AKDENİZ KORUMA DERNEĞİ

CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2022
TOGETHER WITH THE INDEPENDENT AUDITORS' REPORT

(CONVENIENCE TRANSLATION INTO ENGLISH OF THE INDEPENDENT AUDITORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
AKDENİZ KORUMA DERNEĞİ

Opinion

We have audited the consolidated financial statements of Akdeniz Koruma Derneği and its economic enterprises (all together referred to as "the Group"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs 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 consolidated financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 ISAs 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of 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.

- 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 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 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 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.

Reanda Aren Bağımsız Denetim ve SMMM A.Ş.
A member of Reanda International

Dr. Mehmet Ali Demirkaya, CPA
Partner

İzmir, 28 July 2023

AKDENİZ KORUMA DERNEĞİ

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(AMOUNTS EXPRESSED in PURCHASING POWER OF TURKISH LIRA (“TRY”) ON 31 DECEMBER 2022 UNLESS OTHERWISE INDICATED.)

			Revised Due to IAS 29 Application	
		Audited	Audited	Audited
		December 31,	December 31,	December 31,
ASSETS	**Notes**	**2022**	**2021**	**2020**
Current Assets				
Cash and Cash Equivalents	4	16,236,197	10,386,142	1,385,081
Financial investments	5	677,130	-	1,144,291
Trade Receivables	7	116,175	84,251	13,176
Other Receivables	8	112,058	149,401	139,478
Inventories	10	3,094	6,625	-
Prepayments	11	166,917	182,325	179,176
Current Tax Assets	28	8	16	-
Other Current Assets	19	123,114	5,514	-
Total Current Assets		**17,434,693**	**10,814,273**	**2,861,202**
Non-Current Assets				
Property, Plant, and Equipment	12	9,947,018	10,307,170	4,316,531
Intangible Assets	13	28,762	45,512	62,261
Prepayments	11	360	712	1,280
Deferred Tax Assets	28	33,684	33,684	-
Total Non-Current Assets		**10,009,824**	**10,387,078**	**4,380,072**
TOTAL ASSETS		**27,444,517**	**21,201,351**	**7,241,275**

AKDENİZ KORUMA DERNEĞİ

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2022 AND 31 DECEMBER 2021

(AMOUNTS EXPRESSED in PURCHASING POWER OF TURKISH LIRA ("TRY") ON 31 DECEMBER 2022 UNLESS OTHERWISE INDICATED.)

			Revised Due to IAS 29 Application	
		Audited	Audited	Audited
LIABILITIES	**Notes**	**December 31, 2022**	**December 31, 2021**	**December 31, 2020**
Kısa Vadeli Yükümlülükler				
Short Term Borrowings	9	43,783	31,149	-
Trade Payables	7	135,115	204,316	18,720
Liabilities for Employee Benefits	18	286,261	320,422	55,821
Other Payables	6,8	134,216	119,097	48,842
– *Due to Related Parties*	*6*	*30,273*	*11,786*	*7,746*
– *Due to Third Parties*	*8*	*103,943*	*107,311*	*41,096*
Deferred Income	11	216	218	-
Current Corporate Tax Liability	28	22,395	11,674	429
Short Term Provisions	16,18	141,816	194,936	96,253
Total Current Liabilities		**763,802**	**881,811**	**220,065**
Non-Current Liabilities				
Long Term Provisions	16,18	617,046	20,434	13,939
Total Non-Current Liabilities		**617,046**	**20,434**	**13,939**
Total Liabilities		**1,380,847**	**902,246**	**234,004**
EQUITY				
Accumulated Other Comprehensive Income/Expense Not to be Reclassified to Profit or Loss		(342,168)	2,144	32
– *Gain/(Loss) Arising from Defined Benefit Plans*	*20*	*(342,168)*	*2,144*	*32*
Retained Earnings	20	20,296,961	7,007,239	7,007,239
Net Profit or Loss for The Period	20	6,108,876	13,289,722	-
Total Equity		**26,063,670**	**20,299,106**	**7,007,271**
TOTAL LIABILITIES AND EQUITY		**27,444,517**	**21,201,352**	**7,241,275**

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

AKDENİZ KORUMA DERNEĞİ

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

(AMOUNTS EXPRESSED in PURCHASING POWER OF TURKISH LIRA ("TRY") ON 31 DECEMBER 2022 UNLESS OTHERWISE INDICATED.)

	Notes	Audited 1 January- 31 December 2022	Revised Due to IAS 29 Application Audited 1 January- 31 December 2021
Revenues	21	29,757,113	29,877,751
Cost of Sales	21	(17,811,020)	(16,047,633)
Gross Profit/ (Loss) From Trading Activity		**11,946,093**	**13,830,117**
General Administrative Expenses	22,23	(1,075,896)	(154,747)
Marketing Expenses	22,23	(453,820)	(168,781)
Other Operating Income	25	425,780	963,267
Other Operating Expenses	25	(277,470)	(5,360)
Operating Profit/ (Loss)		**10,564,688**	**14,464,496**
Income from Investment Activities		84,246	-
Profit (Loss) Before Financing Income (Expense)		**10,648,934**	**14,464,496**
Financial Income	27	3,338,738	3,972,149
Financial Expenses	27	(370,377)	(1,239,013)
Net Monetary Position Loss		(7,483,633)	(3,922,230)
Profit (Loss) from Continuing Operations, Before Tax		**6,133,662**	**13,275,401**
Tax (Expense) Income, Continuing Operations			
– Current Period Tax Expense	28	(24,787)	(19,363)
– Deferred Tax Income	28	-	33,684
Profit (Loss)		**6,108,876**	**13,289,722**
Other Comprehensive Income:			
Items That Will Not be Reclassified to Profit or Loss		**(344,312)**	**2,112**
Gain/(Loss) Arising from Defined Benefit Plans	18,20	(344,312)	2,112
Other Comprehensive Income/(Loss)		**(344,312)**	**2,112**
Total Comprehensive Income/(Loss)		**5,764,564**	**13,291,835**

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

(AMOUNTS EXPRESSED in PURCHASING POWER OF TURKISH LIRA ("TRY") ON 31 DECEMBER 2022 UNLESS OTHERWISE INDICATED.)

Audited	Accumulated Other Comprehensive Income/Expense Not to be Reclassified to Profit or Loss	Retained Earnings	Net Profit or Loss for The Period	Equity
Balance at 1 January 2022	**2,144**	**7,007,239**	**13,289,722**	**20,299,106**
Transfer	-	13,289,722	(13,289,722)	-
Total Comprehensive Income	(344,312)	-	6,108,876	5,764,564
Balance at 31 December 2022	**(342,168)**	**20,296,961**	**6,108,876**	**26,063,670**

Revised Due to IAS 29 Application Audited	Accumulated Other Comprehensive Income/Expense Not to be Reclassified to Profit or Loss	Retained Earnings	Net Profit or Loss for The Period	Equity
Balance at 1 January 2021	**32**	**7,007,239**	**-**	**7,007,271**
Total Comprehensive Income	2,112	-	13,289,722	13,291,835
Balance at 31 December 2021	**2,144**	**7,007,239**	**13,289,722**	**20,299,106**

Explanations on change of equity table are presented in Note 20.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

(AMOUNTS EXPRESSED in PURCHASING POWER OF TURKISH LIRA ("TRY") ON 31 DECEMBER 2022 UNLESS OTHERWISE INDICATED.)

		Notes	Audited 1 January- 31 December 2022	Revised Due to IAS 29 Application Audited 1 January- 31 December 2021
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		**6,172,238**	**13,228,457**
Net Profit/(Loss) for the Period			**6,108,876**	**13,289,722**
Adjustments to Reconcile Profit/(Loss)			**273,037**	**(478,085)**
–	Adjustments for Depreciation and Amortisation Expense	12,13	3,212,394	2,037,883
–	Adjustments for Impairment Loss -	7,25		-
–	Adjustments for Provisions	16,18	213,661	107,291
–	Adjustments for Interest Income and Expenses	27	(25,350)	(34,958)
–	Adjustments for Profit related to Fixed Asset Sales		(84,246)	-
–	Adjustments for Unrealized Exchange Loss/(Gain)	27	(3,068,209)	(2,573,979)
–	Adjustments for Fair Value Loss/(Gain)	5,27	-	-
–	Adjustments for Tax Expense/Income	28	24,787	(14,322)
Changes in Working Capital			**(192,802)**	**436,182**
–	Adjustments for Decrease (Increase) in Trade Receivables	7	(31,924)	(71,075)
–	Adjustments for Decrease (Increase) in Other Receivables	8	37,343	(9,923)
–	Adjustments for Decrease (Increase) in Inventories	10	3,531	(6,625)
–	Decrease (increase) in Prepaid Expenses	11	15,760	(2,580)
–	Adjustments for Increase (Decrease) in Trade Payables	7	(69,201)	185,596
–	Increase (Decrease) in Employee Benefit Liabilities	18	(34,161)	264,601
–	Adjustments for Increase (Decrease) in Other Operating Payables	6,8,11	15,120	70,255
–	Other Adjustments for Other Increase (Decrease) in Working Capital	19	(129,268)	5,933
Cash Flows from Operating Activities			**6,189,110**	**13,247,819**
–	Payments for The Provisions for Employee Benefits	16,18	(14,482)	-
–	Taxes Received/(Paid)	28	(2,391)	(19,362)

AKDENİZ KORUMA DERNEĞİ

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

(AMOUNTS EXPRESSED in PURCHASING POWER OF TURKISH LIRA ("TRY") ON 31 DECEMBER 2022 UNLESS OTHERWISE INDICATED.)

