSD Holding A.Ş., TL 11,527 to GSD Faktoring A.Ş. (TL 9,410 for board dividend, TL 2,117 for other personnel bonus), TL 934 for GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. and TL 2,433 for GSD Yatırım Bankası A.Ş.).

Movements of Bonus Provisions during the Period:

	31 December 2023	31 December 2022
Balance at the beginning of the period	**16,853**	**9,442**
Provision made during the period	17,031	13,073
Monetary loss gain	(10,183)	(5,662)
Period end balance	**23,701**	**16,853**

Provisions for Long-Term Employee Benefits

	31 December 2023	31 December 2022
Provision for severance pay	4,073	14,518
Permission charge	1,487	6,825
Total	**5,560**	**21,343**

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 2023	31 December 2022
Interest rate (%)	28.00	10.59
Estimated Salary / Severance Pay Ceiling Increase Rate (%)	24.61	11.63
Net Discount Rate	3.39	(1.04)

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 23,489.83 full TL as of 1 July 2023 (1 July-31 December 2022: full TL 15,371.40). As of January 1, 2023, the amount of severance pay is TL 19,982.83. 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 Türkiye, 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.

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

19. EMPLOYEE BENEFITS (continued)

Movements of Provision for Severance Pay during the Period:

	31 December 2023	31 December 2022
Balance at the beginning of the period	**14,518**	**10,057**
Actuarial loss/(gain)	7,062	6,220
Interest expense on provision	254	896
Response paid back	(11,526)	(1,092)
Unpaid reimbursement	(713)	(138)
Current service expense	(1,406)	1,903
Monetary loss gain	(4,116)	(3,328)
Period end balance	**4,073**	**14,518**

Movements of Leave Provision during the Period:

	31 December 2023	31 December 2022
Balance at the beginning of the period	**6,825**	**5,588**
Provision reversed during the period	(3,437)	-
Provision made during the period	-	3,885
Monetary loss gain	(1,901)	(2,648)
Period end balance	**1,487**	**6,825**

20. EXPENSE ACCORDING TO THEIR QUALITIES

Expenses by nature are disclosed in Note 23 Revenue and Note 24 General Administrative Expenses.

21. OTHER ASSETS&LIABILITIES

Other Current Assets

	31 December 2023	31 December 2022
Personnel and work advances	246	112
Deferred VAT	8,242	7,072
Other	-	484
Total	**8,488**	**7,668**

Other Short-Term Liabilities

	31 December 2023	31 December 2022
Other	9	-
Total	**9**	**-**

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 36.

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

22. SHARE CAPITAL / TREASURY SHARES

Share Capital

As at 31 December 2023 and 31 December 2022, the nominal values and number of shares of the issued capital of the Company are as follows in terms of share groups:

	31 December 2023			31 December 2022		
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	157,120	0.01	1,571.20
B (bearer shares)	157,120	0.01	1,571.20	157,120	0.01	1,571.20
C (bearer shares)	157,120	0.01	1,571.20	157,120	0.01	1,571.20
D (bearer shares)	99,999,528,640	0.01	999,995,286.40	99,999,528,640	0.01	999,995,286.40
Total	**100,000,000,000**	**0.01**	**1,000,000,000.00**	**100,000,000,000**	**0.01**	**1,000,000,000.00**

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 TL 1,000,000 to TL 1,500,000, 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 Türkiye. 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.

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

22. SHARE CAPITAL / TREASURY SHARES (continued)

Treasury Shares

Which is shown under the Group's equity in the consolidated financial statements dated December 31, 2023 and December 31, 2022 the repurchased shares including GSD Holding A.Ş.'s shares are presented below:

	31 December 2023			31 December 2022		
The owner of the treasury Shares	**Carrying value**	**Nominal value**	**Ownership percentage**	**Carrying value**	**Nominal Value**	**Ownership percentage**
GSD Holding A.Ş.	1,283,346	100,000	10.00%	1,283,346	100,000	10.00%
Total	**1,283,346**	**100,000**	**10.00%**	**1,283,346**	**100,000**	**10.00%**

Restricted Reserves Separated from Profit

The following Amounts adjusted for inflation in the legal records of the Company. Within the scope of TMS 29, the differences resulting from the conversion to CPI-adjusted Amounts are accounted under the Retained Earnings item.

	PPI Indexed Legal Records	**CPI Indexed Amounts**	**Differences Followed in Retained Years' Profits/Loss**
Capital inflation adjustment differences	9,961,018	6,363,374	3,597,644
Repurchased Shares (-)	(2,065,078)	(1,283,346)	(781,732)
Premiums/discounts for shares	362,609	337,381	25,228
Restricted reserves allocated from profit	2,578,403	1,639,413	938,990
Extraordinary Reserves	1,321,481	-	1,321,481

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.

22. SHARE CAPITAL / TREASURY SHARES (continued)

Profit Distribution (continued)

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.

Profit Distribution Policy

GSD Holding A.Ş.'s Ordinary General Assembly dated August 2, 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 2022 held on August 2, 2023; 1,778,322 TL from the Company's 2022 consolidated TFRS period net profit. Allocating 12,293 TL as first legal reserve fund and distributing 115,181 TL of cash dividends from the remaining amount to our shareholders. Distribution of cash dividends amounting to 11,518 TL to the Members of the Company's Board of Directors. In addition, it was decided to allocate the remaining 1,639,330 TL from the 2022 TFRS net profit as extraordinary reserves and to authorize the Company's Board of Directors for all work and transactions that need to be carried out.

GSD Holding A.S. On August 3, 2023, the Board of Directors decided to pay cash dividends as August 14, 2023. Thus, cash dividend payments were made on August 14, 2023 for non-public shares, and on August 16, 2023, with a 2-day value for publicly traded shares.

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

22. SHARE CAPITAL / TREASURY SHARES (continued)

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 2023	**410,899**	**(974)**	**409,925**
Non-controlling interest in net profit/(loss) in the income statement	(87,825)	(12,110)	(99,935)
Non-controlling interest in profit/(loss) from foreign currency translation in other comprehensive income	184,754	-	184,754
Non-controlling interest in profit/(loss) from remeasurements of the net defined benefit liability (asset) in other comprehensive income	6	(271)	(265)
31 December 2023	**507,834**	**(13,355)**	**494,479**

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	**316,494**	**15,435**	**331,929**
Non-controlling interest in net profit/(loss) in the income statement	1,096	(16,301)	(15,205)
Non-controlling interest in profit/(loss) from foreign currency translation in other comprehensive income	93,492	-	93,492
Non-controlling interest in profit/(loss) from remeasurements of the net defined benefit liability (asset) in other comprehensive income	(183)	(108)	(291)
31 December 2022	**410,899**	**(974)**	**409,925**

Summarised financial information for the subsidiaries that has non-controlling interests [(1)]

31 December 2023	GSD Denizcilik Gay. İnş. San.ve Tic.A.Ş.	GSD Faktoring A.Ş.
Current Assets	514,968	1,275,208
Non- Current Assets	1,663,758	28,267
Total Asset	**2,178,726**	**1,303,475**
Short term liabilities	188,629	1,006,917
Long term liabilities	310,177	1,903
Total liabilities	**498,806**	**1,008,820**
Equity	1,679,920	294,655
Total Liability	**2,178,726**	**1,303,475**
31 December 2023		
Net period profit/(loss)	(304,988)	(113,781)
Other comprehensive income	243,649	(1,456)
Total comprehensive income	**(61,339)**	**(115,237)**

31 December 2022	GSD Denizcilik Gay. İnş. San.ve Tic.A.Ş.	GSD Faktoring A.Ş.
Current Assets	1,059,755	1,457,024
Non- Current Assets	1,277,360	11,423
Total Asset	**2,337,115**	**1,468,447**
Short term liabilities	196,737	1,231,012
Long term liabilities	400,121	4,907
Total liabilities	**596,858**	**1,235,919**
Equity	1,740,257	232,528
Total Liability	**2,337,115**	**1,468,447**
31 December 2022		
Net period profit/(loss)	3,421	(153,158)
Other comprehensive income	86,518	(1,110)
Total comprehensive income	**89,939**	**(154,268)**

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

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

23. OPERATING INCOME

Gross profit/(loss) from marine sector operations

	31 December 2023	31 December 2022
Rental income on ship time charters	710,292	1,586,066
Maritime insurance indemnity income	6,691	3,136
Fuel purchase and sale difference income at the beginning and end of the rental	45,697	-
Other income	12,533	22,414
Marine sector income	**775,213**	**1,611,616**
Ship depreciation expense	(213,516)	(210,741)
Ship personnel expenses	(210,175)	(219,857)
Various materials, oil and fuel expenses of ships(*)	(130,642)	(127,371)
Ship insurance expenses	(34,224)	(40,289)
Technical management fees	(21,765)	(23,291)
Fuel purchase and sale difference expense at the beginning and end of the rental	(4,935)	-
Loss of hire	(7,790)	(4,035)
Other expenses	(15,415)	(8,868)
Marine sector expense	**(638,462)**	**(634,452)**
Gross profit/(loss) from commercial sector operations	**136,751**	**977,164**

