INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
ŞENER BOYA KİMYA TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ

A. Audit of the Financial Statements

1. Opinion

We have audited the accompanying financial statements of **ŞENER BOYA KİMYA TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ** (the "Company"), which comprise the statements of financial position as at 31 March 2021 and the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and the notes to the financial statements and a summary of significant accounting policies and financial statement notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2021, and its financial performance and its cash flows for the year then ended in accordance with Turkish Accounting Standards ("TAS").

2. Basis for Opinion

We conducted our audit in accordance with standards on auditing issued by the Capital Markets Board of Turkey and the Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics published by the Public Oversight Accounting and Auditing Standards Authority. We have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

4.Auditor's Responsibilities for the Audit of the Financial Statements

In ındependent audit, the responsibilities of us as independent auditors are as follows:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

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

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

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

4.Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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. Reports on Independent Auditor's Responsibilities Arising from Other Regulatory Requirement

1) Pursuant to subparagraph 4, Article 402 of "TCC", no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 April 2020 – 31 March 2021 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

2) Pursuant to subparagraph 4, Article 402 of "TCC", the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

Hikmet KABUK is the responsible auditor who executes and finalizes this independent audit.

T.C. BAĞIMSIZ DENETÇİ 1923

Birleşim Bağımsız Denetim ve YMM A.Ş.

Hikmet KABUK
Partner
21 June 2021, Istanbul

ŞENER BOYA KİMYA TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEETS AT 31 MARCH 2021

(Amount expressed in Turkish Lira ("TL") unless otherwise stated)

	Note	31 March 2021	31 March 2020
ASSETS			
Cash and cash equivalents	4	4.396.632	861.024
Trade receivables	6	50.147.148	47.563.643
Trade receivables from third parties		*50.147.148*	*47.563.643*
Other receivables	7	787.128	1.314.275
Other receivables from third parties		*787.128*	*1.314.275*
Inventories	8	36.105.437	15.091.198
Prepaid expenses	9	419.651	160.007
Current Period Tax Related Assets	13	-	-
Other current assets	14	4.196.954	4.436.968
SUBTOTAL		**96.052.950**	**69.427.115**
TOTAL CURRENT ASSETS		**88.970.507**	**69.427.115**
Other receivables	7	16.551	7.063
Other receivables from third parties		*16.551*	*7.063*
Property, plant and equipment	11	432.854	424.331
Right of usage assets	16	462.325	608.323
Intangible Assets except goodwill	12	45.234	47.132
Prepaid expenses	9	-	367
Deferred Tax assets	23	889.178	557.018
Other Non-current assets	14		
TOTAL NON-CURRENT ASSETS		**1.846.142**	**1.644.234**
TOTAL ASSETS		**97.899.092**	**71.071.349**

ŞENER BOYA KİMYA TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEETS AT 31 MARCH 2021
(Amount expressed in Turkish Lira ("TL") unless otherwise stated)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	31 March 2021	31 March 2020
Current liabilities			
Short term financial liabilities	5	14.889.629	7.711.870
Liabilities about Leasing Transactions	16	145.331	166.813
Trade payables	6	47.557.160	27.498.913
Trade payables to related parties		*43.058.158*	*27.225.990*
Trade payables to third parties		*4.499.002*	*272.923*
Other payables	7	5.297.540	8.570.195
Other payables to related parties	3	*5.086.300*	*8.191.260*
Other payables to third parties	7	*211.240*	*378.935*
Deferred Income	10	-	-
Term profit tax liability	13	322.583	120.279
Short-term provisions	15	18.525	43.433
Short-term provisions for employee benefits		*18.525*	*43.433*
SUBTOTAL		**68.230.768**	**44.111.503**
TOTAL CURRENT LIABILITIES		**68.230.768**	**44.111.503**
Non-current liabilities			
Long term financial liabilities	5	9.119.317	6.715.327
-Liabilities about Leasing Transactions	16	349.932	464.274
Trade payables	6	-	-
Trade payables to third parties		-	-
Long-term provisions	15	491.456	339.395
Long-term provisions for employee benefits		*491.456*	*339.395*
Deferred tax liabilities	23	817.648	260.442
TOTAL NON-CURRENT LIABILITIES		**10.778.353**	**7.779.438**
TOTAL LIABILITIES		**79.009.121**	**51.890.941**
EQUITY			
Attributable to owners of the Company		**18.889.971**	**19.180.408**
Share capital	17	18.700.000	18.700.000
Accumulated other comprehensive income		(42.928)	(29.277)
Not be reclassified in Profit or Loss	17	*(42.928)*	*(29.277)*
Restricted reserves appropriated from profit	17	213.864	213.864
Prior years' profit	17	295.821	(904.670)
Net profit or loss for the period	17	(276.786)	1.200.491
TOTAL EQUITY		**18.889.971**	**19.180.408**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**97.899.092**	**71.071.349**

ŞENER BOYA KİMYA TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEARS ENDED 31 MARCH 2021

(Amount expressed in Turkish Lira ("TL") unless otherwise stated)

	Not	01.01.2021 31.03.2021	01.10.2020 31.12.2020	01.01.2020 31.03.2020	01.04.2020 31.03.2021	01.04.2019 31.03.2020
Sales	18	17.704.114	25.999.803	18.962.637	72.172.630	53.371.717
Cost of sales (-)	18	(14.675.477)	(24.356.217)	(17.401.219)	(61.217.529)	(47.330.299)
Gross Profit		**3.028.637**	**1.643.586**	**1.561.418**	**10.955.101**	**6.041.418**
Marketing expenses (-)	19	(611.586)	(607.908)	(301.147)	(1.962.433)	(345.764)
Administrative expenses (-)	19	(425.701)	(510.437)	(486.589)	(1.707.282)	(2.939.528)
Other income from operating activities	20	2.789.590	10.919.294	1.610.651	20.092.782	5.426.978
Other expenses from operating activities (-)	20	(7.445.008)	(6.958.579)	(3.352.319)	(22.091.120)	(6.394.681)
Operating Profit or Loss		**(2.664.068)**	**4.485.956**	**(967.986)**	**5.287.048**	**1.788.423**
Impairment Gains / (Losses) Determined in accordance with TFRS 9	22	126.523	22.568	(35.023)	72.342	(239.412)
OPERATING PROFIT (LOSS) BEFORE FINANCIAL EXPENSE (INCOME)		**(2.537.545)**	**4.508.524**	**(1.003.009)**	**5.359.390**	**1.549.011**
Finance income / (expense), net	21	(2.720.094)	34.497	1.050.485	(3.833.801)	225.603
ONGOING ACTIVITIES PROFIT BEFORE TAX (LOSS)		**(5.257.639)**	**4.543.021**	**47.476**	**1.525.589**	**1.774.614**
Period tax expense / (income)		(322.582)	(822.418)	(120.278)	(1.572.779)	(488.716)
Deferred tax expense / (income)		28.153	(184.757)	171.530	(229.596)	(85.407)
Net Period (Profit) / Losses		**(5.552.068)**	**3.535.846**	**98.728**	**(276.786)**	**1.200.491**
Equity		**18.700.000**	**18.700.000**	**18.700.000**	**18.700.000**	**18.700.000**
Earning per share (%)	24	**-0,30**	**0,20**	**0,01**	**-0,30**	**0,03**
OTHER COMPREHENSIVE INCOME		**(29.182)**	**(23.975)**	**(14.710)**	**(29.182)**	**(29.277)**
Comprehensive Income / Expense that will not be Reclassified in P / L		**(29.182)**	**(23.975)**	**(14.710)**	**(13.651)**	**(29.277)**
Defined Benefit Plans Remeasurement Gains (Losses)	17	127	(30.737)	(18.859)	(18.201)	(37.535)
Deferred Tax Expense / (Income)		(32)	6.762	4.149	4.550	8.258,34
TOTAL INCOME		**(5.551.973)**	**3.511.871**	**84.018**	**(290.437)**	**1.171.214**

