

THE POWER THAT ENLIGHTENS THE WORLD...



sarkuysan

Elektrolitik Bakır Sanayi ve Ticaret A.Ş.



ANNUAL REPORT 2020

AGENDA OF THE ORDINARY GENERAL ASSEMBLY MEETING

The Ordinary General Assembly Meeting will be held at the Company's head office at 2.30 PM on April 9th, 2021. Emek Mah. Aşıroğlu Cad. No: 147, 41700 Darıca/Kocaeli

1. Opening and establishing the Chairmanship of the Meeting,
2. Assigning authority to the Meeting Chairman to sign the Minutes of Meeting for the General Assembly and the attendance list,
3. Reading and discussing Annual Report of the company prepared by the Board of Directors for 2020,
4. Reading the Independent Audit Report for the fiscal period of 2020,
5. Reading, discussing and approval of the Consolidated Financial statements for 2020,
6. Acquittal of Board of Directors Members for the 2020 activities of our Company,
7. Discussing and deciding on how the 2020 term profits are to be used, the proportions of profits and dividend shares to be distributed and the dates of distribution,
8. Providing information to the shareholders on the bonds, securities and mortgages given by the company in favour of the 3rd parties,
9. Increasing our capital ceiling which is on record in our Company's articles of association article 6 titled "Capital" to 600,000,000.- TL and reading, discussing and deciding on the amendment of Article 6 of the articles of association for the new term in accordance with the permits obtained from the Ministry of Trade, (see page 85)
10. Providing information to the shareholders about donations and grants provided by our Company in 2020 for social relief as per the regulations of Capital Markets Board and determining an upper limit for the donations and grants to be provided in 2021,
11. Providing information to the shareholders concerning the principles of remuneration for the Members of the Board and the Senior Executives in accordance with the Capital Markets Board regulations
12. As per the provisions of Capital Markets Code and Turkish Commercial Code, approval of Güreli Yeminli Mali Müşavirlik ve Bağımsız Denetim Hizmetleri A.Ş. which has been elected to conduct independent audit of our Company for a period of one year by the Board of Directors;
13. Electing Independent Members of the Board as per the regulations of Capital Markets Board and determining their terms of office
14. Determining monthly gross salaries and attendance fees for Members of the Board of Directors,
15. Giving authorisation to the Members of the Board to carry out transactions in accordance with articles 395 and 396 of the Turkish Commercial Code and the Capital Market Board regulations,
16. Wishes and closing.

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As a global company in the electrolytic copper industry, each year, we increase our performance in all our operational processes with the respect and responsibility towards the environment and our society.

THE SARKUYSAN IDENTITY

Company Name: Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.	Founded on: 03.05.1972
Upper Limit of the Registered Capital: 300.000.000 TL	Issued Capital: 300.000.000 TL
Commercial Registry No.: 13898	Mersis No: 0751001576100014
Commercial Registry Registered to: Gebze Commercial Registry Office	Address: Emek Mh. Aşıroğlu Cd. No: 147, 41700 Darıca/Kocaeli
Telephone: 0262 676 66 00 (20 Lines)	Fax: 0262 676 66 80
E-Mail: info@sarkuysan.com	Web Sitesi: www.sarkuysan.com

Our Mission

To maintain our prestigious position in Turkey and worldwide, provide benefit to our country, partners, employees and customers and create social value through the social responsibility projects accomplished with the responsibility of serving as a model and being a public, aggregate, professionally-managed and successful corporation in Turkey.

Our Vision

To achieve customer satisfaction-oriented, environmentally-friendly, high-quality, competitive and innovative production as a global company in the electrolytic copper industry.

History

200,000

PRODUCTION CAPACITY
(TONS/YEAR)

265,000

TOTAL PRODUCTION AREA (M²)

The name of the company was derived from the Turkish combination of the first three letters of the founders' professions as **SARraf (goldsmith) KUYumcu (jeweller) and SANatkar (craftsman).**



Cihan BEKTAŞ

(1928 - 2002)

Sarkuysan has a significant place in the country's industrialisation history as it is the first successful publicly traded and aggregate company. The company, which produces electrolytic copper products, copper tubes and copper busbars over an area exceeding 175,000 m² in the Gebze and Darica region, with an indoor area of approximately 90,000 m², increased its initial capacity of 10,000 tons/year to over 200,000 tons/year and became a global company. The products are used as standard inputs in electro-technical, electronics, motor, communication, electricity generation and distribution, solar power, household appliances, measuring devices, defence, automotive, chemicals, construction, heating ventilation and sanitary installation sectors. Sarkuysan is certified with TS EN ISO 9001, ISO/TS 16949 Quality, ISO 14001 Environment, OHSAS 18001 Health and Safety, and ISO 50001 Energy Management systems for all the operations carried out.

Using the "sks" brand on its products, Sarkuysan meets a substantial part of the domestic demand while exporting approximately half of its production range to more than 70 countries in 5 continents. Today, a significant number of the cars and commercial vehicles produced in Europe use Sarkuysan wires. The company has been providing oxygen-free and nickel-plated copper wires to the suppliers of NASA in the USA for years as well as the aircraft manufacturers lately.

Sarkuysan manufactures a significant portion of its own machinery and plants used during the manufacturing process. Moreover, generating a considerable portion of the power and steam requirement of the Company vital for the production consistency at the co-generation plant within its premises, the Company also offers its 49 years of experience and know-how to other countries.

Sarkuysan is a group of companies.

SARMAKINA A.Ş., operating in machinery and spare parts manufacturing and environmental protection technologies field; DEMİSAŞ A.Ş., producing pig and nodular cast iron for automotive and machinery manufacturing sectors; SARDA A.Ş., a marketing and trade company; and BEKTAŞ A.Ş. are the sister



companies in the group. Sarkuysan has an agency in Italy where is an important country for direct marketing purposes of the products as part of the Company's busy export operations. In addition, Sarkuysan has become a pioneering Turkish industrial organisation in the USA with SARK-WIRE, a subsidiary which began production in Albany, New York as from the end of 2009, and the completion of the two manufacturing plants constructed in Toccoa, Georgia; and in Bulgaria with Sark Bulgaria factory, which was established in Shumen on 10.06.2016 and put into operation for production in 2019.

Furthermore, Sarkuysan facilities located at the Aegean Free Trade Zone manufacture and export products with high added value.

Having approximately 1,110 employees in total, approximately 90% of the personnel of the group of companies working in the production units have either vocational school or high school degrees, and they are

provided in-house and outsourced training programs every year.

Being aware of its social responsibilities, Sarkuysan continuously develops social projects at all fields. Accordingly;

Frej Han, which was renovated and used as the Company Headquarters for several years, is an important contribution to our cultural legacy. The company contributes to education by building the Sarkuysan High School in Gebze and the Sarkuysan Elementary School in Darica and by granting non-refundable scholarships to higher education students. Sarkuysan also supports State Religious Affairs with the Sarkuysan Mosque inspired by and constructed as an Ottoman Architectural complex. Contributing to the health sector by allocating the funds reserved at the beginning of the year for the urgent medical device requirements of a health institution, the company also supports sports with its Table Tennis Team that frequently represents Turkey successfully in

the European Cup Championship. Contributing to arts with its Turkish Music Choir, Folk and Modern Dance Groups composed of its employees, the Company pays utmost attention to the environment by developing forestation areas. And the last but not the least is that Sarkuysan promotes our country by hosting international events.

At a corporation, with approximately 6,000 shareholders, Sarkuysan supplies materials to numerous sectors in the domestic and international markets under the "sks" trademark for the production of many modern industrial products; facilitates and colours life and creates substantial added value with significant employment opportunities; brings foreign currencies to the country, pays taxes and distributes profits. Sarkuysan is a dynamic, global, publicly-held corporation with modern means of production and corporate organisation governed by professionals.

Message of the Chairman

6,742,787

TOTAL SALES (NET) (THOUSAND TL)

In 2020, our total assets reached 3,010,641 TL, an increase of 39.25% compared to the previous year's level.

Dear Shareholders,

Welcome to our 49th Ordinary General Assembly. I would like to greet you all with warm and respectful regards.

Let me begin my speech by summarising the economic situation worldwide and in our country.

In 2020, all balances in economic activities in Global Economy were disrupted with the panic of death of more than one million people due to the Covid-19 pandemic. This period put digitalisation, telecommuting and hygiene practices to the focus of the business world. Although 2020 began with the goal to grow for the whole world, the most tragic shrinkage has been endured since the global crisis in 2009 due to the pandemic. This ratio is expected to be around 4%. The shrinkage of the key players in Global Economy are expected to be around -3.7% in the USA, -7% in the Euro region and -2.5%

in the developing countries. In OECD, Turkey and China achieved a growth of 1.8% and 2.3%, respectively, during the same period.

As mentioned in OECD report, unprecedented government and central bank actions taken against the crisis resulted in a recovery in global economic activities except for the service sector. However, the debt stock which has a tendency to increase rapidly worldwide depending on the increasing public expenditures also threatens the sustainability of public finance. Developing a vaccine for the pandemic and effective and extensive use of expansionary financial measures are factors that stand out to mitigate the risks globally; hence, the New Year comes with hope. Global economy is expected to grow 5.5% and 4.2% in 2021 and 2022, respectively.

In this sense, last year, our country's economy endured a quite unsteady

year due to particularly Covid-19 pandemic, and the impacts of global developments as well as the developments in the country. Curfews and restrictions in several countries due to the pandemic had an impact on our country's economy as well as the global economy. Despite the challenges, our country's economy completed 2020 with a positive growth with the measures taken, although it was under the targeted economic growth. As a natural result of these developments, gross domestic product per capita decreased. However, the decreases remaining relatively limited despite the income decreases in tourism sector, cost increases and decreases in production was a substantial result of rapid increase in expansion of supply of money (33%), as well as expansions in budget deficit and current deficits. Whilst interest rates were being suppressed except for the last two months of the year, the cost of the boom resulting from the emission of the Central Bank, increase in the rates of bank loans and increase in public expenditures was high inflation and high loss in the value of Turkish Lira. As of the end of 2020, substantial increase in the policy rate of the Central Bank in November and December resulted



Message of the Chairman

As part of “Clean Schools Projects”, we supported schools to get ready for education in terms of hygiene during the Covid-19 pandemic.

in a rise in the value of TL. In 2020, unemployment rate was 13.2% and government grants in this field are expected to be continued. The year-on-year inflation rate increased 2.76 points and reached 14.60%. As far as foreign trade is concerned, in 2020, -compared to 2019-;

- The export figure decreased 6.26% to USD 169,514,000,000,
- The import figure increased 4.32% to USD 219,425,000,000; while import except gold decreased 2.4% to USD 194,242,000,000.
- The foreign trade volume decreased 0.57% to USD 388,939,000,000.