(*) 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 2023	31 December 2022
Fees and commission income	111,390	141,238
Income from banking transactions	10,310	31,183
Service income	**121,700**	**172,421**
Fees and commission expense	(39,752)	(18,342)
Cost of service	**(39,752)**	**(18,342)**
Service income less cost of service	**135,028**	**154,078**

b) Interest income / (expense)

	31 December 2023	31 December 2022
Interest income		
Interest income on factoring receivables	605,418	419,815
Interest income on loans and advances	100,265	189,204
Interest income on finance lease contracts	3	193
Other interest income	118	36
Interest received from the securities portfolio	8,690	3,444
Interest received from banks	7,361	1,099
Interest received from money market transactions	171	910
Interest income	**722,026**	**614,700**
Interest expense		
Interest expense on funds borrowed	(142,204)	(130,367)
Interest expense on other money market deposits	(71,789)	(22,520)
Other interest expense	(9,064)	(17,318)
Interest expense	**(223,057)**	**(170,204)**
Net interest income	**498,969**	**444,496**

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

23. OPERATING INCOME (continued)

Provision expense arising from financial sector operations

	31 December 2023	31 December 2022
(Provision)/reversal of provision for loans and advances to customers	(423)	(3,185)
(Provision)/reversal of provision for factoring receivables	(315)	2,409
(Provision)/reversal of provision for finance lease receivables	-	26
Total	**(738)**	**(750)**

Capital market transaction profit/loss

Capital Market Transaction Profit

	31 December 2023	31 December 2022
Capital market transaction profit	197,079	53,304
Total	**197,079**	**53,304**

Other financial sector operations income/(expense), net

	31 December 2023	31 December 2022
Banking Regulation and Supervision Agency contribution expense	(370)	(372)
Banking Association contribution expense	(37)	(89)
Other income/(expense)	8,176	3,011
Total	**7,769**	**2,550**

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

Administrative expenses

	31 December 2023	31 December 2022
Personnel expenses	(189,122)	(158,586)
Rent expenses	(1,447)	(404)
Depreciation expense calculated according to IFRS 16	(36,636)	(32,345)
Vehicle, transportation and travel expenses	(8,023)	(10,209)
Amortization and depreciation expenses	(10,169)	(11,200)
External audit expenses	(7,222)	(4,803)
Taxes paid other than on income	(9,361)	(4,282)
Communication expenses	(8,013)	(6,596)
Building and fixed-asset expenses	(5,221)	(5,047)
Legal expenses	(9,955)	(58)
Office and printed material expenses	(961)	(776)
Insurance expense	(610)	(353)
Advertising expenses	(113)	(124)
Donation, aid and social responsibility expenses	(48,771)	(914)
Other expenses	(30,295)	(4,797)
Total	**(365,919)**	**(240,494)**

Personnel expenses

	31 December 2023	31 December 2022
Wages and salaries	(103,549)	(88,183)
Cost of defined contribution plan	(15,378)	(11,476)
Other fringe benefits	(14,641)	(8,893)
Dividend expense allocated to the board of directors and personnel	(11,451)	(21,505)
Paid bonus expense	(13,370)	(8,080)
Provision expense for employee bonus	(17,031)	(13,073)
Provision expense for employee termination benefits obligation(*)	(11,139)	(1,097)
Severance pay provision cancellation (expense) (*)	1,406	(1,903)
Provision expense for unused paid vacation obligation	-	(3,885)
Paid expense for unused paid vacation obligation	(3,900)	(132)
Other	(69)	(359)
Total	**(189,122)**	**(158,586)**

(*) Severance pay paid within the scope of the "Social Insurance and General Health Insurance Law No. 7438 and the Law on Amendments to the Decree Law No. 375" published in the Official Gazette dated March 3, 2023

Marketing Expenses & Research and Development Expenses

None (31 December 2022: None).

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

25. OTHER INCOME / (EXPENSE) FROM OPERATING ACTIVITIES

Other income from operating activities

	31 December 2023	31 December 2022
Other foreign exchange gains	103,004	35,095
Interest income on deposits with banks and financial institutions	34,022	9,320
Reversal of provision for employee termination benefits obligation	12,239	1,229
Reversal of provision for unused paid vacation obligation	3,437	-
Other income	5,041	923
Total	**157,743**	**46,567**

Other expense from operating activities

	31 December 2023	31 December 2022
Other foreign exchange losses	(3,433)	(3,734)
Other	(6,265)	-
Total	**(9,698)**	**(3,734)**

26. INCOME / (EXPENSE) FROM INVESTMENT ACTIVITIES

Income from investment activities

	31 December 2023	31 December 2022
Silopi Electricity Production Inc. Amount of receivables exchange rate difference income	354,343	322,919
Silopi Electricity Production Inc. dividend income	24,550	796,517
Financial asset income recognition	68,018	62,958
Reversal of provision for employee termination benefits obligation	-	49,528
Reversal of provision for employee bonus	6,803	41,242
Reversal of provision for unused paid vacation obligation	4,209	82,941
Other	10,910	109,355
Total	**468,833**	**1,465,461**

Expense from investment activities

	31 December 2023	31 December 2022
Fixed asset impairment provision expense (1)	(200,206)	-
Other expenses	-	(5,263)
Total	**(200,206)**	**(5,263)**

(1) The depreciation provision of Silopi Elektrik Üretim A.Ş. on 31.12.2023 has been canceled from other comprehensive income and classified into other expenses from investment activities.

27. EXPENSES CLASSIFIED BY KIND

Expenses classified on the basis of type are disclosed in Note 23 Revenue and Note 24 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 2023	31 December 2022
Independent audit fee for the reporting period	4,488	3,610
Total	**4,488**	**3,610**

28. FINANCING EXPENSES

Financing expenses

	31 December 2023	31 December 2022
Interest expense on borrowings	(68,971)	(90,063)
Interest expense on the provision for employee benefits	(254)	(896)
Other financing expenses	(2,478)	(2,989)
Total	**(71,703)**	**(93,949)**

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

29. 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 under Financial Assets at Fair Value Through Other Comprehensive Income, and valuation differences will be started to follow in other comprehensive income.

Translation reserve:

The Group's translation reserve, between 1 January 2023 and 31 December 2023, 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.

The movement in the translation reserve:

	31 December 2023	31 December 2022
At 1 January	**2,282,647**	**2,123,973**
Increase/(decrease) in the reserve	1,684,933	1,128,310
Effect of current tax expense recognized in comprehensive income	-	(12,205)
Effect of deferred tax income/(expense) recorded in the statement of comprehensive incom	(2,113)	-
Increase/(decrease) in the reserve, net of tax, attributable to non-controlling interests	(193,619)	(120,412)
Accumulated translation differences because of that sale of associates and subsidiaries	(7,984)	(7,044)
Other comprehensive income/expense	(897,914)	(829,975)
Closing Balance	**2,865,950**	**2,282,647**

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

At 1 January	**Continuing Operations**	**Discontinued Operations**	**Total**
Balance at the beginning of the period	**(4,617)**	**-**	**(4,617)**
Remeasurement gains/losses	(6,549)	-	(6,549)
Effect of deferred tax recognized in equity	2,009	-	2,009
Funds transferred to retained earnings	5,654	-	5,654
The effect of deferred tax expense transferred to retained earnings	(1,425)	-	(1,425)
The change in the remeasurement fund of non-controlling interests at the beginning of the period	190	-	190
Closing Balance	**(4,738)**	**-**	**(4,738)**

31 December 2022	**Continuing Operations**	**Discontinued Operations**	**Total**
At 1 January	**112**	**-**	**112**
Remeasurement gains/losses	(6,453)	-	(6,453)
Effect of deferred tax recognized in equity	1,547	-	1,547
Funds transferred to retained earnings	(142)	-	(142)
The effect of deferred tax expense transferred to retained earnings	30	-	30
The change in the remeasurement fund of non-controlling interests at the beginning of the period	290	-	290
Closing Balance	**(4,617)**	**-**	**(4,617)**

(Amounts expressed in Turkish Lira (“TL”), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

30 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 2023	31 December 2022
Assets held for sale from continuing operations	1,229	1,229
Total	**1,229**	**1,229**

Assets held for sale from continuing operations:

	31 December 2023	31 December 2022
Cost	1,229	1,229
Total	**1,229**	**1,229**

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 2023	31 December 2022
Opening balance at 1 January	**1,229**	**1,618**
Disposals	-	(389)
Closing balance at the end of period	**1,229**	**1,229**

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

As at 31 December 2023, the Group has no discontinued operations.