ŞENER BOYA KİMYA TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

(Amount expressed in Turkish Lira ("TL") unless otherwise stated)

	Note	Share Capital	Adjustment to share capital	Defined Benefit Plans Remeasurement Gains (Loss)	Restricted reserves	Previous year's Gains (Loss)	Net Gain (Loss) for the year	Equity holders of parent	Non-controlling interests	Total Equity
Balance as of 01 April 2019	17	18.700.000	-	-	213.864	(904.670)	-	18.009.194	-	18.009.194
Net profit or loss for the period		-	-	-	-	-	*1.200.491*	*1.200.491*	-	*1.200.491*
Total Other Comprehensive Income		-	-	*(29.277)*	-	-	-	*(29.277)*	-	*(29.277)*
Balance as of 31 March 2020	17	18.700.000	-	(29.277)	213.864	(904.670)	1.200.491	19.180.408	-	19.180.408
Balance as of 01 April 2020	17	18.700.000	-	(29.277)	213.864	(904.670)	1.200.491	19.180.408	-	19.180.408
Net profit or loss for the period		-	-	-	-	-	*(276.786)*	*(276.786)*	-	*(276.786)*
Transfer		-	-	-	-	*1.200.491*	*(1.200.491)*	-	-	-
Total Other Comprehensive Income		-	-	*(13.651)*	-	-	-	*(13.651)*	-	*(13.651)*
Balance as of 31 March 2021	17	18.700.000	-	(42.928)	213.864	295.821	1.739.436	20.930.073	-	18.889.971

ŞENER BOYA KİMYA TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CASH FLOW FOR 31 MARCH 2021
(Amount expressed in Turkish Lira ("TL") unless otherwise stated)

	Note	1.04.2020 31.03.2021	1.04.2019 31.03.2020
A. Cash Flows From Operating Activities		**(5.634.660)**	**(11.043.759)**
Profit for the period		**(276.786)**	**1.200.491**
Adjustments to reconcile net profit for the period			
Tax Income / Expense Adjustments (+/-)	23	(332.160)	(78.726)
Adjustments for Financing Expenses	21	835.715	89.136
Adjustments Regarding Interest Income (-)		(2.532.757)	(708.527)
Adjustments Related to Decreases (Increases) in Stocks (+/-)	8	3.388.872	(12.056.067)
Adjustments for Decreases (Increases) in Trade Receivables (+/-)	6	(3.419.220)	(24.131.713)
Adjustments Regarding Decreases (Increases) in Other Receivables Related to Operations (+/-)	7	(23.829.983)	(4.747.216)
Adjustments for Increases (Decreases) in Trade Payables (+/-)	6	22.591.004	22.768.467
Adjustments for Increases (Decreases) in Other Debts Related to Operations (+/-)	7	(2.376.244)	6.298.590
Adjustment Amortization and Amortization Expenses	11	62.174	71.880
Adjustment about Provision (+/-)	15	54.811	174.717
Total Adjustments		**(5.557.788)**	**(12.319.459)**
Change in Operating Assets and Liabilities (+/-)		**199.914**	**75.209**
Tax Refunds (Payments) (+/-)		199.914	75.209
B. Cash Flows from Investment Activities		**(68.799)**	**(142.172)**
Cash Outflows From Tangible Fixed Asset Purchase (-)	11	(62.315)	(90.123)
Cash Inflows from the Sale of Intangible Assets	12	(6.484)	(52.049)
C. Cash Flow from Financing Activities		**9.239.067**	**11.110.781**
Cash Inflows From Borrowing	6	9.242.544	11.117.293
Cash Outflows Related to Lease Liabilities (-)	16	10.174	22.764
Other Cash Inflows (Outflows) (+/-)		(13.651)	(29.276)
Net Increase (Decrease) in Cash and Cash Equivalents Before the Effect of Foreign Currency Conversion Differences (+/-) (A + B + C)		**3.535.608**	**(75.150)**
D. Effect of Foreign Currency Translation Differences on Cash and Cash Equivalents		-	-
Net Increase (Decrease) in Cash and Cash Equivalents (+/-) (A+B+C+D)		**3.535.608**	**(75.150)**
E. Cash and Cash Equivalents at the Beginning of the Period	4	861.024	936.174
Cash and Cash Equivalents at the End of the Period (A+B+C+D+E)	4	**4.396.632**	**861.024**

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated).

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

Şener Boya Kimya Tekstil Sanayi Ticaret Ltd. Sti. ("The Company") was established on 13 January 1992 in Istanbul for the purpose of textile dyes activities. The company changed its title on 18.12.2019 and its title became "Şener Boya Kimya Tekstil Sanayi ve Ticaret Anonim Şirketi". Announcement about this changing, published in the Turkey Trade Registry Gazette No. 9979 date of December 24, 2019 on page 317.

The company's headquarters; Istanbul Balmumcu Mahallesi ,Gazi Umur Paşa Sokak ,Balmumcu Plaza 4, No:36/6 Beşiktaş 34349.

As of 31 March 2021, there are 25 personnel employed within the Company personnel (31 March 2020: 24).

Subsidiaries

The subsidiaries of The Company, the countries they are incorporated in, and the nature of their businesses are as follows:

Subsidiaries	Country of incorporation	Nature of business	Voting power held
Şenpa Dış Ticaret Anonim Şirketi	Turkey	International trade	100%

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

The financial statements and disclosures have been prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards (TAS/TFRS) promulgated by the Public Oversight Accounting and Auditing Standards Authority (POA), which are in line with Group Accounting Policies of Holding Company, i.e. Bodal Chemicals Ltd.

The Company maintain their books of accounts and prepare their statutory financial statements on the basis of Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance of the Republic of Turkey. These financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the Turkish Accounting Standards, the format specified in the Guidelines for Use issued by POA, which are in line with Group Accounting Policies of Holding Company, i.e. Bodal Chemicals Ltd.