The export/import coverage ratio was 77.3%; while the ratio except gold was 85.8%. As far as IMF is concerned, in 2020, global merchandise export was expected to have a nominal decrease of 11.7%; hence, the 6.3% decrease in Turkey, which is much lower than the expected rate, can be considered to

be the result of the great efforts of our exporters.

2020 was full of great challenges for all sectors, not to mention electrolytic copper sector, which is integrated with cable, transformer, engine and similar electric industries due to Covid-19 pandemic. Besides the substantial fluctuations in currency exchange rates, with rapidly changing copper being the main and the most significant entry material of these sectors doubles the problems and risks. Companies which have debts in other currencies but have a retail policy of selling in Turkish Lira endured a significant currency exchange risk. Since March 2020 in particular, our sector, which has been impacted adversely, experienced the most challenging times in terms of capacity utilisation due to the curfews in Europe and Turkey, particularly in April and May. Subsequently, while there was a recovery in the second

half of the year, considering the whole year, we observed a shrinkage of 10% both in Turkey and abroad.

For 2021, we expect the copper sector to achieve a global growth of 5%. The investments to be made in energy infrastructure (cable, solar, wind, renewable energy investments) in particular, focusing on electric vehicle production, investments in railway and construction sectors are the key factors that will elevate copper consumption. Especially the production problems of the mine in copper sector, weak position of USD and decreasing copper stocks in LME storages resulted in copper prices to reach the maximum level of the past 8 years. We expect copper prices to maintain to be high in 2021.

So, considering these conditions, I would like to mention the activities of our Company. In this challenging year, we primarily focused on the health and safety of our employees and how to keep them not affected from the pandemic. Hence, we immediately made the required investments, procured the necessary equipment, provided training, etc. As a result of these activities, we received TSE “**Certificate on Safety in Production**”. As we have inputs to tens of various main sectors, the healthcare sector in particular, we had to carry on our operations with no interruption. For example, we were the main supplier of the fire-resistant cables of Sancaktepe Field Hospital, which is one of the main stakeholders in our healthcare infrastructure. In 2020, with the increasing year-on-year exchange rates and LME prices by 23% and 3%, respectively; despite

the pandemic and the fact that 26% increase resulted in a substantial operational capital, our Company achieved a significant year-on-year profit growth thanks to its success in crisis and risk management. Although our revenue decreased in terms of USD, it increased in terms of TL.

As in the previous years, we received championship awards in categories of “**Copper Wire and Weaved Ropes**” and “**Copper Goods Groups**” in “**Metallic Stars in Export**” and “**Leaders of Sectoral Export**” evaluations of Iron and Non-ferrous Metals Exporters Association.

Last year, we celebrated the 45th anniversary of the start of our productions. We had to cancel the special in-house celebrations that we organise each year and the public concert of our Turkish Music Choir at Gebze Culture Centre in the evening due to the pandemic. However, we prepared an online video-celebration. The video was enriched and found meaning with the appreciation messages from the dearest District Governors of Gebze and Darica sub-provinces, Majors, Managers of our Schools, the President of Kocaeli Chamber of Industry, Presidents of Labour Unions and Employers Associations, General Managers of Sark Wire and Sark Bulgaria and their employees, as well as our community. These compliments and gratulations motivated us for future achievements. Moreover, we commemorated the 82nd anniversary of the death of the Great Mustafa Kemal Atatürk, the founder of the Turkish Republic, by a video we prepared.

We continued with our traditional scholarship programme, and we gave a total of 799 grants for the children of our employees who are receiving higher education and who are underprivileged and successful from the grant fund created by our employees; 609 of these grantees are now in business life. Currently, 190 students continue their studies. I would like to take this opportunity to thank all our employees working in various subsidiaries within our group for their sensitivities in this matter. We also keep our relations and supports ongoing with our Elementary School and High School, which are our social investments in education. In this sense, we gifted tablets to 100 underprivileged students in our Sarquysan Elementary School and Sarquysan High School, for them to be able to continue their education through EBA (Education IT Network) with the support of the Members of the Board. As part of “**Clean Schools Projects**”, we also supported schools to get ready for education in terms of hygiene during the Covid-19 pandemic.

As part of allocating our promotional budget to the purchase of medical equipment needed by a healthcare organisation which has been a tradition for 27 years, we donated the materials needed to Gebze Association of Children with Autism. Our Table Tennis Team successfully continues to play in the super league. Due to the pandemic, we had to cease some of our social events and activities.

Turkey welcomed 2021 with high inflation, high budget and current deficits, high unemployment and interest rates. However, the decrease in high CDS, recovery of TL, relative recovery of the perspectives of rating agencies, outstanding efforts of, particularly, the private sector in production and foreign trade despite the pandemic create an expectant vision for the New Year. I believe, we will complete the year well with the high efforts and devotion of our community.

To sum up, our company achieved a consolidated gross profit of 309,687,377 TL from its 2020 activities according to the official bookkeeping entries.

I would like to take this opportunity to thank Members of the Board and all our employees for their devoted and diligent works throughout this period. I would also like to express my most sincere condolences for the members of our family, our founding chairman Cihan Bektaş in particular, who passed away and wish the General Assembly meeting will have the best outcome for both our company and our country.



Hayrettin ÇAYCI
Chairman

AUTHORITIES**MEMBERS OF THE BOARD**

Members of the Board were determined pursuant to the Turkish Commercial Code, the Capital Market Board Regulations and the Company's Articles of Association.

INDEPENDENT MEMBERS OF THE BOARD

Independent Members of the Board were determined pursuant to the Capital Market Board Regulations and the Company's Articles of Association.

TERMS OF DUTIES

In accordance with the decision taken in the Ordinary General Assembly meeting dated 29.06.2020, the terms of duty for the Members of the Board are 3 (three) years; while the terms of duty for the Independent Members of the Board is 1 (one) year.

NOTE

With the resolution #1597/20.07 of the Board of Directors dated 10.03.2020, the amendment text for Article 8 of Articles of Association titled "Board of Directors" regarding increasing the number of Members of the Board was decided to be submitted to the attention of the General Assembly. Required applications related to the issue was made to the Capital Markets Board and Turkish Trade Ministry. Following the approval of the Capital Markets Board and the permission of Turkish Trade Ministry, the aforementioned amendment text was approved during the General Assembly Meeting held on 29.06.2020; and once the registration procedures are completed on 08.07.2020, the number of Members of the Board was increased to 12.

The Board of Directors

**Hayrettin ÇAYCI**

Chairman

29.06.2020

**Hamit MÜCELLİT**

Vice Chairman

29.06.2020

**Maksut URUN**

Member of Board

29.06.2020



A. Hamdi BEKTAŞ

Member of Board

29.06.2020



Nurtekin KEÇECİ

Member of Board

29.06.2020



Turgay ŞOHOĞLU

Member of Board

29.06.2020



Cenap TAŞKIN

Member of Board

29.06.2020



F. Burcu CESUR

Member of Board

29.06.2020



Bekir MENETLİOĞLU

Member of Board

29.06.2020



Ayhan ZEYTİNOĞLU

Independent Member of Board

29.06.2020



Virma SÖKMEN

Independent Member of Board

29.06.2020



Mehmet BAHTİYAR

Independent Member of Board

29.06.2020

Senior Management



Metin YARAŞ

Vice President

(Domestic & Foreign Trade)

Tolga EDİZ

Vice President

(Technical)

Sevgür ARSLANPAY

CEO

Ümit ULUÇAM

Vice President

(Finance)

SENIOR MANAGEMENT

Name and Surname	Position
Mehmet Ali AKOY	R&D Manager - Metallurgical Engineer, MSc.
Sabri ATILLA	Administrative Affairs Manager - Administrator (Trainer)
Canan ÇAKIROĞLU	Quality Assurance Manager - Physics Engineer, MSc.
Çağatay ÇAPAL	Enamelled Wire Production Manager - Electronics Engineer
Şefiye DURMAZ YAYLA	Commercial Accounting Manager - Business Administrator (CAFA)
Mehmet Uğur ILGAZ	End Products Manager - Metallurgical Engineer, MSc.
Faruk Şekip KARŞANBAŞ	Industrial Automation and Maintenance Manager - Electronic Engineer, MSc.
Meryem KAYA	Export Operations Manager - Business Administrator
Levent Ş. KULAÇ	Procurement Manager - Metallurgical Engineer
Serkan ÖZGEN	Domestic Sales Manager - Business Administrator
S.Sinan SELVİ	Director of the Continuous Casting - Metallurgical Engineer, MSc
Yaşar SÖNMEZ	Constructions Manager - Civil Engineer
Filiz TEKİN SALMANLI	IT Systems Manager - Industrial Engineer
Deniz TURAN	Human Resources Manager - Industrial Engineer
Ferhan TURNAGİL	Cost Accounting Manager - Business Administrator (CAFA)
Ercan USER	Domestic Marketing Manager - Marketing Expert
İ. Deniz UZGAN	Financing and Risk Management Manager - Economist
Mete TARHAN	Tube Plant Manager - Mechanical Engineer
M. Mahir YILDIZ	International Marketing Manager - Foreign Trade Expert (Mathematician)
Selim YÜRÜR	Internal Auditing Manager - Business Administrator



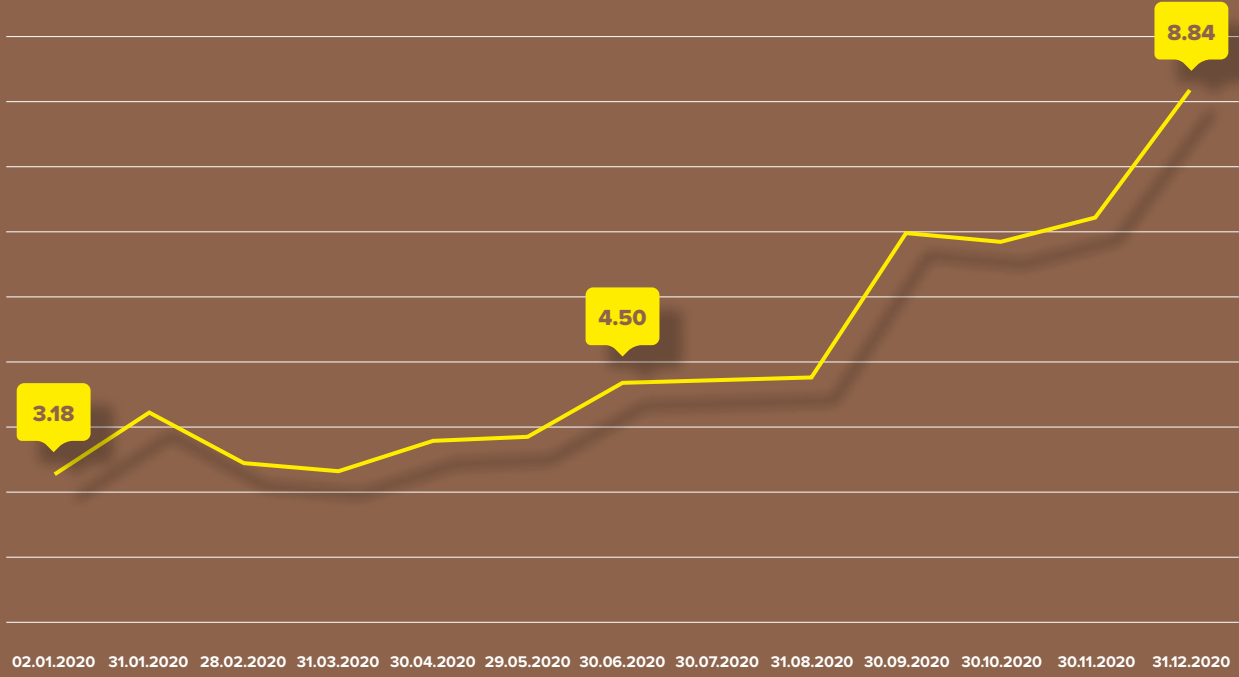
Sevgür ARSLANPAY
CEO

Despite the global crisis in 2020 due to the pandemic, we successfully completed the year by adopting an operational mentality which has a particular focus and priority on health and safety of our employees.