		Notes	Audited 1 January- 31 December 2022	Revised Due to IAS 29 Application Audited 1 January- 31 December 2021
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		**(3,403,025)**	**(6,832,522)**
–	Cash Inflows from Sales of Other Entities' or Fund's Share	5	-	1,144,291
–	Cash Outflows from Purchase of Other Entities' or Fund's Share	5	(677,130)	-
–	Sale of Tangible and Intangible Assets	11,12,13	100,000	-
–	Purchase of Tangible and Intangible Assets	11,12,13	(2,851,245)	(8,011,772)
–	Interest Received	27	25,350	34,958
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**		**12,634**	**31,149**
–	Proceeds from Borrowings	27	12,634	31,149
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES (A+B+C)			**2,781,846**	**6,427,084**
D.	**EFFECT OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS**	**27**	**3,068,209**	**2,573,979**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)			**5,850,055**	**9,001,063**
E.	**CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD**	**4**	**10,386,142**	**1,385,081**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)		**4**	**16,236,197**	**10,386,142**

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

1. GROUP'S ORGANISATION AND NATURE OF OPERATIONS

Akdeniz Koruma Derneği ve İktisadi İşletmeleri ("Group") consists of Akdeniz Koruma Derneği ("Association") ve 2 economic enterprises.

In terms of management reporting, the Group is divided into three activity groups in order to finance the activities of Association namely the trade fish, crustaceans, molluscs, other aquatic products and scientific and technical activities. Its actual field of activity is the monitoring and restoration of endangered species such as the Mediterranean monk seal, sand shark and the marine ecosystems in which they live. While all these contribute to the protection of species and habitats, it is also aimed to ensure the existence of fishermen who continue traditional coastal fisheries in the profession.

The association was established in 2012 as a national non-governmental organization in Izmir/Turkey.

Headquarters Address and Member Information of the Association

The association is registered in Turkey and its contact information is provided below:

Address	:	Kazımdirik Mahallesi, 296 Sokak, Folkart Time 1 Blok No:8, Daire 812, Bornova/İzmir
Telephone	:	0 232 504 07 02
E-mail Address	:	info@akdenizkoruma.org.tr
Registered e-mail Address (KEP)	:	akdenizkorumaderneği@hs01.kep.tr
Website	:	www.akdenizkoruma.org.tr

Association's Tax Office Information:

Tax Authority	:	Hasan Tahsin Vergi Dairesi
Tax Authority Number	:	0210559826
Tax Type	:	Exempt

As of 31 December 2022, the Association has 241 real person members (31 December 2021: 212 members).

Personnel Structure of the Association

As of 31 December 2022, the Group has 22 employees (31 December 2021: 19 employees).

Economic Enterprises Included in Consolidation:

Title	Starting Date of Operation
Akdeniz Koruma Derneği İktisadi İşletmesi ("economic enterprise")	1 September 2020
Akdeniz Koruma Derneği Araştırma Danışmanlık ve Organizasyon İktisadi İşletmesi ("Consultancy")	12 March 2021

The association has 100% share in the economic enterprises included in the consolidation. The headquarters of these economic enterprises are at the same address as the headquarters of the Association.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") published by the International Accounting Standards Board ("IASB").

The Association (and its economic enterprises registered in Turkey) maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code (the "TCC"), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. The consolidated financial statements, except for the financial asset and liabilities presented with their fair values, are maintained under historical cost conversion in TRY. These consolidated 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 IAS/IFRS.

International Accounting Standard 29 ("IAS 29"), Financial Reporting in Hyperinflationary Economies, requires that financial statements prepared based on the currency of a hyperinflationary economy should be prepared from the purchasing power of that currency at the balance sheet date, and that prior period financial statements should be restated using the same value measures for comparison purposes. One requirement that the requirements of IAS 29 apply is a three-year cumulative inflation rate approaching or exceeding 100%. The restatement was made using the correction coefficient obtained from the Domestic Producer Price Index in Turkey ("D-PPI") published by the State Institute of Statistics ("DIE"). The indices and adjustment coefficients used in the correction of the financial statements are shown below:

Date	Index	Correction Coefficient	Cumulative Inflation Rate
31 December 2022	2021,19	1,000	345,1
31 December 2021	1022,25	1,977	141,7
31 December 2020	568,27	3,557	79,6

The main lines of the correction process mentioned above are given below:

- The current year financial statements prepared in the currency of a hyperinflationary economy are expressed by adjusting the purchasing power of money effective at the balance sheet date and the amounts belonging to previous reporting periods according to the purchasing power of money at the latest balance sheet date.
- Monetary assets and liabilities are currently not adjusted as they are expressed in current purchasing power at the balance sheet date.
- Non-monetary assets, liabilities and equity items that are not expressed in current purchasing power at the balance sheet date are restated using the relevant adjustment coefficients (monthly, annual average, year-end).
- Financial statements for previous reporting periods have been restated on the basis of the current purchasing power of money at the balance sheet date.
- All items in the income statement have been adjusted using the relevant monthly adjustment coefficients.
- The effect of inflation on the Group's net monetary position is reflected in the income statement as gain/(loss) on net monetary position.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

Functional and Presentaion Currency

The individual financial statements of each Group entity are presented in its currency where the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity consolidated are expressed in Turkish Lira (TRY), which is the functional currency of the Group and the presentation currency of the consolicated financial statements.

The accompanying financial statements have been prepared in accordance with IFRS and have been expressed by rounding to the nearest TRY. Transactions in foreign currencies are converted into TRY at the exchange rates on the date of the transaction.

Monetary assets in foreign currency in the statement of financial position are translated into TRY using the foreign exchange buying rate and the liabilities are converted into TRY using the foreign currency selling rates on the balance sheet date. Exchange differences resulting from these transactions are taken into account in determining the profit or loss for the period.

For the financial statements, the following exchange rates are taken into account as of the end of the periods.

	December 31, 2022		December 31, 2021		December 31, 2020	
Currency	Buying	Selling	Buying	Selling	Buying	Selling
USD Dollar (USD)	18.6983	18.7320	13.3290	13.3530	7.4194	7.4327
Euro (EUR)	19.9349	19.9708	15.0867	15.1139	9.1164	9.1329
British Pound (GBP)	22.4892	22.6065	17.9667	18.0604	10.1142	10.1669

Going Concern

The consolidated financial statements including the accounts of the Association and economic enterprises have been prepared assuming that the Group will continue as a going concern on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business.

Comparatives and Restatement of Prior Periods Financial Statements

The consolidated financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. Comparative figures are reclassified where necessary, to conform to changes in presentation in the current period consolidated financial statements.

The Group has prepared financial statements in accordance with the BOBI financial reporting standards published by POA in the previous periods. Group has prepared its consolidated financial statements in full compliance with IFRS for the first time, and in this context, it has also revised its 2019 financial position in order to present the financial performance of 2020 fairly.

Consolidation Principles

The consolidated financial statements include the accounts of the Group on the basis set out in sections below. The financial statements of the economic enterprises included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with IFRS.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

Subsidiaries

Control is obtained by controlling over the activities of an entity's financial and operating policies in order to benefit from those activities.

Subsidiaries are companies over which the Association controls the financial and operating policies for the benefit of the Association and exposed to variable yield due to their relationship with the entity, either (a) through the power to exercise more than 50% of the voting rights relating to shares in the companies owned directly and indirectly by itself; or (b) although not having the power to exercise more than 50% of the voting rights, otherwise having the power to exercise control over the financial and operating policies and sustain variable income because of the relationship with this companies.

The statements of financial position and statements of profit or loss of the subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by the Association and its economic enterprises is eliminated against the related equity. Intercompany transactions and balances between the Association and its economic enterprises are eliminated during the consolidation.

2.2 Statement of Compliance to IFRS

The Group prepared the accompanying consolidated financial statements as of 31 December 2022 in accordance with IFRS.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Changes in Accounting Policies

Significant changes in the accounting policies are applied to prior periods and financial statements of prior periods are restated. The accounting policies applied in the preparation of the consolidated financial statements as of 31 December 2022 are consistent with those applied in the preparation of the consolidated financial statements of 31 December 2021.

2.4 Restatement and Errors in the Accounting Policies and Estimates

The effect of changes in accounting estimates affecting the current period is recognized in the current period; the effect of changes in accounting estimates affecting current and future periods is recognized in the current and future periods. The accounting estimates used in the preparation of these consolidated financial statements for the period ended 31 December 2022 are consistent with those used in the preparation of financial statements for the year ended 31 December 2021.

Material changes in accounting policies or material errors are applied, retrospectively by restating the prior period consolidated financial statements.

2.5 Amendments in International Financial Reporting Standards

The accounting policies applied in the preparation of the consolidated financial statements as of 1 January -31 December 2022 are consistent with those applied in the preparation of the consolidated financial statements as of 31 December 2021 except for the new and amended IFRS standards which are valid as of 1 January 2022 and International Financial Reporting Interpretations Committee's ("IFRIC") interpretations summarised below.

Standards, amendments and interpretations effective as of 1 January 2022:

- IFRS 16 'Leases' - amendments to the extension of COVID 19 lease concessions facilitating practice;
- Narrow scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements to IFRS 1, IFRS 9, IAS 41 and IFRS 16;

These amendments did not have significant impact on the financial position or performance of the Group.

Standards and amendments that are issued but not effective as of 31 December 2022:

- IAS 1 "Practice statement 2" and narrow scope amendments on IAS 8
- IAS 12 "Deferred tax related to assets and liabilities arising from a single transaction (Amendments)"
- IFRS 16, Sale and leaseback transactions,
- IAS 1, Amendment to long-term obligations, which are contractual terms,

The impacts of the new standards, amendments and improvements on the financial position and performance of the Group is being assessed.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Summary of Significant Accounting Policies

Cash and Cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (Note 4).

Financial Assets

Group classifies its financial assets in three categories of financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit of loss.

The classification of financial assets is determined considering the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The appropriate classification of financial assets is determined at the time of the purchase.

Trade Receivables

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

Impairment

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

Group uses a provision matrix for the calculation of the expected credit losses on trade receivables which is based on past experience and future expectations. The provision matrix calculates fixed provision rates depending on the number of days that a trade receivable is past due and those provision rates are reviewed and, revised if necessary, in every reporting period. The changes in the expected credit losses on trade receivables are accounted for under "other operating income/expenses" account of the consolidated statement of income.

Related Parties

For the purpose of these consolidated financial statements, members, key management personnel (general manager, vice general managers, coordinator of general management, and factory managers) Board members, and senior executives (chairman and coordinator) reporting to the company's board of directors in each case together with the companies controlled by/or affiliated with them, are considered and referred to as related parties.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Inventories

Cost elements included in inventories are materials, labour and an appropriate amount of factory overheads. The cost of inventories is determined by the weighted average method. Inventories are valued at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Property, Plant and Equipment and Related Depreciation

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is provided for property, plant and equipment on a straight-line basis over their estimated useful lives.