31 TAXATION

Tax Law

The Company and its subsidiaries located in Türkiye are subject to the tax legislation and practices in force in Türkiye. 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 Türkiye are subject to the tax legislation and practices in force in Türkiye. 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.

In Turkey. The corporate tax rate is 20% for 2023 (2022: 23%). Banks. The corporate tax rate for companies subject to Law No. 6361 (Financial Leasing, Factoring, Financing and Savings Financing Companies) is 25%. Corporate tax rate is the addition of expenses that are not deductible in accordance with tax laws to the commercial income of corporations. It is applied to the tax base to be found as a result of deducting the exemptions (such as participation earnings exemption, investment discount exemption, etc.) and deductions (such as R&D discount) in the tax laws. If the profit is not distributed, no other tax is paid (except for the 19.8% withholding tax, which is calculated and paid based on the exemption amount used in case of investment incentive exemption within the scope of Provisional Article 61 of the Income Tax Law).

With the amendment of Law No. 7456 published in the Official Gazette on July 15, 2023 The Corporate Tax rate is determined as 25%, the rate in question; Banks, Financial Lease dated 21 November 2012 and numbered 6361. Factoring, Companies within the scope of the Financing and Savings Financing Companies Law, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies. It will be applied as 30% for corporate earnings of capital market institutions, insurance and reinsurance companies and pension companies.

Related regulation, starting from the declarations that must be submitted as of October 1, 2023; To the earnings of corporations in 2023 and subsequent taxation periods. It entered into force on July 15, 2023, to be applied to the profits of institutions subject to the special accounting period, earned in the special accounting period starting in the 2023 calendar year and the following taxation periods.

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 Türkiye, and those made to companies residing in Türkiye. 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 Türkiye to joint stock companies residing in Türkiye 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.

31. TAXATION (continued)

Corporate Tax Rate (continued)

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. With the amendment, this rate was reduced from 75% to 50% in terms of immovables and the tax to be prepared as of 2018. With the amendment of Law No. 7456 published in the Official Gazette on July 15, 2023, the Corporate Tax Exemption for the Sale of Real Estate was abolished and the exemption rate for the sale of real estate in assets before July 15, 2023 was reduced from 50% to 25%. With the regulation made, Corporate Tax exemption will not be applied on the profits generated from the sale of real estate acquired by institutions after July 15, 2023, which is the date of entry into force of the Law.

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 Türkiye 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 Türkiye, and to companies residing in Türkiye. 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.

Annex to Presidential Decree No. 7343 dated July 6, 2023

Within the scope of the fourth paragraph of Article 94 of Law No. 193. A 0% withholding is applied on the Amounts considered as distributed dividends in relation to their own shares acquired by full-time taxpayer capital companies whose shares are traded in Borsa Istanbul.

Corporate Tax Declaration and Review Period

There is no practice in Türkiye 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.

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

31. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES (continued)

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 10 TL 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 Türkiye 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 Türkiye 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 2023 corporate tax return has been paid on 17 May 2023.

As at 31 December 2023 and 31 December 2022, the Group has the following unused investment allowances:

Unused investment allowances				
Group company	**31 December 2023**		**31 December 2022**	
	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.	581,795	-	616,157	-
Total	**581,795**	**-**	**616,157**	**-**

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 separately.

(Amounts expressed in Turkish Lira (“TL”), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

31. TAXATION (continued)

Prepaid Income Tax

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

Continuing Operations	**31 December 2023**	**31 December 2022**
Corporate income taxes payable	194,225	232,407
Prepaid income taxes	(143,202)	(155,325)
Income taxes payable, net	**51,023**	**77,082**

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

	31 December 2023			**31 December 2022**		
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)	(237,143)	42,918	(194,225)	(237,632)	5,225	(232,407)
Deferred income tax benefit /(expense)	2,636	2,234	4,870	(45,725)	1,590	(44,135)
Total	**(234,507)**	**45,152**	**(189,355)**	**(283,357)**	**6,815**	**(276,542)**

(*) The Group has benefited from the Corporate Tax exemption for the part of the foreign exchange gains resulting from the 2023 year-end valuation of the Currency Protected Deposit (KKM) accounts for the period of 1 October - 31 December 2023. TL 16,888 in 2022 and TL 983 in 202 are deducted from the tax expense in the consolidated statement of profit or loss for the twelve-month period ending on 31 December 2023.

Continuing Operations **Prepaid Income Tax**	**31 December 2022**	**Recognized in Period**	**(Taken Back) / Paid in Period**	**31 December 2023**
Taken back from 2023’s overpaid corporate tax	(21)	-	(119)	(140)
Taken back current year’s overpaid corporate tax	140	69	-	209
Prepaid Income Tax	**119**	**69**	**(119)**	**69**

Continuing Operations **Prepaid Income Tax**	**31 December 2021**	**Recognized in Period**	**(Taken Back) / Paid in Period**	**31 December 2022**
Taken back from 2022’s overpaid corporate tax	-	-	(21)	(21)
Taken back current year’s overpaid corporate tax	21	119	-	140
Prepaid Income Tax	**21**	**119**	**(21)**	**119**

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 2023		**31 December 2022**
Profit before income tax and non-controlling interest		**(1,554,472)**		**(2,212,171)**
Corporate tax at applicable rate	(27)%	418,388	(23)%	507,196
Effect of tax-exempt income	0%	3,920	(1)%	31,683
Effect of different corporate tax rates	(1)%	18,818	(10)%	214,524
Effect of non-deductible expenses	1%	(12,880)	0%	(3,927)
Cash dividend income effect	0%	2,500	0%	-
Provisions (expense) / income for financial sector activities	0%	7	0%	138
Financial sector activities prepaid commission income	0%	242	0%	110
Tax effect of value increase of subsidiaries	15%	(228,640)	(2)%	35,014
Impact of corporate tax exemption on securities valuation profit	(4)%	56,890	0%	107
Effect of the dividend for Board of Directors	0%	(2,500)	0%	(6,616)
Effect of corporate tax exemption on real estate sales profit	17%	(270,084)	0%	-
Other (Effects of not separating major deferred tax assets/liabilities)	14%	(221,168)	48%	(1,061,588)
Tax expense in the consolidated income statement	**15%**	**(234,507)**	**13%**	**(283,357)**

31. TAXATION (continued)

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. 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. The period profits of Guzide Maritime Limited, which was established on 13 September 2023, 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 Türkiye 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.

With the amendment to Law No. 7456 published in the Official Gazette on July 15, 2023, the Corporate Tax rate has been determined as 25%, and the said rate will be applied as 30% for the corporate earnings of banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Finance Companies Law No. 6361 dated November 21, 2012, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.

Related regulation. Starting from the declarations that must be submitted as of October 1, 2023; To the earnings of corporations in 2023 and subsequent taxation periods. It entered into force on July 15, 2023, to be applied to the profits of institutions subject to the special accounting period, earned in the special accounting period starting in the 2023 calendar year and the following taxation periods.

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 Türkiye 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 2023 and 31 December 2022 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.

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

31. TAXATION (continued)

Deferred tax assets and liabilities as at 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	31 December 2022
Deferred tax liabilities		
Valuation differences of securities	30,735	60,969
Valuation and depreciation differences of fixed assets	1,694	1,247
Other	5,883	1,737
Gross deferred tax liabilities	**38,312**	**63,953**
Deferred tax assets	-	-
Provisions arising from financial sector operations	2,422	3,124
Effect of financial losses carried forward	459	-
Provision for employee termination benefits obligation	1,257	3,511
Provision for employee unused paid vacation obligation	455	1,643
Provision for employee bonus	2,077	1,888
Valuation differences on fixed asset	494	(450)
Other	1,393	(288)
Gross deferred tax assets	**8,557**	**9,428**
Deferred tax assets/(liabilities), net	**(29,755)**	**(54,525)**

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

	Continuing Operations	
	31 December 2023	**31 December 2022**
Deferred tax assets, net at 1 January	**(54,525)**	**(15,425)**
Deferred tax recorded in the income statement	2,636	(45,739)
Deferred income tax recognized in consolidated other comprehensive income	2,234	1,590
Use of investment allowance for the past period	(311)	-
Monetary loss gain	20,211	5,049
Deferred tax assets, net at the end of period	**(29,755)**	**(54,525)**

32 EARNINGS PER SHARE

Continuing Operations	31 December 2023	31 December 2022
Parent share in net profit for the period	(1,679,274)	(2,499,199)
Weighted average number of shares with 1 full TL nominal value	899,999,999	455,424,658
Basic earnings per share with a nominal value of full TL 1	**(1,866)**	**(5,488)**
Diluted earnings per share with a nominal value of full TL 1	**(1,866)**	**(5,488)**

33 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 29 Analysis of Other Comprehensive Income.

34 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.

As of December 31, 2023, the Group's derivative transaction amount is 828,687 TL (31 December 2022: None).