Under these conditions, we completed 45th year of the start of our production. In each year of operation, we replenish our strength and continue to steadily contribute to the economy of the country.

Capital Structure

PRICE MOVEMENTS OF SARKUYSAN STOCKS IN THE MARKET IN 2020 (TL)



Whilst the closing price of our stocks on Borsa Istanbul was listed 3.18 TL on 31.12.2019, as of 31.12.2020, the price was 8.84 TL by an increase of 177.99%.

With the resolution of the Board of Directors dated 25.06.2020, and approval of the Capital Markets Board dated 17.08.2020 and numbered E-29833736-105.01.01.01-8322, the capital of our Company was increased by 50% from TL 200,000,000.- to TL 300,000,000.- to be met from internal resources.

100% of our capital is open to the public and the latest status of our capital structure is presented in the given table.

As of 31.12.2020, Mr. Hayrettin ÇAYCI, Mr. A. Hamdi BEKTAŞ, and Mr. Maksut URUN, Members of the Board, have 9.51%, 2.35%, and 2.28% of the capital share, respectively. The shares of other Members of the Board are less than the aforementioned shares. Mr. Şükrü KILIMCI and Mr. Ibrahim KILIMCI hold the highest number of shares of the company with 7.53% and 5% of our capital, respectively.

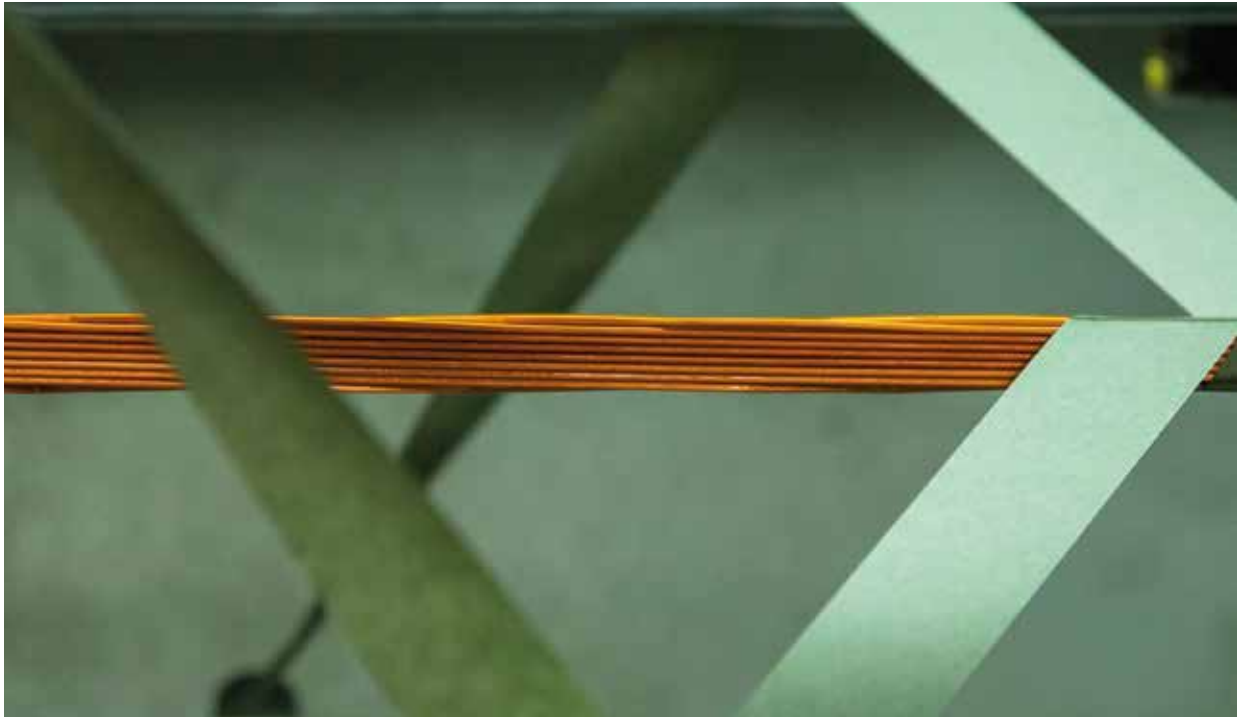
The percent of shares of the company in actual circulation was 82.75% on 31.12.2019 and 82.03% on 31.12.2020.

RESULTS OF OUR 5 YEAR ACTIVITIES (THOUSAND TL)

	2016	2017	2018	2019	2020
Registered Capital	200,000	300,000	300,000	300,000	300,000
Issued Capital	125,000	200,000	200,000	200,000	300,000
Total Par Value of Shares	4,268	4,268	4,268	4,268	4,268
Total Par Value of Bonus Shares	120,732	195,732	195,732	195,732	295,732
Capital Increase (%)	-	60	-	-	-
Stock Price (TL) (As of the end of the year)	3.06	3.30	3.41	3.18	8.84
Addition of Fixed Assets Over the Year	18,545	36,279	9,842	16,540	8,956
Total Amount of Dividends Distributed (Gross)	18,750	16,176	34,000	50,000	18,900
Total Amount of Dividends Distributed (Net)	15,937	13,750	28,900	42,500	16,065
Dividend Rate (Gross) (%)	15	12.94	17	25	9.45
Dividend Rate (Net) (%)	12.75	11	14.45	21.25	8.0325

SHARES REPRESENTING CAPITAL

Type of Stock Certificate	Paid-in Capital (TL)	Number of Shares	The Portion of Shares in the Capital (%)
Group A Registered Shares	15.00	1,500	0.000005
Group B Registered Shares	299,999,985.00	29,999,998,500	99.999995
Total	300,000,000.00	30,000,000,000	100.000000



General Information

In 2020, 9.45% gross and 8.0325% net dividends of the 2019 profits were distributed to our partners. In this case, the net 0.080325 TL cash dividend was paid to share certificates with a nominal value of 1 TL.

The report covers the period between 01.01.2020 and 31.12.2020. During this period, important developments related with the company were disclosed at Public Disclosure Platform (PDP) as well as to investors through our website.

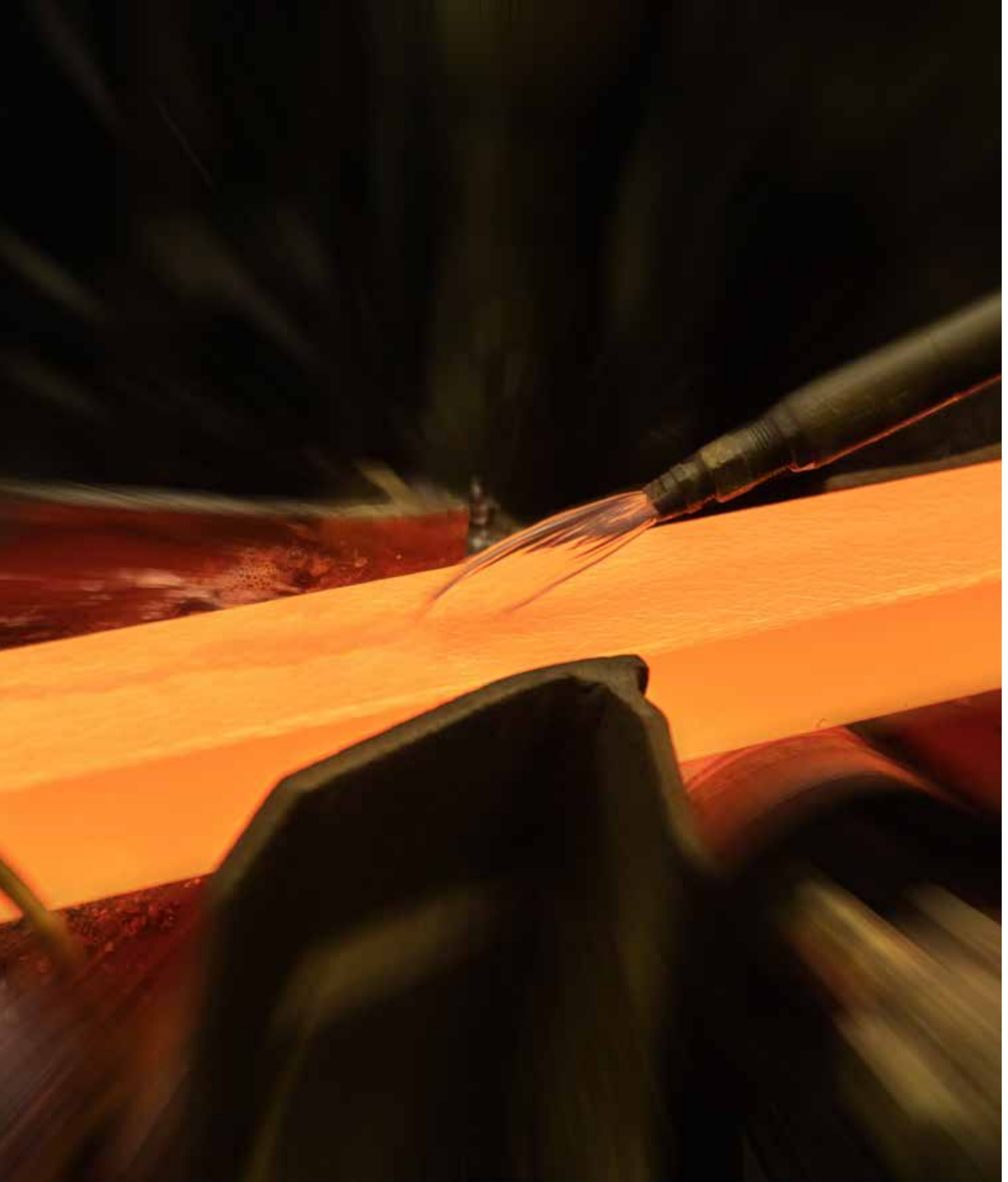
The Ordinary General Assembly Meeting regarding 2019 activities of the Company was held on 29.06.2020 at the Company Headquarters. In this meeting, shares composing 74.96% of our capital were represented, whereby Members of the Board were released from their activities and all of the agenda items were discussed and resolved.

