GSD Holding
Anonim Şirketi

Condensed Consolidated Interim Financial Information
As at and For the Six-Month Period Ended
30 June 2021
Together With Auditors' Report on Review of
Condensed Consolidated Interim Financial Information

19 August 2021

This report includes 2 pages of auditors' review report and 71 pages of condensed consolidated interim financial information together with explanatory notes and 4 pages of supplementary information.

GSD Holding Anonim Şirketi

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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information

To Board of Directors of GSD Holding A.Ş.,

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of GSD Holding A.Ş. ("the Company") as at 30 June 2021, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial statements ("the condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standards 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at and for the six-month period ended 30 June 2021 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

Other Matter

Supplementary information included in Appendix I does not form part of the reviewed consolidated interim financial information. We have not reviewed this supplementary information and, accordingly, we do not express any conclusion or any other form of assurance on this supplementary information.

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

Hakkı Özgür Sıvacı
Partner

19 August 2021
Istanbul, Turkey

GSD Holding Anonim Şirketi

Condensed Consolidated Interim Statement of Financial Position
As at 30 June 2021

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

	Notes	30 June 2021	31 December 2020
Assets			
Cash and balances with the Central Bank	*4*	1,160	619
Deposits with other banks and financial institutions	*4*	404,241	107,510
Receivables from money market	*4*	2,092	1,005
Reserve deposits at the Central Bank	*4*	52	8
Financial assets at fair value through profit/loss	*5*	34,365	93,110
Financial assets at fair value through other comprehensive income	*5*	436,344	475,216
Unquoted equity instruments	*1,5*	377	377
Loans and advances to customers, net	*8*	310,298	301,046
Factoring receivables, net	*8*	307,498	314,525
Finance lease receivables, net	*8*	16	14
Trade receivables, net	*7*	355,123	300,318
Other receivables, net	*17*	14,215	9,571
Inventories	*9*	2,434	3,251
Prepaid expenses		9,820	2,743
Assets held for sale from continuing operations	*20*	312	312
Investments accounted for by the equity method	*6*	13,259	-
Tangible assets	*11*	991,856	754,188
Right of use assets	*11.1*	4,366	5,208
Intangible assets	*12*	586	355
Prepaid income tax	*15*	15	-
Deferred tax assets	*15*	3,091	2,699
Other assets	*18*	2,786	2,543
Total assets		**2,894,306**	**2,374,618**
Liabilities			
Funds borrowed	*8*	669,479	420,687
Lease liabilities	*8*	5,213	6,167
Other money market deposits	*8*	49,920	53,385
Borrowers' funds	*8*	68,325	60,940
Factoring payables	*8*	444	352
Liabilities arising from finance leases	*8*	60	52
Trade payables	*7*	2,548	2,127
Other payables	*17*	17,043	10,741
Current tax liability	*15*	17,141	13,684
Deferred income		13,515	4,144
Provisions	*16,22*	11,969	11,832
Deferred tax liabilities	*15*	12,571	9,690
Other liabilities	*18*	24	24
Total liabilities		**868,252**	**593,825**
Equity	*19*		
Share capital		535,986	535,986
Treasury shares		(39,706)	(39,706)
Share premium		103,422	103,422
Changes in non-controlling interests without loss of control		-	(3,774)
Remeasurements of the net defined benefit liability (asset)		(115)	(337)
Fair value reserve		(36,442)	-
Translation reserve		359,154	276,378
Retained earnings		842,050	797,654
Net profit for the period		178,139	48,507
Equity attributable to equity holders of the parent		**1,942,488**	**1,718,130**
Non-controlling interests		**83,566**	**62,663**
Total equity		**2,026,054**	**1,780,793**
Total liabilities and equity		**2,894,306**	**2,374,618**

The accompanying policies and explanatory notes on pages 6 through 71 form an integral part of these consolidated financial statements.

GSD Holding Anonim Şirketi

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Six-Month Period Ended 30 June 2021

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

CONTINUING OPERATIONS	*Notes*	01.01.2021 30.06.2021	01.01.2020 30.06.2020
Holding activities income		9	-
Holding activities expense (-)		-	-
Gross profit/(loss) from holding activities		**9**	**-**
Marine sector income		169,367	41,793
Marine sector expense (-)		(79,337)	(57,252)
Gross profit/(loss) from marine sector operations		**90,030**	**(15,459)**
Gross profit/(loss) from commercial sector operations		**90,039**	**(15,459)**
Interest income		71,965	36,348
Service income		21,046	18,355
Revenue from financial activities		**93,011**	**54,703**
Interest expense (-)		(20,520)	(8,457)
Service expense (-)		(833)	(450)
Cost of financial activities (-)		**(21,353)**	**(8,907)**
Provision income/(expense) arising from financial sector operations, net		**(514)**	**(1,097)**
Foreign exchange gain/(loss), net		**11,579**	**2,980**
Net trading income / (loss) from derivative financial instruments		**(134)**	**-**
Other financial sector operations income/(expense), net		**107**	**134**
Gross profit/(loss) from financial sector operations		**82,696**	**47,813**
GROSS PROFIT/(LOSS)		**172,735**	**32,354**
Administrative expenses (-)		(28,868)	(30,133)
Other income from operating activities		22,224	17,403
Other expense from operating activities (-)		(2,061)	(875)
OPERATING PROFIT/(LOSS)		**164,030**	**18,749**
Income from investment activities		69,831	52,089
Expense from investment activities (-)		-	(1,442)
Shares of Profits (Losses) of Investments Valued by Equity Method		759	-
OPERATING PROFIT/(LOSS) BEFORE FINANCING EXPENSES		**234,620**	**69,396**
Financing income		-	-
Financing expenses (-)		(6,439)	(14,769)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**228,181**	**54,627**
Tax income/(expense) from continuing operations		**(40,061)**	**(53,091)**
Current tax income/(expense)	*15*	(35,106)	(65,757)
Deferred tax income/(expense)	*15*	(4,955)	12,666
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**188,120**	**1,536**
NET PROFIT/(LOSS)		**188,120**	**1,536**
Net profit/(loss) (continuing and discontinued operations) attributable to:			
Non-controlling interest	*19*	9,981	(2,666)
Equity holders of the company		178,139	4,202
Net profit/(loss) (continuing operations) attributable to:			
Non-controlling interest		9,981	(2,666)
Equity holders of the company	*25*	178,139	4,202
Net profit/(loss) (discontinued operations) attributable to:			
Non-controlling interest		-	-
Equity holders of the company		-	-
Earnings per share (in full TL per share with a nominal value of full TL 1)			
Earnings per share from continuing operations	*25*	0,440	0,012
Earnings per share from discontinued operations	*25*	0,000	0,000

The accompanying policies and explanatory notes on pages 6 through 71 form an integral part of these consolidated financial statements.

GSD Holding Anonim Şirketi

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Six-Month Period Ended 30 June 2021

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

	Notes	01.01.2021 30.06.2021	01.01.2020 30.06.2020
NET PERIOD PROFIT / (LOSS)		**188,120**	**1,536**
Other comprehensive income which will be not reclassified in profit or loss		**(129)**	**(29)**
Remeasurements of the net defined benefit liability (asset)		(129)	(29)
Other comprehensive income which will be reclassified in profit or loss		**57,270**	**61,652**
Change in currency translation differences		93,712	61,652
Other Comprehensive Income (Expense) on Financial Assets at Fair Value Reflected to Other comprehensive income		(38,872)	-
Other comprehensive income which will be classified in profit or loss		2,430	-
OTHER COMPREHENSIVE INCOME (AFTER TAX)		**57,141**	**61,623**
TOTAL COMPREHENSIVE INCOME		**245,261**	**63,159**
Total comprehensive income attributable to:			
Non-controlling interest		20,903	2,906
Equity holders of the company		224,358	60,253

The accompanying policies and explanatory notes on pages 6 through 71 form an integral part of these consolidated financial statements.

GSD Holding Anonim Şirketi
Condensed Consolidated Interim Statement of Changes in Equity
For the Six-Month Period Ended 30 June 2021
(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

							Other accumulated comprehensive income and expense which will be not be reclassified in profit or loss	Other accumulated comprehensive income and expense which will be reclassified in profit or loss		Accumulated profits			
	Notes	Share capital	Inflation adjustment to share capital	Treasury shares	Share premium	Changes in non-controlling interests without loss of control	Remeasurements of the net defined benefit liability (asset)	Translation reserve	Fair value reserve	Retained earnings	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
At 1 January 2020	*19*	450,000	85,986	(91,018)	4,945	-	(663)	208,806	-	846,869	1,504,925	30,024	1,534,949
Adjustments related with changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	663	-	-	(663)	-	-	-
Transfer to retained earnings		-	-	-	-	-	663	-	-	(663)	-	-	-
Total comprehensive income		-	-	-	-	-	(26)	56,077	-	4,202	60,253	2,906	63,159
Net profit		-	-	-	-	-	-	-	-	4,202	4,202	(2,666)	1,536
Other comprehensive income		-	-	-	-	-	(26)	56,077	-	-	56,051	5,572	61,623
Transactions with owners in their capacity as owners recognized in equity		-	-	-	7,273	400	-	(5,373)	-	(28,800)	(26,500)	10,252	(16,248)
Dividends		-	-	-	-	-	-	-	-	(28,800)	(28,800)	-	(28,800)
Cash dividend distributed		-	-	-	-	-	-	-	-	(28,800)	(28,800)	-	(28,800)
Dividend paid to non-controlling interest by subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease arising from treasury share transactions		-	-	-	7,273	-	-	-	-	-	7,273	2,056	9,329
Increase/decrease arising from changes without resulting loss of control in share ratios of subsidiaries		-	-	-	-	400	-	(5,373)	-	-	(4,973)	8,196	3,223
Increase/decrease arising from repurchased shares in share ratios of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-
Change in shareholding percentage arising from merger of subsidiaries		-	-	-	-	400	-	(5,373)	-	-	(4,973)	8,196	3,223
Increase/decrease arising from other adjustments		-	-	-	-	-	-	-	-	248	248	-	248
At 30 June 2020	*19*	450,000	85,986	(91,018)	12,218	400	(26)	259,510	-	821,856	1,538,926	43,182	1,582,108
At 1 January 2021	*19*	450,000	85,986	(39,706)	103,422	(3,774)	(337)	276,378	-	846,161	1,718,130	62,663	1,780,793
Adjustments related with changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	3,774	337	-	-	(4,111)	-	-	-
Transfer to retained earnings		-	-	-	-	3,774	337	-	-	(4,111)	-	-	-
Total comprehensive income		-	-	-	-	-	(115)	82,776	(36,442)	178,139	224,358	20,903	245,261
Net profit		-	-	-	-	-	-	-	-	178,139	178,139	9,981	188,120
Other comprehensive income		-	-	-	-	-	(115)	82,776	(36,442)	-	46,219	10,922	57,141
Transactions with owners in their capacity as owners recognized in equity		-	-	-	-	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-	-	-
Cash dividend distributed		-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid to non-controlling interest by subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease arising from treasury share transactions		-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease arising from changes without resulting loss of control in share ratios of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease arising from repurchased shares in share ratios of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-
Change in shareholding percentage arising from merger of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease arising from other adjustments		-	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2021	*19*	450,000	85,986	(39,706)	103,422	-	(115)	359,154	(36,442)	1,020,189	1,942,488	83,566	2,026,054

The accompanying policies and explanatory notes on pages 6 through 71 form an integral part of these consolidated financial statements.

GSD Holding Anonim Şirketi
Condensed Consolidated Interim Statement of Cash Flows
For the Six-Month Period Ended 30 June 2021
(Currency - *Thousands of Turkish Lira ("TL") unless otherwise stated*)

	Notes	01.01.2021 30.06.2021	01.01.2020 30.06.2020
Cash flows from operating activities of continuing operations			
Income from holding activities		9	-
Marine sector income		169,367	41,793
Marine sector expenses		(51,560)	(34,663)
Interest received from financial sector activities		71,457	40,866
Interest paid for financial sector activities		(21,198)	(10,520)
Service income from financial sector activities		21,046	18,355
Cost of service for financial sector activities		(833)	(450)
Cash payments to employees and other parties		(24,107)	(25,937)
Cash received from other operating activities		1,230	2,650
Cash paid for other operating activities		45	497
Interest received from operating activities apart from financial sector activities		4,768	11,684
Income taxes paid	15	(18,004)	(4,985)
Net cash provided by operating activities before changes in operating assets and liabilities from continuing operations		**152,220**	**39,290**
Changes in operating assets and liabilities of continuing operations			
Change in reserve deposits at Central Bank		(44)	(12)
Change in loans and advances to customers		(9,142)	3,810
Change in factoring receivables		7,511	35,951
Change in finance lease receivables		(620)	(457)
Change in other assets		(61,083)	(354,315)
Change in payables due to money market transactions		(3,465)	-
Change in borrowers' funds		7,437	5,076
Change in factoring payables		92	(247)
Change in liabilities arising from finance leases		8	6
Change in other liabilities		5,166	(1,821)
Net cash (used in) / provided by operating activities from continuing operations		**98,080**	**(272,719)**
Net cash (used in) / provided by operating activities from discontinued operations		**-**	**-**
Cash flows from investing activities of continuing operations			
Purchases of shares of associtaes		(13,259)	-
Proceeds from sale and redemption of available for sale securities		62,765	-
Purchases of available for sale securities		(6,748)	(27,496)
Proceeds from sale of property and equipment	11	720	116
Purchases of property and equipment	11	(126,694)	(7,055)
Purchases of intangible assets	12	(292)	(15)
Other cash receipts from/cash payments for investing activities		12,924	293,445
Net cash (used in) / provided by investing activities from continuing operations		**(70,584)**	**258,995**
Net cash (used in) / provided by investing activities from discontiued operations	**20**	**-**	**-**
Cash flows from financing activities of continuing operations			
Cash received from funds borrowed		472,332	84,448
Cash received from disposal of treasury shares		-	12,551
Cash received from change in non-controlling interest reserve		-	3,223
Cash paid for change in non-controlling interest reserve		-	(2,056)
Repayments of funds borrowed		(223,009)	(139,083)
Payments of lease liabilities		(3,708)	(3,915)
Dividends paid to equity holders		-	(28,800)
Interest paid for financing activities apart from financial sector activities		(6,133)	(8,981)
Other cash receipts from/cash payments for financing activities		(124)	(229)
Net cash (used in) / provided by financing activities from continuing operations		**239,358**	**(82,842)**
Net cash (used in) / provided by financing activities from discontinued operations	20	**-**	**-**
Continuing Operations			
Effect of net foreign exchange difference on cash and cash equivalents		**31,504**	**17,551**
Net (decrease) / increase in cash and cash equivalents		**298,358**	**(79,016)**
Cash and cash equivalents at 1 January		**109,085**	**134,700**
Cash and cash equivalents at 30 June	26	**407,443**	**55,684**

The accompanying policies and explanatory notes on pages 6 through 71 form an integral part of these consolidated financial statements.

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

1. REPORTING ENTITY

General

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

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

The Company's shares are quoted on the Borsa Istanbul (Istanbul Stock Exchange) since 11 November 1999.

The consolidated financial statements of the Company were approved by the Board of Directors on 19 August 2021. The General Assembly and certain regulatory bodies have the power to amend the statutory financial statements after issue.

As at 30 June 2021, average number of employees is 102 (31 December 2020: 105).

As at 30 June 2021 and 31 December 2020, the composition of shareholders and their respective percentages of ownership can be summarized as follows:

	30 June 2021					
(Full TL)	**Class (A)**	**Class (B)**	**Class (C)**	**Class (D)**	**Total**	**Share (%)**
Publicly owned	-	-	-	269.375.129	269.375.129	59,861
M. Turgut Yılmaz	707	441	707	114.748.150	114.750.005	25,500
GSD Holding A.Ş.	-	-	-	45.000.000	45.000.000	10,000
MTY Delta Denizcilik İç ve Dış Ticaret A.Ş.	-	-	-	20.250.000	20.250.000	4,500
Adeo Turizm Otelcilik Ticaret Limited Şirketi	-	-	-	624.600	624.600	0,139
Other privileged shareholders	-	266	-	-	266	0,000
Share capital	**707**	**707**	**707**	**449.997.879**	**450.000.000**	**100,000**
Inflation adjustment on share capital					85.985.890	
Inflation adjusted share capital					**535.985.890**	

	31 December 2020					
(Full TL)	**Class (A)**	**Class (B)**	**Class (C)**	**Class (D)**	**Total**	**Share (%)**
Publicly owned	-	-	-	269.375.129	269.375.129	59,861
M. Turgut Yılmaz	707	441	707	114.748.150	114.750.005	25,500
GSD Holding A.Ş.	-	-	-	45.000.000	45.000.000	10,000
MTY Delta Denizcilik İç ve Dış Ticaret A.Ş.	-	-	-	20.250.000	20.250.000	4,500
Adeo Turizm Otelcilik Ticaret Limited Şirketi	-	-	-	624.600	624.600	0,139
Other privileged shareholders	-	266	-	-	266	0,000
Share capital	**707**	**707**	**707**	**449.997.879**	**450.000.000**	**100,000**
Inflation adjustment on share capital					85.985.890	
Inflation adjusted share capital					**535.985.890**	

As of 30 June 2021, 59.86% of the Company's shares (31 December 2020: 59.86%) are open to the public, as explained in the capital structure presented above. In addition, 32% (31 December 2020: 32%) shares of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., a affiliate company subject to consolidation, are open to the public as of 30 June 2021.

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

1. REPORTING ENTITY (continued)

Nature of Activities of the Company and the Consolidated Group Companies

For the purposes of the consolidated for the six month summary financial statements, the Company and its consolidated subsidiaries are referred to as "the Group". The subsidiaries included in consolidation and the effective ownership percentages of the Group as at 30 June 2021 and 31 December 2020 are as follows:

Subsidiaries	Country of Incorporation	Bist Code	Principal Activities	Effective Shareholding(%)	
				30 June 2021	31 December 2020
GSD Yatırım Bankası A.Ş. (1)	Turkey		Investment Banking	100	100
GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. (1), (2) , (3)	Turkey	GSDDE	Maritime	68,00	68,00
GSD Faktoring A.Ş. (1)	Turkey		Factoring	89,36	89,36
Dodo Maritime Ltd. (2)	Malta		Maritime	100	100
Cano Maritime Ltd. (2)	Malta		Maritime	68,00	68,00
Hako Maritime Ltd. (2)	Malta		Maritime	68,00	68,00
Zeyno Maritime Ltd. (2)	Malta		Maritime	100	100
Neco Maritime Ltd. (2)	Malta		Maritime	100	100
GSD Shipping B.V. (1), (2)	Netherlands		Maritime	100	100
Mila Maritime Ltd. (2)	Malta		Maritime	100	100
Lena Maritime Ltd. (2) (4)	Marshall Islands		Maritime	100	100
Nejat Maritime Ltd. (2) (4)	Marshall Islands		Maritime	100	100
Nehir Maritime Ltd. (2) (4)	Marshall Islands		Maritime	68,00	68,00

(1) The financial statements of GSD Shipping B.V., GSD Marin, GSD Faktoring A.Ş. and GSD Bank A.Ş. have been consolidated to GSD Holding A.Ş..