The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	Useful life
Plant, Machinery, and Equipment	2-15 Year
Vehicles	4-5 Year
Furniture and Fixtures	4-5 Year
Other Tangible Assets	2-4 Year

Useful life and the depreciation method are constantly reviewed, and accordingly, parallels are sought between the depreciation method and the period and the useful life to be derived from the related asset. Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset's net selling price or value in use. Recoverable amount of the property, plant and equipment is the higher of future net cash flows from the utilisation of this property, plant and equipment or its fair value less cost to sell.

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

Machinery and equipment are capitalised and amortised when their capacity is fully available for use.

Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with their net carrying amounts and are classified under "gains/losses from investing activities" in the current period.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Property, Plant and Equipment and Related Depreciation

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (in 5 years).

Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Software development costs include employee costs and an appropriate portion of relevant overheads. Computer software development costs recognized as assets are amortized over their estimated useful lives (in 5 Years) (Note 13).

Right-of-Use Assets

Short-term leases and leases of low-value assets

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Financial Liabilities

Financial liabilities are measured initially at fair value. Transaction costs which are directly related to the financial liability are added to the fair value.

Other financial liabilities

Other financial liabilities are subsequently measured at amortized cost using the effective interest method plus the interest expense recognized on an effective yield basis (Note 9).

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

Trade Payables

Trade payables are payments to be made arising from the purchase of goods and services from suppliers within the ordinary course of business. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method (Note 7).

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Provision for Employment Termination Benefits

Provision for Employment Termination Benefits

The provision for employment termination benefits, as required by Turkish Labour Law represents the present value of the future probable obligation of the Group arising from the retirement of its employees based on the actuarial projections.

TAS 19 "Employee Benefits" requires actuarial assumptions (net discount rate, turnover rate to estimate the probability of retirement etc.) to estimate the entity's obligation for employment termination benefits. The effects of differences between the actuarial assumptions and the actual outcome together with the effects of changes in actuarial assumptions compose the actuarial gains / losses and recognised under other comprehensive income.

Unused Vacation Rights

Liabilities arising from unused vacations of the employees are accrued in the period when the unused vacations are qualified.

Current and Deferred Income Tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognized directly in equity (Note 28), In such case, the transaction including tax is recognized in shareholders' equity.

Deferred tax liability or asset is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates and tax regulations that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

The main temporary differences are from the time differences between carrying amount of tangible assets and their tax base amounts, the available expense accruals that are subject to tax and tax allowances that are not utilized.

Offsetting

All items with significant amounts and nature, even with similar characteristics, are presented separately in the financial statements, Insignificant amounts are grouped and presented by means of items having similar substance and function, When the nature of transactions and events necessitate offsetting, presentation of these transactions and events over their net amounts or recognition of the assets after deducting the related impairment are not considered as a violation of the rule of non-offsetting.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Revenue

Revenue, goods, or services related to performance obligations in the form of goods or service turnover are accounted for as they fulfil their performance obligations by transferring them to their customers.

The Group evaluates the transfer of control of the goods or services sold to the customer.
a) Ownership of the Group's right to collect goods or services.
b) The ownership of the property of the customer.
c) Transfer of the possession of the goods or services.
d) Ownership of significant risks and rewards arising from the ownership of the goods or services.
e) It takes into account the conditions for the customer to accept the goods or services.

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

Donations are recorded at an estimated cost of acquisition.

Interest Income

Interest income is accrued using the effective interest method which brings the remaining principal amount and expected future cash flows to the net book value of the related deposit during the expected life of the deposit.

Interest income and income from exchange rate differences that are related to commercial transactions are accounted under Other Operating Income.

Impairment of Assets

The carrying amounts of the Group's assets other than goodwill are reviewed at each balance sheet date to determine whether there is any indication of impairment. When an indication of impairment exists, the Group compares the carrying amount of the asset with its net realizable value which is the higher of value in use or fair value less costs to sell. Impairment exists if the carrying value of an asset or a cash generating unit is greater than its recoverable amount which is the higher of value in use or fair value less costs to sell. An impairment loss is recognized immediately in the comprehensive statement of income. The increase in carrying value of the assets (or a cash generated unit) due to the reversal of recognized impairment loss shall not exceed the carrying amount of the asset (net of amortisation amount) in case where the impairment loss was reflected in the consolidated financial statements in prior periods. Such a reversal is accounted under the comprehensive income statement.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Government Grants

Grants from the government are recognized at fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all the required conditions (Note 11).

Government grants related to costs are accounted as income on a consistent basis over the related periods with the costs.

Government grants relating to property, plant and equipment are included in "deferred income" under the non-current liabilities as deferred government grants and are credited to the statement of profit or loss on a straight-line basis over the expected lives of the related assets.

Provisions, Contingent Assets and Liabilities

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date considering the risks and uncertainties surrounding the obligation, Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably (Note 16).

Earnings Per Share

Since the association is not a capital company, it has no capital. Economic enterprises that are consolidated and 100% owned by the Association provide financing to carry out the activities of the Association. Earnings per share have not been calculated since the Association, which is the main shareholder, does not have any capital.

Statement of Cash Flows

The Group prepares statements of cash flows as an integral part of its financial statements to enable financial statement analysis about the change in its net assets, financial structure and the ability to direct cash flow amounts and timing according to evolving conditions. Cash flows include those from operating activities, working capital, investing activities and financing activities.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Statement of Cash Flows (Continued)

Cash flows from operating activities represent the cash flows generated from the Group's activities. The Group has preferred to present the cash inflows and outflows from operating activities in the financial statements in indirect way.

Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (fixed investments and financial investments).

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

Segment Reporting

The Group has three operating segments that contain information used by management to evaluate their performance and decide on resource allocation. These activity groups of the Group are the "Association", "The Economic Enterprise of the Association" and the economic enterprise that carries out research, consultancy and organization activities. Since these sections are affected by different economic conditions in terms of risk and return, they are managed separately.

The Group does not have a geographical reporting.

Events After The Reporting Date

The Group adjusts the amounts recognized in its financial statements to reflect adjusting events occurring after the reporting date. If non-adjusting events after the reporting date have material influence on the economic decisions of users of the financial statements, they are disclosed in the notes to the consolidated financial statements.

2.7 Critical Accounting Estimates, Judgments, and Assumptions

The preparation of consolidated financial statements requires estimates and assumptions to be made regarding the amounts for the assets and liabilities at the balance sheet date, and explanations for the contingent assets and liabilities as well as the amounts of income and expenses realized in the reporting period. The Group makes estimates and assumptions concerning the future, the accounting estimates and assumptions, by definition, may not be equal to the related actual results. The estimates and assumptions that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below:

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with IFRS and their statutory financial statements. These temporary differences usually result in the recognition of revenue and expenses in different reporting periods for IFRS and tax purposes. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither an accounting nor taxable profit/ (loss). The fully or partially recoverable amount of deferred tax assets are estimated under available circumstances. The future income projections, current period losses, unused losses and expiration dates of other tax assets and tax planning strategies that can be used when necessary are considered during the evaluation of estimations.

3. SEGMENT REPORTING

1 January -31 December 2022	Association	Economic Enterprise	Consultancy Enterprise	Elimination	Consolidated
Revenues	28,795,380	298,324	663,408	-	29,757,113
Cost of Sales	(15,624,088)	(1,728,479)	(458,453)	-	17,811,020
Gross Profit/ (Loss) From Trading Activity	**13,171,292**	**(1,430,154)**	**204,955**	**-**	**11,946,093**
General Administrative Expenses	(871,336)	(128,340)	(76,220)	-	(1,075,896)
Marketing Expenses	-	(453,820)	-	-	(453,820)
Other Operating Income	315,496	109,916	368	-	425,780
Other Operating Expenses	(277,470)	-	-	-	(277,470)
Operating Profit/(Loss)	**12,337,982**	**(1,902,398)**	**129,104**	**-**	**10,564,688**
Income from Investment Activities	84,246	-	-	-	84,246
Profit (Loss) Before Financing Income (Expense)	**12,422,228**	**(1,902,398)**	**129,104**	**-**	**10,648,934**
Financial Income	3,334,400	-	4,338	-	3,338,738
Financial Expenses	(368,093)	(21)	(2,262)	-	(370,377)
Net loss from Monetary Position	(7,778,177)	340,132	(45,588)	-	(7,483,633)
Profit (Loss) from Cont. Operations, Before Tax	**7,610,358**	**(1,562,287)**	**85,591**	**-**	**6,133,662**
Tax (Expense) Income, Continuing Operations					
– Current Period Tax Expense	-	-	(24,787)	-	(24,787)
– Deferred Tax Income	-	-	-	-	-
Profit (Loss)	**7,610,358**	**(1,562,287)**	**60,804**	**-**	**6,108,875**
Depreciation and Amortization Charges (-)	3,200,229	7,710	4,456	-	3,212,395
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) (*)	**10,810,587**	**(1,554,577)**	**65,260**	**-**	**9,321,270**

(*) EBITDA is not defined by IAS, The Group defined EBITDA as profit before interest, depreciation and tax, The EBITDA amounts disclosed are shown separately by the Group management for a better understanding and measurement of the Group's operational performance.