As a result of the election held on 29.06.2020 during the General Assembly for the three Independent Members of the Board in accordance with the Capital Market Board Corporate Governance Communique, Mr. Ayhan ZEYTINOGLU, Mr. Mehmet BAHTIYAR and Mr. Virma SOKMEN were elected.

Electronic General Assembly Meeting provisions stated in Article 1527 of Turkish Commercial Code began implementing in 2013 and, besides attendees in the meeting room; the shareholders who fulfilled the required procedures in advance attended the General Assembly Meeting held online on 29.06.2020.

In 2020, 9.45% gross and 8.0325% net dividends of the 2019 profits were distributed to our partners. In this case, the net 0.080325 TL cash dividend was paid to share certificates with a nominal value of 1 TL. The dividend was distributed on 13.07.2020.





Financial Status

Despite the challenges endured in our country and the global markets, our shareholders' equity has sustained its increasing trend for the last five year period and reached to 838,458 TL by an increase of 42.85%.

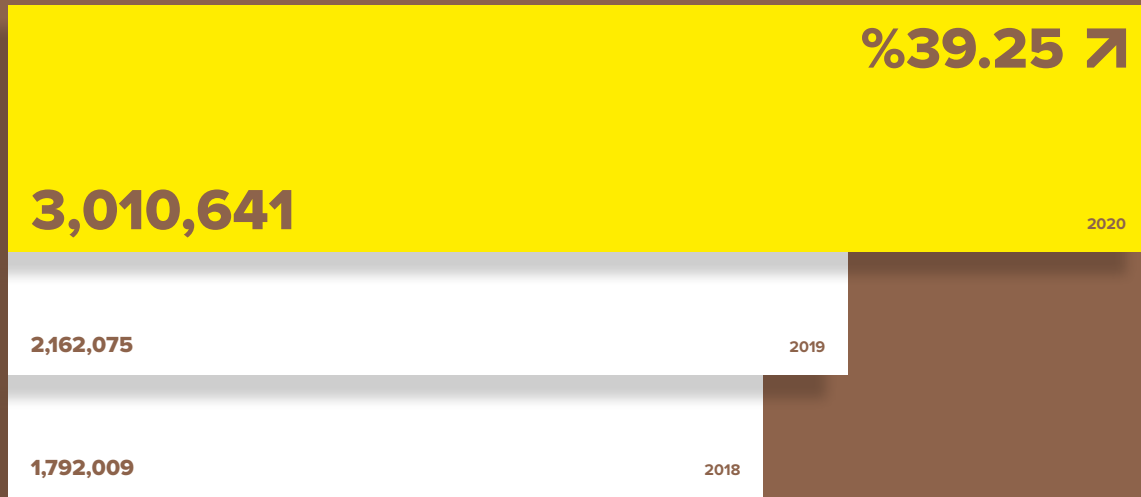
The Group preserved its strong financial structure thanks to the successful risk management and timely financial measures despite both the raw material prices prevailing on the international markets, besides economic conditions and currency fluctuations.

In addition to the effective and efficient operation capital, profitability rates were improved thanks to the Cash Management, Assets Management, Debts Management and Risk Management practices.

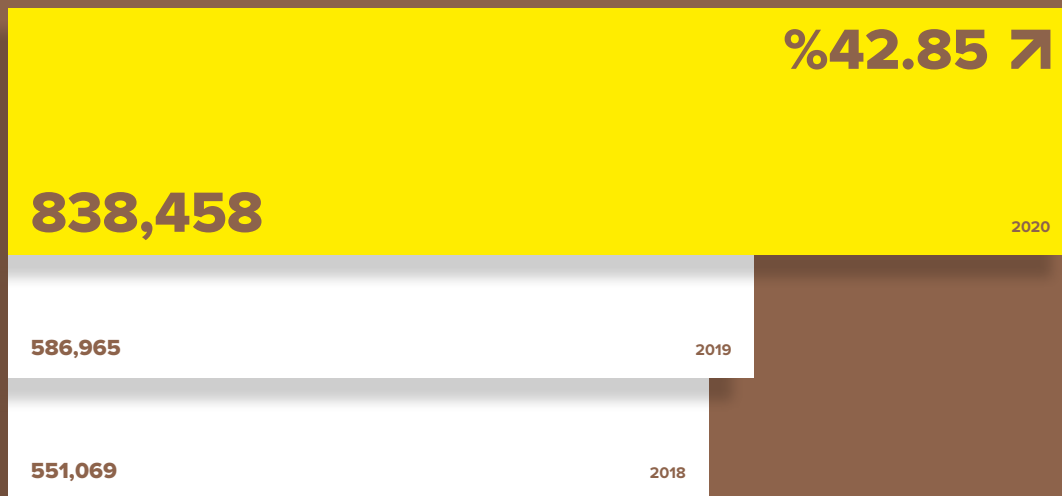
FINANCIAL RATIOS

Liquidity Ratios	2019	2020
Current Ratio (Current Assets/Short Term Liabilities)	1.35	1.46
Acid Test Ratio (Current Assets Inventory/Short Term Liabilities)	0.87	0.95
Operational Efficiency Ratios		
Asset Turnover (Net Sales/Total Assets)	2.67	2.24
Account Receivable Turnover (Net Sales/Short-Term Trade Receivables)	6.73	5.31
Inventory Turnover (Cost of Goods Sold/Inventories)	9.36	7.23
Accounts Receivable Collection Period (360/Account Receivables Turnover Rate) (Days)	53	68
Term of Inventory Sales (360/Inventory Turnover) (Days)	38	50
Inventory Collection Period (Days)	91	118
Financial Ratios		
Total Liabilities/Shareholders' Equity	2.68	2.59
Shareholders' Equity/Total Assets	0.27	0.28
Total Liabilities/Total Assets	0.73	0.72
Short-term Liabilities/Total Assets	0.57	0.56
Profitability Ratios		
Return on Assets (Income Before Tax/Total Assets)	0.05	0.10
Return on Equity (Income Before Tax/Equity)	0.20	0.37
Operating Profit Margin (Operating Profit/Net Sales)	0.04	0.07
Profit Margin (Income Before Tax/Net Sales)	0.02	0.05

TOTAL ASSETS (THOUSAND TL)



SHAREHOLDERS' EQUITY (THOUSAND TL)

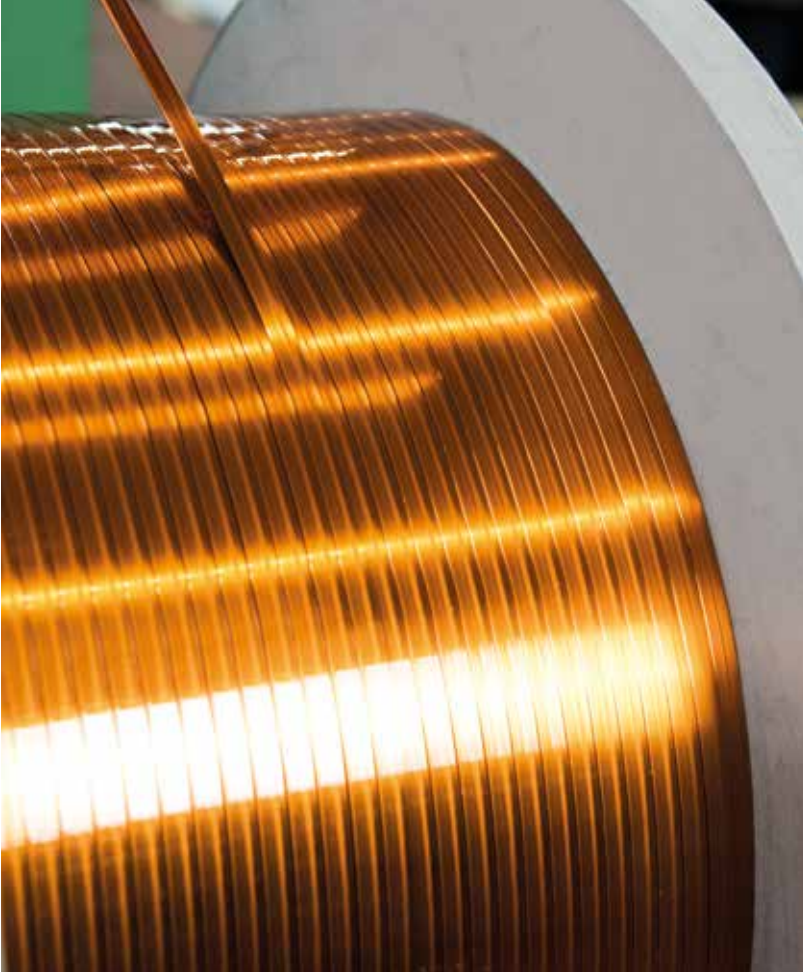


TOTAL SALES (NET) (THOUSAND TL)



Subsidiaries and Affiliates

Stocks of Demisaş Döküm Emaye Mamulleri San. A.Ş. are listed on Borsa Istanbul. The registered equity ceiling is TL 80,000,000.- and its paid-up capital is TL 52,500,000.



80,000

ANNUAL PRODUCTION CAPACITY
OF DEMİSAŞ A.Ş. (TONS)

DEMİSAŞ DÖKÜM EMAYE MAMULLERİ SAN. A.Ş.

The factory of Demisaş A.Ş., which is founded in 1974, is in Bilecik. The casting plants, cupola furnaces and induction furnaces are used for melting and the production takes place in 3 automatic casting lines. There is also a “Machining Workshop” for processing and selling pig and nodular cast iron parts which are produced in the plant. It manufactures compressor parts with hermetic pistons , components for spiral lobe compressors for the white goods sector; brake discs (nodular cast and grey cast iron), airbrake discs, brake drums, flywheels, exhaust manifolds, pulleys, brake cylinders, various brackets and parts, brake safety parts for automotive sector; pump housings for the water system sector;, compressor housings and brake safety parts for the heavy vehicle sector, rail junction parts for the railway sector and scaffolding connectors for the construction sector. Annual production capacity is 80,000 tons. As of 31.12.2020, approximately 40% of the production output is exported particularly to the West European countries. Stocks of our affiliate are listed on Borsa Istanbul. The registered equity ceiling is TL



80,000,000.- and its paid-up capital is TL 52,500,000. Our shareholding in Demisaş is 44.44%.