35 FINANCIAL INSTRUMENTS

a) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position:

	31 December 2023	31 December 2022
Reserve deposits at the central bank	14	-
CBRT	1,335	3,472
Cash on hand and balances with the Central Bank	**1,349**	**3,472**
Banks and financial institutions	**1,066,940**	**1,490,834**
Receivables from money market	**25,287**	**6,800**
Reserve requirements	**422**	**155**
Cash and cash equivalents in the statement of financial position	**1,093,998**	**1,501,261**

	31 December 2023				31 December 2022			
	Amounts		Effective Interest rate (%)		Effective Interest rate (%)		Effective Interest rate (%)	
	TL	FC	TL	FC	TL	FC	TL	FC
Cash on hand	5	9	-	-	-	-	-	-
Balances with the Central Bank	1,079	256	-	-	3,010	462	-	-
Deposits with other banks and financial institutions	1,917	1,065,023	-	0.7-6.75	14,515	1,476,319	8.5-12	1.75-4.22
Receivables from interbank money market	4,114	21,173	0-42.91	-	6,800	-	10.24-10.24	-
Reserve deposits	-	422	-	-	-	155	-	-
Total	**7,115**	**1,086,883**			**24,325**	**1,476,936**		

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

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 Türkiye 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 2023, the rates valid for required reserves established in the CBRT have started to set aside 0% in TL and 25% in FC for borrowed funds, according to the Related Communiqué.

35. FINANCIAL INSTRUMENTS (continued)

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 Türkiye 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 36: 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 2023	31 December 2022
Other		
Government domestic debt securities	11,758	-
Total	**11,758**	**-**

c) Financial assets at fair value through profit/loss

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 2023 and 31 December 2022 is given in the table below:

	31 December 2023		31 December 2022	
	Amount	Effective Interest rate (%)	Amount	Effective Interest rate(%)
Debt instruments				
Bonds (1)	45,734	-	264,063	-
Investment fund (2)	652,623	-	149,031	-
Currency Protected Deposit Account "KKMH" (3)	14,935	-	229,542	-
Common stocks (4)	684,962	-	1,438,565	-
Total	**1,398,254**		**2,081,201**	

(1) It is the TL equivalent of TL 44,952 eurobonds owned by GSD Shipping BV and TL 782 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 Holding. amounting to TL 648,659 and GSD Shipping BV amounting to TL 3,964, valuated according to market prices.
(3) Currency protected deposit amount as of 31 December 2023.
(4) Shares owned by GSD Yatırım Bankası A.Ş. (TL 1.517) and minimum dividend valuation amounts accrued in accordance with the contractual supplementary agreement of Silopi Elektrik Üretim A.Ş. (TL 48.573). It covers the fair value of Silopi Elektrik Üretim A.Ş. (TL 634.872).

31 December 2023			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.	683,445	1,501,125	9.6	-	9.6
Total	**683,445**				

35. FINANCIAL INSTRUMENTS (continued)

As of 31 December 2023, the fair value of the 9.60% shares of the Company in Silopi Elektrik Üretim A.Ş. has been determined by an independent valuation company using income and market approaches. The remaining shares are shown in the statement of financial position with their fair value of TL 634,872 (31 December 2022: TL 835,080), which is the result of the valuation. While calculating the fair value, discounted cash flows ("DC") and market approach (similar companies) are used and minority discount (20%, 31 December 2022) is also taken into account. In the DCF approach, the business plan until 31 December 2047 is used. The weighted average cost of capital ("WCM") rate used in the model is calculated as 18.6% (22.7%, 31 December 2022) throughout the business plan.
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.
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.

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

Group. 9,077 thousand TL with 3 months maturity on March 3, 2023. It has been decided to open a Deposit Account with an Exchange Rate Protected interest rate of 21.0%. His return took place on June 6, 2023. In addition, 10,318 thousand TL with a 3-month maturity on June 6, 2023 with an interest rate of 35.0%. It has been decided to open an Exchange Protected Deposit Account. His return took place on September 6, 2023. On the same day, it was decided to open a 12,880 thousand TL Deposit Account with a 3-month maturity and an exchange rate protected interest rate of 30%. Its return took place on 7 December 2023. On the same day, it was decided to open a 3-month maturity Deposit Account of 13,891 thousand TL with an exchange rate protected interest rate of 34.00%. Relevant Amount in the financial statements dated 31 December 2023. It was valued at 31.1144, which is the forward rate dated March 8, 2024 at the end of maturity and shown at its fair value as 14,935 TL. The tax advantage provided for the 2023 period is 983 Thousand TL.

31 December 2023			**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	-	0.36	0.36
Total	**1,517**				

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.	2,500	423,234	-	0.36	0.36
Total	**2,500**				

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

	31 December 2023	**31 December 2022**
Opening balance	**2,081,201**	**1,340,165**
Purchases	1,861,973	939,759
Additions	(1,866,646)	(316,488)
Disposals (sales and redemptions)	(54,063)	(95,781)
Interest received due to redemptions	83,911	(9,441)
Foreign exchange difference [1]	(699,306)	99,203
Valuation difference	(8,813)	123,784
Monetary loss gain	13,803	-
Closing balance at the end of period	**1,398,254**	**2,081,201**

(1) As of 31.12.2023, the valuation difference of Silopi Elektrik Üretim A.Ş. is TL 683,445. The remaining amounts consist of the valuation difference of the bonds in Shipping BV and GSD Yatırım Bankası A.Ş.

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

35. FINANCIAL INSTRUMENTS (continued)

d) Financial Assets Measured at Amortized Cost

	31 December 2023	31 December 2022
Opening balance	**88,206**	-
Additions	37,882	101,299
Disposals (sales and redemptions)	(51,720)	(16,191)
Interest received due to redemptions	(4,982)	(287)
Exchange	-	-
Gain / (loss)	4,187	3,384
Monetary loss gain	(34,674)	-
Closing balance at the end of period	**38,899**	**88,206**

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 2023 and 31 December 2022 are as follows:

	31 December 2023	31 December 2022
GSD Eğitim Vakfı	6,152	6,152
Total	**6,152**	**6,152**

Analysis of credit, liquidity and market risks by types of financial instruments is given in the relevant sections of Note 36: Nature and Level of Risks Arising from Financial Instruments.

f) Bank credits

	31 December 2023				31 December 2022			
	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	-	-	-	-	**95,568**	-	-	-
Fixed interest	-	-	-	-	95,568	-	24	-
Floating interest	-	-	-	-	-	-	-	-
Medium/long	-	**749,094**	-	-	-	**912,216**	-	-
Fixed interest	-	-	-	-	-	-	-	-
Floating interest	-	749,094	-	9.37	-	912,216	-	8.47
Total	-	**749,094**			**95,568**	**912,216**		

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

35. FINANCIAL INSTRUMENTS (continued)

f) Bank credits (continued)

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

	31 December 2023		31 December 2022	
	Fixed rate	Floating rate	Fixed rate	Floating rate
Less than 1 year	-	135,013	-	129,032
Up to 2 years	-	134,241	-	140,492
Up to 3 years	-	479,840	-	140,492
Up to 4 years	-	-	-	502,200
Total	**-**	**749,094**	**-**	**912,216**

g) Lease liabilities

	31 December 2023		31 December 2022	
	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency
Short term	**2,075**	**-**	**2,579**	**-**
Fixed interest	2,075	-	2,579	-
Floating interest	-	-	-	-
Medium/long	**4,408**	**-**	**8,583**	**-**
Fixed interest	4,408	-	8,583	-
Floating interest	-	-	-	-
Total	**6,483**	**-**	**11,162**	**-**

36. 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.

36. 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. 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.

36. FINANCIAL RISK MANAGEMENT (continued)

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

Recognition of Expected Credit Losses (continued)

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.

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.

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

36. FINANCIAL RISK MANAGEMENT (continued)

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

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.

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.