The Statement of Financial Position (31 December 2022)	Association	Economic Enterprise	Consultancy Enterprise	Elimination	Consolidated
Total Assets	29,026,270	336,007	169,236	(2,086,996)	27,444,517
– *Deferred Tax Asset*	-	*33,684*	-	-	*33,684*
Total Liabilities	1,273,251	1,815,749	58,780	(1,766,932)	1,380,847
Net Assets	**27,753,019**	**(1,479,741)**	**110,456**	**(320,064)**	**26,063,670**

3. SEGMENT REPORTING (Continued)

1 Revenues -31 December 2021	Association	Economic Enterprise	Consultancy Enterprise	Elimination	Consolidated
Revenues	29,387,964	264,069	225,718	-	29,877,751
Cost of Sales	(15,710,253)	(200,515)	(136,865)	-	(16,047,633)
Gross Profit/ (Loss) From Trading Activity	**13,677,711**	**63,554**	**88,852**	**-**	**13,830,117**
General Administrative Expenses	(25,551)	(113,629)	(15,567)	-	(154,747)
Marketing Expenses	-	(168,781)	-	-	(168,781)
Other Operating Income	958,873	4,394	-	-	963,267
Other Operating Expenses	(5,360)	-	-	-	(5,360)
Operating Profit/(Loss)	**14,605,673**	**(214,462)**	**73,285**	**-**	**14,464,496**
Loss Determined in Accordance with IFRS 9	-	-	-	-	-
Profit (Loss) Before Financing Income (Expense)	**14.605.673**	**(214.462)**	**73.285**	**-**	**14.464.496**
Financial Income	3,970,362	1,787	-	-	3,972,149
Financial Expenses	(1,239,002)	(12)	-	-	(1,239,013)
Net loss from Monetary Position	(3,862,292)	(55,668)	(4,271)	-	(3,922,230)
Profit (Loss) from Continuing Operat., Before Tax	**13,474,742**	**(268,354)**	**69,014**	**-**	**13,275,401**
Tax (Expense) Income, Continuing Operations					
– Current Period Tax Expense	-	-	(19,363)	-	(19,363)
– Deferred Tax Income	-	33,684	-	-	33,684
Profit (Loss)	**13,474,742**	**(234,670)**	**49,651**	**-**	**13,289,722**
Depreciation and Amortization Charges (-)	2,036,027	-	1,857	-	2,037,883
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) (*)	**15,510,768**	**(234,670)**	**51,508**	**-**	**15,327,606**

(*) EBITDA is not defined by IAS, The Group defined EBITDA as profit before interest, depreciation and tax, The EBITDA amounts disclosed are shown separately by the Group management for a better understanding and measurement of the Group's operational performance.

The Statement of Financial Position (31 December 2021)					
Total Assets	21,331,675	127,277	73,914	(331,516)	21,201,351
– *Deferred Tax Asset*	-	*33,684*	-	-	*33,684*
Total Liabilities	844,703	44,732	24,263	(11,452)	902,246
Net Assets	**20,486,973**	**82,546**	**49,651**	**(320,064)**	**20,299,105**

4. CASH AND CASH EQUIVALENTS

	31 December 2022	31 December 2021
Cash at Banks	16,218,915	10,390,281
Cash on Hand	17,281	1,221
Provision for Impairment (-)	-	(5,360)
	16,236,197	**10,386,142**

Movements in allowance for impairment of cash and cash equivalents are as follows:

	31 December 2022	31 December 2021
Beginning of The Period - 1 January	(5,360)	-
Current Year Allowance	-	(5,360)
Reversal	5,360	-
	-	**(5,360)**

Cash and cash equivalents as of 31 December 2022 and 31 December 2021 presented in the consolidated statement of cash flows are as follows:

	31 December 2022	31 December 2021
Cash and Cash Equivalents	16,236,197	10,386,142
	16,236,197	**10,386,142**

5. FINANCIAL INVESTMENTS

Current Financial Investments

Fair value through profit and loss Finansal Assets	31 December 2022	31 December 2021
NEO Portfolio First Free FX USD Fund	194,578	-
Sarıyer Free FX EUR Fund	482,552	-
	677,130	**-**

The movements of the financial assets whose fair value is accounted through profit and loss is as follows:

	31 December 2022	31 December 2021
Beginning of The Period - 1 January	-	1,144,291
Accuried during the period	677,130	-
Collected during the period	-	(1,144,291)
	677,130	**-**

6. RELATED PARTY DISCLOSURES

All transactions between the Group's Association and economic enterprises are eliminated in the consolidated financial statements. Transactions with other related parties are explained in this note.

The related parties of the Group are as follows:

Board Members

Zafer Ali KIZILKAYA	Zafer TOSUNOĞLU
Hakkı Caner BAYRAK	Harun GÜÇLÜSOY
Funda KÖK FİLİZ	Gizem AKDOĞAN
Yasemin ULUSOY	Fethi BENGİL
Ezgi SAYDAM	Kerim ÇİÇEK

Supervisory Board Members

Özkan ANIL	Oruç ÖZKAN
Leri YAMAN SADUK	Nejdet BOZKURT
Tankut KURT	Esra ÖZTÜRK YİĞİT

In addition to the above-mentioned natural persons, their spouse, children and real persons they are responsible for are the related parties of the Group. In addition, the employees, consultants and members of the association are also related parties of the Group.

Related Party Balances

Trade Receivables from Related Parties	31 December 2022	31 December 2021
Association members	-	-
	-	-

Since the members of the association have not paid their dues for more than a year, a provision has been made for the dues of the association in question.

Association dues are 100 TL per person per year for 2022 and 2021.

Other Payables to Related Parties	31 December 2022	31 December 2021
Association employees	24,681	7,964
Association board members	1,550	3,735
Association advisors	4,042	87
	30,273	11,786

7. TRADE RECEIVABLES AND PAYABLES

Trade Receivables

Current Trade Receivables	31 December 2022	31 December 2021
Trade Receivables	116,175	84,250
Receivales related to association dues	39,742	(39,742)
Provision for Doubtful Receivables and Expected Credit Loss (-)	(39,742)	(39,742)
	116,175	84,250

7. TRADE RECEIVABLES AND PAYABLES (Continued)

The movement of provision for short-term doubtful trade receivables and expected credit loss is as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Beginning of The Period - 1 January	(39,742)	(60,820)
Expensed during the period	-	(8,427)
Monetary gain	-	29,506
	(39,742)	**(39,742)**

The average maturity of trade receivables is 1 month. There is no guarantee for trade receivables.

Trade Payables

Short Term Trade Payables	31 December 2022	31 December 2021
Trade Payables	135,115	204,316
	135,115	**204,316**

The average maturity of trade payables is 1 month.

8. OTHER RECEIVABLES AND PAYABLES

Other Receivables

Short- Term Other Receivables	31 December 2022	31 December 2021
Deposits and Guarantees Given	51,303	104,109
Due from Personnel	60,715	45,212
Other Miscellaneous Receivables	40	80
	112,058	**149,401**

Other Non-Current Receivables	31 December 2022	31 December 2021
Deposits and Guarantees Given	-	-
	-	**-**

Other Payables

Other Current Payables	31 December 2022	31 December 2021
Other Payables Due to Related Parties (Note 6)	30,273	11,786
Taxes and Funds Payable	77,341	96,797
Other Miscellaneous Payables	26,602	10,514
	134,216	**119,097**

9. BORROWINGS

Current Financial Borrowings	31 December 2022	31 December 2021
Association credit card balances	43,783	31,149
	43,783	**31,149**

The average maturity of credit card debts is 1 month.

10. INVENTORIES

	31 December 2022	31 December 2021
Trade Goods (*)	3,094	6,626
	3,094	**6,626**

(*) It consist of lionfish stock.

11. PREPAID EXPENSES AND DEFERRED INCOME

Prepaid Expenses

Prepaid Expenses in Current Assets	31 December 2022	31 December 2021
Advances Given for Inventories	166,917	182,325
	166,917	**182,325**

Deferred Income

Short Term Deferred Income	31 December 2022	31 December 2021
Advances Received from Customers	216	217
	216	**217**

Long Term Deferred Income	31 December 2022	31 December 2021
Deferred Income	-	-
	-	**-**

12. PROPERTY, PLANT AND EQUIPMENT

Cost	Machinery and Equipments	Vehicles	Furniture and Fixtures	Other Fixed Assets	Total
Begin. of the Per.- 1 Jan.	4,986,272	7,566,332	796,083	691,682	14,040,368
Additions (*)	1,271,067	1,236,562	202,333	141,283	2,851,245
Disposals	-	-	(252,052)	-	(252,052)
31 December 2022 Closing Balance	**6,257,339**	**8,802,894**	**746,364**	**832,965**	**16,639,561**
Accumulated Depreciation					
Begin. of the Per.- 1 Jan.	(943,895)	(2,057,950)	(400,701)	(330,655)	(3,733,201)
Period Expenses	(1,148,974)	(1,661,687)	(172,590)	(212,393)	(3,195,644)
Disposals	-	-	236,298	-	236,298
31 December 2022 Closing Balance	**(2,092,869)**	**(3,719,637)**	**(336,993)**	**(543,048)**	**(6,692,547)**
Net Book Value as of December 31, 2022	**4.164.470**	**5.083.256**	**409.371**	**289.918**	**9.947.014**

Cost	Machinery and Equipments	Vehicles	Furniture and Fixtures	Other Fixed Assets	Total
Begin. of the Per.- 1 Jan.	1,495,269	3,496,214	566,109	471,005	6,028,597
Additions	3,491,003	4,070,118	229,974	220,677	8,011,772
31 December 2021 Closing Balance	**4,986,272**	**7,566,332**	**796,083**	**691,682**	**14,040,368**
Accumulated Depreciation					
Begin. of the Per.- 1 Jan.	(355,173)	(963,497)	(243,217)	(150,180)	(1,712,066)
Period Expenses	(588,722)	(1,094,454)	(157,484)	(180,475)	(2,021,135)
31 December 2021 Closing Balance	**(943,895)**	**(2,057,950)**	**(400,701)**	**(330,655)**	**(3,733,201)**
Net Book Value as of December 31, 2021	**4,042,377**	**5,508,381**	**395,382**	**361,028**	**10,307,167**

(*) In 2021, the association received water tanks, motor pumps, mobile phones and televisions as in-kind donations worth 213,648 Turkish Liras. The said donation in kind was reported in "Plant, Machinery and Equipment".

There are no mortgages on tangible assets.

As of 31 December 2022, there is insurance coverage of approximately 5,483,256 Turkish Liras on tangible assets. (31 December 2020: 1,633,609 TRY).