SAR MAKİNA SAN. VE TİC. A.Ş.

Founded in 1991, Sarmakina successfully provides service to domestic and international markets, particularly in;

Wire drawing, bunching, coil winder and tin plating lines, pay-offs, rewinding machines, spooler, various emulsion systems, band filters, steel reels, reel equipment for wire, cable sectors.

Copper, Al flexible and solid busbar and insulated conductors used in electro-mechanic industry (kraft, satin, Dennison, mylar, mica, Nomex, etc. are used as insulation materials) for energy sector. Busbar solutions include flexible connection busbar, welded solid busbar, macaron insulated tin/silver coated profiles,

pipes and rods as well as tailor-made busbar processed and produced in line with the requirements of the customers. The capital of Sarmakina A.Ş. is TL 20,000,000.- in which our share is 99%.

SARDA DAĞITIM VE TİC. A.Ş.

Established in 1979 in Istanbul, Sarda A.Ş. carries out some of promotion and marketing operations for our products.

It also imports, exports and distributes the products that are within its field of activity. The capital of Sarda A.Ş. is TL 15,000,000.- in which our share is 99.97%.

BEKTAŞ BAKIR EMAYE KABLO SAN. VE TİC. A.Ş.

Our company and Sarda A.Ş. have shareholdings of 70.71% and 29.13%, respectively, in the company, which stopped its operations in 2003 with a capital of TL 5,500,000.

BEMKA KUPFERLACKDRAHT GMBH

The company was founded to conduct a portion of the promotion and marketing activities for the products of Turkey's leading enamelled winding wire producers, Bemka A.Ş., which was founded in 2002. Our company merged with Bemka A.Ş. as of 22.12.2016. Bemka Kupferlackdraht GMBH with an equity of 500,000 EURO has an affiliated partnership of 99.60% with our company.

SARK WIRE CORPORATION

Sark Wire Corp., which was established in 2008 and has been operating in Albany, New York, the USA, since 15.12.2009, produces electrolytic copper wire and other electrolytic copper wire products with high added value at its factory equipped with the latest technology machinery and equipment. An additional factory was established in

Subsidiaries and Affiliates

Sark Wire Corp. produces electrolytic copper wire and other electrolytic copper wire products with high added value at its factory equipped with the latest technology machinery and equipment.



8,000,000

TOTAL REGISTERED CAPITAL OF SARK BULGARIA AD. (LEVA)

Georgia to reduce transport costs and deliver products to customers more quickly.

The merger of Sark - Wire that operates in the USA and which we own 60% of its capital and Sark - USA which we own 100% of its capital under Sark - Wire was decided by the boards of directors of the companies. The legal procedures in the USA were completed regarding the merger and the merger was certified on 15.05.2019. Following the merger, Sarkuysan A.Ş. has 73.34% of Sark Wire Corp; while Sarmakina A.Ş. and Bektaş A.Ş. have 14.54% and 12.12% of the company shares, respectively.

SARK BULGARIA AD.

Sark Bulgaria AD. was established on 10.06.2016 in Shumen, Bulgaria, to be able to benefit from the advantages offered by the European Union in exportation and expand the activities of the company. Our company has 90% share and Sarmakina A.Ş. has 10% share in Sark Bulgaria AD, which has a registered capital of 8,000,000 Leva. Investment process of the company was completed and the production period has been initiated.

SUBSIDIARIES AND AFFILIATES IN YEARS (THOUSAND TL)

	2016	2017	2018	2019	2020
Demisaş Döküm Emaye Mamulleri Sanayi A.Ş. (THOUSAND TL)					
Paid-in Capital	35,000	35,000	52,500	52,500	52,500
Participation Share	15,554	15,554	23,331	23,331	23,331
Participation Rate (%)	44.44	44.44	44.44	44.44	44.44
Bemka Emaye Bobin Teli ve Kablo Sanayi Ticaret A.Ş. (THOUSAND TL)^(*)					
Paid-in Capital	35,000	-	-	-	-
Participation Share ^(*)	34,991	-	-	-	-
Participation Rate (%) ^(*)	99.975	-	-	-	-
Bektaş Bakır Emaye Kablo Sanayi ve Tic. A.Ş. (THOUSAND TL)					
Paid-in Capital	5,500	5,500	5,500	5,500	5,500
Participation Share	3,889	3,889	3,889	3,889	3,889
Participation Rate (%)	70.71	70.71	70.71	70.71	70.71
Sarda Dağıtım ve Tic. A.Ş. (THOUSAND TL)					
Paid-in Capital	15,000	15,000	15,000	15,000	15,000
Participation Share	14,996	14,996	14,996	14,996	14,996
Participation Rate (%)	99.97	99.97	99.97	99.97	99.97
Sar Makina San. ve Tic. A.Ş. (THOUSAND TL)					
Paid-in Capital	10,000	10,000	10,000	10,000	20,000
Participation Share	9,900	9,900	9,900	9,900	19,800
Participation Rate (%)	99.00	99.00	99.00	99.00	99.00
Sark - USA, Inc. (THOUSAND USD)^(**)					
Paid-in Capital	100	100	100	-	-
Participation Share	100	100	100	-	-
Participation Rate (%)	100	100	100	-	-
Sark Wire Corp. (THOUSAND USD)^(**)					
Capital	10,000	15,000	15,000	15,575	15,575
Paid-in Capital	10,000	11,250	15,000	15,575	15,575
Participation Share	6,000	6,750	9,000	11,423	11,423
Participation Rate (%)	60	60	60	73.34	73.34
Sark Bulgaria AD. (THOUSAND LEVA)					
Capital	6,000	6,000	8,000	8,000	8,000
Paid-in Capital	1,875	6,000	8,000	8,000	8,000
Participation Share	5,400	5,400	7,200	7,200	7,200
Participation Rate (%)	90	90	90	90	90
Bemka Kupferlackdraht GmbH (THOUSAND EURO)					
Paid-in Capital	500	500	500	500	500
Participation Share	498	498	498	498	498
Participation Rate (%)	99.60	99.60	99.60	99.60	99.60

(*) The merger process with Bemka Emaye Bobin Teli ve Kablo Sanayi Ticaret A.Ş. was completed and registered in 22.12.2016 and Bemka Kupferlackdraht GMBH, an affiliated company of Bemka A.Ş. operating in marketing sector in Germany, was included to Sarkuysan's affiliated companies.

(**) The legal requirements regarding the merger of Sark - Wire that operates in the USA and which we own 60% of its capital and Sark - USA which we own 100% of its capital under Sark-Wire were completed and the merger was certified on 15.05.2019.

Activities in 2020

With approximately 6,000 shareholders and social responsibility projects, Sarkuysan has been adding value to the country's socioeconomic life since 1972.

INVESTMENTS

Our company continued investment activities in the 2020 period. Our investment activities were especially focused on high value-added products taking into account the intense competition in the global sector and the new technological trends. Utmost care was given so that the machineries and plants commissioned during the year possess the latest technologies. Thanks to these investments, the product range was broadened contributing positively to meet customer requirements.

PRODUCTION ACTIVITIES ABROAD

The Sark Wire Corporation, established in New York and Georgia states of the USA, of which 73,34% is owned by our company, produces in accordance with the requirements of the ISO 9001 Quality Management System Certificate it possesses with high quality products with growing

product variety, competitive prices, short delivery terms and a focus on customer satisfaction in the North American market.

Sark Bulgaria AD was founded in Shumen, Bulgaria in 2016 in order to expand our company's operations in the European Union. Serial production of Sark Bulgaria began around mid-2019. Production increases and continues.

INFORMATION ON PRODUCTION

Sarkuysan was founded in Istanbul in 1972 to produce electrolytic copper and products. The premises of the company are located on an area of 175,000 sq. metres in Osmangazi, Gebze, which is 45 km from Istanbul. Sarkuysan, which has an annual production capacity over 200,000 tons, ensures having environmentally-friendly production processes at its plants which are equipped with modern environmental protection technologies. Sarkuysan, the first truly





publicly owned company of Turkey, with its multi partner and professional management structure, subsidiaries and affiliates, approximately 6,000 shareholders and social projects, has been adding value to the country's socioeconomic life since 1972. In 2020, the Sarkuysan Group reached 179,094 tons of goods sales.

PRODUCTION FACILITIES

REFINERY FACILITIES

Anode Casting Workshop

Blister copper is melted in refining furnaces and then automatically cast in moulds at the casting wheel to obtain copper anodes.

Tank House

Anodes placed in electrolysis baths are subjected to electrolytic refining by means of the conventional direct current electrolysis method. After the electrolysis process, copper cathodes of electrolytic purity are obtained.

Continuous Casting Plants

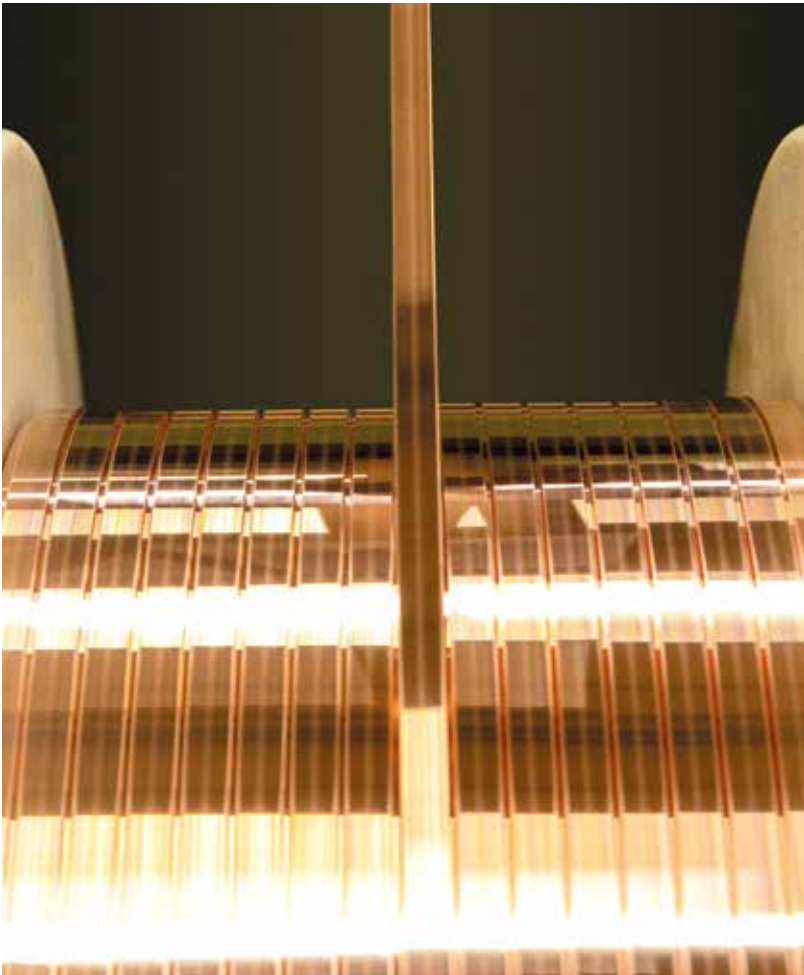
Sarkuysan is the unique organisation in the world which is capable of manufacturing copper wire rod by means of three competitive continuous casting technologies that are operated under the same roof.