	31 December 2023		31 December 2022	
	Cash	**Non-Cash**	**Cash**	**Non-Cash**
Finance	381,913	2,144,801	981,692	1,999,829
Construction	-	2,300,682	-	442,321
Production	-	2,870,032	5,492	4,899,809
Energy	-	-	-	2,516,461
Service	-	1,009,547	-	-
Other	45,720	444,674	122,074	1,818,353
Corporate loans	**427,633**	**8,769,736**	**1,109,258**	**11,676,773**
Loans in arrears	**-**	**-**	**5,118**	**-**
Possible loan loss provisions	**(511)**	**-**	**(742)**	**-**
Total	**427,122**	**8,769,736**	**1,113,634**	**11,676,773**

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

36. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK ANALYSIS OF FINANCIAL INSTRUMENTS

	Receivables										
	Trade receivables		Other receivables								
31 December 2023	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]	**-**	**2,391**	**-**	**17,335**	**1,093,984**	**752,192**	**5,554**	**9,196,858**	**1,243,039**	**48**	**-**
- The part of the maximum exposure to credit risk mitigated by a collateral held as security and other credit enhancements	-	-	-	11,030	-	-	-	9,196,858	1,243,039	48	-
A. The net carrying amount of the financial assets that are neither past due nor impaired	**-**	**2,391**	**-**	**17,335**	**1,093,984**	**724,622**	**-**	**427,122**	**1,243,039**	**-**	**-**
B. The net carrying amount of the financial assets that would otherwise be past due or impaired whose terms have been renegotiated	-	-	-	-	-	-	-	-	-	-	-
C. The net carrying amount of the financial assets that are past due but not impaired	-	-	-	-	-	-	-	-	-	**48**	-
- The part mitigated by a collateral held as security and other credit enhancements	-	-	-	-	-	-	-	-	-	48	-
D. The net carrying amount of the financial assets that are individually or collectively determined to be impaired	-	-	-	-	-	**27,570**	-	-	-	-	-
- Past due (gross carrying amount)	-	**1,980**	-	-	-	-	-	-	**11,507**	-	-
- Impairment provision (-)	-	**(1,980)**	-	-	-	**(1,800)**	-	-	**(11,507)**	-	-
- The part mitigated by a collateral held as security and other credit enhancements	-	-	-	-	-	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	**29,370**	-	**511**	-	-	-
- Impairment provision (-)	-	-	-	-	-	-	-	**(511)**	-	-	-
- The part mitigated by a collateral held as security and other credit enhancements	-	-	-	-	-	-	-	-	-	-	-
E. Off-balance sheet credit risk	-	-	-	-	-	-	**5,554**	**8,769,736**	-	-	-
31 December 2022											
The maximum exposure to credit risk at the end of the reporting period (A+B+C+D+E)	**-**	**799,590**	**-**	**33,800**	**1,501,261**	**730,842**	**-**	**12,790,407**	**1,431,738**	**53**	**-**
- The part of the maximum exposure to credit risk mitigated by a collateral held as security and other credit enhancements	-	-	-	29,781	-	-	-	12,790,407	1,431,738	53	-
A. The net carrying amount of the financial assets that are neither past due nor impaired	**-**	**799,590**	**-**	**33,800**	**1,501,261**	**701,662**	**-**	**1,108,623**	**1,430,840**	**-**	**-**
B. The net carrying amount of the financial assets that would otherwise be past due or impaired whose terms have been renegotiated	-	-	-	-	-	-	-	-	-	-	-
C. The net carrying amount of the financial assets that are past due but not impaired	-	-	-	-	-	-	-	-	**873**	**53**	-
- The part mitigated by a collateral held as security and other credit enhancements	-	-	-	-	-	-	-	-	873	53	-
D. The net carrying amount of the financial assets that are individually or collectively determined to be impaired	-	-	-	-	-	**29,180**	-	**5,011**	**25**	-	-
- Past due (gross carrying amount)	-	**3,263**	-	-	-	-	-	5,118	18,059	-	-
- Impairment provision (-)	-	**(3,263)**	-	-	-	(1,559)	-	(107)	(18,034)	-	-
- The part mitigated by a collateral held as security and other credit enhancements	-	-	-	-	-	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	30,738	-	634	-	-	-
- Impairment provision (-)	-	-	-	-	-	-	-	(634)	-	-	-
- The part mitigated by a collateral held as security and other credit enhancements	-	-	-	-	-	-	-	-	-	-	-
E. Off-balance sheet credit risk	-	-	-	-	-	-	-	**11,676,773**	-	-	-

[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..

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

36. FINANCIAL RISK MANAGEMENT (continued)

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

31 December 2023	Receivables: Trade receivables	Receivables: Other receivables	Balances with banks and other financial institutions	Marketable securities	Derivative financial institutions	Loans and	Factoring receivables	Finance lease receivables, net	Other
1-30 days past due	-	-	-	-	-	-	-	48	-
1-3 months past due	-	-	-	-	-	-	-	-	-
3-12 months past due	-	-	-	-	-	-	-	-	-
1-5 years past due	-	-	-	-	-	-	-	-	-
Over 5 years past due	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**48**	**-**
The part mitigated by a collateral held as security and other credit enhancements	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**48**	**-**

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

31 December 2022	Receivables: Trade receivables	Receivables: Other receivables	Balances with banks and other financial institutions	Marketable securities	Derivative financial institutions	Loans and	Factoring receivables	Finance lease receivables, net	Other
1-30 days past due	-	-	-	-	-	-	873	53	-
1-3 months past due	-	-	-	-	-	-	-	-	-
3-12 months past due	-	-	-	-	-	-	-	-	-
1-5 years past due	-	-	-	-	-	-	-	-	-
Over 5 years past due	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**873**	**53**	**-**
The part mitigated by a collateral held as security and other credit enhancements	**-**	**-**	**-**	**-**	**-**	**-**	**873**	**53**	**-**

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

36. FINANCIAL RISK MANAGEMENT (continued)

Collateral obtained against non-cash loans that are not impaired:	**31 December 2023**	**31 December 2022**
Cash collateral	82,130	-
Real estate mortgage	45	4,647
Other collaterals (mortgage over movable properties, institutional and personal guarantees, guarantee notes) [1]	342,096	1,108,988
Total	**424,271**	**1,113,634**

[1] Unsecured Cash loan amount is TL 154,804 (31 December 2022: TL 655,771).

Collateral obtained against non-cash loans that are not impaired	**31 December 2023**	**31 December 2022**
Real estate mortgage	3,239	653
Cash collateral	88	5,044
Other collaterals (mortgage over movable properties, institutional and personal guarantees, guarantee notes) [1]	8,766,409	11,671,077
Total	**8,769,736**	**11,676,773**

[1] Non-secured non-cash loan amount TL 7,373,154 (31 December 2022: TL 8,353,379).

Collaterals received for impaired cash loans:

None as of 31 December 2023 (31 December 2022: None).

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

	31 December 2023	**31 December 2022**
Guarantee notes	48	53
Total	**48**	**53**

Collateral obtained against factoring receivables:

	31 December 2023	**31 December 2022**
Collateral bill	1,213,891	1,402,555
Cheque collateral	29,148	29,183
Total	**1,243,039**	**1,431,738**

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

36. 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 undiscounted cash flows	Up to 1 Month	1 to 3 months	3 to 6 months	6 to 12 month	1 to 5 years
As at 31 December 2023							
Non-derivative							
Financial liabilities							
Liabilities from money market transactions	401,410	352,563	318,443	34,120	-	-	-
Funds borrowed	1,265,912	1,448,024	427,256	161,714	79,084	102,302	677,668
Lease liabilities	6,483	7,344	622	1,361	1,981	1,667	1,713
Borrowers' funds	93,093	34,238	3,605	30,633	-	-	-
Factoring payables	164	958	-	958	-	-	-
Liabilities arising from finance leases	179	179	179	-	-	-	-
Total	**1,767,241**	**1,843,306**	**750,105**	**228,786**	**81,065**	**103,969**	**679,381**

	Carrying value	Total contractual undiscounted cash flows	Up to 1 Month	1 to 3 months	3 to 6 months	6 to 12 month	1 to 5 years
As at 31 December 2022							
Non-derivative							
Financial liabilities							
Liabilities from money market transactions	179,553	179,619	179,619	-	-	-	-
Funds borrowed	1,874,608	2,120,777	595,137	364,145	137,877	106,255	917,363
Lease liabilities	11,162	12,465	835	2,038	2,106	2,681	4,805
Borrowers' funds	310,617	310,849	62,358	248,445	46	-	-
Factoring payables	575	575	-	575	-	-	-
Liabilities arising from finance leases	196	196	196	-	-	-	-
Total	**2,376,711**	**2,624,482**	**838,145**	**615,203**	**140,029**	**108,936**	**922,168**