13. INTANGIBLE ASSETS

Cost	Computer Software
Beginning of The Period -1 January	83,747
Additions	-
31 December 2022 Closing Balance	**83,747**
Accumulated Amortization	
Beginning of The Period -1 January	(38,235)
Period Expenses	(16,750)
31 December 2022 Closing Balance	**(54,985)**
Net Book Value as of 31 December 2022	**28,762**

Cost	Computer Software
Beginning of The Period -1 January	83,747
Additions	-
31 December 2021 Closing Balance	**83,747**
Accumulated Amortization	
Beginning of The Period -1 January	(21,486)
Period Expenses	(16,749)
31 December 2021 Closing Balance	**(38,235)**
Net Book Value as of 31 December 2021	**45,512**

14. IMPAIRMENT OF ASSETS

	31 December 2022	31 December 2021
Provision for Short Term Doubtful Rec. and Exp. Credit Loss (Note 7)	(39,742)	(39,742)
Cash and Cash Equivalents (Not 4)	-	(5,360)
	(39,742)	**(45,102)**

15. GOVERNMENT GRANTS

In accordance with the "Social Insurance and General Health Insurance Law" numbered 5510, since the Association submits monthly premium and service documents within the legal period, and does not owe any Social Security Institution ("SSI") premiums, administrative fines, delay penalties or late fees, 5% of the employer's share of the insurance premiums is covered by the Treasury. In addition, the Association benefits from a number of discounts, exceptions, supports and incentives in R&D and innovation projects implemented in our country in accordance with the Law No. 5746 on “Supporting Research, Development and Design Activities”.

16. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provisions

Short-Term Provisions	31 December 2022	31 December 2021
Unused Vacation Provision	141,816	194,936
	141,816	**194,936**

Long-Term Provisions	31 December 2022	31 December 2021
Long term Provisions for Employment Benefits	617,046	20,434
	617,046	**20,434**

As of 31 December 2022 and 31 December 2021, the Group has no guarantees, pledges and mortgages (“GPM”).

17. COMMITMENTS

The Association fulfills certain commitments for the funds it receives at home and abroad. As of 31 December 2022, the summary of the projects and liabilities of the Association is as follows, and the income and expenses for these projects during the period are stated in Note 21.

Threatened Geographies Program (“ELP Project 2019 - 2024”)
Incorrect agricultural and forestry practices and excessive urbanization, which have been practiced in Europe for centuries, have led to the fragmentation of natural habitats. This has led to the extinction of some marine and terrestrial species and sensitive habitats. It is known that the natural structures of the remaining habitats have decreased and their capacity to adapt to climate change is limited. In order for these geographies to sustain their natural existence, it is important to urgently implement improvement measures.

The Endangered Landscape Programme has been implemented in eight protected areas in Europe in order to find solutions to these problems and create exemplary practices. The program sets out with the vision of preserving and enriching biodiversity in important geographies of Europe and creating ecosystems that benefit living things. The coastline from the Gulf of Gökova to the Seven Islands of Antalya is among the application areas of this program, which is carried out simultaneously by different non-governmental organizations in eight areas in Europe.

17. COMMITMENTS (Continued)

Within the scope of the program, with the project carried out jointly by the Mediterranean Conservation Society with Fauna & Flora International; It is aimed to take measures to improve and protect against climate change in more than seven hundred kilometers of coastline in Turkey. Conservation efforts for the habitats of endangered species such as Mediterranean monk seal, sand shark and grouper are carried out and efforts are made to establish a network of protected areas. In addition, with all these efforts, small-scale coastal fisheries, which are adversely affected by the reduction of marine species, habitat destruction and climate change, are supported. The project, which started in 2019 and will be completed in 2024, is carried out in coordination with the Ministry of Agriculture and Forestry, the Ministry of Environment, Urbanization and Climate Change and the Ministry of Interior. The Threatened Geographies Program was established with the support of the Arcadia Fund, owned by Lisbet Rausing and Peter Baldwin, and the Cambridge Conservation Initiative at the University of Cambridge.

New Fish Project

Some fish species, whose homeland is the Red Sea and the Indian Ocean, came to our seas with the opening of the Suez Canal and found a habitat in our warm waters as a result of climate change. These species, which are alien to the ecosystem they come from, put pressure on local species. At the beginning of the things that should be done in order to minimize the pressure and economic damage caused by invasive species (new fish) on native species and habitats; fishing profession is supported by hunting invasive species away from the sea and offering species that do not pose a threat to human health.

For this purpose, with the "Tasty Invaders Project" carried out in 2015, communication activities were organized to introduce the invasive species living in the Gulf of Gökova to the fishermen and local people. Invasive species, their effects on ecosystem and fisheries, species that are harmful to human health such as puffer fish, as well as preferable species in terms of taste were introduced. Brochures describing various cooking methods related to the species in question were prepared, and the festival called "New Tastes, New Fishes in Akyaka" was held. This study was carried out with the support of the Mediterranean Marine Protected Areas Managers Network (MedPAN) in partnership with the Akyaka Fisheries Cooperative.

Due to the fact that new fish species are increasing in line with the monitoring studies carried out by the Association and the feedback of fisheries cooperatives, the scope of the project was expanded and implemented between 2019-2021 with the support of the GEF Small Grants Program (SGP). Thus, stock analysis for new fish species, perception research and communication studies were carried out in order for these fish species to be among the consumption preferences. With the voluntary participation of chefs from Kaş, Akyaka, Bodrum, Istanbul, Izmir and Ankara, new fish species, especially Lionfish, have entered restaurant menus. At the same time, an application was made to the GenEM Foundation, a fund residing in the UK and whose main purpose is to increase the income and living standards of vulnerable groups with reduced incomes through marketing solutions, and after 2 years, the grant application was accepted on 15 August 2021. Among the objectives of this study;

- Increasing the income of small-scale fishermen and households by adding economic value to edible invasive marine species,
- Improving the livelihoods of fishing cooperatives located in the southwestern region of Turkey and on the Mediterranean coast by creating markets for invasive marine species,
- With the increasing consumer demand, invasive species are targeted by fishermen to withdraw them from the ecosystem at high rates and reduce the pressure on local species, thus serving ecosystem restoration.

17. COMMITMENTS (Continued)

Strengthening Marine Protected Areas Project ("Blue Marine Project 2021 - 2025")
From the Gulf of Gökova to the Seven Islands in Antalya, it is aimed to increase the resilience of marine protected areas against climate change and to provide sustainable benefits for the inhabitants of the region. For this, efforts are made to support natural ecosystem processes by reducing and removing pressures in marine protected areas.

The project, which is carried out in coordination with the Ministry of Environment, Urbanization and Climate Change (General Directorate of Conservation of Natural Assets), is supported by the Blue Marine Foundation. The project, which started in 2020, will continue until the end of 2025.

Gökova Bay Joint Management Project ("Medfund Gökova MPA Management Project 2021 - 2025")
Efforts are being made to implement the Gökova Special Environmental Protection Area (SEPA) Management Plan with a joint management approach and to implement monitoring and protection studies for the marine and coastal areas within the scope of the plan. In addition, sustainable financing mechanisms will be determined and implemented in order to implement the Gökova SEPA Management Plan.

The program, supported by the Association for the Sustainable Financing of Mediterranean MPA's, MedFund, with the aim of achieving sustainable development in marine protected areas from Tunisia, Albania and Turkey simultaneously, will be implemented between 2020-2025.

Project for Detailing the Foça Special Environmental Protection Area Management Plan ("Foça RAC/SPA Project")
With the project, it is aimed to update the management plan integrating the sea and coastal area for the Foça Special Environmental Protection Area.

The first phase of the Project, which consists of two phases and the total implementation period is nine months, and will end in February 2022, includes the current situation analysis with the participation of the relevant stakeholders, and the second phase includes the revision of the Management Plan.

The project is implemented with the coordination and cooperation of the Ministry of Environment, Urbanization and Climate Change (General Directorate of Conservation of Natural Assets), the execution of the Mediterranean Conservation Society and the support of The Specially Protected Areas Regional Activity Center (SPA-RAC).

17. COMMITMENTS (Continued)

Marmaris Salamander Monitoring and Population Research Project

With the project, it was aimed to obtain information about the population structure and dynamics (reproductive phenology, population size, density, etc.) of the Marmaris salamander (Lyciasalamandra flavimembis), its distribution and to determine the threats in its habitat. All these study results also serve as scientific sources for species action plans and management plan studies in the region. In addition, communication and training activities were organized for different interest and age groups in order to increase awareness of the species in the local area.

The Marmaris Salamander Monitoring and Population Research Project, implemented between 2017-2019, was supported by Rufford Small Grants in cooperation with Marmaris Municipality, Marmaris National Park Directorate.

Datça-Bozburun Special Environmental Protection Area Integration of Marine and Cultural Conservation for Ecosystem Restoration Project (Foundation Audemars-Watkins 2022-2025)

Within the scope of the project, it is aimed to establish cooperation with local people, non-governmental organizations and relevant public institutions/organizations, and to support the effective inspection of Marine Protected Areas and Fishing Closed Areas within the Datça-Bozburun SEPA. Working with local people and relevant public institutions/organizations to actively protect the threatened marine habitat along the Datça-Bozburun Peninsula; It is aimed to contribute to the integration of sustainable maritime practices into local practices. It is intended to work with industrial, local and amateur fishermen to support the effective control of Fishing Nodes within Marine Protected Areas, deter illegal fishing activities and promote economic benefits for those operating within the law. In addition, a market-based mechanism will be established to reduce the pressure on native species while maintaining balance in the marine ecosystem by creating direct demand for third edible invasive alien species (IAS).

Sigrid Rausing Trust Fund (2022-2024)

It is a project undertaken to support AKD's capacity development and projects, and aims to provide long-term support to infrastructure and organizational development and capacity increase in general.

18. EMPLOYEE BENEFITS

Short Term Liabilities for Employee Benefits

	31 December 2022	31 December 2021
Due to Personnel	195,450	320,422
Social Security Premiums and Dues will be paid to Government	90,811	-
	286,261	**320,422**

Provisions for Employee Benefits

	31 December 2022	31 December 2021
Unused Vacation Provision	141,816	194,936
Provision for Employee Termination Benefits	617,046	20,434
	758,861	**215,370**

Provision for Employee Termination Benefits

Under the Turkish Labor Law, the Group is required to pay employment termination benefits to each employee who has qualified for such benefits as the employment ended. Additionally, employees entitled to a retirement are required to be paid retirement pay in accordance with Law No: 2422 dated 6 March 1981 and No: 4447 dated 25 August 1999 and the amended Article 60 of the existing Social Insurance Code No: 506, Some transitional provisions related with retirement prerequisites have been removed due to the amendments dated 23 May 2002.