The financial statements have been prepared on a historical cost basis.

2.2 Principles of consolidation

The significant accounting policies used during the preparation of these consolidated financial statements are summarised below:

a) The consolidated financial statements include the accounts of the parent company, Şener Boya and its subsidiary as of the date of the consolidated financial statements, and are prepared in accordance with IFRS as explained in Note 2.1.

b) Subsidiary is Şenpa in which Şener Boya has the power to control their financial and operating policies. Şener Boya's control over the investee, only and only when all of the following indicators are available; (a) has power over the investee, (b) the exposure to variable returns from its involvement with the investee or is entitled to these returns, and (c) has the ability to use its power over the investee to affect the amount of return to be earned.

The balance sheet and statement of income of the subsidiary,Şenpa is consolidated on a line-by-line basis and the carrying value of the investment held by Şener Boya and its subsidiary is eliminated against the related equity. Intercompany transactions and balances between Şener Boya and Şenpa are eliminated on consolidation.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Functional and Presentation Currency

Functional currency of all entities' included is Turkish Lira ("TL") and they maintain their books of account in TL in accordance with Turkish Commercial Code, Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance.

2.4 Going concern

The financial statements have been prepared assuming that the Company will continue as a going concern on the basis that the entities will be able to realize its assets and discharge its liabilities in the normal course of business.

2.5 The New Standards, Amendments and Interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at March 31, 2021 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of January 1, 2021. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at January 1, 2021 are as follows:

- Interest Rate Benchmark Reform – Phase 2 – Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16

The amendments did not have a significant impact on the financial position or performance of the Company.

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the interim consolidated financial statements are as follows the Company will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

- TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)
- TFRS 17 - The new Standard for insurance contracts
- Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities
- Amendments to TFRS 3 – Reference to the Conceptual Framework
- Amendments to TAS 16 – Proceeds before intended use
- Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract
- Amendments to TFRS 16 – Covid-19 Rent Related Concessions

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.6 Changes in Accounting Estimates and Corrections of Errors

Restatement of the comparative information or the presentation of additional pro forma information. The amount of the correction of a fundamental error that relates to prior periods should be reported by adjusting the opening balance of retained earnings.

2.7 Offsetting

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

2.8 Summary of Significant Accounting Policies

The significant accounting policies implemented during the preparation of the accompanying financial statements are as follows;

Cash and cash equivalents
Cash and cash equivalents comprise cash at banks and on hand and cash in transit. Cash and cash equivalents consist of short-term highly liquid investments including time deposits generally having original maturities of three months or less.

Foreign currency bank deposits valued at the end of period rate. Recorded value is estimated market value of other cash and bank deposits on the balance.

Trade payables
Trade payables are carried at amortized values which reflect the fair value of goods and services purchased.

Inventories
Inventories are valued at the lower of cost or net realizable value. The costs of inventories are determined using the "First in First Out (FIFO" method. Inventories include all purchasing costs, costs of conversion and other costs incurred in order for the inventories to be brought into their existing situation and position. The costs of conversion of the inventories include the costs directly related to production overhead, such as direct labor costs. These costs also include the amounts distributed systematically from the fixed and variable production overheads incurred during the conversion of the raw materials and supplies into finished goods. Net realizable value is yielded by the estimated sales price in the ordinary course of business, less the total estimated costs of the completion and sales to be undertaken.

Property, plant and equipment
The tangible assets are shown as cost of purchasing value less accumulated depletion and permanent depreciation. The historical cost of the tangible asset consists of the purchase price and non-refundable taxes and expenses to make the tangible asset available. The costs of tangible assets in except for land, landed property and construction in progress, are subjected to pro rata depreciation using straight-line method of depreciation based on their expected useful lives. The expected useful life, residual value and method of depreciation are reviewed each and every year for the possible effects of the changes that may occur in the estimations and accounted prospectively in case of a change in the estimations.

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated).

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.8 Summary of Significant Accounting Policies (Contiued)

Property, plant and equipment (Continued)

Profits or losses from sales of property, plant and equipment are included in the other operating income and expense accounts respectively. The tangible assets purchased prior to 1 January 2005 are carried from the costs adjusted according to the effects of inflation costs adjusted according to the effects of inflation.

Impairment of assets
The Company assesses whether there is any indication of impairment in relation to an asset at each balance sheet date. If there is any such indication, the recoverable amount of that asset is estimated. Impairment occurs if the book value of the said asset or any cash generating unit pertaining to that asset is higher than the amount to be recovered through use or sale. The recoverable amount is found out by selecting the higher of its fair value less costs to sell and its value in use. Value in use is the estimated present value of the future cash flows expected to be derived from an asset after its continuous use and disposal at the end of its useful life. Impairment losses are recognized in the statement of income.

Borrowing costs
The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that qualifying asset. All other borrowing costs are realized as expense in the period they are incurred.

Foreign currency transactions
The foreign currency transactions realized within the year are converted over the foreign exchange rates valid at the dates of transactions. The monetary assets and liabilities depending on foreign exchange are converted into Turkish Lira over the exchange rates valid at the end of the period. The exchange difference arising out of the conversions of monetary assets and liabilities depending on foreign exchange are reflected into the statement of income at the period their income or losses are realized.

The foreign exchange rates used at the end of the period are as follows;

	31.03:2021	31.03.2020
USD	8,3260	6,5160
EURO	9,7741	7,2150
GBP	11,4324	8,0579

Events after the balance sheet date
The events after the date of the Financial statement include all events that occurred between the date of the Financial statement and the date of authorization for the publication of the Financial statement; even if they took place after an announcement on the income for the period or a public disclosure of other selected financial information.

If events that require the adjustment occur after the date of the financial statement, the Company corrects the amounts recognized in the financial statements in compliance with this new situation.

Provisions, contingent assets and liabilities
In order for any amount of provisions to be recognized in the financial statements, the Company is to have a present legal or constructive obligation as a result of past events, it should be probable that an outflow of resources with economic benefits will be required to fulfill this obligation, and a reliable estimate of the amount of the said liability can be made. If the said criteria did not occur, then the Company discloses the said matters in the relevant notes. Contingent assets are not recognized until they are realized and only disclosed in the notes.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Contingent assets are continuously assessed in order for the true representation of the related developments in the financial statements. In the event that the inflow of economic benefit into the operation is almost certain, the relevant asset and the income related thereto are reflected into the financial statements of the term that the change occurred. In the event that the inflow of economic benefit becomes probable, the operation displays the said contingent asset in the notes of the financial statement.

Capital and dividends
Ordinary shares are classified as capital. The dividends distributed over the ordinary shares are recorded as deduced from the accumulated profit in the declared period.

Statement of cash flows
In the statement of cash flows, cash flows in relation to the period are reported as classified on the basis of operating activities, investment activities and financing activities. The cash and cash equivalents in the statement of cash flows include the cash and bank deposits.