Upcast (Outokumpu)

High purity electrolytic copper cathodes are melted in the protective atmosphere at induction furnaces, transferred to casting furnaces via launders and cast into wire rods with diameters of 8 to 25 mm range by means of the "UPCAST" continuous casting technology. Silver alloyed copper wire rod is also produced in this facility.

Activities in 2020

Sarkuysan, which has an annual production capacity over 200,000 tons, ensures having environmentally-friendly production processes at its plants which are equipped with modern environmental protection technologies.



Southwire

Electrolytic copper cathodes are melted in the atmosphere-controlled shaft furnace and consecutively transferred into holding furnace and caster via launders. The continuously cast bar through the caster is then hot rolled into ETP copper wire rods with diameters of 8, 11 and 16 mm, followed by pickling process for surface deoxidation and brightening.

Contirod Contirod/Hazelett

Electrolytic copper cathodes are melted in the atmosphere-controlled shaft furnace and cast into bar form in Continuous Casting Plant. The cast bar is hot rolled into 8 mm wire rod and ETP copper wire rod is produced.

Billet Casting

Electrolytic copper cathodes are melted in the channel type induction furnace and transferred to the holding/casting furnace. The casting takes place automatically and cut into requested lengths at the vertical strand caster. The billets produced in this facility are dispatched to tube, busbar and profile plants for extrusion processes.

PRODUCTION

CONDUCTOR PRODUCTION

Providing raw materials for harness cables as a major input for the automotive industry today, our Company manufactures conductors in compliance with national and international standards, which can be used in technical equipment to be used for fast communication and data transmission in various fields including computers and the Internet. Furthermore, general and special purpose conductors used in



electronics industry are included in our product range. Moreover, our Company also undertakes the manufacture of special conductors consumed in every segment of aviation and defence industries. Sarkuysan manufactures high conductivity copper with superior heat and thermal shock resistance, which are used by cable companies that supply to aeronautics and astronautics industries.

Mono Wire Production

8 mm wire rods produced at the continuous casting plants are cold drawn down to 0.05 - 4.50 mm at different drawing machines with annealing units as per the standards and/or customer requirements.

Bundled Conductor Production

Multi-Wire Bundled Conductors

Multi-wires consisting of up to 24 wires are drawn down to 0.05 - 1.04 mm on state-of-the-art wire drawing machines.

Bunched Conductors

0.05 - 300 mm² conductors are manufactured in conformance with international standards on bunching machines.

Special Stranded Conductors

0.05 - 300 mm² conductors are stranded with customized geometry.

Tin / Nickel Plated Wire Production

Copper wires within the diameter range of 0.80 - 3.00 mm are firstly electroplated with tin or nickel, and then drawn down to required diameters at wire drawing machines.

Flat Wire and Profile Production

Predrawn and shaved rods are fed into specially designed cold drawing/rolling machines. The product is then annealed in compliance with required standards depending on the customer demand. Flat wires and profiles are also produced in annealed form thanks to the state-of-the-art continuous extrusion method.

Flat Wires

Flat wires up to 150 mm² cross-section in 3 - 30 mm width and 1 - 12 mm thickness are produced.

PV Ribbon Wires

PV ribbon wires are produced in bare, tin, nickel or solder plated forms by means of particular rolling and plating units, and then transferred to spools via the rewinding unit according to customer specifications.

Thickness: 0.08 - 0.50 mm, Width: 0.80 - 6.00 mm, Plating: Tin-plated, nickel plated or solder plated in desired specifications, Physical characteristics: Annealed or hard.

Contact Wires and Catenary Conductors

Sarkuysan manufactures contact wires with electrolytic copper of 99.99% purity in manufacturing. The company manufactures contact wires in different dimensions from electrolytic copper, silver, tin and magnesium alloyed copper wire rods by means

Activities in 2020

Despite the challenges endured in our country and the global markets, the year-on-year sales of our company increased 16.64% thanks to our vast and flexible retail network.

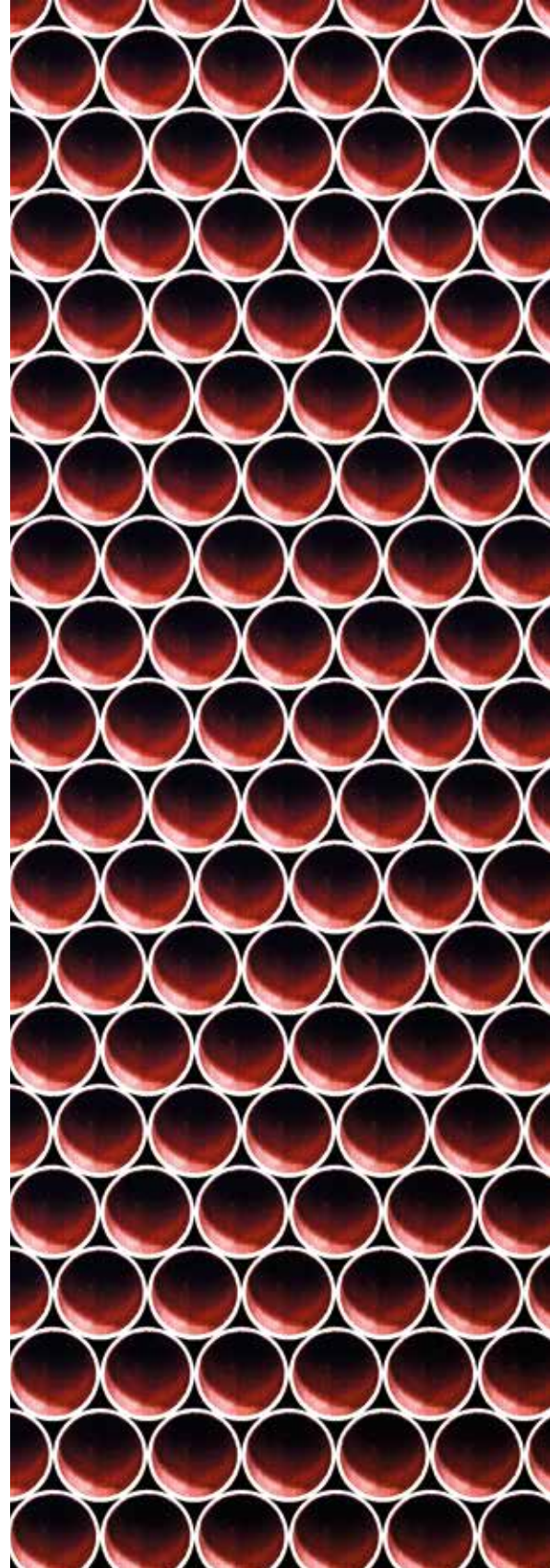
of drawing, rolling or drawing rolling method. Products are manufactured according to international standards such as ASTM B 47, UIC 870-0 and TS EN 50149 or customer specifications in 107 mm², 120 mm² or 150 mm² cross sections. Silver alloyed copper contact wires provide advantages to high speed and high frequency rail systems thanks to their high conductivity and high softening temperatures. Tin or magnesium alloyed contact wires have high breaking stress and wear strength, and thus are highly preferred in very fast speed rail systems. Magnesium alloy conductors, which have high tensile strength, are ideal to be used in manufacturing catenary wires that require flexibility and high strength. Catenary wires and feed wires can be produced from CuMg and CuAg alloy or pure copper according to demand.

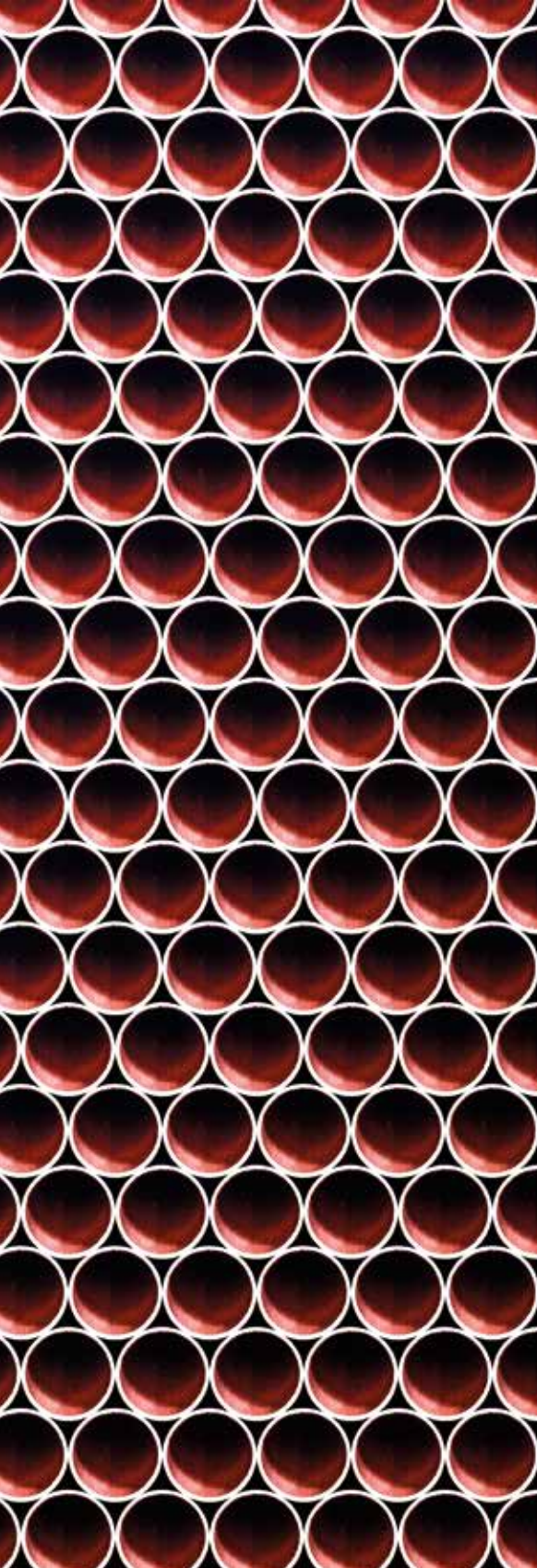
Profile Bars

Maximum diameter in round bars is 80 mm. In flat profiles, maximum width is 200 mm.