The amount payable consists of one month's salary limited to a maximum of TRY 15,371.40 for each year of service as of 31 December 2022 (31 December 2021: TRY 8.284,51) TRY 19,982.83 which is effective from 1 January 2023 to 30 June 2023, is taken into consideration in the calculation of provision for employment termination benefits (31 December 2021: TRY 10,596.74 which is effective from 1 January 2022).

Liability of employment termination benefits is not subject to any funding as there is no obligation.

Provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees, IAS 19 "Employee Benefits" requires actuarial valuation methods to be used to estimate the Group's obligation under the defined benefit plans.

The following actuarial assumptions are used in the calculation of the total liability, Actuarial loss/ (gain) are accounted in the other comprehensive income statement under Funds for Actuarial Gain/Loss on Defined Benefit Plans.

18. EMPLOYEE BENEFITS (Continued)

Provision for Employee Termination Benefits (Continued)

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, the liabilities in the accompanying consolidated financial statements as of 31 December 2022 and 31 December 2021 are calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. Provisions at the date of the report were not discounted as annual interest rates remained below annual inflation. The anticipated rate of forfeitures that occurred as a result of voluntary turnovers is considered. As of 31 December 2022, estimated probability of not leaving work until retirement is 100% (31 December 2020: 83.64%).

	1 January- 31 December 2022	1 January- 31 December 2021
Beginning of the period - 1 January	20,434	13,939
Service Costs	290,931	17,424
Interest Costs	125,176	2,711
Actuarial Loss/(Gain)	344,312	(2,112)
Monatery gain	(149,326)	(11,527)
Payments Made During The Period	(14,482)	-
	617,046	**20,434**

19. OTHER ASSETS AND LIABILITIES

Other Current Assets	31 December 2022	31 December 2021
Work Advances	-	5,514
VAT Transferred	123,114	-
	123,114	**5,514**

20. EQUITY ITEMS

Since the association is not a capital company, it has no capital. The capital of the consolidated economic enterprises is eliminated during the consolidation of the Association's financials.

a) Accumulated Other Comprehensive Income (Expenses) will not be reclassified to Profit or Loss

	31 December 2022	31 December 2021
Revaluation Gain/(Loss) Funds of Defined Benefit Plans	(342,168)	2,144
	(342,168)	**2,144**

Revaluation Gain/(Loss) Funds of Defined Benefit Plans

The amendment in IAS-19 “Employee Benefits” does not permit the actuarial gain /loss considered in the calculation of provision for employee termination benefits to be accounted for under the statement of profit or loss.

The gains and losses arising from the changes in the actuarial assumption have been accounted for by “Revaluation gain / (loss) funds of defined benefit plans” under the equity.

The movement of the provision for employee termination benefits in actuarial gain / loss funds is as follows:

	31 December 2022	31 December 2021
Beginning of The Period – 1 January	2,144	32
Addition	(344,312)	2,112
	(342,168)	**2,144**

b) Retained Earnings

As of the report date, there are retained earnings amounting to TRY 20,296,961. (31 December 2021: 7,007,239 TRY).

21. REVENUE AND COST OF SALES

Revenue	1 January- 31 December 2022	1 January- 31 December 2021
Project Revenue (*)	27,599,174	27,053,076
Cash Donation Revenue (**)	1,181,347	2,318,853
Consultancy Revenue	140,839	225,718
Organisation Revenue	522,569	-
Fish Sales Revenue	306,642	264,069
Member Dues Revenue	14,860	16,754
Gross Revenue	29,765,431	29,878,470
Fish Sales Returns	(2,027)	-
Donation Returns	-	(720)
Discounts	(6,291)	-
Net Revenue	**29,757,113**	**29,877,751**

(*) Project Revenues	1 January- 31 December 2022	1 January- 31 December 2021
Threatened Geographies Program ("ELP Project")	9,492,244	10,292,645
Strengthening Marine Protected Areas Project ("Blue Marine Project")	5,739,566	6,644,432
Genesis Project	1,665,072	2,881,416
Sigrid Rausing Project	6,423,441	3,001,073
Marine Ecosystem Restoration in Changing European Seas ("Merces Project")	-	1,550,490
Gökova Bay Joint Management Project	1,627,279	1,683,171
Detailing Project of Foça Special Environmental Protection Area Management Plan	577,415	568,529
New Fish Project ("Tasty Invaders Project")	68,242	386,325
Watkins Project	1,329,557	-
Medfund Datça	676,358	-
International Women's Day Project ("RAC/SPA Project")	-	44,996
	27,599,174	**27,053,076**

Cost of Sales	1 January- 31 December 2022	1 January- 31 December 2021
Cost of Services (*)	(17,811,020)	(16,047,633)
	(17,811,020)	**(16,047,633)**

22. GENERAL ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES

	1 January- 31 December 2022	1 January- 31 December 2021
General Administrative Expenses	(1,075,896)	(154,747)
Marketing Expenses	(453,820)	(168,781)
	(1,529,715)	**(323,528)**

23. EXPENSES BY NATURE

	1 January- 31 December 2022	1 January- 31 December 2021
Project Costs (*)	(12,101,152)	(13,177,019)
Depreciation and Amortisation Expenses	(3,207,939)	(2,037,884)
Marmaris Fire Prevention Expenses	(99,379)	(276,142)
Unused Vacation Provision Expenses	-	(200,930)
Consultancy Expenses	(184,195)	(159,615)
Termination Benefit Provision Expenses	(276,449)	(20,135)
Other Expenses	(3,471,621)	(499,437)
	(19,340,735)	**(16,371,162)**

24. FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR/AUDITOR

Fees for the services received from the independent auditor/independent audit firm The Group's statement on the fees for the services rendered by the independent audit firms, which is based on the KGK's letter dated 19 August 2021, the preparation principles of which are prepared pursuant to the KGK's Board Decision published in the Official Gazette repeated on 30 March 2021 as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Independent Audit Firm Fee	58,000	25,000
	58,000	**25,000**

25. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Other Operating Income	1 January- 31 December 2022	1 January- 31 December 2021
In-kind Donation Revenues	-	600,143
SSI Incentive Income	270,556	340,488
Insurance Damage Compensation Income	105,840	-
Other Income	49,384	22,636
	425,780	**963,267**

Other Operating Expense	1 January- 31 December 2022	1 January- 31 December 2021
Valuation reversal	(277,470)	-
Doubtful Receivable Provision Expenses	-	(5,360)
	(277,470)	**(5,360)**

26. IMPROVEMENT LOSSES DETERMINED IN ACCORDANCE WITH IFRS-9

	1 January- 31 December 2022	1 January- 31 December 2021
Impairment on Cash and Cash Equivalents	-	(5,360)
	-	**(5,360)**

27. FINANCIAL INCOME AND EXPENSES

Financial Income	1 January- 31 December 2022	1 January- 31 December 2021
Foreign Exchange Gains on Cash and Cash Equivalents	3,313,388	3,812,992
Securities Interest Income	-	124,199
Time Deposit Interest Income	25,350	34,958
	3,338,738	**3,972,149**

Financial Expenses	1 January- 31 December 2022	1 January- 31 December 2021
Foreign Exchange Losses on Cash and Cash Equivalents	(245,180)	(1,239,013)
Interest expense related to termination benefit	(125,176)	-
Commission expenses	(21)	-
	(370,377)	**(1,239,013)**

28. TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES

Deferred Tax Assets and Liabilities

The Group recognizes deferred tax assets and liabilities based upon the temporary differences between financial statements as reported in accordance with IFRS and its tax base of statutory financial statements. These differences usually result in the recognition of income and expense items in different periods for IFRS and statutory tax purposes.

	31 December 2022	31 December 2021
Deferred Tax Assets	33,684	33,684
	33,684	**33,684**

Temporary Differences for Deferred Tax Assets/Liabilities	31 December 2022	31 December 2021
Carry Forward Tax Losses	(146,453)	(146,453)
Tangible and Intangibles Assets	(1,327)	(1,327)
	(147,780)	**(147,780)**

Deferred Tax Assets and Liabilities	31 December 2022	31 December 2021
Carry Forward Tax Losses	33,684	33,684
Tangible and Intangibles Assets	-	-
	33,684	**33,684**

The maturity of carry forward tax losses are as follows:

	31 December 2022	31 December 2021
That Will be Ended in Fifth Year	(146,453)	(146,453)
	(146,453)	**(146,453)**

The movements of deferred tax assets and liabilities are as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Beginning of The Period -1 January	33,684	-
Recognized in Statement of Profit or Loss	-	33,684
	33,684	**33,684**

28. TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES (Continued)

Corporate Tax

The Group is subject to Turkish corporate taxes. Tax legislation in Turkey does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes as reflected in the accompanying consolidated financial statements are calculated on a separate-entity basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting the revenues exempted from tax, non-taxable revenues, and other discounts (if any previous year losses, if preferred investment allowances and also R&D center incentive) are deducted.

The association is not a taxpayer according to Article 1 of the "Corporate Tax Law" No. 5520.

Corporate tax rate in Turkey is 23% as of 31 December 2022 (31 December 2021: %25).

In Turkey, advance tax returns are filed on a quarterly basis and 23% of temporary tax rate is applied during the taxation of corporate income in 2022 (31 December 2021: 25%).

In Turkey, the Law on the Procedure of Collection of Public Receivables numbered 7316 and the amendments change law published on 22 April 2021, numbered 31462. With this law change, the tax rate of 20% will be taken into account for the period from January 1 - December 31, 2021. Although the advance tax periods are three months, taxation will be made by taking into account the 25% rate of the cumulative corporate tax base for the three, six, nine and twelve months, taxation will be made taking into account the rate of 25% of the cumulative corporate tax base for the whole year of 2021. For the year 2022; taxation will be made taking into account the 23% rate of the corporate tax base.