Earnings per share
Earnings per share are determined by dividing the net income by the weighted average number of shares that have been outstanding during the year concerned. The Company can increase their share capital by making a pro-rata distribution of their shares ("Bonus Shares") to existing shareholders from retained earnings and allowed reserves. When calculating the earnings per share, these bonus shares are considered as issued shares. Therefore, the weighted average number of shares used in the calculation of the earnings per share is obtained by implementing retrospectively the bonus issuance of the shares.

Related parties
Within the scope of this report, Company shareholders, affiliates, subsidiaries and other entities than subsidiaries that the Company shareholders are in a capital or administrative relationship directly or indirectly, Company or administrative personnel such as the member of Company's board of directors, general manager, etc, authorized and responsible for planning, performance and auditing of the Company operations directly or indirectly, close family members of these persons and companies under direct or indirect control of these persons are considered as the related parties. Transactions with related parties are disclosed in the notes to the financial statement.

Employee benefits
Payments to defined contribution retirement benefit plans are charged as an expense in the year in which the contributions relate to. Payments made to the Social Security Institution of Turkey and Turkish Republic Retirement Fund are dealt with as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan. The Company pays contributions to the Social Security Institution of Turkey on a mandatory basis. The NOTE

Company has no further payment obligations once the contributions have been paid. The contributions are recognized as an employee benefit expense in the period to which the employees' service relates.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for any unrecognized past service cost. There is no funding requirement for defined benefit plans. The Company recognizes actuarial gains and losses in the statement of comprehensive income.

Taxes on corporate income

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated).

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. Deferred tax assets and liabilities are reflected as non-current in the financial statements.

Financial Instruments
Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Leases
The Company has adopted IFRS 16, Leases, using modified retrospective method.
Accordingly, the comparative have not been retrospectively adjusted. The adoption of IFRS 16, did not have any material impact on the standalone results for the period ended 30th September, 2019.

2.9 Critical Accounting Estimates and Assumptions

The critical accounting estimates that have significant effect on the book values of the assets and liabilities are as follows;

Useful life:
Tangible and intangible assets are subjected to amortization and depreciation throughout their estimated useful lives.

Useful lives of tangible assets
Estimated useful lives of the tangible assets are as follows:

Buildings	30-60 years
Plant & Machinery	20 years
Furniture & Fixtures	10 years
Vehicles	10 years
Office Equipments	3-5 years

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated).

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Deferred financing income / expense:
The calculation of the amortized cost of trade receivables and payables by using the effective interest method is based on the expected collection and payment dates of the receivables and payables.

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables.

Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

The Group is making provision on Trade Receivables based on Expected Credit Loss Model (ECL) as below.

No. of Days for which amount is due	<=60 Days	61-120 Days	121-180 Days	181-360 Days	>360 Days
% of Provision	0%	0.25%	0.50%	0.75%	1%

Employment termination benefits:
The provision for employment termination benefits is reduced to its value at the balance sheet date by calculating the personnel turnover rate based on the past year experiences and expectations.

The estimations used are displayed in the relevant accounting policies or notes.

NOTE 3 – RELATED PARTY

Receivables /Payables;

a) Short-term trade payables to related parties

	31.03.2021	31.03.2020
Bodal Chemicals Ltd.	43.058.158	27.225.990
	43.058.158	**27.225.990**

b) Other short-term debts to related parties

	31.03.2021	31.03.2020
Adnan Şenkür	2.530.421	4.150.427
Cüneyt Şenkür	2.555.879	4.040.833
	5.086.300	**8.191.260**

c) Long-term financial liabilities

	31.03.2021	31.03.2020
Long-term financial liabilities BODAL CHEMİCALS LTD.	9.119.317	6.715.327
	9.119.317	**6.715.327**

iii) Key management remuneration

	01.04.2020-31.03.2021	01.04.2019-31.03.2020
Key management remuneration	177.735	517.033
	177.735	**517.033**

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated).

NOTE 4 – CASH AND CASH EQUIVALENTS

	31.03.2021	31.03.2020
Cash on hand	7.810	42.255
Due from banks	4.388.822	818.769
demand deposits	4.388.822	818.769
	4.396.632	**861.024**

NOTE 5 – FINANCIAL LIABILITIES

a.) Short-term financial liabilities

	31.03.2021	31.03.2020
Short-term financial liabilities	14.889.629	7.711.870
	14.889.629	**7.711.870**

b.) Long-term financial liabilities

	31.03.2021	31.03.2020
Long-term financial liabilities	8.580.785	6.516.000
Interest Accrual	538.532	199.327
	9.119.317	**6.715.327**

NOTE 6 – TRADE RECEIVABLES AND PAYABLES

	31.03.2021	31.03.2020
Trade receivables	22.715.600	26.610.788
Notes receivable	30.056.935	22.742.527
Rediscount on trade receivables	(2.625.387)	(1.789.672)
Doubtful receivables	359.250	431.592
Provision for doubtful receivables(-)	(359.250)	(431.592)
	50.147.148	**47.563.643**

Maturity details of notes receivable as of 31 March 2021 and 31 March 2020 are as follows:

	31.03.2021	31.03.2020
Overdue	-	770.962
1-30 days	5.188.856	2.418.728
31-60 days	2.156.900	1.014.264
61-90 days	2.168.646	1.975.670
91-120 days	3.808.793	1.668.649
121-150 days	3.240.250	2.937.438
151-180 days	3.588.340	2.103.580
181-210 days	3.506.000	1.395.000
211-240 days	680.000	2.576.412
241-270 days	2.272.250	2.588.824
271-300 days	696.900	1.608.000
301-330 days	1.000.000	1.185.000
331-360 days	1.750.000	-
1-5 years	-	500.000
	30.056.935	**22.742.527**

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated).

NOTE 6 – TRADE RECEIVABLES AND PAYABLES (Continued)

Movements in the provision for doubtful trade receivables during the periods ended 31 March 2021 and 31 March 2020 are as follows:

	31.03.2021	31.03.2020
Opening balance	**(431.592)**	(374.360)
Collection in the period	-	107.180
Disposal in the period	-	75.000
Provisions in the period	72.342	(239.412)
Closing balance	**(359.250)**	**(431.592)**

The details of short term trade payables as of 31 March 2021 and 31 March 2020 are as follows:

	31.03.2021	31.03.2020
Trade payables	8.155.584	1.421.748
Due to related parties	43.058.158	27.225.990
Cheques and payment orders given	60.000	35.000
Rediscount of trade payables	(3.716.582)	(1.183.825)
	47.557.160	**27.498.913**

Maturity details of notes payables as of 31 March 2021 and 31 March 2020 are as follows:

	31.03.2021	31.03.2020
1-30 days	30.000	-
30-60 days	-	20.000
61-90 days	30.000	15.000
	60.000	**35.000**

NOTE 7 – OTHER RECEIVABLES AND PAYABLES

a.1) Other short term receivables

	31.03.2021	31.03.2020
Other short term receivables	73.197	6.709
VAT refund receivables	713.931	1.307.566
	787.128	**1.314.275**

a.2) Other long term receivables

	31.03.2021	31.03.2020
Deposits and guarantees given	16.551	7.063
	16.551	**7.063**

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated).