(2) The financial statements of Cano Maritime Ltd., Nehir Maritime Ltd. and Hako Maritime Ltd. have been consolidated to GSD Marin, the financial statements of Zeyno Maritime Ltd., Dodo Maritime Ltd., Neco Maritime Ltd. Mila Maritime Ltd., Lena Maritime Ltd. and Nejat Maritime Ltd.. have been consolidated to GSD Shipping B.V.

(3) After the sale of bought back shares in BIST by GSD Denizcilik Gayrimenkul İnş. San. ve Tic. A.Ş. "GSD Marin" with a nominal value of 3.411.059 full TL and a cost amount of 3,222,947.11 full TL and GSD Holding A.Ş.'s the portion of shares in GSD Marin with a nominal value of 5,196,268 full TL in the price range of 4.98-5.52 on the BIST, the share of GSD Holding A.Ş.'s shares in GSD Marin decreased from 77.958% to 68.00%. As a result of the mentioned transactions, the direct share rate of GSD Holding A.Ş. in GSD Faktoring A.Ş. has decreased by 0.306% because of the share of GSD Denizcilik Gayrimenkul İnş.San.ve Tic. A.Ş. has a 1.98% share in the capital of GSD Faktoring A.Ş. and its direct and indirect total share decreased from 89.662% to 89.356%.

(4) Lena Maritime Limited on March 18, 2021 and Nejat Maritime Limited on June 23, 2021 were established each as 100% subsidiaries of GSD Shipping B.V. with a capital of $ 5,000, in the Marshall Islands to operate in maritime transport. Nehir Maritime Limited was established on 23 June 2021 as 100% subsidiary of GSD Denizcilik Gayrimenkul İnş. San.ve Tic. A.Ş with a capital of 5,000 USD in the Marshall Islands.

Unconsolidated Subsidiaries

The subsidiaries which are not included in consolidation and the ownership percentages of the Group in those subsidiaries as at 30 June 2021 and 31 December 2020 are as follows:

Subsidiaries	Country of Incorporation	Principal Activities	Effective Shareholding and Voting Rights (%)	
			30 June 2021	31 December 2020
GSD Eğitim Vakfı	Turkey	Education Foundation	100.00	100.00

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

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS

Statement of Compliance

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

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

Companies are free to prepare their interim financial statements as a full set or summary in accordance with the IAS 34 standard. In this context, The Group has preferred to prepare summary financial statements in the interim periods.

Functional currency of the Company and its subsidiaries incorporated in Turkey:

The Group's functional and presentation currency is TL and the consolidated financial statements including comparative figures for the prior periods are presented in thousands of TL.

Functional currencies of foreign subsidiaries

	Local Currency	**Functional Currency**
GSD Shipping B.V.	EUR	USD
Mila Maritime Ltd.	EUR	USD
Dodo Maritime Ltd.	EUR	USD
Cano Maritime Ltd.	EUR	USD
Hako Maritime Ltd.	EUR	USD
Zeyno Maritime Ltd.	EUR	USD
Neco Maritime Ltd.	EUR	USD
Lena Maritime Ltd.	EUR	USD
Nejat Maritime Ltd.	EUR	USD
Nehir Maritime Ltd.	EUR	USD

Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are changed as necessary to align them with the policies adopted by the Group.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

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

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

(ii) Transactions eliminated on consolidation

Intragroup balances and transactions and any unrealised income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The equity and net income attributable to non-controlling interest are shown separately in the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income, respectively.

Foreign currency transactions

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

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of the available-for-sale equity instruments, which are recognised directly in equity.

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

Date	TL/EURO (full)	TL/USD (full)
30 June 2021	10,3645	8,7052
31 December 2020	9,0079	7,3405
31 December 2019	6,6506	5,9402
31 December 2018	6,0280	5,2609

On disposal of a foreign entity, the accumulated exchange differences kept in equity are recognized in the consolidated statement of profit or loss as a component of the gain or loss on disposal.

(ii) Foreign operations

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

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

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Foreign currency transactions (continued)

the Group. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation recognised in other comprehensive income and accumulated in the separate component of equity are reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognized.

Comparative information and restatement of prior periods' financial statements

The Company's consolidated financial statements as at 30 June 2021 are prepared comparatively with the prior period financial statements, in order to maintain consistency for the year ended as at 31 December 2020 and prior interim period 1 January – 30 June 2020.

Ofsetting

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

Going Concern

The Group prepares its financial statements in accordance with going concern basis of accounting.

Jointly Controlled Entity and Affiliated Companies

Companies that are not under the joint control of the Group, but that have a significant influence on the financial and operating policies are defined as participations. Joint ventures are companies that are under the joint control of the Group, established by contractual agreement and have a significant impact on strategic, financial and operating policies. Significant influence is anticipated to exist when the Group has between 20% and 50% of the voting rights in the management of the entity. Joint ventures are consolidated using the equity method.

The Group's associates are accounted for using the equity method in the consolidated financial statements. According to the equity method, participations are reflected to the cost value in the accompanying consolidated financial statements with the changes in the net assets of the participations in line with the Group's share added. The amounts corresponding to the Group's share of the profits/losses of its subsidiaries are shown in the income statement under the share of profits/losses of investments accounted for using the equity method.

Participations	Country of Incorporation	Bist Code	Principal Activities	Effective Shareholding(%)	
				30 June 2021	31 December 2020
GSD Havacılık A.Ş. (1)	Turkey	-	Aviation	50	-

(1) At the board of directors meeting of GSD Holding A.Ş. dated February 9, 2021, it was decided to establish a new company to operate in the field of air transportation, and to participate in GSD Havacılık Anonim Şirketi with a capital of 25.000.000 TL to be established, with a 50% share. The company in question was registered by the Istanbul Trade Registry on February 11, 2021.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Standards and interpretations issued but not yet effective

A number of new standards and amendments to existing standards are not effective at reporting date and earlier application is permitted; however the Group has not early adopted are as follows.

COVID-19-Related Rent Concessions beyond 30 June 2021 (the 2021 amendment)

IASB has extended the practical expedient by 12 months – permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022. The original amendment was issued in May 2020 to make it easier for lessees to account for covid-19-related rent concessions, such as rent holidays and temporary rent reductions, while continuing to provide useful information about their leases to investors.

The amendment is effective for annual reporting periods beginning on or after 1 April 2021. Lessees are permitted to apply it early, including in financial statements not authorised for issue. The 2021 amendments are applied retrospectively with the cumulative effect of initially applying it being recognised in opening retained earnings.

The original version of the practical expedient was, and remains, optional. However, the 2021 amendments are, in effect, not optional. This is because a lessee that chose to apply the practical expedient introduced by the 2020 amendments has to consistently apply the extension to eligible contracts with similar characteristics and in similar circumstances.

This means that lessees will need to reverse previous lease modification accounting if a rent concession was ineligible for the original practical expedient under the 2020 amendments but becomes eligible as a result of the extension.

Reference to the Conceptual Framework (Amendments to IFRS 3)

In May 2020, IASB issued Reference to the Conceptual Framework, which made amendments to IFRS 3 Business Combinations.
The amendments updated IFRS 3 by replacing a reference to an old version of the Board's Conceptual Framework for Financial Reporting with a reference to the latest version, which was issued in March 2018.

The Group shall apply these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted.

Property, Plant and Equipment—Proceeds before Intended Use (Amendments to IAS 16)

In May 2020, IASB issued Property, Plant and Equipment—Proceeds before Intended Use, which made amendments to IAS 16 Property, Plant and Equipment. The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

The amendments improve transparency and consistency by clarifying the accounting requirements—specifically, the amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

The Group shall apply these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Standards and interpretations issued but not yet effective (continued)

Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)

In May 2020, IASB issued Onerous Contracts Cost of Fulfilling a Contract, which made amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

IASB developed amendments to IAS 37 to clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

The Group shall apply these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

On 23 January 2020, IASB issued *Classification of Liabilities as Current or Non-Current* which amends IAS 1 *Presentation of Financial Statements* to clarify its requirements for the presentation of liabilities in the statement of financial position.
The amendments clarify one of the criteria in IAS 1 for classifying a liability as non-current—that is, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

The amendments include:

(a) Specifying that an entity's right to defer settlement must exist at the end of the reporting period;
(b) Clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
(c) Clarifying how lending conditions affect classification; and
(d) Clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The Group shall apply retrospectively these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted. However, according to the amendment published on 15 July 2020, IASB decided to defer the effective date of IAS 1 until 1 January 2023.

The Group does not expect that application of these amendments to IAS 1 will have significant impact on its consolidated financial statements.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

IASB has issued amendments to IAS 1 Presentation of Financial Statements and an update to IFRS Practice Statement 2 Making Materiality Judgements to help companies provide useful accounting policy disclosures on 12 February 2021.

The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Standards and interpretations issued but not yet effective (continued)

IASB also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures.

The amendments are consistent with the refined definition of material previously:
"Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".
The amendments are effective from 1 January 2023 but companies can apply it earlier. The Group does not expect that application of these amendments to Amendments to IAS 1 and IFRS Practice Statement 2 will have significant impact on its consolidated financial statements.

Definition of Accounting Estimates (Amendments to IAS 8)

The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty which is issued by IASB on 12 February 2021.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

Developing an accounting estimate includes both:

- selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and
- choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

The Group does not expect that application of these amendments to Amendments to IAS 8 will have significant impact on its consolidated financial statements.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes

In May 2021 IASB issued *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*, which amended IAS 12 Income Taxes.

The amendments to IAS 12 Income Taxes clarify how companies should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions.

The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

The amendments clarify that the exemption does not apply to transactions such as leases and decommissioning obligations. These transactions give rise to equal and offsetting temporary differences.

For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If a company previously accounted for deferred tax on leases and decommissioning liabilities under the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

The Group does not expect that application of these amendments to Amendments to IAS 12 will have significant impact on its consolidated financial statements.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Summary of significant accounting policies

Annual Improvements to IFRS Standards 2018–2020

Improvements to IFRSs

IASB issued Annual Improvements to IFRSs - 2018–2020 Cycle for applicable standards in May 2020. The amendments are effective as of 1 January 2022. Earlier application is permitted. The Group does not expect that application of these improvements to IFRSs will have significant impact on its consolidated financial statements.

IFRS 1 First-time Adoption of International Financial Reporting Standards

This amendment simplifies the application of IFRS 1 for a subsidiary that becomes a first-time adopter of IFRS Standards later than its parent – i.e. if a subsidiary adopts IFRS Standards later than its parent and applies IFRS 1.D16(a), then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to IFRS Standards. This amendment will ease transition to IFRS Standards for subsidiaries applying this optional exemption by i)reducing undue costs; and ii) avoiding the need to maintain parallel sets of accounting records.

IFRS 9 Financial Instruments

This amendment clarifies that – for the purpose of performing the '10 percent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

IFRS 16 Leases, Illustrative Example 13

The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive. It will help to remove the potential for confusion in identifying lease incentives in a common real estate fact pattern.

IAS 41 Agriculture

This amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 Fair Value Measurement. The amendments provide the flexibility to use either, as appropriate, in line with IFRS 13.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Summary of significant accounting policies

IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The following summarizes the impact of transition to IFRS 9, funding, retained earnings / (losses) and opening interest on non-controlling interests, net of tax.

Classification of financial assets and financial liabilities

IFRS 9 changes largely effects the classification and measurement of financial assets and measurement of financial liabilities which classified as fair value differences, measured by reflecting to profit or loss. Those financial liabilities' changes in fair value related to credit risk should be presented in other comprehensive income statement.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

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

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

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

A financial asset is measured at amortized cost if it meets both of the following conditions and is notdesignated as at FVTPL:

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

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

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

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Summary of significant accounting policies (continued)

IFRS 9 Financial Instruments (continued)

Classification of financial assets and financial liabilities (continued)

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

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

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

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

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

Loans

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Summary of significant accounting policies (continued)

IFRS 9 Financial Instruments (continued)

Evaluation of the Business Model Used by the Group

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

Impairment of Financial Assets

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

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

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

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

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

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

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

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

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

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

IFRS 16 Leases

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Summary of significant accounting policies (continued)

IFRS 16 Leases (continued)

a) Definition of Leasing

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining Whether an Arrangement contains a Lease. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non- lease components as a single lease component.

b) As a Lessee

The Group leases properties and vehicles. As a lessee, the Group has previously classified leases as operating or finance leases based on the assessment of whether all the risks and benefit of ownership of the asset have been transferred.

Under IFRS 16, the Group recognises right of use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

The Group presents lease liabilities in "lease liabilities" in the statement of financial position.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. When a right-of-use asset meets the definition of investment property, it is presented in investment property. The right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's accounting policies.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

c) As a lessor

The accounting policies applicable to the Group as a lessor are not different from those under IAS 17.

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Summary of significant accounting policies (continued)

Tangible Assets

(i) Recognition and measurement

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

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Summary of significant accounting policies (continued)

Tangible Assets (continued)

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

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

Intangible Assets

Intangible assets acquired separately from a business are capitalized at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Intangible assets, excluding development costs, created within the business, are not capitalized and expenditure is charged against profits in the year in which it is incurred. The cost of the intangible assets purchased before 31 December 2004 are restated for the effects of inflation in TL units current at 31 December 2004 pursuant to IAS 29.

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

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

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

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

Assets Held for Sale

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Summary of significant accounting policies (continued)

Impairment of Non-Financial Assets

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

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

Finance Leases

Finance leases - the Group as lessor

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

Finance leases - the Group as lessee

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

Income Taxes

Tax expense (income) is the aggregate amount included in the determination of net profit or loss for the period in respect of current and deferred taxes.

i) Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Summary of significant accounting policies (continued)

Income Taxes (continued)

ii) Deferred tax

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

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or directly in equity, respectively, and not in the consolidated income statement.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities, and deferred taxes relate to the same taxable entity and the same taxation authority.

Derivative Financial Instruments

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

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

Custody Assets

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Summary of significant accounting policies (continued)

Factoring Receivables

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

Interest-bearing Deposits and Funds Borrowed

All deposits and borrowings are initially recognized at fair value of consideration received less directly attributable transaction costs. After initial recognition, all interest bearing deposits and borrowings are subsequently measured at amortized cost using effective yield method. Amortized cost is calculated by taking into account any discount or premium on settlement. Gain or loss is recognized in the consolidated income statement when the liability is derecognized as well as through amortization process.

Borrowing Costs

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

Treasury Shares

The Company's own equity instruments which are owned by the Company itself or its subsidiaries are deducted from equity under the heading "Treasury shares". No gain or loss is recognized in the consolidated income statement on the purchase, issue, sale or cancellation of the Company's own equity instruments. Considerations paid to reacquire the Company's own equity instruments are recognised directly in equity by debiting "Treasury shares". Considerations received as a result of the sale of the Company's own equity instruments reacquired and recognised directly in "Treasury shares" previously are recognised directly in equity by crediting "Treasury shares" for as much as their reacquisition cost and by crediting or debiting "Retained earnings" for as much as the gain or loss of the sale transaction, respectively, disclosing it as a "Change in retained earnings" in the consolidated statement of changes in equity.

Employee Benefits

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

i) Defined benefit plans

In accordance with existing social legislation in Turkey, the Company and its subsidiaries incorporated in Turkey are required to make lump-sum termination indemnities to each employee who has completed over one year of service with the company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Summary of significant accounting policies (continued)

Employee Benefits (continued)

i) Defined benefit plans (continued)

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

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

The computation of the liability is predicated upon retirement pay ceiling announced by the Government. The ceiling amount at 1 January 2020 is full TL 6,730.15 (31 December 2019: full TL 6,379.86). The liability is not funded, as there is no funding requirement.

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

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

ii) Defined contribution plans

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

Provisions, Contingent Liabilities and Assets

i) Provisions

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

ii) Contingent liabilities and assets

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Summary of significant accounting policies (continued)

Income and Expense Recognition

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

Factoring commission income represents the upfront charge to the customer to cover the service given and the collection expenses incurred. Factoring commission is accounted for on accrual basis.

General model for accounting of revenue

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

Step 1: Identify the contract

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

Step 2: Identify the performance obligations

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

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

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

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

Step 3: Determine the transaction price

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

Significant financing component

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Summary of significant accounting policies (continued)

Income and Expense Recognition (continued)

Variable consideration

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

Step 4: Allocate the transaction price

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

Step 5: Recognize revenue

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

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

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

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

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

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

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

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

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Summary of significant accounting policies (continued)

Earnings per Share

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

Events After the Reporting Period

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

Related Parties

A party is related to an entity if:

(a) Directly, or indirectly through one or more intermediaries, the party:
   (i) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
   (ii) has an interest in the entity that gives it significant influence over the entity; or
   (iii) has joint control over the entity;

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

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

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

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

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

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

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

Segment Reporting

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

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

3. SEGMENT INFORMATION

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued) (01.01.2021-30.06.2021)										
Country of Operation	**Turkey**	**Turkey & International**	**Turkey**	**Turkey**			**Segment Information Combined by Countries**			
	Banking	**[1] [2] Marine**	**Factoring**	**Holding**	**Inter-segment Eliminations**	**Group**	**Turkey**	**[3]International**	**Inter-country Eliminations**	**Group**
CONTINUING OPERATIONS										
Revenue	-	171,803	-	9,310	(11,737)	169,376	12,949	169,367	(12,940)	169,376
Cost of sales (-)	-	(79,337)	-	(492)	492	(79,337)	(778)	(79,337)	778	(79,337)
Gross profit/(loss) from commercial sector	**-**	**92,466**	**-**	**8,818**	**(11,245)**	**90,039**	**12,171**	**90,030**	**(12,162)**	**90,039**
Revenue from financial activities	**64,030**	**3**	**53,883**	**-**	**(12,847)**	**105,069**	**117,916**	**-**	**(12,847)**	**105,069**
Fee, commission and other service income	21,029	-	23	-	(6)	21,046	21,052	-	(6)	21,046
Foreign exchange income	2,541	2	11,280	-	(2,244)	11,579	13,823	-	(2,244)	11,579
Interest income	39,309	-	42,467	-	(9,811)	71,965	81,776	-	(9,811)	71,965
Other financial sector operations income, net	1,151	1	113	-	(786)	479	1,265	-	(786)	479
Cost of financial activities (-)	**(7,861)**	**(618)**	**(35,580)**	**-**	**21,686**	**(22,373)**	**(44,059)**	**-**	**21,686**	**(22,373)**
Fee, commission and other service expense	(460)	-	(378)	-	5	(833)	(838)	-	5	(833)
Foreign exchange expense	(1,242)	-	(11,288)	-	12,530	-	(12,530)	-	12,530	-
Interest expense	(5,784)	-	(23,887)	-	9,151	(20,520)	(29,671)	-	9,151	(20,520)
Other financial sector operations expense net	(375)	(618)	(27)	-	-	(1,020)	(1,020)	-	-	(1,020)
Gross profit/(loss) from financial sector operations	**56,169**	**(615)**	**18,303**	**-**	**8,839**	**82,696**	**73,857**	**-**	**8,839**	**82,696**
GROSS PROFIT/(LOSS)	**56,169**	**91,851**	**18,303**	**8,818**	**(2,406)**	**172,735**	**86,028**	**90,030**	**(3,323)**	**172,735**
Administrative expenses (-)	(10,040)	(6,343)	(8,260)	(7,455)	3,230	(28,868)	(29,371)	(3,930)	4,433	(28,868)
Other income from operating activities	638	3,966	637	32,184	(15,201)	22,224	37,307	118	(15,201)	22,224
Other expense from operating activities (-)	-	(632)	-	(3,673)	2,244	(2,061)	(4,305)	-	2,244	(2,061)
OPERATING PROFIT/(LOSS)	**46,767**	**88,842**	**10,680**	**29,874**	**(12,133)**	**164,030**	**89,659**	**86,218**	**(11,847)**	**164,030**
Income from investment activities	-	214	-	69,815	(198)	69,831	70,040	16	(225)	69,831
Expense from investment activities (-)	-	-	-	-	-	-	-	-	-	-
Profit/(loss) from investments accounted for by the equity method	-	-	-	-	759	759	-	-	759	759
OPERATING PROFIT/(LOSS) BEFORE FINANCING EXPENSES	**46,767**	**89,056**	**10,680**	**99,689**	**(11,572)**	**234,620**	**159,699**	**86,234**	**(11,313)**	**234,620**
Financing income	-	-	-	-	-	-	-	-	-	-
Financing expenses (-)	(224)	(8,018)	(192)	(1,337)	3,332	(6,439)	(1,826)	(7,972)	3,359	(6,439)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**46,543**	**81,038**	**10,488**	**98,352**	**(8,240)**	**228,181**	**157,873**	**78,262**	**(7,954)**	**228,181**