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

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

At 31 December 2023	TL	US Dollars	Euro	Others	Total
Assets from continuing operations					
Cash and balances with the Central Bank [1]	1,084	256	9	-	1,349
Deposits with banks and other financial institutions [1]	1,917	1,051,664	3,434	9,925	1,066,940
Receivables from money market transactions	4,114	-	21,173	-	25,287
Required reserves [1]	-	422	-	-	422
Securities held for trading	-	-	-	-	-
Financial assets at fair value through profit or loss	1,276,377	121,877	-	-	1,398,254
Financial Assets at Fair Value Reflected in Other Comprehensive Income	11,758	-	-	-	11,758
Securities held to maturity	38,899	-	-	-	38,899
Derivative financial assets for trading purposes	5,554	-	-	-	5,554
Loans and advances, net	410,672	-	16,450	-	427,122
Factoring receivables, net	1,243,039	-	-	-	1,243,039
Finance lease receivables, net	-	32	16	-	48
Unquoted equity instruments	6,151	-	-	-	6,151
Assets held for sale	1,229	-	-	-	1,229
Investments valued by equity method	-	-	-	-	-
Property and equipment, net	51,185	4,672,546	-	-	4,723,731
Right of use assets	9,258	-	-	-	9,258
Intangible assets, net	3,299	-	-	-	3,299
Prepaid expenses	28,404	17,841	-	-	46,245
Prepaid income tax	69	-	-	-	69
Deferred tax asset	1,950	-	-	-	1,950
Trade and other receivables and other assets	23,508	16,685	-	-	40,193
Total assets	**3,118,467**	**5,881,323**	**41,082**	**9,925**	**9,050,797**
Liabilities from continuing operations					
Derivative financial liabilities held for trading	-	-	-	-	-
Liabilities from money market transactions	401,410	-	-	-	401,410
Funds borrowed	516,818	749,094	-	-	1,265,912
Lease liabilities	6,483	-	-	-	6,483
Borrowers' funds	2,221	90,872	-	-	93,093
Factoring payables	164	-	-	-	164
Liabilities arising from finance leases	3	97	79	-	179
Deferred income	140	29,718	-	-	29,858
Income taxes payable	51,023	-	-	-	51,023
Provisions	29,261	-	-	-	29,261
Debt provisions	7,562	-	-	-	7,562
Deferred tax liability	31,705	-	-	-	31,705
Trade and other payables and other liabilities	23,263	34,711	236	-	58,210
Total liability	**1,070,053**	**904,492**	**315**	**-**	**1,974,860**
Net balance sheet position	**2,048,414**	**4,976,862**	**40,736**	**9,925**	**7,075,937**
Net off-balance sheet position	**416,553**	**1,305,644**	**-**	**-**	**1,722,197**
Net notional amount of derivatives from continuing operations	416,553	1,305,644	-	-	1,722,197
At 31 December 2022					
Total assets	**3,972,993**	**6,925,511**	**1,269**	**10,890**	**10,910,663**
Total liabilities	**1,456,191**	**1,256,749**	**451**	**-**	**2,713,391**
Net balance sheet position	**2,517,994**	**5,668,760**	**817**	**10,892**	**8,198,463**
Net off-balance sheet position	**-**	**1,153,834**	**-**	**-**	**1,153,834**

(Amounts expressed in Turkish Lira (“TL”), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

36. FINANCIAL RISK MANAGEMENT (continued)

Sensitivity Analysis for Currency Risk

At 31 December 2023 and 31 December 2022, 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 2023 and 31 December 2022 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 2023 and 31 December 2022, respectively, would have been as follows:

Sensitivity Analysis for Currency Risk Table	31 December 2023			
	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	(57,477)	57,477	222,898	(222,898)
2- Hedging effect arising from the derivatives	-	-	-	-
3- Net effect due to the change in TL/USD (1+2)	**(57,477)**	**57,477**	**222,898**	**(222,898)**
The 10% change in TL/EUR:				
4- The change in EUR denominated assets/liabilities except derivatives	2,887	(2,887)	-	-
5- Hedging effect arising from the derivatives	-	-	-	-
6- Net effect due to the change in TL/EUR (4+5)	**2,887**	**(2,887)**	**-**	**-**
The 10% change in TL/Other foreign currencies:				
7- The change in other foreign currencies denominated assets/liabilities except derivatives	744	(744)	-	-
8- Hedging effect arising from the derivatives	-	-	-	-
9- Net effect due to the change in TL/Other foreign currencies (7+8)	**744**	**(744)**	**-**	**-**
TOTAL (3+6+9)	**(53,846)**	**53,846**	**222,898**	**(222,898)**

	31 December 2022			
	Net Profit/(Loss) (1)		Other Components of Equity (1)	
	Foreign currencies’ strengthening Net Profit/(Loss)	Foreign currencies’ weakening	Foreign currencies’ strengthening Other Components of Equity	Foreign currencies’ weakening
The 10% change in TL/USD:				
1- The change in USD denominated assets/liabilities except derivatives	333,413	(333,413)	139,306	(139,306)
2- Hedging effect arising from the derivatives	-	-	-	-
3- Net effect due to the change in TL/USD (1+2)	**333,413**	**(333,413)**	**139,306**	**(139,306)**
The 10% change in TL/EUR:				
4- The change in EUR denominated assets/liabilities except derivatives	64	(64)	-	-
5- Hedging effect arising from the derivatives	-	-	-	-
6- Net effect due to the change in TL/EUR (4+5)	**64**	**(64)**	**-**	**-**
The 10% change in TL/Other foreign currencies:				
7- The change in other foreign currencies denominated assets/liabilities except derivatives	817	(817)	-	-
8- Hedging effect arising from the derivatives	-	-	-	-
9- Net effect due to the change in TL/Other foreign currencies (7+8)	**817**	**(817)**	**-**	**-**
TOTAL (3+6+9)	**334,295**	**(334,295)**	**139,306**	**(139,306)**

(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"

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

36. FINANCIAL RISK MANAGEMENT (continued)

FOREIGN CURRENCY POSITION TABLE	**31 December 2023**				**31 December 2022**			
(Unless indicated,original currency)	**TL**	**Thousand USD**	**Thousand Euro**	**Other (TL)**	**TL**	**Thousand USD**	**Thousand Euro**	**Other (TL)**
1. Trade Receivables	2,339	79	-	-	799,544	42,760	-	-
2a. Monetary Financial Assets (Cash and Bank)	1,176,685	38,239	1,261	9,925	2,288,892	121,761	64	10,893
2b. Non-Monetary Financial Assets	48,573	1,650	-	-	60,080	3,213	-	-
3. Other	32,187	1,094	(2)	-	30,598	1,636	-	-
4. Current Asset (1+2+3)	**1,259,784**	**41,062**	**1,259**	**9,925**	**3,179,114**	**169,371**	**64**	**10,893**
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets (Cash and Bank	-	-	-	-	5,012	268	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-	-	-	-
7. Other	4,672,546	158,724	-	-	3,753,547	200,743	-	-
8. Non Current Assets (5+6+7)	**4,672,546**	**158,724**	**-**	**-**	**3,758,559**	**201,011**	**-**	**-**
9. Total Assets (4+8)	**5,932,330**	**199,786**	**1,259**	**9,925**	**6,937,673**	**370,382**	**64**	**10,893**
10. Trade Payables	34,947	1,179	7	-	45,224	2,401	17	-
11. Financial Liabilities	226,061	7,676	2	-	377,490	20,182	6	-
12a. Monetary Other Financial Liabilities	-	-	-	-	-	-	-	-
12b. Non Monetary Other Financial Liabilities	29,718	1,010	-	-	51,305	2,743	-	-
13. Short Term Liability (10+11+12)	**290,726**	**9,865**	**9**	**-**	**474,019**	**25,327**	**23**	**-**
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	614,081	20,860	-	-	783,184	41,885	-	-
16 a. Monetary Other Financial Liabilities	-	-	-	-	-	-	-	-
16 b. Non Monetary Other Financial Liabilities	-	-	-	-	-	-	-	-
17. Long Term Liability (14+15+16)	**614,081**	**20,860**	**-**	**-**	**783,184**	**41,885**	**-**	**-**
18. Total Liability (13+17)	**904,807**	**30,725**	**9**	**-**	**1,257,203**	**67,212**	**23**	**-**
19. Net Asset/(Liability) Position of Off Balance Sheet Foreign Currency Derivative Instruments(19a-19b)	1,305,644	44,352	-	-	1,153,834	61,707	-	-
19a. Amount of Liability Characteristic Off Balance Sheet Derivative Instruments	1,305,644	44,352	-	-	1,153,834	61,707	-	-
19b. Amount of Liability Characteristic Off Balance Sheet Derivative Instruments	-	-	-	-	-	-	-	-
20. Net financial position (9-18+19)	**6,333,167**	**213,413**	**1,250**	**9,925**	**6,834,304**	**364,877**	**41**	**10,893**
21. Position of Net Monetary Units of Foreign Currency Assets / (Liabilities) (=1+2a+5+6a-10-11-12a-14-15-16a)	**303,935**	**8,603**	**1,252**	**9,925**	**1,887,551**	**100,321**	**41**	**10,893**
22.Total Fair value of Financial Instruments used for Currency Hedge	5,554	-	-	5,554	-	-	-	-
23. Amount of hedged Foreign Currency Assets [(1)]	-	-	-	-	-	-	-	-
24. Amount of hedged Foreign Currency Liabilities [(1)]	1,305,644	44,352	-	-	1,153,834	61,707	-	-
25. Export	-	-	-	-	-	-	-	-
26. Import	-	-	-	-	-	-	-	-

(*) As of 31 December 2023, the Group has started to use 480 USD cash in currency protected deposit accounts.