NOTE 7 – OTHER RECEIVABLES AND PAYABLES (Continued)

a) Other short term payables	**31.03.2021**	**31.03.2020**
Due to Shareholders	5.086.300	8.191.260
Other	123.897	91.900
Tax payabes	40.668	255.301
Social security payables	46.675	30.069
Private retirement fund payables	-	1.665
	5.297.540	**8.570.195**

NOTE 8 – INVENTORIES

	31.03.2021	**31.03.2020**
Raw materials	5.588.260	7.129.935
Finished goods	2.223.477	1.911.358
Trade goods	3.890.589	1.046.896
Goods in transit	24.403.111	5.003.009
	36.105.437	**15.091.198**

NOTE 9 – PREPAID EXPENSES

a) Prepaid expenses-short term	**31.03.2021**	**31.03.2020**
Order advances given	-	26.708
Prepaid expenses - short term	418.951	133.299
Advances given for business purposes	700	-
	-	
	419.651	**160.007**

b) Prepaid expenses-long term	**31.03.2021**	**31.03.2020**
Prepaid expenses - Long Term	-	367
	-	**367**

NOTE-10 DEFERRED INCOME

a) Short-term Deferred Income

	31.03.2021	**31.03.2020**
Received advances	-	-
	-	-

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated).

NOTE 11 – TANGIBLE FIXED ASSETS

Cost	1 April 2020	Addition	Disposal	Transfer	31 March 2021
Plant, Machinery and Equipment	221.994	14.998	-	-	236.992
Furniture and fixtures	320.329	48.377	(1.060)	-	367.646
Leasehold improvements	122.619	-	-	-	122.619
Total	**664.942**	**63.375**	**(1.060)**	**-**	**727.257**

Accumulated depreciation (-)	1 April 2020	Addition	Disposal	Transfer	31 March 2021
Plant, Machinery and Equipment	112.918	18.267	0	-	131.185
Furniture and fixtures	93.838	29.993	-875	-	122.956
Leasehold improvements	33.855	6.407	-	-	40.262
Total	**240.611**	**54.667**	**-875**	**-**	**294.403**
Net Book Value	**424.331**				**432.854**

Cost	9 August 2019	Addition	Disposal	Transfer	31 March 2020
Plant, Machinery and Equipment	207.019	3.905	-	11.070	221.994
Furniture and fixtures	260.316	60.478	-	(465)	320.329
Leasehold improvements	133.224	-	-	(10.605)	122.619
Total	**600.559**	**64.383**	**-**	**-**	**664.942**

Accumulated depreciation (-)	9 August 2019	Addition	Disposal	Transfer	31 March 2020
Plant, Machinery and Equipment	90.722	17.470	-	4.726	112.918
Furniture and fixtures	61.066	28.693	-	4.079	93.838
Leasehold improvements	38.323	4.337	-	(8.805)	33.855
Total	**190.111**	**50.500**	**-**	**-**	**240.611**
Net Book Value	**410.448**				**424.331**

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated).

NOTE 12– INTANGIBLE ASSETS

Cost	1 April 2020	Addition	Disposal	31 March 2021
Rigths	13.158	6.484	-	19.642
Other Intangible Assets	38.891	-	-	38.891
Total	**52.049**	**6.484**	**0**	**58.533**

Accumulated depreciation	1 April 2020	Addition	Disposal	31 March 2021
Rigths	945	1.486	-	2.431
Other Intangible Assets	3.972	6.896	-	10.868
Total	**4.917**	**8.382**	**0**	**13.299**
Net Book Value	**47.132**			**45.234**

Cost	9 August 2019	Addition	Disposal	31 March 2020
Rigths		13.158	-	13.158
Other Intangible Assets	-	46.440	(7.549)	38.891
Total	**-**	**59.598**	**(7.549)**	**52.049**

Accumulated depreciation	9 August 2019	Addition	Disposal	31 March 2020
Rigths	-	945	-	945
Other Intangible Assets		9.942	(5.970)	3.972
Total	**-**	**10.887**	**(5.970)**	**4.917**
Net Book Value	**-**			**47.132**

NOTE 13 – CURRENT TAX ASSET

	31.03.2021	31.03.2020
Provisions of current year profit	594.511	488.716
Prepaid tax and other liabilities on current year profit	(271.928)	(368.437)
	322.583	**120.279**

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated).

NOTE 14 – OTHER ASSETS AND LIABILITIES

Other current assets

	31.03.2021	31.03.2020
Vat Asset – Short Term	4.194.564	4.436.968
Prepaid taxes	2.390	-
	4.196.954	**4.436.968**

NOTE 15 – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Short Term Provisions for Employee Benefits

	31.03.2021	31.03.2020
Leave of absence provisions	18.525	43.433
	18.525	**43.433**

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated).

NOTE 15 – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (Continued)

Long Term Provisions for Employee Benefits

	31.03.2021	31.03.2020
Employment termination benefits	491.456	339.395
	491.456	**339.395**

The movement table of provision for employment termination benefits for the periods ending on 31.03.2021 and 31.03.2020 is as follows:

	31.03.2021	31.03.2020
Opening balance	339.395	243.835
Service cost	133.860	58.026
Actuarial difference	18.201	37.534
Closing balance	**491.456**	**339.395**

NOTE-16 RIGHT OF USE ASSETS AND LIABILITIES

a) Right of Use Assets

	31.03.2021	31.03.2020
Right of Use Assets	729.988	729.988
Right of Use Assets Amortization (-)	-267.663	(121.665)
	462.325	**608.323**

b) Short Term Right of Use Liabilities

	31.03.2021	31.03.2020
Short Term Right of Use Liabilities	145.331	166.813
	145.331	**166.813**

c) Long Term Right of Use Liabilities

	31.03.2021	31.03.2020
Long Term Right of Use Liabilities	349.932	464.274
	349.932	**464.274**

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated).

NOTE 17 – EQUITY

The issued capital shares of the Company are divided into 18.700.000 shares, each with a value of 1 Turkish Lira. The partnership structure of the Company as at 31 March 2021 and 31 March 2020 are as follows

	31.03.2021		31.03.2020	
Shareholders	**Percentage (%)**	**TRY**	**Percentage (%)**	**TRY**
ADNAN ŞENKÜR	10%	1.870.000	10%	1.870.000
CÜNEYT ŞENKÜR	10%	1.870.000	10%	1.870.000
BODAL CHEMICALS LTD	80%	14.960.000	80%	14.960.000
	100%	**18.700.000**	**100%**	**18.700.000**

Restricted Reserves

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code. The Turkish Commercial Code stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5 % per annum, until the total reserve reaches 20 % of the paid in share capital. The second legal reserves, on the other hand, is 10 % of the distributed profits exceeding 5 % of the paid in share capital. According to the Turkish Commercial Code, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital

	31.03.2021	31.03.2020
Opening balance	213.864	213.864
Additions	-	-
Closing balance	**213.864**	**213.864**

Actuarial gain / loss fund for provision for employment termination benefits

With the amendment made in the TAS- 19 "Employee Benefits" the actuarial losses and earnings taken into consideration in the calculation of the provision for employment termination benefits are not allowed to be accounted for in the statement of income. The losses and earnings that occurred in consequence of the change in the actuarial assumptions are accounted for in the equity.