TUBE, BUSBAR AND PROFILE MANUFACTURING PLANT

Preheated up to the appropriate process temperatures, DHP-Cu and ETP-Cu billets are transformed into mother tubes and busbars by extrusion presses. Final products are produced in different finishing lines in compliance with required dimensions. As well as busbars and profiles, inner grooved or non-grooved tubes drawn in straight lengths, pancake or LWC forms are calibrated according to customers' demands, and are annealed in the annealing furnace, operating under protective gas. Insulated copper tubes are produced for the air conditioning sector with a production line that is specially developed and produced by Sarkuysan. Depending on the customers' order, busbars are offered for sale in bare or tin-plated forms. In addition, copper busbars with high conductivity and surface quality properties are manufactured





from Cu-OF wire rods at the state-of-the-art continuous extrusion plant. Moreover, tin-plated busbars can be produced at electro tin-plating line, jointly developed by Sarkuysan and SarMakina who is the patent holder.

ENAMELLED WIRE PRODUCTION FACILITIES

Round copper and aluminium enamel winding wire, flat copper enamelled winding wire and Continuously Transposed Conductors are produced at our plants in Gebze and Tuzla.

Round and Flat Enamelled Winding Wire Production

Round copper wires in the 0.03 -5.00 mm range, round aluminium in the 0.80-2.50 mm range and up to 100 mm² cross section in flat enamelled winding wires are produced on enamelling machines at world standards.

CTC (Continuously Transposed Conductor) Production

The CTC product that is manufactured by gathering flat enamelled winding wires together which is used in power transformers and generators that reduce losses in the unit used, winding time and costs and increases the physical endurance of the winding, is produced with project development according to customer demand.

OUR PRODUCTS

- Copper Cathode
- Produced from electrolytic copper;
- Wire rod
- Rods
- Wires in various diameters
- Flat wires (bare and insulated)
- Overhead Catenary Wires (contact

wires, dropper wires, porter wires, feeder wires, Y rope insulated/non-insulated earth wires)

- Tin-Plated Wires
- Nickel-Plated Wires
- Bunched and Stranded Wires
- Rope Stranded Wires
- Profiles
- Copper Tubes (LWC, pancake, plain, grooved, insulated)
- Copper Busbars (bare or tin-plated)
- Copper Nuggets (Cu-OF and Cu-DXP)
- PV Ribbon Wires
- Round Enamelled Winding Wire (copper or aluminium)
- Flat Enamel Winding Wire
- CTC (Continuously Transposed Conductor)

SALES

The total sales figure in 2020 reached 6,742,787,513 TL. Having global impacts, Covid-19 pandemic had a significance effect on Turkish copper industry. Despite the challenges endured in our country and the global markets, the year-on-year sales of our company increased 16.64% thanks to our vast and flexible retail network (2019: 5,780,611,154). Effective team work, Corporate Risk Management, high quality and our customers regarding Sarkuysan as a long-term solution partner played an important role in achieving the subject sales figures.

EXPORT

2020 was a successful year in terms of achieving the export goals despite all challenges experienced. As the Company has an extensive export network of over 500 active customers in more than 70 countries on 5

Activities in 2020

As the Company has an extensive export network of over 500 active customers in more than 70 countries on 5 continents, Sarkuysan experienced limited impacts of curfews due to Covid-19 pandemic.

continents, Sarkuysan experienced limited impacts of curfews due to Covid-19 pandemic. In 2020, we achieved export figures of USD 235,138,845, EUR 222,985,455 and GBP 25,875,716.

FAIRS PARTICIPATED IN 2020

- March 3rd-5th, 2020 - Middle East Electricity 2020 / Dubai - UAE
- November 9th-13th, 2020 - Saha Expo 2020 / Istanbul - Online

EXPECTATIONS OF THE MARKET AND THE COPPER MARKET IN 2021

Beginning around November-December 2019, Covid-19 pandemic spread all around the world and caused production and consumption activities to almost stop worldwide. In the following months, leaving the first peak of the pandemic behind, advancing vaccine studies and almost all Central Banks, FED and ECB in particular, opting for monetary

expansion policies resulted in re-initiation of operational activities and rapid increases in production and growth figures were observed. However, by the last quarter of the year, the pandemic reached its second and third peaks, some other strings of the virus were identified and adverse impacts were experienced due to extreme monetary expansions; which once again resulted in dramatic decreases in production and growth figures.

In 2020, when we experienced very high risks and price fluctuations, copper prices reacted to the pre-existing conditions with a dramatic decrease at first and then with a very sharp increase. As a result of full-time curfews and uncertainties due to the pandemic, copper prices decreased to 4,371 USD/Mt (3-Month) levels. However, immediately after the decrease 4 most prominent Central Banks of the world (FED (USA), ECB (Europe), BOJ (Japan), BOE (UK))





INTRODUCTION

THE MANAGEMENT

GENERAL INFORMATION

OUR ACTIVITIES

CORPORATE GOVERNANCE

FINANCIAL INFORMATION

Activities in 2020

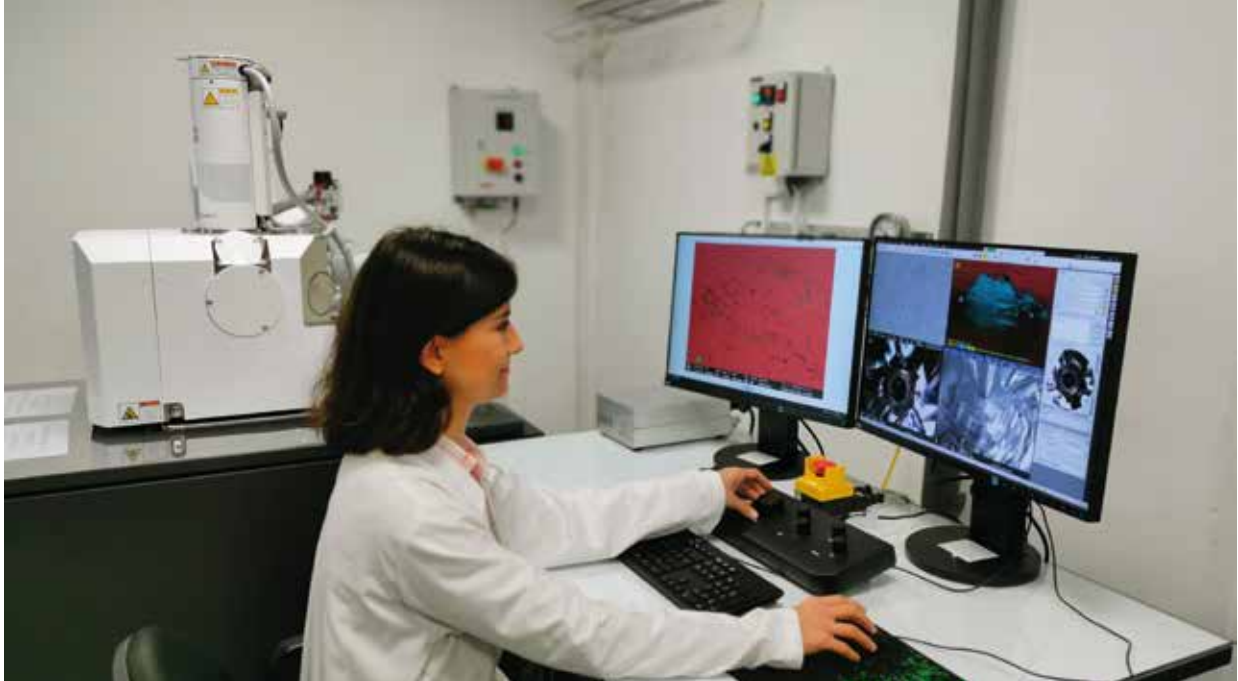
Our activities are carried out in accordance with our “Quality Management System”, aiming improvement of quality and increase of customer satisfaction and ensuring of sustainability.



adopted a giant monetary expansion and as of the end of 2019, they increased their financial statements, which was around USD 15 Trillion, to USD 25.5 Trillion; and this resulted in a very rapid increase in prices of all merchandises that are limited in supply. This trend was supported by the good news about vaccination and the re-increasing demand of China; hence, copper prices reached 8,238 USD/Mt levels in January 2021.

Considering the global trend, IMF estimates a global growth rate around 5.5% in 2021. During this period, the USA is expected to achieve a growth rate of 5.1%, while Europe and China achieve a growth rate of 4.2% and 8.1%, respectively; whereas Developing Countries Group, in which Turkey is included as well, is expected to close the year with a growth rate of 6.3%. The latest researches published by IMF included economic growth projections; and, according to this report, the economic growth expectation for China, where Covid-19 pandemic was originated, decreased from 8.2% to 8.1%. In 2022, the economy of China is expected to grow 5.6%. Whilst the expectations for Chinese economy was 1.9% for 2020, last year Chinese economy is estimated to achieve a growth of 2.3%. (Source: IMF, World Bank)

Considering the global refined copper production, in 2020, a year-on-year increase of 1.6% was achieved despite all challenges due to Covid-19 pandemic and the total refined copper production reached 24.43 Million tons (2020: 24.04 Mio tons). However, for the very same period, the demand



for the refined copper stayed at the same level as the previous year due to the full-time curfew decisions taken all around the world almost at the same time (2019: 24.42 Mio tons, 2020: 24.48 Mio ton). Leading global organisations stated that they expected an increase of 1.6% and 1.1% in 2021 in refined copper production and refined copper consumption, respectively. (Source: Reuters, CRU, ICSG)

Covid-19 pandemic also has had significant impacts on Turkish economy, besides global economy. Whilst the pandemic hit Turkey with a fragile economy, the growth rate in 2019 was 0.9%. In 2020, the growth rate achieved was 1.5% despite high credit expansion and base effect. In 2021, the projected growth rate is between 4.5% and 5.5% with the positive developments regarding the pandemic, deferred demand and base

effect. Turkish copper market shrank by 10% in 2020; while the total copper production was 500,000 tons.

Whilst the shrinkage did not affect the cable companies, as they mostly export; companies that mostly work within nationwide were observed to be impacted adversely. In 2021, Turkish copper market is expected to grow 5%.