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

3. SEGMENT INFORMATION (continued)

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued) (01.01.2021-30.06.2021)										
Country of Operation	**Turkey**	**Turkey & International**	**Turkey**	**Turkey**			**Segment Information Combined by Countries**			
	Banking	**[1] [2] Marine**	**Factoring**	**Holding**	**Inter-segment Eliminations**	**Group**	**Turkey**	**[3] International**	**Inter-country Eliminations**	**Group**
Tax income/(expense) from continuing operations	**(11,227)**	**(1,224)**	**(2,851)**	**(24,759)**	**-**	**(40,061)**	**(38,684)**	**(1,377)**	**-**	**(40,061)**
Current tax income/(expense)	(11,508)	(1,353)	(2,810)	(19,435)	-	(35,106)	(33,729)	(1,377)	-	(35,106)
Deferred tax income/(expense)	281	129	(41)	(5,324)	-	(4,955)	(4,955)	-	-	(4,955)
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**35,316**	**79,814**	**7,637**	**73,593**	**(8,240)**	**188,120**	**119,189**	**76,885**	**(7,954)**	**188,120**
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
NET PROFIT/(LOSS)	**35,316**	**79,814**	**7,637**	**73,593**	**(8,240)**	**188,120**	**119,189**	**76,885**	**(7,954)**	**188,120**
Net profit/(loss) (continuing and discontinuing operations) attributable to:										
Non-controlling interest	**-**	**9,168**	**813**	**-**	**-**	**9,981**	**9,981**	**-**	**-**	**9,981**
Equity holders of the company	**35,316**	**70,646**	**6,824**	**73,593**	**(8,240)**	**178,139**	**109,208**	**76,885**	**(7,954)**	**178,139**
OTHER COMPREHENSIVE INCOME										
Which will be not classified in profit or loss	**-**	**(22)**	**(67)**	**(40)**	**-**	**(129)**	**(129)**	**-**	**-**	**(129)**
Remeasurements of the net defined benefit liability (asset)	-	(22)	(67)	(40)	-	(129)	(129)	-	-	(129)
Which will be classified in profit or loss	**-**	**93,712**	**-**	**(36,442)**	**-**	**57,270**	**(6,203)**	**63,473**	**-**	**57,270**
Change in currency translation differences	-	93,712	-	-	-	93,712	30,239	63,473	-	93,712
Other comprehensive income (loss) from financial assets which's fair reflected to other comprehensive income	-	-	-	(38,872)	-	(38,872)	(38,872)	-	-	(38,872)
Tax relating to Other Comprehensive Income Which will be Reclassified in Profit or Loss	-	-	-	2,430	-	2,430	2,430	-	-	2,430
OTHER COMPREHENSIVE INCOME (AFTER TAX)	**-**	**93,690**	**(67)**	**(36,482)**	**-**	**57,141**	**(6,332)**	**63,473**	**-**	**57,141**
TOTAL COMPREHENSIVE INCOME	**35,316**	**173,504**	**7,570**	**37,111**	**(8,240)**	**245,261**	**112,857**	**140,358**	**(7,954)**	**245,261**
Total comprehensive income attributable to:										
Non-controlling interest	**-**	**20,097**	**806**	**-**	**-**	**20,903**	**20,903**	**-**	**-**	**20,903**
Equity holders of the company	**35,316**	**153,407**	**6,764**	**37,111**	**(8,240)**	**224,358**	**91,954**	**140,358**	**(7,954)**	**224,358**
CONSOLIDATED BALANCE SHEET (30.06.2021)										
TOTAL ASSETS	**467,597**	**1,310,574**	**314,260**	**956,808**	**(154,933)**	**2,894,306**	**1,752,573**	**1,296,957**	**(155,224)**	**2,894,306**
TOTAL LIABILITIES	**127,882**	**595,962**	**229,451**	**46,707**	**(131,750)**	**868,252**	**405,898**	**594,395**	**(132,041)**	**868,252**
Other segment information (continued and discontinued operations)										
Advances given for capital expenditures (Fixed asset)	-	-	-	-	-	-	-	-	-	-
Capital expenditures (Fixed asset)	282	126,348	240	116	-	126,986	1,791	125,195	-	126,986
Depreciation expense	(107)	(27,818)	(110)	(188)	-	(28,223)	(445)	(27,778)	-	(28,223)
Amortization expense	(13)	(42)	(4)	(2)	-	(61)	(61)	-	-	(61)
Impairment (losses)/reversal income recognized in income statement	25	(618)	79	-	-	(514)	(514)	-	-	(514)

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

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

3. SEGMENT INFORMATION (continued)

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued) (01.01.2020-30.06.2020)										
Country of Operation	**Turkey**	**Turkey & International**	**Turkey**	**Turkey**			**Segment Information Combined by Countries**			
	Banking	**[1] [2] Marine**	**Factoring**	**Holding**	**Inter-segment Eliminations**	**Group**	**Turkey**	**[3] International**	**Inter-country Eliminations**	**Group**
CONTINUING OPERATIONS										
Revenue	-	42,777	-	451	(1,435)	41,793	1,942	41,793	(1,942)	41,793
Cost of sales (-)	-	(57,252)	-	(438)	438	(57,252)	(642)	(57,252)	642	(57,252)
Gross profit/(loss) from commercial sector	**-**	**(14,475)**	**-**	**13**	**(997)**	**(15,459)**	**1,300**	**(15,459)**	**(1,300)**	**(15,459)**
Revenue from financial activities	**36,065**	**4**	**34,629**	**-**	**(3,336)**	**67,362**	**70,698**	**-**	**(3,336)**	**67,362**
Fee, commission and other service income	18,339	-	19	-	(3)	18,355	18,358	-	(3)	18,355
Foreign exchange income	680	2	12,688	-	(1,044)	12,326	13,370	-	(1,044)	12,326
Interest income	16,277	2	21,793	-	(1,724)	36,348	38,072	-	(1,724)	36,348
Income from derivative financial instruments	-	-	-	-	-	-	-	-	-	-
Other financial sector operations income, net	769	-	129	-	(565)	333	898	-	(565)	333
Cost of financial activities (-)	**(2,319)**	**(455)**	**(21,071)**	**-**	**4,296**	**(19,549)**	**(23,845)**	**-**	**4,296**	**(19,549)**
Fee, commission and other service expense	(383)	-	(70)	-	3	(450)	(453)	-	3	(450)
Foreign exchange expense	(98)	-	(12,646)	-	3,398	(9,346)	(12,744)	-	3,398	(9,346)
Interest expense	(1,050)	-	(8,302)	-	895	(8,457)	(9,352)	-	895	(8,457)
Loss from derivative financial instruments	-	-	-	-	-	-	-	-	-	-
Other financial sector operations expense net	(788)	(455)	(53)	-	-	(1,296)	(1,296)	-	-	(1,296)
Gross profit/(loss) from financial sector operations	**33,746**	**(451)**	**13,558**	**-**	**960**	**47,813**	**46,853**	**-**	**960**	**47,813**
GROSS PROFIT/(LOSS)	**33,746**	**(14,926)**	**13,558**	**13**	**(37)**	**32,354**	**48,153**	**(15,459)**	**(340)**	**32,354**
Administrative expenses (-)	(8,373)	(4,672)	(8,095)	(10,555)	1,562	(30,133)	(30,413)	(1,789)	2,069	(30,133)
Other income from operating activities	243	1,865	1,538	17,484	(3,727)	17,403	20,961	169	(3,727)	17,403
Other expense from operating activities (-)	-	(129)	-	(1,790)	1,044	(875)	(1,919)	-	1,044	(875)
OPERATING PROFIT/(LOSS)	**25,616**	**(17,862)**	**7,001**	**5,152**	**(1,158)**	**18,749**	**36,782**	**(17,079)**	**(954)**	**18,749**
Income from investment activities	-	285	93	51,711	-	52,089	52,722	285	(918)	52,089
Expense from investment activities (-)	-	-	-	(1,442)	-	(1,442)	(1,442)	-	-	(1,442)
OPERATING PROFIT/(LOSS) BEFORE FINANCING EXPENSES	**25,616**	**(17,577)**	**7,094**	**55,421**	**(1,158)**	**69,396**	**88,062**	**(16,794)**	**(1,872)**	**69,396**
Financing income	-	-	-	-	-	-	-	-	-	-
Financing expenses (-)	(247)	(14,612)	(294)	(774)	1,158	(14,769)	(7,843)	(9,002)	2,076	(14,769)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**25,369**	**(32,189)**	**6,800**	**54,647**	**-**	**54,627**	**80,219**	**(25,796)**	**204**	**54,627**

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

3. SEGMENT INFORMATION (continued)

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued) (01.01.2020-30.06.2020)										
Country of Operation	Turkey	Turkey & International	Turkey	Turkey			Segment Information Combined by Countries			
	Banking	(1) (2) Marine	Factoring	Holding	Inter-segment Eliminations	Group	Turkey	(3) International	Inter-country Eliminations	Group
Tax income/(expense) from continuing operations	**(5,470)**	**(1,663)**	**(1,638)**	**(44,320)**	**-**	**(53,091)**	**(50,282)**	**(2,809)**	**-**	**(53,091)**
Current tax income/(expense)	(5,576)	(1,672)	(1,592)	(56,917)	-	(65,757)	(62,948)	(2,809)	-	(65,757)
Deferred tax income/(expense)	106	9	(46)	12,597	-	12,666	12,666	-	-	12,666
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**19,899**	**(33,852)**	**5,162**	**10,327**	**-**	**1,536**	**29,937**	**(28,605)**	**204**	**1,536**
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
NET PROFIT/(LOSS)	**19,899**	**(33,852)**	**5,162**	**10,327**	**-**	**1,536**	**29,937**	**(28,605)**	**204**	**1,536**
Net profit/(loss) (continuing and discontinuing operations) attributable to:										
Non-controlling interest	**-**	**(3,205)**	**539**	**-**	**-**	**(2,666)**	**(2,666)**	**-**	**-**	**(2,666)**
Equity holders of the company	**19,899**	**(30,647)**	**4,623**	**10,327**	**-**	**4,202**	**32,603**	**(28,605)**	**204**	**4,202**
OTHER COMPREHENSIVE INCOME										
Which will be not classified in profit or loss	**-**	**(6)**	**(22)**	**(1)**	**-**	**(29)**	**(29)**	**-**	**-**	**(29)**
Remeasurements of the net defined benefit liability (asset)	-	(6)	(22)	(1)	-	(29)	(29)	-	-	(29)
Which will be classified in profit or loss	**-**	**61,652**	**-**	**-**	**-**	**61,652**	**25,305**	**36,347**	**-**	**61,652**
Change in currency translation differences	-	61,652	-	-	-	61,652	25,305	36,347	-	61,652
OTHER COMPREHENSIVE INCOME (AFTER TAX)	**-**	**61,646**	**(22)**	**(1)**	**-**	**61,623**	**25,276**	**36,347**	**-**	**61,623**
TOTAL COMPREHENSIVE INCOME	**19,899**	**27,794**	**5,140**	**10,326**	**-**	**63,159**	**55,213**	**7,742**	**204**	**63,159**
Total comprehensive income attributable to:										
Non-controlling interest	-	2,369	537	-	-	2,906	2,906	-	-	2,906
Equity holders of the company	19,899	25,425	4,603	10,326	-	60,253	52,307	7,742	204	60,253
CONSOLIDATED BALANCE SHEET (30.06.2020)										
TOTAL ASSETS	**404,666**	**813,559**	**203,471**	**924,169**	**(200,296)**	**2,145,569**	**1,545,524**	**800,425**	**(200,380)**	**2,145,569**
TOTAL LIABILITIES	**127,106**	**392,560**	**131,045**	**113,046**	**(200,296)**	**563,461**	**373,104**	**390,737**	**(200,380)**	**563,461**
Other segment information (continued and discontinued operations)										
Advances given for capital expenditures (Fixed asset)	-	-	-	-	-	-	-	-	-	-
Capital expenditures (Fixed asset)	139	6,434	393	104	-	7,070	676	6,394	-	7,070
Depreciation expense	(93)	(22,658)	(84)	(390)	-	(23,225)	(636)	(22,589)	-	(23,225)
Amortization expense	(17)	(55)	(6)	(1)	-	(79)	(79)	-	-	(79)
Impairment (losses)/reversal income recognized in income statement	(658)	(455)	16	-	-	(1,097)	(1,097)	-	-	(1,097)

(1) The marine segment consists of the relevant amounts of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Shipping B.V..
(2) The main line of business of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. is shipping starting from 2013 and its income and expenses and its finance lease assets in the financial statements arising from the diminishing finance lease activities are disclosed in the marine segment under Gross Profit/(Loss) From Financial Sector Operations and Total Assets, respectively, without being allocated to a separate segment in the above table due to immateriality.
(3) The vessels of the subsidiaries established in Malta of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Shipping B.V. are registered in Malta International Ship Register and operating in international freight forwarding.

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

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position:

Continuing Operations	30 June 2021	31 December 2020
Cash on hand	9	2
Balances with the Central Bank	1,151	617
Cash and balances with the Central Bank	**1,160**	**619**
Deposits with other banks and financial institutions	404,241	107,510
Receivables from Money market transactions	2,092	1,005
Required reserve	52	8
Cash and cash equivalents in the statement of financial position	**407,545**	**109,142**

5. MARKETABLE SECURITIES

a) Financial assets at fair value through other comprehensive income

	30 June 2021	31 December 2020
Other		
Common stocks (*)	436,344	475,216
Total	**436,344**	**475,216**

(*)The Company classified Silopi Elektrik Üretim A.Ş. as financial assets at fair value through other comprehensive income, based on additional contract terms signed on June 8 2020.

30 June 2021 Shareholdings in financial assets at fair value through profit/loss	Carrying Value	Paid Capital	GSD Holding A.Ş's Shareholding Direct (%)	Indirect (%)	Total (%)
Silopi Elektrik Üretim A.Ş.	436.344	1.501.125	9,60	0,00	9,60
Total	**436.344**				

(*)The Company classified Silopi Elektrik Üretim A.Ş. as financial assets at fair value through other comprehensive income, based on additional contract terms signed on June 8 2020.

As of 30 June 2021, the fair value of the 9.60% shares of the Company in Silopi Elektrik Üretim A.Ş. has been updated using the current market conditions and appropriate valuation methods on the model previously used by the independent valuation company. Income and Market Approaches were reviewed as of June 30, 2021, and the net financial position and risk-free interest yield of Silopi Elektrik Üretim A.Ş. were updated with the exchange rate effect of the US Dollar, and free cash flows were discounted to today using two different Weighted Average Cost of Capital. According to the valuation results updated in this way, the fair value of 9.60% shares has been shown as TL 436,344 Thousand in the statement of financial position dated 30 June 2021. While calculating the fair value, discounted cash flows ("DC") and market approach (similar and prior transactions) are used and minority discount is also taken into account. In the DCF approach, the business plan until 31 December 2047 is used. The weighted average cost of capital ("AOSM") rate used in the model ranges from 12.1% to 19.2% during the business plan.As at 30 June 2020, Silopi Elektrik Üretim A.Ş. shares which were previously classified as "Financial assets fair value through profit/loss" in the statement of financial position, are reclassified under "Financial assets at fair value through other comprehensive income" because of the fact that they are assessed within the scope of the business model aiming to collect the contractual cash flows and to invest. The business model change took place in accordance with the additional conditions of supplemental agreement signed on 8 June 2020.

In accordance with IFRS 9, business model changes are expected to be very infrequent. Such changes are determined by the entity's senior management as a result of external or internal changes and must be significant to the entity's operations and demonstrable to external parties.

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

5. MARKETABLE SECURITIES (continued)

a) Financial assets at fair value through other comprehensive income (continued)

Accordingly, the Company has ensured with a contract that the right to sell back the remaining shares cannot be used before 30 September 2024 and the Company has chosen to account for the remaining shares under the business model aiming to hold the shares for investment purposes.

Also, dividend income obtained each year was rearranged from 1 January 2020 according to the conditions of the supplemental agreement and have recognized in the financial statements.

b) Financial assets at fair value through profit/loss

	30 June 2021	31 December 2020
Debt instruments		
Bonds	-	75,077
Investment fund [(2)]	4,196	-
Other		
Common stocks [(1)]	30,169	18,033
Total	**34,365**	**93,110**

[(1)] Contain Borsa İstanbul A.Ş.'s shares owned by GSD Bank (TL 1,517) and the minimum dividend amounts accrued in accordance with agreement and supplemental agreement of Silopi Elektrik Üretim A.Ş. (TL 28,652).
The Company classified Silopi Elektrik Üretim A.Ş. as financial assets at fair value through other comprehensive income, based on additional contract terms signed on 8 June 2020.

[(2)] It is the TL equivalent of 19,900 mutual funds owned by GSD Bank, valued at market prices.

30 June 2021			GSD Holding A.Ş's Shareholding		
Financial assets– fair value through profit/loss	**Carrying Value**	**Paid Capital**	**Direct (%)**	**Indirect (%)**	**Total (%)**
Borsa İstanbul A.Ş.	1,517	423,234	-	0,04	0,04
Total	**1,517**				

31 December 2020			GSD Holding A.Ş's Shareholding		
Financial assets– fair value through profit/loss	**Carrying Value**	**Paid Capital**	**Direct (%)**	**Indirect (%)**	**Total (%)**
Borsa İstanbul A.Ş.	1,517	423,234	-	0,04	0,04
Total	**1,517**				

c) Financial Assets at Amortised Cost

As at 30 June 2021 and 31 December 2020, the Group has no financial assets at amortised cost.

d) Marketable securities given as a guarantee

As at 30 June 2021 and 31 December 2020, there is no marketable securities given as a guarantee.

e) Unquoted equity instruments

The unconsolidated subsidiary which is classified in the "unquoted equity instruments" caption in the consolidated financial statements as at 30 June 2021 and 31 December 2020 is as follows:

	30 June 2021	31 December 2020
GSD Eğitim Vakfı	377	377
Total	**377**	**377**

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

6. EQUITY ACCOUNTED INVESTEES

As of 30 June 2021 and 31 December 2020, the information regarding the Group's participation is as follows:

	30 June 2021		31 December 2020	
	%	Amount	%	Amount
GSD Havacılık A.Ş. [1]	50	13,259	-	-
Total		**13,259**		**-**

[1] Profit related to the participation is shown in the investments accounted for using the equity method in the balance sheet.