	31.03.2021	31.03.2020
Opening balance	29.277	-
Additions	18.201	37.534
Deferred tax effect	(4.550)	(8.257)
Closing balance	**42.928**	**29.277**

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated).

NOTE 17 – EQUITY (Continued)

Profit distribution

Dividend distribution is made to the provisions of the Articles of Association. According to the Turkish Commercial Code, each shareholder has the right to participate in the dividend to the net profit for the period decided to be distributed to the shareholders. There is no profit distribution performed by the Company

Previous year Profit / (Loss)

	31.03.2021	31.03.2020
Opening balance	(904.670)	(904.670)
Additions	1.200.491	-
	295.821	**(904.670)**

NOTE 18– SALES AND COST OF SALES

	01.04.2020-31.03.2021	01.04.2019-31.03.2020
Domestic sales	40.960.594	29.297.468
Exports	31.552.126	24.350.275
	72.512.720	**53.647.743**
Sales return (-)	(340.090)	(276.026)
Net Sales	**72.172.630**	**53.371.717**

Cost of Sales

	01.04.2020-31.03.2021	01.04.2019-31.03.2020
Cost of goods sold (-)	20.056.758	31.794.939
Cost of merchandises sold (-)	41.014.773	15.413.695
Right of Use Assets Amortization	145.998	121.665
	61.217.529	**47.330.299**

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated).

NOTE 19 – OPERATING EXPENSES

	01.04.2020-31.03.2021	**01.04.2019-31.03.2020**
General administrative expenses	1.962.433	2.939.528
Marketing, Sales and Distribution Expenses	1.707.282	345.764
Operating expenses	**3.669.715**	**3.285.292**

Marketing, Sales and Distribution Expenses (-)	**01.04.2020-31.03.2021**	**01.04.2019-31.03.2020**
Cargo and shipping costs	1.411.610	255.652
Personnel expenses	295.672	57.653
Packaging expenses	-	32.459
	1.707.282	**345.764**

General administrative expenses (-)	**01.04.2020-31.03.2021**	**01.04.2019-31.03.2020**
Personnel expenses	791.203	999.658
Depreciation expenses	63.049	77.850
Consulting expenses	292.489	142.089
Rent expenses	145.119	227.635
Repair expenses	87.814	1.810
Lawsuits and notary expenses	29.626	139.025
Insurance expenses	39.265	48.249
Food expenses	30.974	54.143
Bank expenses	64.215	66.680
Representation, hospitality expenses	-	79.336
Travel expenses	187.129	290.959
Fuel expenses	14.330	26.196
Advertising and communication expenses	24.745	26.797
Energy expenses	9.984	7.164
Other	182.491	751.937
Total	**1.962.433**	**2.939.528**

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated).

NOT 20 - OTHER INCOME AND EXPENSE FROM OTHER OPERATIONS

	01.04.2020-31.03.2021	01.04.2019-31.03.2020
Foreign exchange gains	17.379.491	4.485.269
Rediscount Interest Income	2.532.757	708.527
Other ordinary income and profits	120.626	61.702
Other extraordinary income and profits	59.908	64.300
Doubtful receivable collection income	-	107.180
Total	**20.092.782**	**5.426.978**

	01.04.2020-31.03.2021	01.04.2019-31.03.2020
Foreign exchange losses	21.081.572	5.470.498
Rediscount Interest Expenses	835.715	89.136
Other extraordinary expense and losses	173.833	835.047
Total	**22.091.120**	**6.394.681**

NOTE 21 – FINANCIAL INCOME AND EXPENSE

Financial income

	01.04.2020-31.03.2021	01.04.2019-31.03.2020
Interest income	2.984.275	4.393.997
	2.984.275	**4.393.997**

Financial expenses

	01.04.2020-31.03.2021	01.04.2019-31.03.2020
Short term financing expenses	6.773.900	4.117.295
Expense on Lease Liability	44.176	51.099
	6.818.076	**4.168.394**

NOTE 22 – EXPECTED CREDIT LOSS PROVISION EXPENSE

	01.04.2020-31.03.2021	01.04.2019-31.03.2020
Expected credit loss provision expense/income(-)	(72.342)	239.412
	(72.342)	**239.412**

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated).

NOTE 23 – TAXATION ON INCOME

Corporate tax

The required provisions are reserved in the accompanying financial statements for the estimated tax liabilities with regards to the current period operating results of the Company. The Company's tax fiscal year is between 1 January – 31 December due to local laws. Statutory tax expense finalizes on 31 December based on 1 January – 31 December taxable income. The company has started the procedures to align tax fiscal year and financial reporting fiscal year. The transformation is expected to be completed as of 31 March 2022. Between 01 April 2022 and 31 March 2023 tax fiscal and financial reporting fiscal year expected to be aligned.

The ratio of the corporate tax to be accrued over the taxable corporate income is calculated over the base remaining after the addition of the expenses written off as expense in the determination of the trade earnings which cannot be deduced from the tax base, and the deduction of the earnings exempt from tax, tax free income and other discounts (retained losses and investment discounts used on demand, if any). "The Law on the Amendment of Certain Tax Laws and Some Other Laws (No. 7061)" (Law No. 7061) published on December 5, 2018 and the corporate tax rate was determined to be 22% for corporate earnings for taxation periods of 2018, 2019 and 2020. For 2021 it is determined to be %25 percent temporarily. "

Advance taxes in Turkey are calculated and accrued on a quarterly basis. At the taxation stage as of the advance tax periods of the corporate earnings for the year 2018, the rate of advance tax to be calculated over the corporate earnings is 20 %."The rate related to Law No. 7061 has been determined as 22% for the years 2018, 2019 and 2020 as of May 14, 2018." The losses can be carried over for a maximum period of 5 years to be deduced from the taxable income to be generated in the coming years. However, the incurred losses are not deduced retrospectively from the retained income.

With regards to the taxes to be paid in Turkey, there is no practice of reconciliation with the tax authority. The corporate tax returns are submitted to the respective tax office until the evening of the 25th day of the fourth month following the month that the accounting period is closed. Notwithstanding, the tax authorities have the right to audit tax returns may inspect the related accounting records for a period of five years and in case an erroneous transaction is detected, then the amounts of taxes payable may change.