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

36. 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 2023	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 [1]	1,335	-	-	-	-	-	14	1,349
Deposits with banks and other financial institutions [1]	953,147	59,106	-	-	-	-	54,687	1,066,940
Receivables from money market transactions	4,104	-	-	-	-	-	21,183	25,287
Derivative financial assets for trading purposes	-	5,554	-	-	-	-	-	5,554
Required reserves [1]	422	-	-	-	-	-	-	422
Unquoted equity instruments	-	-	-	-	-	-	6,151	6,151
Financial assets at fair value through profit or loss	-	14,935	-	-	-	-	1,383,319	1,398,254
Fair Value Difference Other Comprehensive Income Reflected Financial Assets	-	-	-	11,758	-	-	-	11,758
Securities held to maturity	5,361	-	-	33,538	-	-	-	38,899
Investments valued by equity method	-	-	-	-	-	-	1,229	1,229
Investments valued using the equity method	-	-	-	-	-	-	-	-
Property and equipment, net	-	-	-	-	-	-	4,723,731	4,723,731
Right of use assets	-	-	-	-	-	-	9,258	9,258
Loans and advances, net	314,279	104,410	148	8,031	767	-	(511)	427,122
Factoring receivables, net	453,045	626,795	162,355	844	-	-	-	1,243,039
Finance lease receivables, net	48	-	-	-	-	-	-	48
Intangible assets, net	-	-	-	-	-	-	3,299	3,299
Prepaid expenses	-	-	-	-	-	-	46,245	46,245
Prepaid income tax	-	-	-	-	-	-	69	69
Deferred tax asset	-	-	-	-	-	-	1,950	1,950
Trade and other receivables and other assets	4,297	-	-	-	-	-	35,896	40,193
Total assets	**1,736,038**	**810,800**	**162,503**	**54,171**	**767**	**-**	**6,286,520**	**9,050,799**
Liabilities from continuing operations								
Payables from leasing activities	-	-	-	-	-	-	179	179
Tax liability on current period operations	-	-	2,125	-	-	-	48,898	51,023
Payables from money market transactions	368,541	32,869	-	-	-	-	-	401,410
Loans received	419,288	131,864	33,558	67,121	614,081	-	-	1,265,912
Lease liabilities	170	346	534	355	169	-	4,909	6,483
Borrower funds	59,130	-	-	30,358	-	-	3,605	93,093
Deferred income	16,868	-	-	-	-	-	12,990	29,858
Factoring payables	-	164	-	-	-	-	-	164
Provisions for employee benefits	-	-	-	-	-	-	29,261	29,261
Debt provisions	-	-	-	-	-	-	7,562	7,562
Deferred tax liability	-	-	-	-	-	-	31,705	31,705
Trade and other payables and other liabilities	21,801	-	-	-	-	-	36,409	58,210
Total liability	**885,798**	**165,243**	**36,217**	**97,834**	**614,250**	**-**	**175,518**	**1,974,860**
Total interest sensitivity gap	**850,240**	**645,557**	**126,286**	**(43,663)**	**(613,485)**	**-**	**6,111,002**	**7,075,937**
At 31 December 2022								
Total assets	**1,491,076**	**2,412,020**	**315,947**	**97,744**	**946**	**-**	**6,592,930**	**10,910,663**
Total liabilities	**1,193,678**	**248,786**	**103,143**	**71,352**	**785,166**	**-**	**311,266**	**2,713,391**
Total interest sensitivity gap)	**297,399**	**2,163,234**	**212,804**	**26,392**	**(784,222)**	**-**	**6,281,663**	**8,197,270**

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

36. FINANCIAL RISK MANAGEMENT (continued)

Interest Rate Sensitivity Analysis

Interest Risk Position Table		
	31 December 2023	**31 December 2022**
Financial instruments carried at fair value		
Financial assets	-	-
Financial assets– fair value through profit/loss	14,935	229,542
Financial liabilities	-	-
Financial instruments carried at other than fair value		
Flexible interest financial instruments		
Financial assets	-	-
Financial liabilities	749,094	912,216
Fixed interest rate financial instruments		
Financial assets	2,749,342	4,088,191
Financial liabilities	1,050,248	1,489,910

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

There are no interest bearing securities carried at fair value.

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

If interest rates at 31 December 2023 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 2024 to 31 March 2024 would have been TL 4,292 and TL 1,981 higher, respectively; the consolidated net interest income/(expense) of the Group before and after non-controlling interest would have been TL 2,311 and TL 2,261 higher, respectively.

If interest rates at 31 December 2023 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 2024 to 31 March 2024 would have been TL 4,292 and TL 1,981 lower, respectively; the consolidated net interest income/(expense) of the Group before and after non-controlling interest would have been TL 2,311 and TL 2,261 lower, respectively.

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 5,116 and TL 2,694 higher, respectively; the consolidated net interest income/(expense) of the Group before and after non-controlling interest would have been TL 2,422 and TL 2,206 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 5,116 and TL 2,694 lower, respectively; the consolidated net interest income/(expense) of the Group before and after non-controlling interest would have been TL 2,422 and TL 2,206 lower, respectively.

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

36. FINANCIAL RISK MANAGEMENT (continued)

Collaterals, pledges, mortgages and guarantees given by the Group

According to a regulation of the Capital Markets Board of Türkiye 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 2023 and 31 December 2022, 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 2023				
	TL	US Dollars	Euro	Others	Total
A. Collaterals, pledges, mortgages and guarantees given by the Group Companies in favor of their own judicial entities	**28**	**912,587**	**5,558**	**-**	**918,173**
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	28	-	5,558	-	5,586
6. Mortgage given as collateral against cash loans (3)	-	912,587	-	-	912,587
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	**4,829**	**1,044,312**	**-**	**-**	**1,049,141**
1. Guarantees given as collateral against cash loans (1)	-	1,044,312	-	-	1,044,312
2. Guarantees given as collateral against derivative contracts (1)	-	-	-	-	-
3. Letters of guarantee given as collateral against cash loans	-	-	-	-	-
4. Other non-cash loans	4,829	-	-	-	4,829
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	**8,322,933**	**425,861**	**20,942**	**-**	**8,769,736**
1. Non-cash loans given by the Group Bank	8,322,933	425,861	20,942	-	8,769,736
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	**8,327,790**	**2,382,760**	**26,500**	**-**	**10,737,050**

(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 Olivia, M/V Zeyno, M/V Mila, owned by Dodo Maritime Limited, Neco Maritime Limited, Zeyno Maritime Limited, Mila Maritime Limited, Cano Maritime Limited, Hako Maritime Limited and Lena Maritime Limited, The dry bulk carriers M/V Cano, M/V Hako and 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 at 31 December 2023, the rate of the other GPMs the Company have given to the Company's shareholders' equity is 10.56%.

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

36. 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 2022**		
	TL	**US Dolars**	**Avro**	**Other**	**Total**
A. Collaterals, pledges, mortgages and guarantees given by the Group Companies in favor of their own judicial entities	**1,658**	**1,119,955**	**-**	**-**	**1,121,613**
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	1,658	-	-	-	1,658
6. Mortgage given as collateral against cash loans (3)	-	1,119,955	-	-	1,119,955
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	**3,796**	**2,235,446**	**-**	**-**	**2,239,243**
1. Guarantees given as collateral against cash loans (1)	-	2,235,446	-	-	2,235,446
2. Guarantees given as collateral against derivative contracts (1)	-	-	-	-	-
3. Letters of guarantee given as collateral against cash loans	-	-	-	-	-
4. Other non-cash loans	3,796	-	-	-	3,796
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	**9,485,726**	**1,779,727**	**411,319**	**-**	**11,676,773**
1. Non-cash loans given by the Group Bank	9,485,726	1,779,727	411,319	-	11,676,773
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	**9,491,180**	**5,135,128**	**411,319**	**-**	**15,037,628**

(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 Olivia, M/V Zeyno, M/V Mila, owned by Dodo Maritime Limited, Neco Maritime Limited, Zeyno Maritime Limited, Mila Maritime Limited, Cano Maritime Limited, Hako Maritime Limited and Lena Maritime Limited, The dry bulk carriers M/V Cano, M/V Hako and 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 at 31 December 2022, the rate of the other GPMs the Company have given to the Company's shareholders' equity is 19.13%.

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

37. 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 2023		31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans and advances to customers	427,122	427,122	1,113,634	1,113,634
Finance lease receivables	48	48	53	53
Factoring receivables	1,243,039	1,243,039	1,431,738	1,431,738
Total	**1,670,209**	**1,670,209**	**2,545,425**	**2,545,425**
Financial liabilities				
Funds borrowed	1,265,912	1,265,912	1,874,608	1,874,608
Lease liabilities	6,483	6,483	11,162	11,162
Factoring payables	164	164	575	575
Total	**1,272,559**	**1,272,559**	**1,886,345**	**1,886,345**

- 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.