In the deferred tax calculation for the period of 1 January-31 December 2022; Deferred tax assets or liabilities, which are included in the measurement heading of IAS-12 "Income Taxes" standard, are calculated by based on tax rates (and tax laws) that are in force as of the end of the reporting period (and tax laws), and tax rates expected to be applied in the periods when assets are converted into income or liabilities are paid. For this reason, 23% for short-term assets and liabilities and 20% for long-term assets and liabilities for 2023 are taken into account in the deferred tax calculation.

28. TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES (Continued)

Corporate Tax (Continued)

According to the Turkish tax legislation, tax losses shown on the declaration can be deducted from the corporate income for the period, provided that they do not exceed 5 years. However financial losses can not be offsetted from last year's profits.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1 - 25 April following the close of the accounting year to which they relate (Companies with special accounting periods file their tax returns between 1- 25 of the fourth month subsequent to the fiscal year end). However, tax authorities may examine such returns and the underlying accounting records and may revise assessments within five years.

Corporate tax asset is TRY 8.

Corporate Tax Liability	31 December 2022	31 December 2021
Corporate Tax Provision	24,787	19,362
Prepaid Taxes And Funds (-)	(2,391)	(19,362)
Tax provision in The Statement of The Financial Position	**22,396**	**-**

	1 January- 31 December 2022	1 January- 31 December 2021
Provision For Corporate Tax for Current Period	(24,787)	(19,362)
Deferred Tax Income/Expenses	-	33,684
Tax Provision in The Statement of Profit or Loss	**(24,787)**	**14,322**

Reconciliation of Provision for Tax		
Profit Before Tax	6,133,662	13,275,401
Tax Rate	23%	25%
Calculated Tax	**(1,410,742)**	**(3,318,850)**

Tax Reconciliation		
– Tax Exempt Part (Associations Are Not Taxpayers)	1,750,382	3,328,686
– Non Deductable Expenses	1,072	1,353
– The Effect of unused carryforward tax losses	(359,326)	-
– The Effect of the Difference Between Deferred and Corporate Tax Rate	(6,173)	3,134
Tax Provision in The Statement of Profit or Loss	**(24,787)**	**14,322**

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Due to its activities, the Group is exposed to market risk, capital risk, credit risk and liquidity risk consisting of currency, cash flow and interest rate risks. The Group's risk management policy focuses on unexpected changes in financial markets.

The management policy of financial risks is carried out by the Group's senior management and finance department in line with the policies and strategies approved by the Board of Directors. The Board of Directors closely monitors financial and operational risks, especially in order to manage currency, interest and capital risks.

The objectives set by the Group to manage financial risks can be summarized as follows;

- Ensuring the continuity of the cash flow from the Group's activities and main assets effectively, taking into account the currency and interest risks,
- Keeping a sufficient amount of credit resources to be used effectively and efficiently in the most appropriate conditions in terms of type and maturity,
- Keeping the risk arising from the counterparty at a minimum level and following it effectively.

a) Interest Rate Risk

The Group management utilizes its interest bearing assets in short-term investment instruments within the framework of the principle of managing with natural precautions by balancing the maturities of interest-sensitive assets and liabilities.

As of 31 December 2022, the Group has no floating rate loans.

Interest Rate Sensitivity

The distribution of the Group's interest rate sensitive financial instruments is as follows:

	31 December 2022			
	Floating Interest	Fixed Interest	Non-interest Bearing	Total
Financial Assets	**-**	**677,130**	**16,464,431**	**17,141,560**
Cash and Cash Equivalents	-	-	16,236,197	16,236,197
Trade Receivables	-	-	116,175	116,175
Financial Assets	-	677,130	-	677,130
Other Receivables	-	-	112,058	112,058
Financial Liabilities	**-**	**(43,783)**	**(269,331)**	**(313,114)**
Short Term Bank Borrowings	-	(43,783)	-	(43,783)
Trade Payables	-	-	(135,115)	(135,115)
Due to Related Parties	-	-	(30,273)	(30,273)
Other Payables	-	-	(103,943)	(103,943)

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

a) Interest Rate Risk (Continued)

Interest Rate Sensitivity (Continued)

The distribution of the Group's interest rate sensitive financial instruments is as follows:

	31 December 2021			
	Floating Interest	Fixed Interest	Non-interest Bearing	Total
Financial Assets	**-**	**-**	**10,619,793**	**10,619,793**
Cash and Cash Equivalents	-	-	10,386,142	10,386,142
Trade Receivables	-	-	84,250	84,250
Other Receivables	-	-	149,401	149,401
Financial Liabilities	**-**	**(31,149)**	**(323,413)**	**(354,561)**
Short Term Bank Borrowings	-	(31,149)	-	(31,149)
Trade Payables	-	-	(204,316)	(204,316)
Due to Related Parties	-	-	(11,786)	(11,786)
Other Payables	-	-	(107,311)	(107,311)

b) Credit Risk

Holding financial instruments also carries the risk that the other party will not be able to fulfill the requirements of the agreement. Group management covers these risks by limiting the average risk for each contracting counterparty (excluding related parties). As of 31 December 2022 and 31 December 2021, the analysis of the credit risk exposure by types of financial instruments is disclosed in the following tables.

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Credit Risk (Continued)

	Receivables					
	Trade Receivables		Other Receivables			
Credit Risks Exposed Through Types of Financial Instruments	Related Party	Third Party	Related Party	Third Party	Cash and Cash Equivalents	Other
Maximum credit risk exposed as of 31 December 2022 (*) (A+B+C+D+E)	-	**116,175**	-	**112,058**	**16,218,915**	-
– **The Part of Maximum Risk Under Guarantee With Collaterals etc.**	-	-	-	-	-	-
A. Net Book Value of Financial Assets That are Neither Overdue Not Impaired	-	116,175	-	112,058	16,218,915	-
– The Part Under Guarantee With Collaterals. etc.	-	-	-	-	-	-
B. Net Book of Financial Assets That are Renegotiated, If Not That Will be Accepted as Overdue or Impaired	-	-	-	-	-	-
– The Part Under Guarantee With Collaterals. etc	-	--	-	-	-	-
C. Carrying Value of Financial Assets That are Overdue But Not Impaired	-	-	-	-	-	-
– The Part Under Guarantee With Collaterals. etc.	-	-	-	-	-	-
D. Net Book Value of Impaired Assets	-	-	-	-	-	-
– Overdue (Gross Carrying Amount)	-	39,742	-	-	-	-
– – Impairment (-)	-	(39,742)	-	-	-	-
– – The Part Under Guarantee With Collaterals. etc.	-	-	-	-	-	-
– Not Overdue (Gross Carrying Amount)	-	-	-	-	-	-
– – Impairment (-)	-	-	-	-	-	-
– – The Part Under Guarantee With Collaterals. etc.	-	-	-	-	-	-
E. Off-Balance Sheet Items With Credit Risk	-	-	-	-	-	-

(*) Factors that increase the credit reliability such as guarantees received are not considered in the calculation.

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Credit Risk (Continued)

	Receivables					
	Trade Receivables		Other Receivables			
Credit Risks Exposed Through Types of Financial Instruments	**Related Party**	**Third Party**	**Related Party**	**Third Party**	**Cash and Cash Equivalents**	**Other**
Maximum credit risk exposed as of 31 December 2021 (*) (A+B+C+D+E)		**84,251**	**-**	**149,401**	**10,390,281**	**-**
– The Part of Maximum Risk Under Guarantee With Collaterals etc.	**-**	**-**	**-**	**-**	**-**	**-**
A. Net Book Value of Financial Assets That are Neither Overdue Not Impaired	-	84,251	-	149,401	10,390,281	-
– The Part Under Guarantee With Collaterals. etc.	-	-	-	-	-	-
B. Net Book of Financial Assets That are Renegotiated, If Not That Will be Accepted as Overdue or Impaired	-	-	-	-	-	-
– The Part Under Guarantee With Collaterals. etc	-	-	-	-	-	-
C. Carrying Value of Financial Assets That are Overdue But Not Impaired	-	-	-	-	-	-
– The Part Under Guarantee With Collaterals. etc.	-	-	-	-	-	-
D. Net Book Value of Impaired Assets	-	-	-	-	-	-
– Overdue (Gross Carrying Amount)	-	39,742	-	-	-	-
– – Impairment (-)	-	(39,742)	-	-	-	-
– – The Part Under Guarantee With Collaterals. etc.	-	-	-	-	-	-
– Not Overdue (Gross Carrying Amount)	-	-	-	-	-	-
– – Impairment (-)	-	-	-	-	-	-
– – The Part Under Guarantee With Collaterals. etc.	-	-	-	-	-	-
E. Off-Balance Sheet Items With Credit Risk	-	-	-	-	-	-

(*) Factors that increase the credit reliability such as guarantees received are not considered in the calculation.

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

c) Liquidity Risk

Prudent liquidity risk management refers to holding sufficient cash and securities, availability of sufficient credit transactions and funding sources, and the ability to close market positions.

The funding risk of current and prospective debt requirements is managed by maintaining the availability of sufficient number of high-quality lenders.

	31 December 2022					
Contractual Maturities	Carrying Value	Total Contractual Cash Flows (I+II+III+IV)	Less Than 3 Months (I)	3–12 Months (II)	1-5 Years (III)	More Than 5 Years (IV)
Non Derivative Financial Liabilities	**313,114**	**313,114**	**313,114**	**-**	**-**	**-**
Short Term Bank Loans	43,783	43,783	43,783	-	-	-
Trade Payables	135,115	135,115	135,115	-	-	-
Due to Related Parties	30,273	30,273	30,273	-	-	-
Other Payables	103,943	103,943	103,943	-	-	-

	31 December 2021					
Contractual Maturities	Carrying Value	Total Contractual Cash Flows (I+II+III+IV)	Less Than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More Than 5 Years (IV)
Non Derivative Financial Liabilities	**354,561**	**354,561**	**354,561**	**-**	**-**	**-**
Short Term Bank Loans	31,149	31,149	31,149	-	-	-
Trade Payables	204,316	204,316	204,316	-	-	-
Due to Related Parties	11,786	11,786	11,786	-	-	-
Other Payables	107,311	107,311	107,311	-	-	-

d) Foreign Currency Risk

Transactions in foreign currency cause the exchange rate risk to occur.