As of 30 June 2021, the summary financial information of the Group's participation accounted for using the equity method is as follows:

30 June 2021	**GSD Havacılık A.Ş.**
Current Assets	3,855
Fixed Assets	23,797
Total Assets	**27,652**
Short Term Liabilities	1,014
Long Term Liabilities	121
Total Liabilities	1,135
Equity	26,517
Total Liabilities and Equity	**28,787**
Profit/(Loss)	1,517
Other Comprehensive Income	-
Total Comprehensive Income	**1,517**

7. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables

	30 June 2021	31 December 2020
Costumers (*)	348,215	293,628
Trade receivables from maritime activities	6,908	6,690
Doubtful export goods receivables	1,981	1,981
Less: Provision for doubtful trade receivables	(1,981)	(1,981)
Total, net	**355,123**	**300,318**

(*) 348.208 TL of the customers amount is the sales price of Silopi Elektrik Üretim A.Ş.'s 5.40% share. 43,526 TL of the respective amount is illustrated in short term trade receivables and 304,682 TL in long term trade receivables in the statement of financial position.

Movement in the provision for doubtful trade receivables:

	30 June 2021	31 December 2020
Provision at the beginning of year	**1,981**	**1,981**
Provision for doubtful receivables	-	-
Recoveries	-	-
Provision net of recoveries	**-**	**-**
Provision at the end of period	**1,981**	**1,981**

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

7. TRADE RECEIVABLES AND PAYABLES (continued)

b) Trade Payables

	30 June 2021	31 December 2020
Payables to marine sector suppliers	2,032	1,915
Payables to suppliers	438	134
Export trade payables	78	78
Total	**2,548**	**2,127**

8. RECEIVABLES AND PAYABLES FROM FINANCE ACTIVITIES

a) Loans and Advances to Customers

	30 June 2021					
	Amount			Effective interest rate (%)		
	Turkish lira	Foreign currency	Foreign currency indexed	Turkish lira	Foreign currency	Foreign currency indexed
Corporate loans	306,628	-	-	12,48-22,50	-	-
Total	**306,628**	**-**	**-**			
Non-performing loans	1	4,057	-	-	-	-
Less: Provision for impairment on loans and advances to customers [1]	(133)	(255)	-	-	-	-
Total, net	**306,496**	**3,802**	**-**	**-**	**-**	**-**

[1] Expected losses for non-cash loans in the current period are presented in other provisions.

	31 December 2020					
	Amount			Effective interest rate (%)		
	Turkish lira	Foreign currency	Foreign currency indexed	Turkish lira	Foreign currency	Foreign currency indexed
Corporate loans	297,377	-	-	9,80-33,00	-	-
Total	**297,377**	**-**	**-**			
Non-performing loans	738	3,531	-	-	-	-
Less: Provisions for impairment on loans and advances to customers [1]	(247)	(353)	-	-	-	-
Total, net	**297,868**	**3,178**	**-**			

[1] Expected losses for non-cash loans in the current period are presented in other provisions.

Movements in the expected losses

	Continuing Operations	
	30 June 2021	31 December 2020
Provision at the beginning of the year	**600**	**465**
Recoveries	(196)	(114)
Provision for impairment	171	426
Provision net of recoveries	**(25)**	**312**
Exchage difference	56	-
Classification of expected losses	(243)	(177)
Provision at the end of the period	**388**	**600**

As at 30 June 2021 and 31 December 2020, loans and advances to customers have fixed interest rates. The Group does not recognize interest accrual on non-performing loans. As at 30 June 2021, the amount of non-performing loans that include unrecognized interest accrual is TL 4,058 (31 December 2020: TL 4,269).

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

8. RECEIVABLES AND PAYABLES FROM FINANCE ACTIVITIES (continued)

b) Factoring Receivables and Payables

	30 June 2021					
	Amount			Effective interest rate (%)		
	Turkish Lira	Foreign Currency Indexed	Foreign Currency	Turkish Lira	Foreign Currency Indexed	Foreign Currency
Factoring receivables	307,498	-	-	18,70-38,00	-	-
Doubtful factoring receivables	5,748	-	-	-	-	-
Total factoring receivables	**313,246**	**-**	**-**			
Less: Provision for doubtful factoring receivables	(5,748)	-	-	-	-	-
Factoring receivables, net	**307,498**	**-**	**-**	**-**	**-**	**-**
Factoring payables	**327**	**-**	**117**	**-**	**-**	**-**

	31 December 2020					
	Amount			Effective interest rate (%)		
	Turkish Lira	Foreign Currency Indexed	Foreign Currency	Turkish Lira	Foreign Currency Indexed	Foreign Currency
Factoring receivables	314,522	-	-	12,00-34,50	-	-
Doubtful factoring receivables	5,830	-	-	-	-	-
Total factoring receivables	**320,352**	**-**	**-**	**-**	**-**	**-**
Less: Provision for doubtful factoring receivables	(5,827)	-	-	-	-	-
Factoring receivables, net	**314,525**	**-**	**-**	**-**	**-**	**-**
Factoring payables	**254**	**-**	**98**	**-**	**-**	**-**

Movement in the provision for doubtful factoring receivables:

	30 June 2021	31 December 2020
Provision at the beginning of year	**5,827**	**5,648**
Recoveries	(82)	(129)
Provision for doubtful factoring receivables	3	308
Provision net of recoveries	**(79)**	**179**
Factoring receivables written off during the period	-	-
Provision at the end of period	**5,748**	**5,827**

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

8. RECEIVABLES AND PAYABLES FROM FINANCE ACTIVITIES (continued)

c) Finance Lease Receivables, Net

	30 June 2021	31 December 2020
Invoiced lease receivables	24	21
Doubtful finance lease receivables	5,643	5,025
Finance lease receivables, gross	**5,667**	**5,046**
Less: Unearned interest income	(8)	(7)
Less: Provision for doubtful finance lease receivables	(5,643)	(5,025)
Finance lease receivables, net	**16**	**14**

The aging of net finance lease receivables is as follows:

	30 June 2021	31 December 2020
Not later than 1 year	16	14
Finance lease receivables, net	**16**	**14**

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

	30 June 2021	31 December 2020
Provision at the beginning of year	**5,025**	**4,113**
Provision for doubtful lease receivables	618	912
Recoveries	-	-
Provision net of recoveries	**618**	**912**
Finance lease receivables written off during the period	-	-
Provision at the end of period	**5,643**	**5,025**

d) Funds Borrowed

	30 June 2021				31 December 2020			
	Amount		Effective interest rate (%)		Amount		Effective interest rate (%)	
	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency
Short term	**139,998**	**3,743**			**153,590**	**5,179**		
Fixed interest	139,998	3,743	12.50-19.50	3.38-3.60	153,590	5,179	9.05-20.00	2.50-3.99
Floating interest	-	-	-	-	-	-	-	-
Medium/Long Term	-	**525,738**			-	**261,918**		
Fixed interest	-	203,498	-	3.04-3.34	-	68,466	-	3.07-4.75
Floating interest	-	322,240	-	3.41-3.90	-	193,452	-	3.31-3.47
Total	**139,998**	**529,481**			**153,590**	**267,097**		

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

	30 June 2021		31 Aralık 2020	
	Fixed rate	Floating rate	Fixed rate	Floating rate
Less than 1 year	34,619	39,815	54,520	34,338
Up to 2 year	168,879	39,573	13,946	33,669
Up to 3 year	-	41,414	-	125,445
Up to 4 year	-	39,695	-	-
More than 5 year	-	161,743	-	-
Total	**203,498**	**322,240**	**68,466**	**193,452**

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

8. RECEIVABLES AND PAYABLES FROM FINANCE ACTIVITIES (continued)

e) Other money market deposits

	30 June 2021				31 December 2020			
	Amount		Effective interest rate (%)		Amount		Effective interest rate (%)	
	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency
Liabilities from money market transactions	49,920	-	19.00-19.40	-	53,385	-	16.50-18.05	-
Total	**49,920**	**-**			**53,385**	**-**		

f) Borrowers' funds

	30 June 2021				31 December 2020			
	Amount		Effective Interest rate (%)		Amount		Effective Interest rate (%)	
	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency
Demand	1,045	534	-	-	814	22	-	-
Time	23,111	43,635	16,25-19,10	3,90-3,90	39,227	20,877	12,50-17,90	3,90-3,90
Total	**24,156**	**44,169**			**40,041**	**20,899**		

g) Liabilities arising from finance leases

Payable from short term financial lease activities

	30 June 2021	31 December 2020
Advances taken due to finance leases	60	52
Total	**60**	**52**

h) Lease liabilities

	30 June 2021		31 December 2020	
	Amount		Amount	
	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency
Short term	**951**	**-**	**31**	**-**
Fixed interest	951	-	31	-
Floating interest	-	-	-	-
Medium/Long Term	**4,262**	**-**	**6,105**	**31**
Fixed interest	4,262	-	6,105	31
Floating interest	-	-	-	-
Total	**5,213**	**-**	**6,136**	**31**

9. INVENTORIES

	30 June 2021	31 December 2020
Ship mineral oil	2,434	1,849
Ship fuel	-	1,402
Total	**2,434**	**3,251**

10. LEASE OPERATIONS

The Group has rented seven dry cargo ships owned by its subsidiaries with form of time charter lease. Technical management of the ships are performed by a company abroad contracted by Cano Maritime Limited, Dodo Maritime Limited, Hako Maritime Limited, Zeyno Maritime Limited, Neco Maritime Limited, Mila Maritime Limited and Lena Maritime Limited.

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

11. PROPERTY AND EQUIPMENT

Continuing Operations	Land and Buildings	Office and Vehicle Equipment	Leasehold Improvements	Ships	Dry Docking [(2)]	Motor Vehicles	Total
At 1 January 2021, net carrying amount	**2**	**2,225**	**467**	**728,294**	**22,593**	**607**	**754,188**
Additions	-	270	80	125,195	-	1,149	**126,694**
Disposals, net	-	-	-	(531)	-	(189)	**(720)**
Transfers	-	-	-	-	-	-	-
Foreign currency translation differences	-	-	-	135,717	4,200	-	**139,917**
Depreciation charge for the period	-	(252)	(114)	(23,465)	(4,313)	(79)	**(28,223)**
At 30 June 2021, net carrying amount	**2**	**2,243**	**433**	**965,210**	**22,480**	**1,488**	**991,856**
At 30 June 2021							
Cost	**2**	**7,022**	**2,302**	**454,213**	**28,125**	**2,209**	**493,873**
Foreign currency translation differences	-	-	-	837,737	15,060	-	**852,797**
Accumulated depreciation[(1)]	-	(4,779)	(1,869)	(326,740)	(20,705)	(721)	**(354,814)**
At 30 June 2021, net carrying amount	**2**	**2,243**	**433**	**965,210**	**22,480**	**1,488**	**991,856**

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

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

Continuing Operations	Land and Buildings	Office and Vehicle Equipment	Leasehold Improvements	Ships	Dry Docking[(2)]	Motor Vehicles	Total
At 1 January 2020, net carrying amount	**2**	**2,353**	**769**	**624,134**	**19,139**	**560**	**646,957**
Additions	-	487	62	855	5,539	349	**7,292**
Disposals, net	-	-	-	(4,908)	-	(23)	**(4,931)**
Transfers	-	-	-	-	-	-	-
Foreign currency translation differences	-	-	-	146,796	5,196	-	**151,992**
Depreciation charge for the period	-	(615)	(364)	(38,583)	(7,281)	(279)	**(47,122)**
At 31 December 2020, net of accumulated depreciation and impairment	**2**	**2,225**	**467**	**728,294**	**22,593**	**607**	**754,188**
At 31 December 2020							
Cost	**2**	**6,753**	**2,222**	**329,018**	**28,125**	**1,573**	**367,693**
Foreign currency translation differences	-	-	-	655,015	8,290	-	**663,305**
Accumulated depreciation[(1)]	-	(4,528)	(1,755)	(255,739)	(13,822)	(966)	**(276,810)**
At 31 December 2020, net carrying amount	**2**	**2,225**	**467**	**728,294**	**22,593**	**607**	**754,188**

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

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

11. PROPERTY AND EQUIPMENT (continued)

The Group has taken the higher value of use determined through fair value whose sales expenses are deducted as amount recoverable and discounted cash flow methods in the impairment calculation made taking each of the dry cargo ships, six maritime affiliates located in Malta, into account as cash generating units as basis as at 31 December 2020 in accordance with IAS 36 and has not made a provision for impairment as at 31 December 2020 since the value of use are higher than carrying amounts for each of the six ships. As of 30 June 2021, the effects of the impairment of the ship have been evaluated and the ship has continued to be carried with its recorded values.

Discounted cash flow calculations, used to determine amount recoverable, have been started based on final budgeting of technical management company made for leasing contracts which are considered to be concluded in near future in the framework of current market conditions through examining current ship leasing agreements and realisations in previous periods for income. Cash flows which can occur in depreciation period have been tried to be anticipated using expectations and assumptions generated by the Group management on direction, level and timing of market based on recent condition of freight market and impacts related to its development and it is deducted to reporting date with a discount rate appropriate to structure of company and market. Amounts, deducted from cost while determining amount subject to depreciation have been used as cash inflow in value of use calculation. Selection of periods in which fixed or variable based leasing are applied or locations of ships on the expiration of leasing period are main factors which can cause different realizations from those which have been anticipated under assumptions in calculations. On the other hand, the realization of assumptions are bounded to variable factors directing global dry cargo ship transportation market. The Company management believes that any changes reasonably occurring in any of aforementioned main assumptions shall not cause total carrying amounts of aforementioned cash generation units being higher than the total recoverable amounts.

The COVID-19 pandemic has had a number of impacts on our operations and on the global shipping industry where GSD Marin and GSD Shipping B.V. are located. With the introduction of vaccines developed to prevent the COVID-19 epidemic, the world trade volume developed positively in the first half of 2021, causing the prices of basic raw materials such as iron ore, coal and grain, which are the subject of bulk cargo transportation, to increase. Freight prices, which increased in parallel with the upward price movements in commodity prices, also reached historical peaks, and the first period of 2021 was completed profitably as a result of the activities of the seven-piece bulk cargo fleet managed by GSD Marin. Due to the additional rules and restrictions imposed on port and customs operations due to the COVID-19 epidemic, loading and unloading times are prolonged, and difficulties arise in personnel changes. This situation has led to the conclusion that the current capacity of container and bulk carriers is insufficient. In order to adapt to these changes due to COVID-19 in port and customs operations and to meet the increasing demand, there have been certain increases in ship orders. Due to the rising steel prices and high freight rates, the prices of new-build and second-hand ships have increased by up to 40%.

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

11.1. RIGHT OF USE ASSETS

The Group has capitalized right of use assets amounting of TL 4,366 during the period. The balances of right of use assets and depreciation expenses as of 30 June 2021 are as follows:

	Buildings	Motor Vehicles	Total
At 1 January 2021 net carrying amount	**2,818**	**2,390**	**5,208**
Additions	1,684	505	2,189
Disposals	(28)	-	(28)
Amortization charge for the period	(2,177)	(826)	(3,003)
At 30 June 2021 net carrying amount	**2,297**	**2,069**	**4,366**
At 1 January 2021			
Cost	**9,941**	**5,302**	**15,243**
Accumulated amortization	(7,644)	(3,233)	(10,877)
At 30 June 2021 net carrying amount	**2,297**	**2,069**	**4,366**

	Buildings	Motor Vehicles	Total
At 1 January 2020 net carrying amount	**5,836**	**2,692**	**8,528**
Additions	1,665	1,233	2,898
Disposals	(278)	(16)	(294)
Amortization charge for the period	(4,405)	(1,519)	(5,924)
At 31 December 2020 net carrying amount	**2,818**	**2,390**	**5,208**
At 1 January 2020			
Cost	**11,231**	**5,125**	**16,356**
Accumulated amortization	(8,413)	(2,735)	(11,148)
At 31 December 2020 net carrying amount	**2,818**	**2,390**	**5,208**

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

12. INTANGIBLE ASSETS

Continuing Operations	**Patents and Licenses**
At 1 January 2021 net carrying amount	**355**
Additions	292
Disposals,net	-
Amortization charge for the period	(61)
At 30 June 2021 net carrying amount	**586**
At 30 June 2021	
Cost	2,257
Accumulated amortization	(1,671)
At 30 June 2021 net carrying amount	**586**

Continuing Operations	**Patents and Licenses**
At 1 January 2020 net of accumulated amortization	**500**
Additions	15
Disposals, net	-
Amortization charge for the period	(160)
At 31 December 2020 net of accumulated amortization	**355**
At 31 December 2020	
Cost	2,102
Accumulated amortization	(1,747)
At 31 December 2020 net carrying amount	**355**

13. GOODWILL

None.

14. BORROWING COSTS

None.

15. TAXATION

Corporate income is subject to corporate tax at 20% in Turkey to be effective from January 1, 2006. However, according to the Article 91 of the Law numbered 7061 "Legislation on Amendment of Certain Tax Legislation and Other Certain Legislation" which was published on the Official Gazette numbered 30261 on 5 December 2017 and according to the provisional clause 10 added to the Corporate Tax Law numbered 5520; corporate tax rate for the taxation periods of 2018, 2019 and 2020 is amended to 22%, which would later be applied as 20% at the end of these periods. During these periods, Council of Ministers is entitled to decrease the corporate tax rate of 22% to 20%.

As of 30 June 2021, the corporate tax rate applied in Turkey is 25%. Necessary provisions have been made in the accompanying financial statements for the estimated tax liabilities of the Company regarding the current period operating results. The corporate tax rate to be accrued on taxable corporate income is over the remaining tax base after adding the non-deductible expenses from the tax base in the determination of the commercial income and deducting the tax-exempt gains, non-taxable incomes and other deductions (if any, previous year losses and investment allowances used if preferred). is calculated.

In Turkey, provisional tax is calculated and accrued on a quarterly basis. For the period ending on June 30, 2021, the provisional tax rate that should be calculated on corporate earnings is 25% during the taxation of corporate earnings as of provisional tax periods.

15. TAXATION (continued)

Amendments were made in some tax laws and other laws with the "Law No. 7316 on the Law on Collection Procedure of Public Receivables and Amending Certain Laws" published in the Official Gazette dated 22.04.2021 and numbered 31462. The law has changed the corporate tax rate. With the amendment made, the corporate tax rate will be 25% for the 2021 calendar year. However; for the first provisional tax period of 2021, the corporate tax rate will be 20%, and for the 2nd, 3rd and 4th provisional tax periods, 25% will be applied. According to Turkish tax legislation, financial losses shown on the tax return can be deducted from the corporate income for the period, provided that they do not exceed 5 years. However, financial losses cannot be deducted from previous years' profits.