(Amounts expressed in Turkish Lira (“TL”), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

37. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair Value Hierarchy (continued)

31 December 2023	Leve1 1	Level 2	Level 3	Total
Assets				
Financial assets held for trading	-	-	-	-
Financial assets at fair value through profit/loss	697,576	64,287	636,391	1,398,254
Fair Value Difference to Other Comprehensive Income Reflected Financial Assets	11,758	-	-	11,758
Derivative financial assets held for trading	-	5,554	-	5,554
Total	**709,334**	**69,841**	**636,391**	**1,415,566**

38. EVENTS AFTER THE REPORTING PERIOD

Mesut Yılmaz Primary School

GSD Holding and its subsidiaries to donate up to TL 50,000,000 in 2023 to the GSD Eğitim Vakfı 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 Eğitim Vakfı 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. In this context, following the donation of 48,771,050 in 2023, the necessary protocols were made for Mesut Yılmaz Primary School and construction works started.

Capital increase of GSD Factoring A.Ş.

At the meeting of our Board of Directors dated October 25, 2023; The capital of our company's subsidiary, GSD Factoring A.Ş., is 55,000,000 Full TL. Regarding the increase to 400,000,000 Full TL, with 73,269,919.08 Full TL being covered from internal resources and 271,730,080.92 Full TL being paid in cash. The preemptive right corresponding to the current 88,010% shares of our company will be fully used and the entire capital amount corresponding to our shares will be paid in cash, free from any collusion. In addition, it was decided to issue a letter of undertaking to irrevocably accept that the pre-emptive rights not used by the Other shareholders will be used by our Company and that the entire capital amount corresponding to these shares will be paid in cash, free from all kinds of collusion. After these transactions take place. Shares of GSD Factoring A.Ş. with a nominal value of 12,826,991.90 TL, corresponding to 3.21% of the capital of GSD Factoring A.Ş., for a total price of 26,026,517.80 TL. It was purchased in cash and cash on February 12, 2024, and the share transfer and payment transactions were completed. Our company's total direct share in GSD Factoring A.Ş. has increased to 98.01%.

Sale of Zeyno ship

A sales contract was signed on 27 February 2024 for the sale of the dry cargo ship named Zeyno, which belongs to Zeyno Maritime Limited company established in Malta, in which all shares are owned by our Company's subsidiary GSD Shipping BV, established in the Netherlands with a 100% capital share.

Deniz Maritime Limited establishment and ship purchase

At our company's board of directors meeting dated April 24, 2024; It has been decided to purchase a dry cargo ship within its wholly-owned subsidiary GSD Shipping BV, and a ship purchase agreement for the purchase of the relevant ship was signed between our subsidiary GSD Shipping BV and Anchor Trans Inc located in Panama on 25 April 2024. In line with the initiated transactions, to participate with 5,000 USD in return for 5,000 registered shares with a nominal value of 1 USD. Deniz Maritime Limited company was established in the Marshall Islands on April 29, 2024, with a capital of 5,000 USD.

38. EVENTS AFTER THE REPORTING PERIOD (continued)

GSD Varlık Yönetimi A.Ş.' establishment permit

In the KAP statement dated December 29, 2023; It was shared that it was decided to establish a company titled GSD Varlık Yönetimi Anonim Şirketi, with a capital of 100,000,000 TL, as a 100% subsidiary of GSD Holding A.Ş., in order to operate for the purpose of purchasing, collecting, restructuring and selling the receivables and other assets of the resource institutions. . GSD Varlık Yönetimi A.Ş. by the Banking Regulation and Supervision Agency. 's establishment permit has been granted and the necessary application procedures for the operating permit have started as of April 16, 2024.

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

Amendments to the Corporate Tax Law with Law No. 7456

With the amendment of Law No. 7456, the Corporate Tax rate has been determined as 25% and the said rate is; Within the framework of the law no. 6361 dated 21 November 2012, banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Finance Companies Law, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies are institutions. It will be applied as 30% for earnings.

The relevant regulation starts with the declarations that must be submitted as of October 1, 2023; It entered into force on July 15, 2023 to be applied to the earnings of institutions in 2023 and subsequent taxation periods, and to the earnings of institutions subject to the special accounting period, earned in the special accounting period starting in the 2023 calendar year and subsequent taxation periods.

Corporate Tax Exemption for the Sale of Real Estate has been Removed and the Exemption Rate for the Sale of Real Estate in Assets Before July 15, 2023 has been reduced from 50% to 25%. With the regulation made, Corporate Tax exemption will not be applied on the profits generated from the sale of real estate acquired by institutions after July 15, 2023, which is the date of entry into force of the Law.

Taxpayers will be able to benefit from the pre-amendment provisions of subparagraph (e) of the first paragraph of Article 5 of Law No. 5520 for immovable properties that were in the assets of institutions before July 15, 2023, the date of entry into force of Law No. 7456. However, for the sales of immovable properties that were in the assets of institutions before July 15, 2023, as of July 15, 2023. The exemption rate, which was applied as 50% based on subparagraph (e) of the first paragraph of Article 5 of the Corporate Tax Law, will be applied as 25%.

Annex to Presidential Decree No. 7343 dated July 6, 2023

Within the scope of the fourth paragraph of Article 94 of Law No. 193. A 0% withholding is applied on the Amounts considered as distributed dividends in relation to their own shares acquired by full-time taxpayer capital companies whose shares are traded in Borsa Istanbul.

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 Türkiye, 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.

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

Silopi Elektrik Üretim A.Ş. Shares (continued)

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 27,991 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 TL 56,418 in for with a share of TL 0,63.

GSD Denizcilik Gayrimenkul İnş. San. ve Tic. A.Ş. company shares was purchased by itself with a number of 3,411,059 (full) for a price of TL 3,222 for a share of TL 0.94 on the Borsa İstanbul, within the scope of the announcements of Capital Markets Board on 21 July 2016 and 25 July 2016 and between 26 July 2016 and 14 November 2018.

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 TL 450,000 to TL 1,000,000, was registered by the Istanbul Trade Registry on 23 November 2022 and dated 28 November 2022 and numbered 10713 in Türkiye. 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, 2023, 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%.

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.

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

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. 9,077 thousand TL with a maturity of 3 months on March 3, 2023. It has been decided to open a Deposit Account with an Exchange Rate Protected interest rate of 21.0%. His return took place on June 6, 2023. In addition, 10,318 thousand TL with a 3-month maturity on June 6, 2023 with an interest rate of 35.0%. It has been decided to open an Exchange Protected Deposit Account. His return took place on September 6, 2023. On the same day, it was decided to open a 12,880 thousand TL Deposit Account with a 3-month maturity and an exchange rate protected interest rate of 30%. His return took place on December 7, 2023. On the same day, it was decided to open a 3-month maturity Deposit Account of 13,891 thousand TL with an exchange rate protected interest rate of 34.00%. Relevant amount in the financial statements dated 31 December 2023. It was valued at 31.1144, which is the forward rate dated March 8, 2024 at the end of maturity and shown at its fair value as 14,935 TL. The tax advantage provided for the 2023 period is 983 Thousand TL.

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.

It participated in the GSD Ship Finance BV company, whose establishment was completed in the Netherlands, with a capital of 12 million US dollars, with a 100% share.

(Amounts expressed in Turkish Lira ("TL"), in terms of purchasing power of the Thousand TL at 31 December 2023 unless otherwise indicated.)

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

About the purchase of a new dry cargo ship to be built by GSD Shipping BV

Sumisho Marine Co., under the guarantee of Sumitomo Corporation, located in Japan. Ltd. To conclude a shipbuilding contract with. 100% owned by our subsidiary GSD Shipping BV. Based in Malta. The establishment procedures of Guzide Maritime Limited company with a capital of 5,000 USD were completed on September 13, 2023.

On September 29, 2023, Sumisho Marine Co. Ltd. between. A contract was signed for the construction of a dry cargo ship with a carrying capacity of 42,350 DWT to be built at the Japanese Oshima shipyard to be delivered in 2026.

40. EXPLANATIONS ON STATEMENT OF CASH FLOWS

Cash And Cash Equivalents In The Statement Of Cash Flows:

Continuing operations	**31 December 2023**	**31 December 2022**
Cash on hand and balances with the Central Bank	1,349	3,472
Banks and financial institutions	1,066,940	1,490,834
Receivables from money market	25,287	6,800
Reserve requirements	422	155
Cash and cash equivalents in the statement of financial position	**1,093,998**	**1,501,261**
Less: Required reserve	(422)	(155)
Less: Accured interest	(2,435)	(5,293)
Less: Blocked amount (1)	(88,315)	(135,587)
Cash and cash equivalents in the statement of cash flows	**1,002,826**	**1,360,226**

(1) It includes the blocked Amount of Hako Maritime Limited and Dodo Maritime Limited in 2022 and consists only of the Hako Amount in 2023.