The breakdown of the Group's foreign currency denominated monetary and non-monetary assets and liabilities as of the balance sheet date are as follows:

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

d) Foreign Currency Risk (Continued)

		Foreign Currency Position as of 31 December 2022			
		TRY Equivalent	USD	EUR	Other
1.	Trade Receivables	-	-	-	-
2a.	Monetary Financial Assets, (Cash and Banks Included)	16,600,944	255,772	178,770	372,782
2b.	Non-Monetary Financial Assets	-	-	-	-
3.	Other	-	-	-	-
4.	**Current Assets (1+2+3)**	**16,600,944**	**255,772**	**178,770**	**372,782**
5.	Trade Receivables	-	-	-	-
6a.	Monetary Financial Assets	-	-	-	-
6b.	Non-Monetary Financial Assets	-	-	-	-
7.	Other	-	-	-	-
8.	**Non-Current Assets (5+6+7)**	**-**	**--**		**-**
9.	**Total Assets (4+8)**	**16,600,944**	**255,772**	**178,770**	**372,782**
10.	Trade Payables	-	-	-	-
11.	Financial Liabilities	-	-	-	-
12a.	Other Monetary Liabilities	-	-	-	-
12b.	Other Non-Monetary Liabilities	-	-	-	-
13.	**Current Liabilities (10+11+12)**	**-**	**-**	**-**	**-**
14.	Trade Payables	-	-	-	-
15.	Financial Liabilities	-	-	-	-
16 a.	Other Monetary Liabilities	-	-	-	-
16 b.	Other Non-Monetary Liabilities	-	-	-	-
17.	**Non-Current Liabilities (14+15+16)**	**-**	**-**	**-**	**-**
18.	**Total Liabilities (13+17)**	**-**	**-**	**-**	**-**
19.	**Net Items of Off Balance Sheet Derivative Asset/ (Liability) Position (19a-19b)**	**-**	**-**	**-**	**-**
19a.	Total Amount of Assets Hedged	-	-	-	-
19b.	Total Amount of Liabilities Hedged	-	-	-	-
20.	**Net Foreign Assets / (Liability) Position (9-18+19)**	**16,600,944**	**255,772**	**178,770**	**372,782**
21.	**Net Foreign Currency Asset/(Liability) /(Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)**	**16,600,944**	**255,772**	**178,770**	**372,782**
22.	**Fair Value of Financial Instruments Used in Foreign Currency Hedge**	**-**	**-**	**-**	**-**
23.	Export	-	-	-	-
24.	Import	-	-	-	-

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

d) Foreign Currency Risk (Continued)

		Foreign Currency Position as of 31 December 2021			
		TRY Equivalent	USD	EUR	GBP
1.	Trade Receivables	-	-	-	-
2a.	Monetary Financial Assets, (Cash and Banks Included)	5,116,839	121,232	90,098	119,201
2b.	Non-Monetary Financial Assets	-	-	-	-
3.	Other	-	-	-	-
4.	**Current Assets (1+2+3)**	**5,116,839**	**121,232**	**90,098**	**119,201**
5.	Trade Receivables	-	-	-	-
6a.	Monetary Financial Assets	-	-	-	-
6b.	Non-Monetary Financial Assets	-	-	-	-
7.	Other	-	-	-	-
8.	**Non-Current Assets (5+6+7)**	**-**	**-**	**-**	**-**
9.	**Total Assets (4+8)**	**5,116,839**	**121,232**	**90,098**	**119,201**
10.	Trade Payables	-	-	-	-
11.	Financial Liabilities	-	-	-	-
12a.	Other Monetary Liabilities	-	-	-	-
12b.	Other Non-Monetary Liabilities	-	-	-	-
13.	**Current Liabilities (10+11+12)**	**-**	**-**	**-**	**-**
14.	Trade Payables	-	-	-	-
15.	Financial Liabilities	-	-	-	-
16 a.	Other Monetary Liabilities	-	-	-	-
16 b.	Other Non-Monetary Liabilities	-	-	-	-
17.	**Non-Current Liabilities (14+15+16)**	**-**	**-**	**-**	**-**
18.	**Total Liabilities (13+17)**	**-**	**-**	**-**	**-**
19.	**Net Items of Off Balance Sheet Derivative Asset/ (Liability) Position (19a-19b)**	**-**	**-**	**-**	**-**
19a.	Total Amount of Assets Hedged	-	-	-	-
19b.	Total Amount of Liabilities Hedged	-	-	-	-
20.	**Net Foreign Assets / (Liability) Position (9-18+19)**	**5,116,839**	**121,232**	**90,098**	**119,201**
21.	**Net Foreign Currency Asset/(Liability) /(Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)**	**5,116,839**	**121,232**	**90,098**	**119,201**
22.	**Fair Value of Financial Instruments Used in Foreign Currency Hedge**	**-**	**-**	**-**	**-**
23.	Export	-	-	-	-
24.	Import	-	-	-	-

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

d) Foreign Currency Risk (Continued)

The Group is exposed to currency risk mainly in US Dollars, Euros and British Pounds. The effect of other currencies is insignificant.

The table below shows the Group's sensitivity to 10% increase or decrease in USD, Euro and GBP exchange rates. The 10% rate is the rate used when reporting the currency risk within the Group to the senior managers, and the said rate represents the possible change expected by the Group Management in the foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items at the end of the period and shows the effects of 10% change in foreign currency rates at the end of the year. A positive value represents an increase in profit/loss before tax and other equity items.

Foreign Currency Sensitivity

	31 December 2022			
	Profit/(Loss)		Equity	
	Foreign Currency Appreciation	Foreign Currency Devaluation	Foreign Currency Appreciation	Foreign Currency Devaluation
Change of USD Against TRY by 10%:				
1. USD Net Assets/Liabilities	477,627	(477,627)	477,627	(477,627)
2. USD Hedged From Risks (-)	-	-	-	-
3. USD Net Effect (1+2)	**477,627**	**(477,627)**	**477,627**	**(477,627)**
Change of EUR Against TRY by 10%:				
4. EUR Net Assets/Liabilities	356,780	(356,780)	356,780	(356,780)
5. EUR Hedged From Risks (-)	-	-	-	-
6. EUR Net Effect (4+5)	**356,780**	**(356,780)**	**356,780**	**(356,780)**
Change of GBP Against TRY by 10%:				
7. GBP and CHF Net Assets/Liabilities	825,687	(825,687)	825,687	(825,687)
8. GBP and CHF Hedged From Risks (-)	-	-	-	-
9. Other Net Effect (7+8)	**825,687**	**(825,687)**	**825,687**	**(825,687)**
10. Total (3+6+9)	**1,660,094**	**(1,660,094)**	**1,660,094**	**(1,660,094)**

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

d) Foreign Currency Sensitivity (Continued)

	31 December 2021			
	Profit/(Loss)		Equity	
	Foreign Currency Appreciation	Foreign Currency Devaluation	Foreign Currency Appreciation	Foreign Currency Devaluation
Change of USD Against TRY by 10%:				
1. USD Net Assets/Liabilities	161,590	(161,590)	161,590	(161,590)
2. USD Hedged From Risks (-)	-	-	-	-
3. USD Net Effect (1+2)	**161,590**	**(161,590)**	**161,590**	**(161,590)**
Change of EUR Against TRY by 10%:				
4. EUR Net Assets/Liabilities	135,929	(135,929)	135,929	(135,929)
5. EUR Hedged From Risks (-)	-	-	-	-
6. EUR Net Effect (4+5)	**135,929**	**(135,929)**	**135,929**	**(135,929)**
Change of GBP Against TRY by 10%:				
7. GBP Net Assets/Liabilities	214,165	(214,165)	214,165	(214,165)
8. GBP Hedged From Risks (-)	-	-	-	-
9. GBP Net Effect (7+8)	**214,165**	**(214,165)**	**214,165**	**(214,165)**
10. Total (3+6+9)	**511,684**	**(511,684)**	**511,684**	**(511,684)**

e) Price Risk

The said prices are closely followed by the management of the association and cost-remedial measures are taken in order to reduce the pressure of costs on prices. Existing risks are monitored at regular meetings held by the Group's Board of Directors.

f) Capital Risk

In order to ensure the continuity of its obligation arising from social responsibility, it manages its activities with the best effort within the budget discipline. Group's most important source of income is the donations that the Group has received due to the projects that has been undertaken.

30. FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES

Categories of Financial Instruments

31 December 2022	Financial Assets or Liabilities Measured With Amortized Cost Method	Financial Assets or Liabilities Fair Value Through Other Comprehensive Income	Financial Assets or Liabilities Fair Value Through Profit or Loss	Book Value	Note
Financial Assets	**16,464,431**	**-**	**677,130**	**17,141,560**	
Cash and Cash Equivalents	16,236,197	-	-	16,236,197	4
Trade Receivables	116,175	-	-	116,175	7
Financial Assets	-	-	677,130	677,130	5
Other Receivables	112,058	-	-	112,058	8
Financial Liabilities	**313,114**	**-**	**-**	**313,114**	
Short Term Bank Borrowings	43,783	-	-	43,783	9
Trade Payables	135,115	-	-	135,115	7
Other Payables	134,216	-	-	134,216	8

31 December 2021	Financial Assets or Liabilities Measured With Amortized Cost Method	Financia Assets or Liabilities Fair Value Through Other Comprehensive Income	Financial Assets or Liabilities Fair Value Through Profit or Loss	Book Value	Note
Financial Assets	**10,619,793**	**-**	**-**	**10,619,793**	
Cash and Cash Equivalents	10,386,142	-	-	10,386,142	4
Trade Receivables	84,251	-	-	84,251	7
Other Receivables	149,401	-	-	149,401	8
Financial Liabilities	**354,561**	**-**	**-**	**354,561**	
Short Term Bank Borrowings	31,149	-	-	31,149	9
Trade Payables	204,316	-	-	204,316	7
Other Payables	119,097	-	-	119,097	8

31. EVENTS AFTER REPORTING PERIOD

None.

32. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR OTHER ISSUES, REQUIRED FOR THE CLEAR UNDERSTANDING OF FINANCIAL STATEMENTS

None.