There is no practice in Turkey to reach an agreement with the tax authority regarding the taxes to be paid. Corporate tax returns are submitted to the relevant tax office until the evening of the 30th day of the fourth month following the month in which the accounting period is closed. However, the tax inspection authorities can examine the accounting records within five years, and if an incorrect transaction is detected, the tax amounts to be paid may change. The corporate tax rate is applied to the net corporate income, which is found as a result of adding the expenses that are not accepted as a deduction in accordance with the tax laws to the commercial income of the corporations and deducting the exceptions and deductions in the tax laws.

Tax losses carried forward

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

As of 30 June 2021, the Group has no unused tax losses (31 December 2020: None).

Withholding tax on dividend distributions

The 15% withholding tax applies to dividends distributed by resident corporations to resident or non-resident real persons, those who are not liable to or exempt from income and corporation tax, non-resident corporations (excluding those that acquire dividend through a registered office or permanent representative in Turkey). Addition of profit to capital is not considered as dividend. Dividend distributions by resident corporations to resident corporations are not subject to a withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable.

Investment allowance

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

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

15. TAXATION (continued)

Investment allowance (continued)

February 2012, being effective starting from the tax returns to be filed for the fiscal period as at 31 December 2011.

Therefore, the consolidated financial statements of the Group as at 31 December 2011 are prepared based on 100% utilization of investment allowance by GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş., the only Group company benefiting from investment allowance.

No tax withholding is made from the investment expenditures without incentive certificate. The company is obliged to accrue 19.8% Income Tax Withholding due to the use of investment discounts for the period before dated 24 April 2003. The investment allowance used by the Company for the period prior to April 24, 2003 and the amount of Income Tax Withholding calculated on it were paid on May 26, 2021, with the April 2021 period concise statement, in which the Corporate Tax Return is submitted.

As at 30 June 2021 and 31 December 2020, the Group has the following unused investment allowances:

Unused investment allowances				
Group company	**30 June 2021**		**31 December 2020**	
	Subject to 19.8% withholding tax	**Subject to 0% withholding tax**	**Subject to 19.8% withholding tax**	**Subject to 0% withholding tax**
GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş.	172,561	-	175,343	-
Total	**172,561**	**-**	**175,343**	**-**

Transfer pricing

According to the article 13 titled "the disguised profit distribution by way of transfer pricing" of the Corporate Tax Law, if prices or considerations imposed for purchase or sale of goods or services between the company and its related parties are not consistent with the arm's length principle, the profit hence from is regarded as fully or partially distributed in a disguised way by way of transfer pricing.

The arm's length principle implies that transfer prices or considerations applied in purchase or sale of goods or services between related parties should be in accordance with prices which would have been agreed between unrelated parties. Corporations are required to determine the price or consideration applied in the transactions with related parties by choosing the method most appropriate to the nature of the transaction among the comparable uncontrolled price method, the cost plus method, the resale minus method or the other methods determined by them. The income fully or partially distributed in a disguised way through transfer pricing is considered as dividend distributed by the resident corporations and the amount transferred back to the head office by the non-resident corporations as of the last day of the fiscal period in which the conditions stipulated in this article are realized, with respect to the application of Corporate and Income Tax Laws. The former assessments of tax are adjusted accordingly for the tax-payers being a party to these transactions provided that the tax to be charged to the corporation making the disguised profit distribution is finalized and paid before this adjustment is made.

Consolidated Tax Calculation

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

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

15. TAXATION (continued)

Current Tax Liability

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

Continuing Operations	30 June 2021	31 December 2020
Corporate income taxes payable	35,130	106,938
Prepaid income taxes	(17,989)	(93,254)
Income taxes payable, net	**17,141**	**13,684**

Income tax benefit / (expense)

Consolidated income tax benefit /(expense)

Continuing Operations	30 June 2021 Consolidated statement of profit or loss	30 June 2021 Consolidated other comprehensive income	30 June 2021 Consolidated statement of comprehensive income	30 June 2020 Consolidated statement of profit or loss	30 June 2020 Consolidated other comprehensive income	30 June 2020 Consolidated statement of comprehensive income
Current income tax benefit/(expense)	(35,106)	(24)	(35,130)	(65,757)	1,672	(64,085)
Deferred income tax benefit /(expense)	(4,955)	2,466	(2,489)	12,666	6	12,672
Total	**(40,061)**	**2,442**	**(37,619)**	**(53,091)**	**1,678**	**(51,413)**

Continuing Operations Prepaid Income Tax	31 December 2020	Recognised in Period	(Taken Back) / Paid in Period	30 June 2021
Taken back from 2020's overpaid corporate tax	-	-	-	-
Taken back current year's overpaid corporate tax	-	15	-	15
Prepaid Income Tax	**-**	**15**	**-**	**15**

Continuing Operations Prepaid Income Tax	31 December 2019	Recognised in Period	(Taken Back) / Paid in Period	31 December 2020
Taken back from 2019's overpaid corporate tax	403	-	(403)	-
Taken back current year's overpaid corporate tax	-	-	-	-
Prepaid Income Tax	**403**	**-**	**(403)**	**-**

Corporate tax liability regarding foreign subsidiaries of the Group

The net profits of Cano Maritime Limited, established on 26 March 2013, Dodo Maritime Limited, established on 26 March 2013, Hako Maritime Limited, established on 1 April 2013, Zeyno Maritime Limited, established on 22 April 2013, Neco Maritime Limited, established on 5 May 2016 and Mila Maritime Limited, established on 21 November 2016 all domiciled in Malta, are subject to 0% corporate tax in Malta. GSD Shipping B.V, established on 19 October 2016 domiciled in the Netherlands, is subject to flexible rate corporate tax in the Netherlands. Current period and previous year profits of Cano Maritime Limited and Hako Maritime Limited obtained by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. through cash or bonus dividend distribution or capital increase bonus issues, are subject to corporate tax at the rate of 20% in the 1st provisional tax period of 2021 in Turkey, and 25% in the 2nd, 3rd and 4th provisional tax periods in Turkey. Current period profits of Lena Maritime Limited established on 18 March 2021, Nejat Maritime Limited and Nehir Maritime Limited established on 23 June 2021 are subject to 0% corporate tax in the Marshall Islands.

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

15. TAXATION (continued)

Deferred tax assets and liabilities

Deferred tax assets or liabilities of the consolidated assets and liabilities with the values shown in the financial statements of the temporary differences arising between the tax base and amounts considered in the calculation is determined by calculating the tax effects of the balance sheet method. Deferred tax assets or liabilities are reflected in the consolidated financial statements by taking into account the tax rates that are expected to be valid in the future periods when the temporary differences will disappear. Therefore, since the corporate tax rate of 22% came into effect as of 5 December 2017, the use of 22% for the temporary differences that are likely to be recovered in 2018, 2019 and 2020 in deferred tax calculations for accounting periods ending after this date, for the portion exceeding 3 years 20% will have to be used. However; It will be applied at the rate of 20% in the 1st temporary tax period of 2021, and 25% in the 2nd, 3rd and 4th temporary tax periods.The Group takes into account developments in the sector in which it operates, taxable profit estimates in future periods, the overall economic and political situation of the country of Turkey and its affiliates and/or the general international economic factors such as the political situation may affect the Group in the financial statements of the deferred tax assets.

As at 30 June 2021 and 31 December 2020, the Company's unconsolidated allocated over tax losses and unused in the financial statements and the separation of deferred tax assets, are given in the table above as titled 'Unused Tax losses and Expiry Years' under the group company separation issue. Calculated deferred tax assets and deferred tax liabilities are shown net in the financial statements of different companies subject to consolidation. However, consolidated net deferred tax assets and liabilities in the consolidated without offsetting assets and liabilities are shown separately in the financial statements arising from different companies that are subject to consolidation in the financial statements.

Deferred tax assets and liabilities as at 30 June 2021 and 31 December 2020 are as follows:

	30 June 2021	**31 December 2020**
Deferred tax liabilities		
Valuation differences of financial assets	13,165	10,194
Valuation and depreciation differences of fixed assets	48	59
Other	70	66
Gross deferred tax liabilities	**13,283**	**10,319**
Deferred tax assets		
Provisions arising from financial sector operations	2,057	1,750
Provision for employee termination benefits obligation	787	687
Provision for employee unused paid vacation obligation	493	287
Provision for employee bonus	237	374
Valuation and depreciation differences of fixed assets	47	19
Other	182	211
Gross deferred tax assets	**3,803**	**3,328**
Deferred tax assets/(liabilities), net	**(9,480)**	**(6,991)**

Movement of net deferred tax assets / (liabilities) is presented as follows:

	Continuing Operations	
	30 June 2021	**31 December 2020**
Deferred tax liabilities, net at 1 January	**(6,991)**	**(24,709)**
Deferred income tax recognized in consolidated income statement	(4,955)	17,629
Deferred income tax recognized in consolidated other comprehensive income	2,466	89
Deferred tax liabilities, net at the end of period	**(9,480)**	**(6,991)**

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

16. EMPLOYEE BENEFITS

Employee bonus provision is as follows:

Continuing Operations	30 June 2021	31 December 2020
Bonus provision [1]	1,880	2,922
Total	**1,880**	**2,922**

[1] TL 276 of the bonus provision belongs to GSD Holding A.Ş., TL 1,126 (TL 848 of the Board of Directors' bonus provision and TL 278 of other personnel bonus provision) of the bonus provision belongs to GSD Faktoring A.Ş., TL 120 of the bonus provision belongs to GSD Denizcilik Gayrimenkul Inşaat San. ve Tic. A.Ş. and TL 358 of the bonus provision belongs to GSD Yatırım Bankası A.Ş.. (31 December 2020: Respectively TL 474, TL 1,624 (TL 1,116 of the Board of Directors' bonus provision and TL 508 of the bonus provision) TL 213 and TL 611.)

The movement in employee bonus provision is as follows:

	30 June 2021	31 December 2020
At 1 January	**2,922**	**3,232**
Provision reversed during the period	(1,400)	(456)
Provision set during the period	358	146
Closing balance at the end of period	**1,880**	**2,922**

Long Term Employee Benefits and Vacation Liability

	30 June 2021	31 December 2020
Employee Benefits	3,693	3,439
Vacation Pay Liability	2,099	1,416
Total	**5,792**	**4,855**

According to IAS 19, long term employee benefits and vacation liability requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans, The reserve has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. Accordingly, the following actuarial assumptions were used in the calculation of the employee termination benefits obligation.

	30 June 2021	31 December 2020
Interest rate	13,20	13,20
Expected rates of salary/limit increases	9,00	9,00
Discount rate (%)	4,20	4,20

The basic assumption is that the ceiling liability for each year of service will increase in line with inflation. The discount rate applied represents the expected long-term interest rate. The severance pay liability of the Group is calculated over the severance pay ceiling of 7.638.96 full TL as of 1 January 2021 (1 July-31 December 2020: 7.117.17 full TL). The Group, except to the extent that another IFRS requires or permits their inclusion in the cost of an asset, has recognized service cost and net interest on the net defined benefit liability (asset) in the consolidated income statement and remeasurements of the net defined benefit liability (asset) in the consolidated comprehensive income statement, which are the components of defined benefit cost.

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

16. EMPLOYEE BENEFITS (continued)

The movement in provision for employee termination benefits obligation is as follows:

	30 June 2021	31 December 2020
At 1 January	**3,439**	**2,977**
Actuarial losses/(gains)	164	442
Interest cost on the provision	87	164
Provision reversed due to being paid	(110)	(723)
Provision reversed without being paid	(97)	(16)
Service cost	210	595
Closing balance at the end of period	**3,693**	**3,439**

The movement in provision for vacation pay liability is as follows:

	30 June 2021	31 December 2020
At 1 January	**1,416**	**1,381**
Provision reversed during the period	-	(37)
Provision set during the period	683	72
Closing balance at the end of period	**2,099**	**1,416**

17. OTHER RECEIVABLES AND PAYABLES

Other Receivables, Current

	30 June 2021	31 December 2020
Transitory receivables [1]	12,953	7,718
Deposits and guarantees given	431	400
Other	827	1,449
Total	**14,211**	**9,567**

[1] The credit balance counterpart of "Transitory receivables in Other Receivables" TL 12,953 is "Transfer orders in Other Payables".

Other Receivables, Non Current

	30 June 2021	31 December 2020
Deposits and guarantees given	4	4
Total	**4**	**4**

Guarantees given in other receivables

As at 30 June 2021 and 31 December 2020, the details of deposits and guarantees given in current assets and non-current assets are as follows:

	30 June 2021	31 December 2020
Other guarantees given	435	404
Total	**435**	**404**

Other Payables, Short Term Liability

	30 June 2021	31 December 2020
Transfer Orders	13,292	8,030
Taxes and funds payable other than on income	2,257	1,932
Other	1,494	779
Total	**17,043**	**10,741**

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

18. OTHER ASSETS AND LIABILITIES

Other Assets

	30 June 2021	31 December 2020
Personnel and work advances given	3	-
Deferred VAT	2,783	2,543
Total	**2,786**	**2,543**

Other Short Term Liabilities

	30 June 2021	31 December 2020
Other	24	24
Total	**24**	**24**

19. SHARE CAPITAL/ TREASURY SHARES

Share Capital

As at 30 June 2021 and 31 December 2020, the nominal values and number of shares of the issued capital of the Company are as follows in terms of share groups:

	30 June 2021			31 December 2020		
Share group	Total number of shares	Nominal value per share (full TL)	Total nominal value (full TL)	Total number of shares	Nominal value per share (full TL)	Total nominal value (full TL)
A (bearer shares)	70.704	0.01	707.04	70.704	0.01	707.04
B (bearer shares)	70.704	0.01	707.04	70.704	0.01	707.04
C (bearer shares)	70.704	0.01	707.04	70.704	0.01	707.04
D (bearer shares)	44.999.787.888	0.01	449.997.878.88	44.999.787.888	0.01	449.997.878.88
Total	**45.000.000.000**		**450.000.000.00**	**45.000.000.000**		**450.000.000.00**

Privileges

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

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

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

19. SHARE CAPITAL/ TREASURY SHARES (continued)

Authorised Share Capital

The Company, being in the authorised share capital system, can increase its share capital until it reaches the authorised share capital by means of a resolution of the board of directors without a resolution of general assembly being also required. The authorised share capital can be exceeded by means of a share capital increase through bonus issue one time only, but can not be exceeded by means of a share capital increase in cash. The authorised share capital of the Company is TL 1,000,000, being effective until 31 December 2021.

GSD Holding A.Ş Holding A.Ş.'s board of directors in 2021 to increase the working capital ceiling from 1,000,000,000 full TL to 1,500,000,000 full TL and the registered capital ceiling period in 2021-2025. to be extended for another 5 (five) years, to be valid for After making the necessary applications to the Ministry of Commerce and obtaining the necessary permissions, it was decided to submit the amendment to the shareholders for approval at the first General Assembly to be held.

After the approval of the Capital Markets Board dated March 4, 2021, the relevant amendment draft was approved by the Republic of Turkey. Approved by the Ministry of Commerce, General Directorate of Domestic Trade, on March 18, 2021. After the relevant amendment was approved at the General Assembly meeting on May 26, 2021, the General Assembly decision was registered by the Istanbul Trade Registry on June 2, 2021.

Treasury Shares

As at 30 June 2021 and 31 December 2020, the carrying and nominal values and ownership percentages of the treasury shares, which consist of the shares of the Company that are owned by GSD Holding A.Ş., are as follows:

	30 June 2021			31 December 2020		
The owner of the treasury shares	**Carrying Value**	**Nominal value**	**Ownership percentage**	**Carrying value**	**Nominal Value**	**Ownership percentage**
GSD Holding A.Ş.	39,706	45,000	%10,000	39,706	45,000	%10,000
Total	**39,706**	**45,000**	**%10,000**	**39,706**	**45,000**	**%10,000**

Profit Appropriation and Dividend Distribution

Public companies distribute accordingly, dividend distribution Article 19 of the Capital Market Law No. 6362 which entered into force on 30 December 2012 and in accordance with the dividend policy and relevant legislation provisions to be determined by their general assembly, according to the CMB's Communique No: II.19.1 Dividend Announcement, which entered into force as of 1 Febuary 2014.

The legal reserves consist of the first and the second legal reserves in accordance with the Turkish Commercial Code, 5% of statutory profits are appropriated as the first legal reserve until the total reserve reaches a maximum of 20% of the entity's share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the entity's share capital by the corporations with the exception of holding companies. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital with the exception of holding companies, but may be used to absorb losses in the event that the general reserve is exhausted.

According to the regulations of Capital Markets Board (CMB) of Turkey, there is no minimum required profit distribution for the exchange-traded companies and the net distributable profit of an exchange-traded company preparing consolidated financial statements is calculated by taking into regard its net profit arising from its financial statements in accordance with International Financial Reporting Standards as much as the total of the items that may be distributed as dividend arising from its statutory financial statements based on its books of account. Dividend to be distributed by an exchange-traded company from its net distributable profits arising from its financial statements in accordance with International Financial Reporting Standards is required to be met by the total of its net distributable profit after offsetting its prior year losses, if any, and other items that may be distributed as dividend arising from its statutory financial statements based on its books of account.

19. SHARE CAPITAL/ TREASURY SHARES (continued)

Profit Appropriation and Dividend Distribution (continued)

Companies distribute their profits by the resolution of their general assemblies in accordance with the relevant legislations and within the guidelines stated in their profit distribution policies determined by their general assemblies. Companies pay dividends as determined in the articles of association or divinded policies.

Dividend at public companies are distributed to all outstanding shares as at the distribution date equally in proportion to their ownership percentage in share capital regardless of the issue and acquisition dates of these shares. The rights arising from the dividend privilege are reserved. In the capital increases of public companies, bonus shares are distributed to outstanding shares as at the date of share capital increase.

GSD Holding, adopted a policy of not distributing cash or bonus dividend and distributing retained earnings by way of share capital increases through bonus issue by capitalization of internal resources within the regulatory framework of CMB and re-evaluating this policy every year, pursuant to its profit distribution policy.

Profit Distribution Policy

At the Ordinary General Assembly Meeting of GSD Holding A.Ş. held on May 26, 2021 for the year 2020; Allocating 15,981 TL of first-order legal reserves from the Company's 2020 net profit of 399,921 TL in the legal records, the remaining 80,310 TL to special funds account, the remaining 303,630 TL to extraordinary reserves, according to our TFRS financial statements, 48,507 TL (consolidated) after deducting the amount of first-order reserves from the net period profit, it has been decided to transfer a total of 80,310 TL to the restricted reserves account, which will cover 32,526 TL from the remaining net period profit and 47,784 TL from the previous year's profit.

At the Ordinary General Assembly Meeting of GSD Faktoring A.Ş. dated March 30, 2021 for 2020, from the net profit obtained after the corporate tax and the amount allocated during the year pursuant to clause c of article 21 of the articles of association, 553 TL as 1st order reserve fund, it has been decided to allocate 2,250 TL to the shareholders as the 1st dividend and not to be distributed and to be kept in the extraordinary reserves account, according to the BRSA's letter dated 28 January 2021 and numbered E-12509071-102.02.01-3090, and the remaining 7,149 TL to be transferred to the extraordinary reserves.

2020 Ordinary General Assembly Meeting of GSD Yatırım Bankası A.Ş. was held on 30 March 2021. At the Ordinary General Assembly Meeting, TL 60.281 of the gross profit from the activities in 2020, TL 13,368 as tax and other legal liabilities for the year 2020, TL 2,346 as legal reserves, TL 12,000 as the 24th article of the Bank's articles of association. In accordance with the provision of paragraph b, the remaining 32,567 TL as the first dividend has been decided to be set aside as extraordinary reserve in accordance with the provisions of paragraph C of article 24 of the Bank's articles of association.

GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş., dated May 26, 2021, at the Ordinary General Assembly of the year 2020, 334 TL of the company's legal records of 6,689 TL 2020 net profit was allocated to primary legal reserves and the remaining 6,355 TL to extraordinary reserves and the net loss of 2020 amounting 17,135 TL in the consolidated TFRS financial statements to transfer to the previous year's losses and to allocate 334 TL to the first legal reserve, which will be fully covered by the previous year's losses in the consolidated TFRS financial statements of the Company.

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

19. SHARE CAPITAL/ TREASURY SHARES (continued)

Profit Distribution of Group Companies

Retained earnings

	30 June 2021	31 December 2020
Extraordinary reserves (historical)	917,320	613,689
Reserves related to withdrawal of shares	6,302	6,302
Inflation adjustment on legal reserves	5,868	5,868
Transaction costs of equity transactions	(901)	(901)
IFRS adjustments	(262,749)	92,776
Retained earnings	**665,840**	**717,734**

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

	30 June 2021	31 December 2020
Net profit/loss for the period	73,593	399,921
Special funds	80,310	-
Extraordinary reserves (historical)	825,313	521,682
Extraordinary reserves (retained earnings arising from the first application of inflation accounting)	68,925	68,925
Inflation adjustment on extraordinary reserves	23,082	23,082
The items that may be distributed as dividend in statutory financial statements	**1,071,223**	**1,013,610**

(1) GSD Holding A.Ş. On 28 April 2021, Silopi Elektrik Üretim A.Ş. 75% of the total amount of 61,479.004.29 TL of the profit calculated in accordance with the tax legislation regarding the resale of its shares to Park Holding on 8 June 2020, is in accordance with the tax legislation after the sale of GSD Holding A.Ş.'s shares in GSD Marin. In order to benefit from the Corporate Tax exemption in accordance with clause 5/1-e of the Corporate Tax Law no. 80,309,996 after 15,980,552,09 TL general legal reserves are set aside from 399,921,038,34 full TL 2020 net profit in the legal records of the Company, to be kept until the end of the fifth year following, without transferring to another account other than adding to the capital, and without withdrawing from the business, TL 60 is deducted from the Special Funds Account in the Company's legal records, the remaining TL 303.630.489.66 as extraordinary reserve and TL 48,507 Thousand as first-order reserves from consolidated TFRS net profit. It has been decided to transfer a total of 80,310 Thousand TL to the Restricted Reserves from Equity in the consolidated TFRS financial position statement, with TL 32.526 Thousand from the net profit for the period and TL 47.784 Thousand from the previous year's profit after deduction.

Ordinary General Assembly of the Company has resolved on 26 May 2021 that the profit distribution policy of Company for the year 2021 and the subsequent years pursuant to the Corporate Governance Principles is the distribution of profits as bonus shares by means of share capital increases from internal resources through the capitalisation of profits, to the extent that the criteria stipulated by the regulatory framework of CMB in relation to share capital increases through bonus issue are met, in order to finance the growth by way of retention of earnings in equity through the accumulation of profits in extraordinary reserves by considering the growth plans, investing activities and existing financial structures of the associated companies and subsidiaries and this policy is to be re-evaluated every year by taking into account the regulations of the Capital Markets Board regarding profit distribution and the liquidity position of the Company.

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

19. SHARE CAPITAL/ TREASURY SHARES (continued)

Profit Distribution Policy (continued)

Listed companies pay dividend distribution in accordance with the CMB's Dividend Communiqué numbered II-19.1, which entered into force as of 1 February 2014. Companies distribute their profits within the framework of profit distribution policies to be determined by their general assemblies and in accordance with the provisions of the relevant legislation, by the decision of the general assembly. Within the scope of the said communique, a minimum distribution rate has not been determined. Companies pay dividends as specified in their articles of association or profit distribution policies.

The restatement effects of the inflation adjustment on the credit balance accounts which are transferred to another account or withdrawn from the company as dividend shall be subject to corporate tax without being included in the current net income for the year during which the transfer or withdrawal is made, but the restatement effects of the inflation adjustment on the equity accounts can be capitalised or transferred to the accumulated deficit account to set off the prior year losses arising from the first application of inflation accounting without being subject to corporate tax, according to the Temporary Clause 25 and the Repeated Clause 298 of the Tax Procedural Law of Turkey. The Tax Procedural Law Communiqué numbered 328 excepts the transfers or withdrawals made from the restatement effects of the inflation adjustment on the nonmonetary credit balance accounts which are profit reserves, special funds (such as fixed asset replacement fund), advances and deposits and progress payments arising from construction contracts, from corporate tax in this regard.

Changes in Non-Controlling Interests Without Loss of Control

According to "IFRS 10 –Consolidated Financial Statements", "Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners)." In order to meet the requirement of this standard, the difference between the change in the Group's share in its subsidiaries' equity items except reserves resulting from the accumulation of other comprehensive income items in equity arising from the change in the Group's ownership interest in that subsidiary that do not result in a loss of control and the fair value of the consideration paid or received to effect such a change are not recognised in the consolidated income statement and other comprehensive income, but directly classified in "Changes in non-controlling interests without loss of control" balance of the previous year-end, to "Retained Earnings".

The Movement in Changes in Non-Controlling Interests Without Loss of Control:

	30 June 2021	31 December 2020
Opening Balance	**(3,774)**	**-**
Opening fund balance transferred to retained earnings	3,774	-
Change in the shares of GSD Holding as a result of repurchased shares of GSD Marin	-	(3,774)
The Changes in Non-Controlling Interests Without Loss of Control	**-**	**(3,774)**

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

19. SHARE CAPITAL / TREASURY SHARES (continued)

Non-controlling interests

The movement in non-controlling interests classified into the subsidiaries that has non-controlling interests

	GSD Denizcilik Gayrimenkul İnş. San. ve Tic.A.Ş.	GSD Faktoring A.Ş	Consolidated
1 January 2021	**54,446**	**8,217**	**62,663**
Non-controlling interest in net profit/(loss) in the income statement	9,168	813	9,981
Non-controlling interest in profit/(loss) from foreign currency translation in other comprehensive income	10,936	-	10,936
Non-controlling interest in profit/(loss) from remeasurements of the net defined benefit liability (asset) in other comprehensive income	(7)	(7)	(14)
Non-controlling interest related to share repurchase profit/(loss)	-	-	-
Non-controlling interest in profit/(loss) from treasury share	-	-	-
Change in the non-controlling interest share	-	-	-
30 June 2021	**74,543**	**9,023**	**83,566**

The movement in non-controlling interests classified into the subsidiaries that has non-controlling interests

	GSD Denizcilik Gayrimenkul İnş. San.ve Tic.A.Ş.	GSD Faktoring A.Ş.	Consolidated
1 January 2020	**23,071**	**6,953**	**30,024**
Non-controlling interest in net profit/(loss) in the income statement	(5,484)	1,070	(4,414)
Non-controlling interest in profit/(loss) from foreign currency translation in other comprehensive income	11,901	-	11,901
Non-controlling interest in profit/(loss) from remeasurements of the net defined benefit liability (asset) in other comprehensive income	(6)	(10)	(16)
Non-controlling interest in profit/(loss) from treasury share	2,985	-	2,985
Change in the Non-controlling interest share	21,979	204	22,183
31 December 2020	**54,446**	**8,217**	**62,663**

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

30 June 2021	GSD Denizcilik Gayrimenkul İnş. San.ve Tic.A.Ş.	GSD Faktoring A.Ş.
Current Assets	121,703	311,941
Non- Current Assets	316,193	2,319
Total Asset	**437,896**	**314,260**
Short term liabilities	52,184	228,048
Long term liabilities	149,660	1,403
Total liabilities	201,844	229,451
Equity	236,052	84,809
Total Liability	**437,896**	**314,260**
30 June 2021		
Net period profit/(loss)	28,847	7,637
Other comprehensive income	34,154	(67)
Total comprehensive income	**63,001**	**7,570**

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

31 December 2020	GSD Denizcilik Gayrimenkul İnş. San.ve Tic.A.Ş.	GSD Faktoring A.Ş.
Current Assets	18,547	316,414
Non- Current Assets	275,639	2,688
Total Asset	**294,186**	**319,102**
Short term liabilities	111,097	240,337
Long term liabilities	10,038	1,526
Total liabilities	121,135	241,863
Equity	173,051	77,239
Total Liability	**294,186**	**319,102**
31 December 2020		
Net period profit/(loss)	(17,135)	10,043
Other comprehensive income	37,172	(90)
Total comprehensive income	**20,037**	**9,953**

[1] The details of the above summarised financial data are obtained from consolidated IFRS financial statements except the eliminations of intragroup balances.

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

20. ASSETS HELD FOR SALE

Assets held for sale the purpose of sale are consist of the real estate properties obtained by the Group in exchange for "Receivables from Financial Activities". In accordance with the related regulations banks have to dispose of the properties that they are obliged to obtain arisen from their receivables within three years starting from the day of obtaining it. From the real estate properties obtained by the banks due to their receivables, on the condition that they would not exceed the limits specified in Banking Law and the value and the proportion they needed for banking and with the permission of Banking Regulation and Supervision Agency, the ones allocated for their own usage are not evaluated within the scope of aforementioned regulation. Banks may allocate the commodities they acquire due to their receivables for their own use, provided that they have the number and quality they need in order to carry out their banking activities.

	30 June 2021	31 December 2020
Assets held for sale	312	312
Total	**312**	**312**

Assets held for sale

	30 June 2021	31 December 2020
Cost	312	312
Total	**312**	**312**

Movement table of assets held for sale:

	30 June 2021	31 December 2020
Opening balance at 1 January	**312**	**312**
Additions	-	-
Disposals [1]	-	-
Closing balance at the end of period	**312**	**312**

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

As at 30 June 2021, the Group has no discontinued operations.

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

21. RELATED PARTY DISCLOSURES

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

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

	30 June 2021				**31 December 2020**			
	GSD Group	**Delta Group**	**Share-holders**	**Key Executives**	**GSD Group**	**Delta Group**	**Share-holders**	**Key Executives**
	Continuing Operations				**Continuing Operations**			
Cash loans	-			-	-	-		-
Deposits-Borrowers' funds	383		63,817	-	-		57,007	-

	30 June 2021				**30 June 2020**			
	GSD Group	**Delta Group**	**Share-Holders**	**Key Executives**	**GSD Group**	**Delta Group**	**Share-holders**	**Key Executives**
	Continuing Operations				**Continuing Operations**			
Interest income	-	-	-	-	-	-	-	-
Interest expense	-	-	2,682	-	-	-	569	-
Expense reflection income	6	-	-	-	-	-	-	-
Rent Income	3	-	-	-	-	-	-	-
Rent expense	-	-	2,609	-	-	-	2,776	-
Commission income	-	-	1	-	-	-	3	-

In the above table, the balances related with the shareholders belong to the Chairman of the Board of Directors of the Company, Mehmet Turgut Yılmaz, and Delta Group is under the control of Mehmet Turgut Yılmaz. The balances related with GSD Group belong to unconsolidated group companies and its foundation.

In the above table containing related party balances, the rent expense under the shareholders column comprise the amounts paid to Mehmet Turgut Yılmaz for office building rent by group companies; donation expense comprise the donations made to GSD Education Foundation by group companies; the balances of related party transactions under the headings of cash loans, non-cash loans, deposits, borrowers' funds, derivative financial instruments, interest income, interest expense and commission income arise from the banking transactions made between the Group banks and the related parties on market terms. The comparable price method is used in the determination of rent expense arising from related party transactions.

The executive and non-executive members of the Board of Directors and the management received remuneration and fees totalling TL 7,650 for continuing operations for the six-month period ended 30 June 2021 and none for discontinued operations (30 June 2020: TL 10,928 for continuing operations, none for discontinued operations).

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

22. PROVISIONS AND COMMITMENTS

Provision for litigation

There is no provision for litigations that is required to be set or disclosed for continuing operations as at 30 June 2021 and 31 December 2020.

Short term provisions

	30 June 2021	31 December 2020
General provision for non-cash loans [1]	4,297	4,055
Total	**4,297**	**4,055**

[1] General provision for non-cash loans are presented in the short-term provisions in liabilities.

Commitments

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

	30 June 2021	31 December 2020
Letters of guarantee	3,829,594	3,637,392
Bills of acceptances	933	1,621
Total non-cash loans	**3,830,527**	**3,639,013**
Other commitments	-	-
Total non-cash loans and off-balance sheet commitments	**3,830,527**	**3,639,013**

23. FINANCIAL RISK MANAGEMENT

The Company’s risk management program focuses on minimising the negative effects of the ambiguities in financial markets on the Company’s financial statements. The Company is mostly exposed to ,market risk (currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk in relation with financial investments, Group uses derivative instruments in order to protect financial risk.

Currency Risk Sensitivity Analysis

Curreny Risk Sensitivity Analysis				
	30 June 21			
	Profit/Loss [1]		**Equity [1]**	
	Appreciation of foreign currency	**Depreciation of foreign currency**	**Appreciation of foreign currency**	**Depreciation of foreign currency**
In case of 10% change in the USD rate:				
1- USD net asset/liability	47.654	(47.654)	12.278	(12.278)
2- The portion hedged against the USD risk (-)	-	-	-	-
3- USD Net Effect (1+2)	**47.654**	**(47.654)**	**12.278**	**(12.278)**
In case of 10% change in the EURO rate:				
4- EURO net asset/liability	18	(18)	-	-
5- The portion hedged against the EURO risk (-)	-	-	-	-
6- EURO Net Effect (4+5)	**18**	**(18)**	**-**	**-**
In case other exchange rates change by 10% on average:				
7- Other foreign currency net asset/liability	736	(736)	-	-
8- The portion protected from other currency exchange rate risk (-)	-	-	-	-
9- Net Effect on Other Currency Assets (7+8)	**736**	**(736)**	**-**	**-**
TOTAL (3+6+9)	**48.408**	**(48.408)**	**12.278**	**(12.278)**

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

23. FINANCIAL RISK MANAGEMENT (continued)

Currency Risk Sensitivity Analysis (continued)

Curreny Risk Sensitivity Analysis				
	31 December 20			
	Profit/Loss (1)		Equity (1)	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% change in the USD rate:				
1- USD net asset/liability	36,776	(36,776)	15,159	(15,159)
2- The portion hedged against the USD risk (-)	-	-	-	-
3- USD Net Effect (1+2)	**36,776**	**(36,776)**	**15,159**	**(15,159)**
In case of 10% change in the EURO rate:				
4- EURO net asset/liability	(244)	244	-	-
5- The portion hedged against the EURO risk (-)	-	-	-	-
6- EURO Net Effect (4+5)	**(244)**	**244**	**-**	**-**
In case other exchange rates change by 10% on average:				
7- Other foreign currency net asset/liability	690	(690)	-	-
8- The portion protected from other currency exchange rate risk (-)	-	-	-	-
9- Net Effect on Other Currency Assets (7+8)	**690**	**(690)**		
TOTAL (3+6+9)	**37,222**	**(37,222)**	**15,159**	**(15,159)**

(1) Among the amounts in the foreign exchange sensitivity analysis, those shown under the heading "Profit/Loss" are given for the net profit for the period of the parent shares and those shown under the heading "Equity" are given for the other comprehensive income of the parent shares.

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

23. FINANCIAL RISK MANAGEMENT (continued)

Foreign currency position table	**30 June 2021**				**31 December 2020**			
(Unless indicated,orginal currency)	**TL**	**Thousand USD**	**Thousand Euro**	**Other (TL)**	**TL**	**Thousand USD**	**Thousand Euro**	**Other (TL)**
1. Trade Receivables	50,434	5,794	-	-	43,393	5,911	-	-
2a. Monetary Financial Assets (Cash and Bank)	407,104	45,525	90	9,870	182,057	23,541	40	8,898
2b. Non-Monetary Financial Assets	28,652	3,291	-	-	16,516	2,250	-	-
3. Other	10,587	1,192	19	-	5,263	713	4	-
4. Current Asset (1+2+3)	**496,777**	**55,802**	**109**	**9,870**	**247,229**	**32,415**	**44**	**8,898**
5. Trade Receivables	304,682	35,000	-	-	256,918	35,000	-	-
6a. Monetary Financial Assets (Cash and Bank	3,802	437	-	-	3,178	433	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-	-	-	-
7. Other	987,690	113,460	-	-	750,887	102,294	-	-
8. Non Current Assets (5+6+7)	**1,296,174**	**148,897**	**-**	**-**	**1,010,983**	**137,727**	**-**	**-**
9. Total Assets (4+8)	**1,792,951**	**204,699**	**109**	**9,870**	**1,258,212**	**170,142**	**44**	**8,898**
10. Trade Payables	2,163	233	13	-	1,944	261	3	-
11. Financial Liabilities	122,520	14,058	7	72	115,113	15,450	182	59
12a. Monetary Other Financial Liabilities	677	-	65	-	1,656	-	184	-
12b. Non Monetary Other Financial Liabilities	13,513	1,551	1	-	4,140	562	2	-
13. Short Term Liability (10+11+12)	**138,873**	**15,842**	**86**	**72**	**122,853**	**16,273**	**371**	**59**
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	451,304	51,843	-	-	173,060	23,576	-	-
16 a. Monetary Other Financial Liabilities	-	-	-	-	-	-	-	-
16 b. Non Monetary Other Financial Liabilities	-	-	-	-	-	-	-	-
17. Long Term Liability (14+15+16)	**451,304**	**51,843**	**-**	**-**	**173,060**	**23,576**	**-**	**-**
18. Total Liability (13+17)	**590,177**	**67,685**	**86**	**72**	**295,913**	**39,849**	**371**	**59**
19. Net Asset/(Liability) Position of Off Balance Sheet Foreign Currency Derivative Instruments(19a-19b)	261,156	30,000	-	-	220,215	30,000	-	-
19a. Amount of Liability Characteristic Off Balance Sheet Derivative Instruments	261,156	30,000	-	-	220,215	30,000	-	-
19b. Amount of Liability Characteristic Off Balance Sheet Derivative Instruments	-	-	-	-	-	-	-	-
20. Net financial position (9-18+19)	**1,463,930**	**167,014**	**23**	**9,798**	**1,182,514**	**160,293**	**(327)**	**8,839**
21. Position of Net Monetary Units of Foreign Currency Assets / (Liabilities) (=1+2a+5+6a-10-11-12a-14-15-16a)	**189,358**	**20,622**	**5**	**9,798**	**193,773**	**25,598**	**(329)**	**8,839**
22.Total Fair value of Financial Instruments used for Currency Hedge	-	-	-	-	-	-	-	-
23. Amount of hedged Foreign Currency Assets	-	-	-	-	-	-	-	-
24. Amount of hedged Foreign Currency Liabilities	-	-	-	-	-	-	-	-
25. Export	-	-	-	-	-	-	-	-
26. Import	-	-	-	-	-	-	-	-

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

23. FINANCIAL RISK MANAGEMENT (continued)

According to a regulation of the Capital Markets Board of Turkey dated 9 September 2009 and numbered 28/780, the exchange-traded companies except financial institutions and investment trusts can give a collateral, pledge, mortgage and guarantee only in favor of their own judicial entities and their consolidated subsidiaries and other third parties can be a beneficiary of a collateral, pledge, mortgage and guarantee given by exchange-traded companies only if it is provided with the sole aim of conducting ordinary business activities.