In addition to the corporate tax, except for those distributed to fully obliged institutions that acquire share from profits in the event they are distributed and declares these shares from profits by including them into the earnings of the institution, and to the braches of foreign companies in Turkey, income tax withholding should separately be calculated over the shares of profits. The income tax withholding is applied at the rate of 15 %.

Tax income / expense	**01.04.2020-31.03.2021**	**01.04.2019-31.03.2020**
Current corporate tax (-)	1.572.779	488.716
Deferred Tax Income (-) /Expense	229.596	85.407
	1.802.375	**574.123**

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated).

NOTE 23 – TAXATION ON INCOME (Continued)

Deferred taxes

The Company accounts for the deferred tax assets and liabilities for the temporary timing differences resulting from the differences between the statutory financial statements that set the basis of the tax and the financial statements prepared according to TAS / TFRS. The said differences in general result from the financial statements that set the basis of the tax, as well as their being in different periods in the financial statements prepared according to TAS / TFRS, and these differences in question are specified below. The calculation of deferred tax assets and liabilities is based on tax rates of 22% for the years 2018, 2019 and 2020 and 20% for the other periods, which are expected to be applied in the periods when the assets are converted to income or when the liabilities are paid.

	31.03.2021	31.03.2021	31.03.2020	31.03.2020
	Cumulative Temporary Differences	**Deferred Tax Asset/ (Liabilitie)**	**Cumulative Temporary Differences**	**Deferred Tax Asset/ (Liabilitie)**
Deferred tax asset:				
Rediscount on receivables	2.625.387	578.445	1.789.672	393.728
Accumulated depreciation	85.132	18.729	72.322	15.911
Doubtful receivable provision	167.070	36.755	239.412	52.671
Adjustment on righ of use assets	32.938	7.246	22.764	5.008
Provision for severance pay	18.525	4.076	43.433	9.555
Allowance for ETB	491.456	108.121	339.395	74.666
Adjustment on invetory	546.209	135.806	24.903	5.479
Total		**889.178**		**557.018**
Deferred tax liability				
Rediscount on debt	3.716.582	817.648	1.183.825	260.442
Other	-	-	-	-
Accumulated depreciation	-	-	-	-
Birikmiş Amortismanlar	-	-	-	-
Adjustment on righ of use assets	-	-	-	-
Total		**817.648**		**260.442**
Deferred tax assets, Net		**71.530**		**296.576**

The Company's deferred tax assets/liabilities’ movement is as follows;

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated).

NOTE 23 – TAXATION ON INCOME (Continued)

Deferred tax assets/liabilities

	01.04.2020-31.03.2021	01.04.2019-31.03.2020
Opening balance	296.576	373.726
Deferred tax (expense) / income	(229.596)	(85.407)
Deferred tax in OCI	4.550	8.257
Closing balance	**71.530**	**296.576**

NOTE 24 – EARNINGS PER SHARE

Earnings per share are calculated by dividing the net income of the shareholders by the weighted average number of ordinary shares. The earnings per share of the Company as at 31 March 2021 and 31 March 2020 are as follows:

	01.04.2020-31.03.2021	01.04.2019-31.03.2020
Net Period Profit (TRY)	(276.786)	98.728
Weighted average number of issued shares (1 TRY worth of shares)	18.700.000	18.700.000
Earning per share (TRY)	**(0,30)**	**0,01**

NOT 25 - NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS

Capital management policies

The Company's capital risk management aims are establishing the optimum share capital structure to reduce capital and profit cost and providing the continuity of the Company's operations.

The Company aims at increasing its profits by ensuring the sustainability of its operating activities on the one hand, while using its equity capital balance at the most efficient manner, on the other. The capital structure of the Company is composed of equity capital items containing payables also including credits, cash and cash equivalents and issued capital respectively, profit reserves as well as retained earnings.

The most important determinant of the Company's financing needs that net working capital requirement is provided by company's capital and bank loans. The distribution of trade receivables and payment control of credit quality is important for risk management that is why the company monitors customer risks frequantly.

The general strategy of the Company overall does not display any difference from the previous period. The table of the major risks that the Company is exposed to is provided as follows;

NOT 25 - NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Financial risk factors

The Company's activities expose it to a variety of financial risks including market risk (consisting of currency risk, fair value interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management program generally seeks to minimize the effects of uncertainty in financial market on financial performance of the Company. The Company uses derivative financial instruments for hedging risk factors. Risk management is implemented by subsidiaries according to the policies approved by the central Board of Directors

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations. These risks are managed by credit evaluation and distribution of the total risk of a single counterparty. Credit risk is distributed via the number of institutes that form the customer database and their different fields of business activities.

	Trade Receivables		Other Receivables		
31 March 2021	Related Parties	Third Parties	Related Parties	Related Parties	Banks
Maximum credit risk as of balance sheet date (A+B+C+D+E)	**-**	**50.147.148**	**-**	**-**	**4.388.822**
The part of maximum risk under guarantee with collateral, etc.	-	-	-	-	-
A. Carrying value of financial assets that are neither past due nor impaired	-	50.147.148	-	-	4.388.822
B. Carrying value of financial assets that are renegotiated,if not that will be accepted as past due nor impaired	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
Past due (gross carrying amount)	-	485.773	-	-	-
Impairment (-)	-	(485.773)	-	-	-
The part of net value under guarantee with collateral, etc.	-	-	-	-	-
Not past due (gross carrying amount)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
The part of net value under guarantee with collateral, etc..	-	-	-	-	-
E. Off-balance-sheet items with credit risk	-	-	-		

NOT 25 - NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

	Trade Receivables		Other Receivables		
31 March 2020	Related Parties	Third Parties	Related Parties	Related Parties	Banks
Maximum credit risk as of balance sheet date (A+B+C+D+E)	-	**47.563.643**	-	-	**818.769**
The part of maximum risk under guarantee with collateral, etc.	-	-	-	-	-
A. Carrying value of financial assets that are neither past due nor impaired	-	47.563.643	-	-	818.769
B. Carrying value of financial assets that are renegotiated,if not that will be accepted as past due nor impaired	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
Past due (gross carrying amount)	-	431.592	-	-	-
Impairment (-)	-	(431.592)	-	-	-
The part of net value under guarantee with collateral, etc.	-	-	-	-	-
Not past due (gross carrying amount)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
The part of net value under guarantee with collateral, etc..	-	-	-	-	-
E. Off-balance-sheet items with credit risk	-	-	-	-	-

Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity risk table

Having a conservative liquidity risk management requires obtaining adequate level of cash in addition to having the ability to utilize adequate level of borrowings and fund resources as well as closing market positions.

The table below identifies the maturities of the Company's financial liability. The tables have been prepared based on the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Company can be required to pay. The table includes interest and principal cash flows. The analysis of the Company's financial liabilities with respect to their maturities is as follows:

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated).

NOT 25 - NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

31 March 2021

Contractual maturities	Carring Value	Contractual cash flows ((=I+II+III+ IV))	Less than 3 months (I)	3-12 Months (II)	1-5 years (III)
Non-derivative					
Financial liabilities	**76.863.646**	**76.863.646**	**9.796.542**	**57.947.787**	**9.119.317**
Financial liabilities	24.008.946	24.008.946	0	14.889.629	9.119.317
Trade payables	**47.557.160**	**47.557.160**	**4.499.002**	**43.058.158**	**-**
Related parties	*43.058.158*	43.058.158	-	43.058.158	-
Third parties	*4.499.002*	*4.499.002*	*4.499.002*	-	-
Other payables	**5.297.540**	**5.297.540**	**5.297.540**	**-**	**-**
Related parties	*5.086.300*	*5.086.300*	*5.086.300*	-	-
Third parties	*211.240*	*211.240*	*211.240*	-	-

31 March 2020

Contractual maturities	Carring Value	Contractual cash flows ((=I+II+III+ IV))	Less than 3 months (I)	3-12 Months (II)	1-5 years (III)
Non-derivative					
Financial liabilities	**51.445.803**	**51.645.130**	**13.170.322**	**31.759.481**	**6.715.327**
Financial liabilities	**14.227.870**	**14.427.197**	**3.178.379**	**4.533.491**	**6.715.327**
Trade payables	**28.647.738**	**28.647.738**	**1.421.748**	**27.225.990**	**-**
Related parties	*27.225.990*	27.225.990	-	27.225.990	-
Third parties	*1.421.748*	*1.421.748*	*1.421.748*	-	-
Other payables	**8.570.195**	**8.570.195**	**8.570.195**	**-**	**-**
Related parties	*8.191.260*	*8.191.260*	*8.191.260*	-	-
Third parties	*378.935*	*378.935*	*378.935*	-	-

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(Amounts expressed in Turkish Lira (TL) unless otherwise indicated).

NOT 25 - NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Currency Risk

The financial instruments of the Company in foreign exchange are exposed to currency risk due to the changes in foreign exchange rates. The foreign currency position of the Company as at 31 March 2021 and 31 March 2020 are as follows:

31 March 2021

	TRY Equ ivalent	USD	EUR	GBP
Trade Receiveables	15.300.490	1.870.014	0	
Monetary financial assets	1.261.202	151.478	0	
Current assets)	**16.561.693**	**2.021.492**	**0**	**0**
Total assets	**16.561.693**	**2.021.492**	**0**	**0**
Trade Payables	50.975.768	6.122.480	0	
Current liabilities	**50.975.768**	**6.122.480**	**0**	**0**
Borrowings	9.119.317	1.095.282		
Non-current liabilities	**9.119.317**	**1.095.282**		
Total liabilities	**60.095.086**	**7.217.762**	**0**	**0**
Net foreign currency position	**(43.533.393)**	**(5.196.270)**	**0**	**0**

31 March 2020

	TRY Equ ivalent	USD	EUR	GBP
Trade Receiveables	21.078.045	3.234.814	0	
Monetary financial assets	525.988	80.723	0	
Current assets)	**21.604.034**	**3.315.536**	**0**	**0**
Total assets	**21.604.034**	**3.315.536**	**0**	**0**
Trade Payables	28.458.897	4.367.541	0	
Current liabilities	**28.458.897**	**4.367.541**	**0**	**0**
Borrowings	6.715.396	1.030.601		
Non-current liabilities	**6.715.396**	**1.030.601**		
Total liabilities	**35.174.293**	**5.398.142**	**0**	**0**
Net foreign currency position	**(13.570.260)**	**(2.082.606)**	**0**	**0**

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated).

NOT 25 - NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Sensitivity analysis;

31 March 2021

	Profit/Loss before tax		**Capital**	
	If foreing currency appreciates	If foreign currency depreciates	If foreing currency appreciates	If foreign currency depreciates
	If US Dolar TL changes 10%			
US Dollar net asset/liability	**(4.353.339)**	**4.353.339**	**(4.353.339)**	**4.353.339**
US Dollar net effect	**(4.353.339)**	**4.353.339**	**(4.353.339)**	**4.353.339**
	If EUR , TL changes 10%			
EUR net asset/liability	--	**0**	--	**0**
EUR net effect	--	**0**	--	**0**
TOTAL	**(4.353.339)**	**4.353.339**	**(4.353.339)**	**4.353.339**

31 March 2020

	Profit/Loss before tax		**Capital**	
	If foreing currency appreciates	If foreign currency depreciates	If foreing currency appreciates	If foreign currency depreciates
	If US Dolar TL changes 10%			
US Dollar net asset/liability	**(1.357.026)**	**1.357.026**	**(1.357.026)**	**1.357.026**
US Dollar net effect	**(1.357.026)**	**1.357.026**	**(1.357.026)**	**1.357.026**
	If EUR , TL changes 10%			
EUR net asset/liability	--	**0**	--	**0**
EUR net effect	--	**0**	--	**0**
TOTAL	**(1.357.026)**	**1.357.026**	**(1.357.026)**	**1.357.026**

(Amounts expressed in Turkish Lira (TL) unless otherwise indicated).

NOTE 26 - FINANCIAL INSTRUMENTS: DISCLOSURES (FAIR VALUE DISCLOSURES HEDGE ACCOUNTING DISCLOSURES)

The current value is the amount that a financial instrument can be handed over in a current transaction, other than a compulsory sale or liquidation, between voluntary parties, and is best determined with the realized market price, if any.

Estimations are used in the estimation of current value and interpretation of the market data. Accordingly, the estimations presented hereby may not be able to display the amounts that the Company can acquire from an actual market transaction.

The methods and assumptions provided below are used to estimate the current value of each one of the financial instruments in the events where it is possible to determine the current value.

Financial assets

The carried values of the cash and cash equivalent financial assets are thought to be close to their current values. The carried values of trade receivables after the deduction of doubtful receivables are thought to be close to their current values. The monetary items in foreign currency are converted using the exchange rates as at the end of the period. Off board financial assets are displayed over their costs.

Financial liabilities
The monetary items in foreign currency are converted using the exchange rates as at the end of the period. The trade payables and other monetary liabilities, as they are short term liabilities, are accepted to have current values close to their carried values. On the other hand, the carried values of the short term credits, due to their short term, are assumed to reflect the current value.

The reconciliation of opening and closing balance of financial assets and liabilities is as follows:

	31.03.2021	**31.03.2020**
Total Liabilities	79.009.121	51.890.941
Less :Other liquid assets	(4.396.632)	(861.024)
Net liabiity	74.612.489	51.029.917
Equity & reserves	18.889.971	19.180.408
Total Equity	93.502.460	70.210.325
Net Liability/ Total Equity	**79,80%**	**72,68%**

NOT 27 - SUBSEQUENT EVENTS

None (31 March 2020: None).

NOT 28 - OTHER ISSUES

None (31 March 2020: None).