As at 30 June 2021 and 31 December 2020, group collateral and pledge position are as follows:

Continuing Operations **Collaterals, pledges, mortgages and guarantees given by the Group**			**30 June 2021**		
	TL	**USD**	**EURO**	**Others**	**Total**
A. Collaterals, pledges, mortgages and guarantees given by the Group Companies in favor of their own judicial entities	**568**	**355,938**	**-**	**-**	**356,506**
1.Letters of guarantee given by the Group Company	-	-	-	-	-
2. Letters of guarantee given by the Non-Group Banks as collateral against cash loans	133	-	-	-	133
3. Other letters of guarantee given by the Non-Group Banks	-	-	-	-	-
4.Marketable Securities	-	-	-	-	-
5. Cash and bank deposit pledges	435	-	-	-	435
6.Mortgage given as collateral against cash loans (3)(4)	-	185,701	-	-	185,701
7.Subsidiary share pledge given as collateral against cash loans (3)(4)	-	170,237	-	-	170,237
8.Other	-	-	-	-	-
B. Collaterals, pledges, mortgages and guarantees given by the Group in favor of consolidated Group Companies	**166,742**	**715,181**	**-**	**-**	**881,923**
1. Guarantees given as collateral against cash loans (1)	165,216	715,181	-	-	880,397
2. Guarantees given as collateral against derivative contracts	-	-	-	-	-
3. Letters of guarantee given as collateral against cash loans	-	-	-	-	-
4. Other non-cash loans	1,526	-	-	-	1,526
5. Mortgage given as collateral against cash loans (3)(4)	-	-	-	-	-
6. Subsidiary share pledge given as collateral against cash loans	-	-	-	-	-
7. Bank deposit given as collateral against cash loans	-	-	-	-	-
8. Other	-	-	-	-	-
C. Collaterals, pledges, mortgages and guarantees given by the Group while conducting ordinary business activities in favor of non-Group entities	**3,359,623**	**338,568**	**132,336**	**-**	**3,830,527**
1. Non-cash loans given by the Group Banks	3,359,623	338,568	132,336	-	3,830,527
2. Other	-	-	-	-	-
D. Collaterals, pledges, mortgages and guarantees given by the Group in favor of the associates and joint ventures with direct shareholdings pursuant to the Article 12/2. of the Communique on the Corporate Governance	-	-	-	-	-
E. Other collaterals, pledges, mortgages and guarantees given by the Group	-	-	-	-	-
1. Collaterals, pledges, mortgages and guarantees given by the Group in favor of the main shareholder (2)	-	-	-	-	-
2. Collaterals, pledges, mortgages and guarantees given by the Group in favor of Group Companies other than those covered under the classes B and C	-	-	-	-	-
3. Collaterals, pledges, mortgages and guarantees given by the Group in favor of non-Group entities other than those covered under the class C	-	-	-	-	-
Total	**3,526,933**	**1,409,687**	**132,336**	**-**	**5,068,956**

As at 30 June 2021, the rate of the other GPMs the Company have given to the Company's shareholders' equity is 27,56%.

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

23. FINANCIAL RISK MANAGEMENT (continued)

Continuing Operations **Collaterals, pledges, mortgages and guarantees given by the Group**	**31 December 2020**				
	TL	**USD**	**EURO**	**Others**	**Total**
A. Collaterals, pledges, mortgages and guarantees given by the Group Companies in favor of their own judicial entities	**537**	**344,374**	**-**	**-**	**344,911**
1.Letters of guarantee given by the Group Company	-	-	-	-	-
2. Letters of guarantee given by the Non-Group Banks as collateral against cash loans	133	-	-	-	133
3. Other letters of guarantee given by the Non-Group Banks	-	-	-	-	-
4.Marketable Securities	-	-	-	-	-
5.Cash and bank deposit pledges	404	-	-	-	404
6.Mortgage given as collateral against cash loans (3)(4)	-	193,443	-	-	193,443
7.Subsidiary share pledge given as collateral against cash loans (3)(4)	-	150,931	-	-	150,931
8.Other	-	-	-	-	-
B. Collaterals, pledges, mortgages and guarantees given by the Group in favor of consolidated Group Companies	**178,919**	**458,969**	**1,553**	**-**	**639,441**
1. Guarantees given as collateral against cash loans (1)	178,175	458,969	1,553	-	638,697
2. Guarantees given as collateral against derivative contracts	-	-	-	-	-
3. Letters of guarantee given as collateral against cash loans	-	-	-	-	-
4. Other non-cash loans	744	-	-	-	744
5. Mortgage given as collateral against cash loans (3)(4)	-	-	-	-	-
6. Subsidiary share pledge given as collateral against cash loans	-	-	-	-	-
7. Bank deposit given as collateral against cash loans	-	-	-	-	-
8. Other	-	-	-	-	-
C. Collaterals, pledges, mortgages and guarantees given by the Group while conducting ordinary business activities in favor of non-Group entities	**3,147,933**	**344,931**	**146,149**	**-**	**3,639,013**
1. Non-cash loans given by the Group Bank	3,147,933	344,931	146,149	-	3,639,013
2. Other	-	-	-	-	-
D. Collaterals, pledges, mortgages and guarantees given by the Group in favor of the associates and joint ventures with direct shareholdings pursuant to the Article 12/2. of the Communique on the Corporate Governance	**-**	**-**	**-**	**-**	**-**
E. Other collaterals, pledges, mortgages and guarantees given by the Group	**-**	**-**	**-**	**-**	**-**
1. Collaterals, pledges, mortgages and guarantees given by the Group in favor of the main shareholder (2)	-	-	-	-	-
2. Collaterals, pledges, mortgages and guarantees given by the Group in favor of Group Companies other than those covered under the classes B and C	-	-	-	-	-
3. Collaterals, pledges, mortgages and guarantees given by the Group in favor of non-Group entities other than those covered under the class C	-	-	-	-	-
Total	**3,327,389**	**1,148,274**	**147,702**	**-**	**4,623,365**

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

(2) Collaterals, pledges, mortgages and guarantees given by the Group in favor of Mehmet Turgut Yılmaz, the chairman of the Board of Directors of the Company, and Delta Group Companies which are under his control.

(3) The dry bulk cargo ships named M/V Cano and M/V Hako owned by Cano Maritime Limited, Hako Maritime Limited, respectively, and the 100% shares of owned by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. are mortgaged and pledged, respectively, against the bank loans obtained to finance the ship purchase in favour of the creditor banks.

(4) The dry bulk cargo ships named M/V Dodo, M/V Olivia, M/V Zeyno and M/V Mila owned by Dodo Maritime Limited, Neco Maritime Limited, Zeyno Maritime Limited and Mila Maritime Limited, respectively, and the 100% shares of owned by GSD Shipping B.V. are mortgaged and pledged, respectively, against the bank loans obtained to finance the ship purchase in favour of the creditor banks.

As at 31 December 2020, the rate of the other GPMs the Company have given to the Company's shareholders' equity is 18.32%.

The line of "E. Other collaterals, pledges, mortgages and guarantees given by the Group" in the table asserted above refers to the ratio of other given GPMs by the Group to the Group's equity is 0% as of 30 June 2021 (31 December 2020: 0%).

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

24. FAIR VALUES

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

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

	30 June 2021		31 December 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans and advances to customers	310,298	310,298	301,046	301,046
Finance lease receivables	16	16	14	14
Factoring receivables	307,498	307,498	314,525	314,525
Total	**617,812**	**617,812**	**615,585**	**615,585**
Financial liabilities				
Funds borrowed	669,479	669,479	420,687	420,676
Lease liabilities	5,213	5,213	6,167	6,167
Factoring payables	444	444	352	352
Total	**675,136**	**675,136**	**427,206**	**427,206**

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

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

Fair Value Hierarchy

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

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

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

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

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

24. FAIR VALUES (continued)

Fair Value Hierarchy (continued)

31 June 2021	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit/loss	4,196	28,652	1,517	**34,365**
Financial assets at fair value through other comprehensive income statement	-	-	436,344	**436,344**
Derivative assets held for trading	-	-	-	-
Total	**4,196**	**28,652**	**437,861**	**470,709**

31 December 2020	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit/loss	75,077	16,516	1,517	**93,110**
Financial assets at fair value through other comprehensive income statement	-	-	475,216	**475,216**
Derivative assets held for trading	-	-	-	-
Total	**75,077**	**16,516**	**476,733**	**568,326**

25. EARNINGS PER SHARE

Continuing Operations	30 June 2021	30 June 2020
Net profit/(loss)	178,139	4,202
The weighted average number of shares with a nominal value of full TL 1	405,000,000	360,000,000
Basic earnings per share with a nominal value of full TL 1	**0,440**	**0,012**
Diluted earnings per share with a nominal value of full TL 1	**0,440**	**0,012**

(*) In line with the CMB's press releases regarding the repurchased shares dated July 21, 2016 and July 25, 2016, the Group D shares with a nominal value of 90,000 TL were repurchased for a total consideration of 56,418 TL, pursuant to the company's board of directors resolution dated 26 July 2016. Between 10 September 2020 and 6 October 2020, the company has sold a total of 45.000.000 (full) repurchased shares at a price range of 2.10-2.27. Accordingly, for the period of 30 June 2021, the weighted average number of shares of the Company, excluding repurchased shares, has been calculated as 405,000,000. As of June 30, 2021, the company calculated earnings per share by dividing the profit of the parent company by the weighted average number of shares.

26. CASH FLOWS

Cash and cash equivalents in the statement of cash flows:

Continuing Operations	30 June 2021	30 June 2020
Cash on hand and balances with the Central Bank	1,160	1,224
Banks and financial institutions	404,241	56,242
Receivables from money market	2,092	-
Reserve requirements	52	67
Cash and cash equivalents in the statement of financial position	**407,545**	**57,533**
Less: Required reserve	(52)	(67)
Less: Accured interest	(50)	(71)
Less: Blocked amount	-	(1,711)
Cash and cash equivalents in the statement of cash flows	**407,443**	**55,684**

27. EVENTS AFTER THE REPORTING PERIOD

New branch opening of GSD Yatırım Bankası A.Ş.

Izmir branch of our subsidiary GSD Yatırım Bankası A.Ş. commenced operational on 7 July 2021. As of June 30, 2021, GSD Yatırım Bankası A.Ş. provides services with a staff of 34 people in the Headquarters, 3 people in the Ankara Branch unit and 1 person in the Izmir branch unit.

Ship Purchase Agreements Signed by Nejat Maritime Limited and Nehir Maritime Limited

A contract about purchasing of 2 dry cargo ships with 38,000 DWT carrying capacity, to be built at the Japanese Imabari shipyard and delivered in 2023 was signed on 16 July 2021 among our subsidiaries GSD Shipping B.V. and GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş.'s 100% subsidiaries Nejat Maritime Limited and Nehir Maritime Limited and Laurel World Maritime SA, which is subsidiary of Itochu Corporation which is guarantor of Laurel World Maritime SA and resident in Japan.

GSD Denizcilik Gayrimenkul İnş. San. ve Tic. A.Ş. Approval of the Prospectus Regarding the Paid Capital Increase

GSD Denizcilik Gayrimenkul İnş. San. ve Tic. A.Ş.'s prepared prospectus regarding the capital increase within the registered capital ceiling of 250,000,000 TL, the issued capital of 52,180,855.64 TL to be increased by 97,819,144.36 TL to 150,000,000 TL, fully covered in cash, approved by the Capital Markets Board in August 2021. The right to purchase new shares in capital increase to be realized by our subsidiary will be exercised between August 12, 2021 and August 26, 2021 at the exercise price of 1 TL for each share with a nominal value of 1 TL (100 shares).

28. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR ISSUES MUST BE EXPLAINED TO MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE

Shares of Silopi Elektrik Üretim A.Ş.

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

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

28. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR ISSUES MUST BE EXPLAINED TO MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE (continued)

Shares of Silopi Elektrik Üretim A.Ş. (continued)

After the additional addendum made on 8 June 2020, TL 12,136 income accrual calculated in the ratio of the number of days until the end of the period as of 30 June 2020 over the annual minimum profit share guarantee, is recognized under the item "Other Income from Investment Activities" as valuation income in the statement of profit or loss.

As at 30 June 2020, Silopi Elektrik Üretim A.Ş. shares which were previously classified as "Financial assets fair value through profit/loss" in the statement of financial position, are reclassified under "Financial assets at fair value through other comprehensive income" because of the fact that they are assessed within the scope of the business model aiming to collect the contractual cash flows and to invest. The business model change took place in accordance with the additional conditions of supplemental agreement signed on 8 June 2020.

In accordance with IFRS 9, business model changes are expected to be very infrequent. Such changes are determined by the entity's senior management as a result of external or internal changes and must be significant to the entity's operations and demonstrable to external parties.

Accordingly, the Company has ensured with a contract that the right to sell back the remaining shares cannot be used before 30 September 2024 and the Company has chosen to account for the remaining shares under the business model aiming to hold the shares for investment purposes.

At the Ordinary General Assembly Meeting of Silopi Elektrik Üretim A.Ş., dated 26 June 2020, it was decided to increase the paidin capital from TL 202,050,000 to TL 1,501,125,000; TL 1,125,000 from internal resources and TL 1,297,950,000 in cash and according to the supplementary agreement dated 8 June 2020, of the TL the capital increased in cash of TL 124,603,200 corresponding to the shares of GSD Holding A.Ş. to be paid by Park Holding A.Ş.. The capital increase was registered on 30 June 2020 and share transfers have been realized.

In the first paragraph of Article 5 of the Corporate Tax Law, exceptions are held for earnings arising from the sale of properties and participation shares and founder's shares, perpetual bonds and pre-emptive rights. The purpose of the exception is to enable the affiliated values of institutions to be used more effectively in economic activities and strengthening the financial structures of institutions. If the conditions specified in this paragraph are met with the participation shares in the assets of the institutions for at least two full years 75% of the earnings arising from the sale of founding shares, participation shares and pre-emptive rights that they have for the same period are exempted from corporate tax. In this context the portion of the earning benefiting from the exception to be obtained from the sale of shares in Silopi Elektrik Üretim A.Ş., starting from the beginning of the 2021 accounting period, until the date the corporate tax return is submitted for the period in which the income is declared, it is taken into a special fund account in the liabilities and must be kept in the said fund account until the end of the fifth year following the year in which the sale was made.

Treasury Shares

Between 30 June 2015 and 14 December 2017, 90,000,000 (full) Company shares were purchased by the Company itself on the Borsa Istanbul amounting to 56,418,123.54 TL, in for with a share of 0.63 TL.

GSD Denizcilik Gayrimenkul İnş. San. ve Tic. A.Ş. company shares was purchased by itself with a number of 3,411,059 (full) for a price of TL 3,222,647.20 for a share of TL 0.94 on the Borsa İstanbul, within the scope of the announcements of Capital Markets Board on 21 July 2016 and 25 July 2016 and between 26 July 2016 and 14 November 2018.

28. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR ISSUES MUST BE EXPLAINED TO MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE (contined)

Treasury Shares (contined)

GSD Holding, within the additional period taken from the CMB regarding the sale of the repurchased shares, between 10 September 2020 and 6 October 2020, a total of 45.000.000 (full) repurchased shares from the price range of 2.10-2.27, for a full TL 96.631.456. It has been sold in BIST. Thus, the ratio of the total repurchased shares owned by the company to the paid-in capital of TL 450.000.000 decreased to 10.00%.
GSD Denizcilik Gayrimenkul İnş. San. ve Tic. A.Ş. has sold all of treasury shares between 29 January 2020 and 29 May 2020. The realized loss / gain amount is TL 9,329.

Increases arising from the sale of repurchased shares are shown in the "premiums on shares" line under equity.

After the sale of bought back shares in BIST by GSD Denizcilik Gayrimenkul İnş. San. ve Tic. A.Ş. "GSD Marin" with a nominal value of 3.411.059 full TL and a cost amount of 3,222,947.11 full TL and GSD Holding A.Ş.'s the portion of shares in GSD Marin with a nominal value of 5,196,268 full TL in the price range of 4.98-5.52 on the BIST, the share of GSD Holding A.Ş.'s shares in GSD Marin decreased from 77.958% to 68.00%. As a result of the mentioned transactions, the direct share rate of GSD Holding A.Ş. in GSD Faktoring has decreased by 0.306% because of the share of GSD Denizcilik Gayrimenkul İnş.San.ve Tic. A.Ş. has a 1.98% share in the capital of GSD Faktoring A.Ş. and its direct and indirect total share decreased from 89.662% to 89.356%. The total direct and indirect share of GSD Holding A.Ş. in the capital of GSD Factoring A.Ş. is 89.356%.

The shares owned by GSD Holding by 80% in nominal terms due to the increase of the paid capital from TL 250,000,000 to TL 450,000,000 through bonus issue and based on the fact that there is no payment for the shares in question, CMB has been requested an opinion on whether or not reserve funds should be set aside within the scope of Article 520 of the Turkish Commercial Code numbered 6102 for bonus shares. According to the CMB's opinion numbered 36231672-045.01-E.1473, which was taken based on the relevant request, bonus shares related to the repurchased shares owned in order for monitor the shares bought back in the consolidated financial statements, shown under equity over the nominal value in the "Treasury Shares (-)" and "Reserves Regarding Repurchased Shares" item under "Reserves on Retained Earnings" have been recorded reciprocally.With this presentation, the bonus shares related to the repurchased shares did not have any effect on the previous years profit and total equity in the consolidated financial statements.

Giving additional time from the Capital Market Board regarding the disposal of treasury shares

It has been reported by the Capital Markets Board that the Company shall be granted an additional 18 months in response to the additional request made by the Company on 28 March 2019, in accordance with the announcement of the Capital Markets Board dated 21 July 2016 and the additional announcement dated 25 July 2016 of this announcement, the third article of Article 19 of the Communique No: II-22.1 on the disposal of shares exceeding 10% of the repurchased capital as regards the duration specified in paragraph dispose of three years.

28. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR ISSUES MUST BE EXPLAINED TO MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE (continued)

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

Direct share ratio total of Mehmet Turgut Yılmaz on GSD Holding A.Ş. is 25.50%, total ratio of direct and indirect shares is 28.14%, which with the calculation of the capital with the deduction of repurchased shares is 31.27%.

As at 30 June 2021 according to the Communique on Prospectus and Issue Document (II-15.1), the total share of Mehmet Turgut Yılmaz and people acting together is 40.14% and the total share is 33.49% with treasury shares deducted from capital.

Regarding the shares of GSD Holding A.Ş., 25.50% of shares owned by Mehmet Turgut Yılmaz, 4.50% of shares owned by MTY Delta Denizcilik İç ve Dış Ticaret A.Ş., 10.00% of shares owned by GSD Holding A.Ş. and 0.14% of shares owned by Adeo Turizm Otelcilik Limited Şirketi, which in total adds up to 40.14%, act in unison.

Capital Increase of GSD Faktoring A.Ş.

At the Extraordinary General Assembly Meeting of GSD Faktoring A.Ş., a subsidiary of GSD Holding A.Ş., dated January 29, 2021, it was decided to increase the paid capital of 45,000,000 full TL to 55,000,000 full TL. All of the increased capital of 10.000.000 TL was covered by extraordinary reserves. The capital increase was registered on February 5, 2021.

GSD Denizcilik Gayrimenkul İnş. San. ve Tic. A.Ş.'s Registered Capital Extension of Time

In order to extend the validity period of GSD Denizcilik's the upper limit of registered capital of 250.000.000 TL by 5 years until the end of 2024 (5 years), necessary permissions have been obtained from Capital Markets Board and the Ministry of Customs and Trade. Following the legal permissions regarding the amendment of the articles of association, the relevant transaction was approved at the Company's General Assembly dated 14 May 2020.

GSD Denizcilik Gayrimenkul İnş. San. ve Tic. A.Ş.'s Conversion of Receivables from Hako Maritime Ltd. and Cano Maritime Ltd. to Capital Shares

The for the purpose of conversion of the receivables of GSD Denizcilik Gayrimenkul İnş. San. ve Tic. A.Ş. from its subsidiaries established in Malta USD 8,500,000 from Cano Maritime Ltd. and USD 3,200,000 from Hako Maritime Ltd., into capital shares for the capital increases of these amounts, it has been decided on 3 February 2020 to sign "Contribution Agreements" and to fulfill other necessary works and transactions in order to put the said receivables as capital.

Capital Increase of GSD Yatırım Bankası A.Ş.

On 11 June 2020, at the Extraordinary General Assembly Meeting of GSD Yatırım Bankası A.Ş., a subsidiary of GSD Holding A.Ş., it has been decided to increase the paid-in capital of TL 50,000,000 to TL 240,000,000. The increased amount of TL 190,000,000 was decided to be covered from undistributed profits amounting TL 28,750,000, from other profit reserves amounting TL 377,384, from capital reserves from inflation adjustment differences amounting TL 2,712,744, and from prior years profits amounting TL 158,159,872.The capital increase has been registered on 24 June 2020.

Establishment of GSD Havacılık A.Ş.

At the board meeting of GSD Holding A.Ş. dated February 9, 2021, it was decided to establish a new company to operate in the field of air transportation, and to participate with a 50% share in GSD Havacılık Anonim Şirketi, which will be established with a capital of TL 25.000.000. The establishment of the said company was registered by the Istanbul Trade Registry on February 11, 2021.

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

28. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR ISSUES MUST BE EXPLAINED TO MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE (continued)

GSD Holding Registered Capital Increase Application

Dated February 24, 2021, at the board of directors meeting of GSD Holding A.Ş., it was decided to increase the registered capital ceiling from 1,000,000,000 full TL to 1,500,000,000 full TL, as contained in article 7 of the articles of association, and renewal of o extend the registered capital ceiling duration for another 5 (five) years, valid for the years 2021-2025, article 7 of the company's articles of association is amended in accordance with the said registered capital ceiling increase and validity period and to the Capital Markets Board and the Ministry of Commerce after making the necessary applications and obtaining the necessary permissions, it was decided to submit to change of article the amendment to the shareholders for approval at the first General Assembly to be held. The Capital Markets Board approved the relevant changes dated March 4, 2021 and approved by the Ministry of Commerce, General Directorate of Domestic Trade, on March 18, 2021. After the relevant amendment was approved at the General Assembly meeting on May 26, 2021, the General Assembly decision was registered by the Istanbul Trade Registry on June 2, 2021.

Establishment of Subsidiary of GSD Shipping B.V.and Purchase of Ships

On March 3, 2021, GSD Shipping B.V. signed a contract for the purchase of a 2016 built bulk carrier with a carrying capacity of 33,297 DWT. Lena Maritime Limited, which was established in the Marshall Islands on March 18, 2021 as a 100% subsidiary of GSD Shipping B.V. with a capital of $ 5,000, purchased the said ship on May 6, 2021 with the price amounting USD 14,687,391.93.

Making a New Shipbuilding Agreement

Between GSD Shipping B.V. which is 100% subsidiary of GSD Holding A.Ş., and Itochu Corporation an agreement reached for the construction of two handysize dry cargo ships to be built in Japan. Within the framework of this agreement dated April 9, 2021, between GSD Shipping B.V. and Itochu Corporation, regarding the buyers envisaged to be determined by GSD Shipping B.V. for 2 handysize dry cargo ships to be built at the Japanese Imabari shipyard, for the purpose of purchase one of the ships by the company to be established in Malta or Marshall Islands as 100% subsidiary of our subsidiary GSD Shipping B.V. and one of the ships by the company to be established in Malta or the Marshall Islands as 100% subsidiary of our 68% subsidiary GSD Denizcilik Gayrimenkul İnşaat. San. ve Tic. A.Ş., it has been decided to conclude a shipbuilding contract between Itochu Corporation and these companies.

Establishment of Nejat Maritime Limited and Nehir Maritime Limited

To conclude shipbuilding contracts with Itochu Corporation, our subsidiaries GSD Shipping B.V. and GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş.'s 100% subsidiaries, Nejat Maritime Limited and Nehir Maritime Limited's establishmentin the Marshall Islands, each with a capital of USD 5,000, were completed on 23 June 2021.

Increasing the Capital of GSD Shipping B.V.

At the board meeting of GSD Shipping BV, a 100% subsidiary of GSD Holding A.Ş., held on April 9, 2021, the company's paid-in capital was increased to US$ 50,000,000 with a cash increase of US$ 10,000,000 in order to finance the ship investments in progress and it was decided to increase the registered capital ceiling from US$ 50,000,000 to US$ 75,000,000. The capital increase was registered on 1 July 2021.

28. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR ISSUES MUST BE EXPLAINED TO MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE (continued)

GSD Denizcilik Gayrimenkul İnş. Singing. ve Tic. A.Ş.'s Paid Capital Increase

GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş., at the Board of Directors meeting dated March 16, 2021, to increase the issued capital, which was 52,180,855.64 TL, within the registered capital ceiling of 250,000,000 TL, to 150,000,000 TL by an increase of 97,819,144.36 TL, fully covered by cash, It has been decided not to restrict the existing shareholders' right to buy new shares (preemptive right) and to determine the strike price of a share with a nominal value of 1 TL as 1 TL in the exercise of the right to purchase new shares. All of the funds to be obtained from the capital increase will be used for purchasing one of the dry cargo ships with 38,000 DWT which will be built in Japon Imabari shipyard, by the company which will be established as 100% subsidiary of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. in Malta or Marshall Islands. On April 14, 2021, an application was made to the Capital Markets Board for the approval of the prospectus prepared for the capital increase, and the prospectus was approved on August 5, 2021. In the capital increase to be realized by our Subsidiary, the right to purchase new shares will be exercised between August 12, 2021 and August 26, 2021, over the exercise price of 1 TL for each share with a nominal value of 1 TL (100 shares)

Giving a Commitment by GSD Holding A.S. Regarding the Capital Increase of GSD Denizcilik Gayrimenkul İnş. San. ve Tic. A.Ş.

At the Board of Directors meeting of GSD Holding A.Ş. dated May 6, 2021, it has been decided to give a commitment to participate in the capital increase and to use all of the rights to buy new shares for all A, B and D group shares which have the privilege to nominate candidates, whose capital is owned by GSD Denizcilik Gayrimenkul İnş. San. ve Tic. A.Ş..

The Change on Corporate Tax Rates

According to the Temporary Article 13 added to the Corporate Tax Law No: 5520 and with the Article 11 of the Law on the Procedure of Collection of Public Claims and the Law on the Amendment of Some Laws, which entered into force after being published in the Official Gazette dated April 22, 2021 and numbered 31462, the Corporate Tax rate will be applied as 25% for the corporate earnings for the 2021 taxation period and 23% for the corporate earnings for the 2022 taxation period. TAS 10 "Events After the Reporting Period" standard, which is in the non-adjusting events after the reporting period included in "making change to or announcing that will make changes to in the tax rates in force after the reporting period or changes in tax laws, with a material impact on current and deferred tax assets and liabilities" rate change was considered as an event after the reporting period.

Coronavirus and Its Effects

The COVID-19 epidemic, which has recently emerged in China, spreads to various countries around the world and causes potentially fatal respiratory infections, causes disruptions in operations, especially in countries that are extremely exposed to the epidemic, as well as negatively affecting economic conditions both regionally and globally. As a result of the spread of COVID-19 around the world, various measures have been taken in our country as well as in the world in order to prevent the transmission of the virus and are still being taken. In addition to these measures, economic measures are also taken in order to minimize the economic effects of the virus epidemic on individuals and businesses in our country and worldwide.

GSD Yatırım Bankası A.Ş.

The COVID-19 epidemic, which spreads to various countries around the world and causes potentially fatal respiratory infections, causes disruptions in operations, especially in countries that are overexposed to the epidemic, and negatively affects economic conditions both regionally and globally. As a result of the worldwide spread of COVID- 19, as in the world, in order to prevent the spread of the virus taken various measures in Turkey and still it continues to be taken. These measures, as well as in Turkey and worldwide virus outbreak of the economic impact on individuals and businesses in order to minimize the level of economic measures are taken.

28. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR ISSUES MUST BE EXPLAINED TO MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE (continued)

Coronavirus and Its Effects (continued)

GSD Yatırım Bankası A.Ş. (continued)

COVID-19 impacts are closely monitored and evaluated by the Bank. The BRSA's decisions no 8948 dated 17 March 2020 and 8970 dated 27 March 2020, mainly due to the disruptions in economic and commercial activities as a result of the COVID-19 epidemic, and the Procedure Regarding the Classification of Loans and the Provisions to Be Set Aside, effective from 17 March 2020. Within the scope of Articles 4 and 5 of the Regulation on Principles and Principles, the 30 days delay period foreseen for the classification of the loans in the second group will be applied as 90 days until 31 December 2020 for the loans in the first group and the 90 days delay period for the non-performing loans classification is and for the loans followed in the second group, it is allowed to be applied as 180 days until 31 December 2020. With the BRSA Decision No. 9312 dated 8 December 2020, the said periods were extended until 30 September 2021. In this context, as of 30 June 2021, the Bank does not have any loans that fall within the scope of the above-mentioned applications.

GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. ve GSD Holding A.Ş.

The COVID-19 outbreak has had a number of impacts on the global maritime industry and our operations.

With the introduction of vaccines developed to prevent the COVID-19 epidemic, the world trade volume developed positively in the first half of 2021, resulting in an increase in the prices of basic raw materials such as iron ore, coal and grain, which are the subject of bulk cargo transportation. Freight prices, which increased in parallel with the upward price movements in commodity prices, also reached historical peaks, and the first period of 2021 was completed profitably as a result of the activities of the seven-piece bulk cargo fleet managed by GSD Marin.

Due to the additional rules and restrictions imposed on port and customs operations due to the COVID-19 outbreak, loading and unloading times are getting longer. Difficulties arise in personnel changes. This situation has led to the conclusion that the current capacity of container and bulk carriers is insufficient. In order to adapt to these changes due to COVID-19 in port and customs operations and to meet the increasing demand, there have been certain increases in ship orders. Due to the rising steel prices and high freight rates, the prices of new-build and second-hand ships have increased by up to 40%

While preparing the consolidated financial statements dated 30 June 2021, the possible effects of the COVID-19 outbreak were evaluated and the estimates and assumptions used in the preparation of the consolidated financial statements were reviewed. In this context, possible impairment in the consolidated financial statements as of 30 June 2021 has been evaluated.

GSD Faktoring A.Ş.

The COVID-19 epidemic affecting the whole world, GSD Faktoring A.Ş. has had a number of impacts on the factoring industry and our operations.

With the decision of the BRSA dated 19 March 2020 and numbered 8950; Due to the disruptions in economic and commercial activities as a result of the COVID-19 epidemic, the 90-day delay period specified in the clause (a) of the first paragraph of Article 6 of the Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring and Financing Companies and the sixth paragraph of the same article, until 31 December 2020. It is allowed to be applied for up to 180 days.

In a period when uncertainties and risks in global markets are high due to the pandemic, it would be appropriate to extend the said regulations for the same purposes and to extend them until 30 June 2021 within this framework.

CONVENIENCE CONVERSION OF FINANCIALS

The US Dollar ("USD") amounts shown in the statement of financial position and statement of profit or loss and other comprehensive income on the following pages have been included solely for the convenience of the reader. For the current period's financial statements, USD amounts are translated from TL financial statements using the official TL exchange rate of 8.7052 TL/USD prevailing on 30 June 2021. For the prior year's financial statements, USD amounts are translated from TL financial statements using the official TL exchange rate of 7.3405 TL/USD prevailing on 31 December 2020 (30 June 2020: 6.8422). Such translation should not be construed as a representation that the TL amounts have been converted into USD pursuant to the requirements of IFRSs or Generally Accepted Accounting Principles in the United States of America or in any other country.

Consolidated Statement of Financial Position
For the Six-Month Period Ended 30 June 2021

(Currency: Thousands of US Dollar ("USD") unless otherwise stated)

	30 June 2021	31 December 2020
Assets		
Cash and balances with the Central Bank	133	84
Deposits with other banks and financial institutions	46,437	14,646
Receivables from money market	240	137
Reserve deposits at the Central Bank	6	1
Financial assets at fair value through profit or loss	3,948	12,684
Financial assets at fair value through other comprehensive income	50,125	64,739
Unquoted equity instruments	43	51
Loans and advances to customers, net	35,645	41,012
Factoring receivables, net	35,323	42,848
Finance lease receivables, net	2	2
Trade receivables, net	40,794	40,912
Other receivables, net	1,633	1,304
Assets held for sale from continuing operations	36	43
Property and equipment	113,938	102,743
Right of use assets	502	709
Intangible assets	67	48
Prepaid income tax	2	-
Deferred tax assets	355	368
Inventories	280	443
Prepaid expenses	1,128	374
Investments valued by equity method	1,523	-
Other assets	322	349
Total assets	**332,482**	**323,497**
Liabilities		
Other money market deposits	5,735	7,273
Borrowers' funds	7,849	8,302
Funds borrowed	76,906	57,310
Lease liabilities	599	840
Factoring payables	51	48
Liabilities arising from finance leases	7	7
Trade payables	293	290
Other payables	1,956	1,463
Current tax liability	1,969	1,864
Deferred income	1,553	565
Provisions	1,375	1,612
Deferred tax liabilities	1,444	1,320
Other liabilities	3	3
Total liabilities	**99,740**	**80,897**
Equity		
Share capital	61,571	73,018
Treasury shares	(4,561)	(5,409)
Share premium	11,880	14,089
Changes in non-controlling interests without loss of control	-	(514)
Remeasurements of the net defined benefit liability (asset)	(13)	(46)
Fair value reserve	(4,186)	-
Translation reserve	41,257	37,651
Retained earnings	96,730	108,665
Net profit for the period	20,464	6,609
Equity attributable to equity holders of the parent	**223,142**	**234,063**
Non-controlling interests	**9,600**	**8,537**
Total equity	**232,742**	**242,600**
Total liabilities and equity	**332,482**	**323,497**

GSD Holding Anonim Şirketi   Appendix I.3

Consolidated Income Statement
For the Six-Month Period Ended 30 June 2021

(Currency: Thousands of US Dollar ("USD") unless otherwise stated)

CONTINUING OPERATIONS	01.01.2021 30.06.2021	01.01.2020 30.06.2020
Holding activities income	1	-
Holding activities expense (-)	-	-
Gross profit/(loss) from holding activities	**1**	**-**
Marine sector income	19,456	6,108
Marine sector expense (-)	(9,114)	(8,367)
Gross profit/(loss) from marine sector operations	**10,342**	**(2,259)**
Gross profit/(loss) from commercial sector operations	**10,343**	**(2,259)**
Interest income	8,267	5,312
Service income	2,418	2,683
Revenue from financial sector operations	**10,685**	**7,995**
Interest expense (-)	(2,357)	(1,236)
Service expense (-)	(96)	(66)
Cost of financial sector operations (-)	**(2,453)**	**(1,302)**
Provision income/(expense) arising from financial sector operations, net	**(59)**	**(160)**
Foreign exchange gain/(loss), net	**1,330**	**436**
Trading income, net	**(15)**	**-**
Other financial sector operations income/(expense), net	**12**	**20**
Gross profit/(loss) from financial sector operations	**9,500**	**6,989**
GROSS PROFIT/(LOSS)	**19.843**	**4,730**
Administrative expenses (-)	(3,316)	(4,404)
Other income from operating activities	2,553	2,543
Other expense from operating activities (-)	(237)	(128)
OPERATING PROFIT/(LOSS)	**18,843**	**2,741**
Income from investment activities	8,022	7,613
Expense from investment activities (-)	-	(211)
Profit/(loss) from investments accounted for by the equity method	87	-
OPERATING PROFIT/(LOSS) BEFORE FINANCING EXPENSES	**26,952**	**10,143**
Financing income	-	-
Financing expenses (-)	(740)	(2,159)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**26,212**	**7,984**
Tax income/(expense) from continuing operations	**(4,602)**	**(7,760)**
Current tax income/(expense)	(4,033)	(9,611)
Deferred tax income/(expense)	(569)	1,851
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**21,610**	**224**
Discontinued operations		
Profit/(loss) before tax from discontinued operations	**-**	**-**
Tax income/(expense) from discontinued operations	**-**	**-**
Current tax income/(expense)	-	-
Deferred tax income/(expense)	-	-
Gain or loss relating to the discontinuance, net	**-**	**-**
Gain or loss relating to the discontinuance	-	-
Cost to sell the discontinued operations	-	-
Tax expense relating to the discontinuance	-	-
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	**-**	**-**
NET PROFIT/(LOSS)	**21,610**	**224**
Net profit/(loss) (continuing and discontinued operations) attributable to:		
Non-controlling interest	1,146	(390)
Equity holders of the company	20,464	614
Net profit/(loss) (continuing operations) attributable to:		
Non-controlling interest	1,146	(390)
Equity holders of the company	20,464	614
Net profit/(loss) (discontinued operations) attributable to:		
Non-controlling interest	-	-
Equity holders of the company	-	-
Earnings per share (in full TL per share with a nominal value of full USD 1)		
Earnings per share from continuing operations	0.051	0.002
Earnings per share from discontinued operations	0.000	0.000

Consolidated Statement Of Profit Or Loss and Other Comprehensive Income
For the Six-Month Period Ended 30 June 2021

(Currency: Thousands of US Dollar ("USD") unless otherwise stated)

	01.01.2021 30.06.2021	01.01.2020 30.06.2020
NET PERIOD PROFIT / (LOSS)	**21,610**	**224**
OTHER COMPREHENSIVE INCOME		
Other comprehensive income which will be not reclassified in profit or loss	**(15)**	**(4)**
Remeasurements of the net defined benefit liability (asset)	(15)	(4)
Other comprehensive income which will be reclassified in profit or loss	**6,579**	**9,010**
Change in currency translation differences	10,765	9,010
Profit/(loss) arising from financial assets measured at fair value through other comprehensive income	(4,465)	-
Taxes Relating to Components of Other Comprehensive Income that will be Reclassified to Profit or Loss	279	-
OTHER COMPREHENSIVE INCOME (AFTER TAX)	**6,564**	**9,006**
TOTAL COMPREHENSIVE INCOME	**28,174**	**9,230**
Total comprehensive income attributable to:		
Non-controlling interest	2,400	424
Equity holders of the company	25,774	8,806