R&D ACTIVITIES

Sarkuysan R&D Centre commenced its activities with the permission of the Ministry of Industry and Technology on November 19, 2018.

Continuing its activities in sector with high global competition, Sarkuysan places importance to its R&D studies to fulfil the requirements of the industry and compete in the international arena. Sarkuysan R&D Centre continues its studies in line

with the company's line of business and goals.

Hence, the centre is mainly focused on developing products included in the portfolio of the company and produced in massive amounts as well as tailor-made products and systems in line with the requests and suggestions of the customers. Thus, every year activities to strengthen R&D infrastructure and human resources are carried out.

Sarkuysan R&D Centre is focused on,

- Process design and implementation,
- Material development and implementation
- Project-specific tailor-made implementations,
- Low-cost, high-quality implementations,

to strengthen its position in the sector.

Activities in 2020



As the TOP member company in IDDMIB (Iron and Non-ferrous Metals Exporters Association) in exportation in 2020, we were granted the “Metallic Star in Export” award.



Activities in 2020

The “Environmental Management System” with ISO 14001 certificate leads Sarkuysan to decrease the use of natural resources, minimises the impacts on soil, water and air, increase and sustains the environmental performance.

MANAGEMENT SYSTEMS AND QUALITY CONTROL ACTIVITIES

High quality of our products and our business understanding focused on continuous improvement have an important role in the success of our company in sustaining its leading position in the production of electrolytic copper and copper products.

Thanks to the “Quality Management System” with ISO 9001 and IATF 16949 certificates, Sarkuysan continues its activities in line with the Company’s main goals of increasing quality and customer satisfaction and ensuring sustainability.





The “Environmental Management System” with ISO 14001 certificate leads Sarkuysan to decrease the use of natural resources, minimises the impacts on soil, water and air, increase and sustains the environmental performance.

The “Health and Safety Management System” with OHSAS 18001 certificate enables us to continue our systematic applications for the protection of our employees by creating a safe and healthy work environment, prevents the occurrence of workplace accidents and occupational diseases, and ensures the safety of workplace environment.

Thanks to our “Energy Management System” with ISO 50001 certificate, the required processes and systems to increase energy efficiency were established and efficient energy management is enabled by the projects applied. The quality control activities that start with input products

are continued with process control and product controls. Quality controls at all levels are carried out according to test methods stipulated in line with the national and international standards and by appropriate devices and competent personnel. The laboratories where Physical Tests and Chemical Analyses are conducted are experts on copper tests and analyses and our activities are approved by the Turkish Standards Institute (TSE). Conformity of our products to the national standards is certified by TSE.

ENERGY POLICY

SARKUYSAN A.Ş. adopts the principle of constantly improving the efficient use of energy and providing environmental and economic sustainability in all operations with the awareness on undertaking the Energy Management System responsibility.

Thus, we are committed to;

- Complying with appropriate national and international energy

regulations, standards and other requirements in force,

- Utilizing energy and natural resources efficiently in all manufacturing operations and processes, and constantly improving our energy performance through surveys and improvement projects for energy efficiency,
- Keeping up with technological trends to evaluate alternative energy resources that would minimize negative impacts,
- Efficiently using energy and natural resources through sustainable development approach, and launching efficient and transparent efforts for reducing greenhouse gas emissions,
- Implementing efforts dedicated to improving the energy awareness of employees, suppliers, customers and stakeholders,
- Minimizing energy losses and optimally utilizing gas emissions and waste heat,

Activities in 2020

As part of the significance and priority we attach to the health of our human resources, our most valuable assets, we are certified with “Covid-19 TSE Safe Production Certificate”.



- Preferring energy-efficient technologies and applications to improve our production plants and equipment and new investment operations services in new investments,
- Integrating the documented Energy Management System into corporate management applications and periodically reviewing and improving the objectives

ENVIRONMENT, HEALTH AND SAFETY POLICY

The principles of Sarıkuysan which are based on protecting our employees' health and safety are; using clean technologies which do not pollute the environment and minimise waste with recycling facilities recycling facilities in the production site in accordance with the requirements of our customers; to ensure the efficient use of energy and natural resources for sustainable development and to prevent pollution as part of our Environmental Management System that is based on continuous improvement; to take all necessary measures in order to prevent workplace accidents and to preserve our employees from occupational diseases; to comply with the requirements of Environment, Health and Safety Legislation and approved code of practice in the course of activities; to set attainable goals and continuously seek to improve them in line with the continuous improvement principle and to increase environmental performance; to ensure the effective implementation of Environment, Health and Safety Management Systems and to train the employees to raise awareness.

Our policy is accessible to all stakeholders and the public. We commit to put our efforts to achieve these principles together with all our employees.

HUMAN RESOURCES

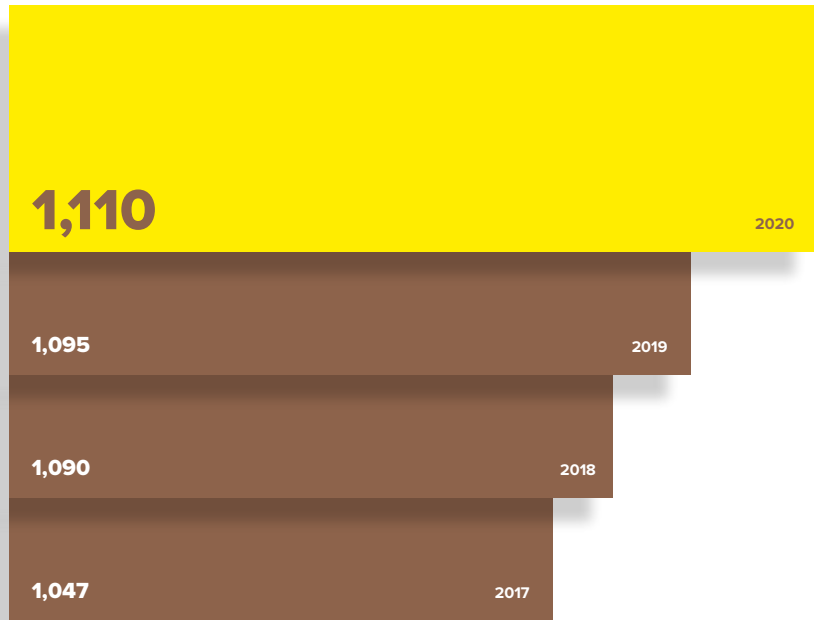
In this period, human resources policy was implemented in parallel with our main targets.

In 2020, we had no decrease in our employment volume compared to the previous year in line with our priority to safeguard the employment; even, we reached 1,110 employees with a slight increase. 432 administrative personnel and 678 workers were employed.

As part of the significance and priority we attach to the health of our human resources, our most valuable assets, we are certified with "Covid-19 TSE Safe Production Certificate". During the certification process, we immediately made the required investments, procured the necessary equipment, provided training, etc.

Particularly during the beginning of March, when Covid-19 cases were rare in our country, intensive training on Covid-19 was provided to all our employees by our company physician to raise awareness, which has been very useful. Spots, posters regarding Covid-19 measures were placed all around the factory.

NUMBER OF EMPLOYEES



FINANCIAL RIGHTS GRANTED TO THE MEMBERS OF THE BOARD AND SENIOR EXECUTIVES

Remuneration to the Members of the Board is determined in the Ordinary General Assembly which is held annually. Remuneration to all managers including senior executives of the Company are determined in parallel with the pay rise periods specified in the collective labour agreements, based on the general economic and sectoral circumstances, actual figures in the financial statements of the Company, wages applied in the market and particularly in the peer corporations, annual performance assessment results of employees, pay rise percentages

arising from collective labour agreements of our union member workers and implemented upon evaluation and approval of the Board of Directors.

SOCIAL RESPONSIBILITY

We are aware of our responsibilities towards society and we carried out various social responsibility projects over the year. Thus, once more, we are more than happy to be a company that creates value for the society.

During the fight against the pandemic, we were the main supplier of the fire-resistant cables of Sancaktepe Field Hospital, which is one of the most urgent and big investments of the healthcare systems and one of

FINANCIAL RIGHTS GIVEN TO THE MEMBERS OF THE BOARD AND SENIOR EXECUTIVES (TL)

Attendance fees, salaries, bonuses, premiums and dividends	11,173,141
Allowances, travel, accommodation, insurance and representation expenses	19,390
TOTAL	11,192,531

Activities in 2020

We gifted tablets to 100 underprivileged students in our Sarkuysan Elementary School and Sarkuysan High School, for them to be able to continue their education through EBA (Education IT Network).



436,777

TOTAL DONATIONS AND GRANTS (TL)

the main stakeholders in our country's healthcare infrastructure. Again, as part of the fight against the pandemic, Gebze and Darica District Directorates of Health were donated tablets for their filiation operations at the site.

As part of allocating our promotional budget to the purchase of medical equipment needed by a healthcare organisation which has been a tradition for 27 years, this year we donated the materials needed for the education of children with autism to Gebze Association of Autism.

We continued our contributions in the education field by granting non-refundable scholarships to 119 undergraduates, including children of our employees and graduates of Sarkuysan High School studying at higher education institutions. Thanks to these practices, 314 grantees have been included in the professional life so far.

Furthermore, our employees established a scholarship fund 26 years ago by contributing with certain amounts of deduction from their salaries. So far, 295 students have benefitted from this scholarship and finished their schools. In the meantime, 71 students still continue their education. We also keep our relations and supports ongoing



with our Elementary School and High School, which are our other social investments in education. In this sense, we gifted tablets to 100 underprivileged students in our Sarkuysan Elementary School and Sarkuysan High School, for them to be able to continue their education through EBA (Education IT Network). As part of “Clean Schools Projects”, we also supported schools to get ready for education in terms of hygiene during the Covid-19 pandemic.

DONATIONS AND GRANTS

In this period, donations and grants in an amount of 436,777.-TL in total were provided to various organisations. Major donations and aids paid during this period were as follows; 130,400 TL was donated to Sarkuysan Sports Club for the cost of the materials and equipment of our table tennis team competing in the Super League; 113,850

TL was donated to Darıca District Governorate due to the pandemic; 100,000 TL was donated for tablets as part of support to education, 50,000 TL was donated to “Bizbize Yeteriz Türkiyem” national solidarity donation campaign.

Dear shareholders,

Our Company made donations and grants to various organisations and contributed to their development and improvement.

Yours faithfully,
Board of Directors

DONATIONS AND GRANTS BY THE COMPANY (TL)

Sarkuysan Sports Club	130,400
Darıca District Governorship	113,850
Tablet Donation	100,000
Bizbize Yeteriz Türkiyem National Solidarity Donation Campaign	50,000
Gebze Autism Association	18,775
Eğitime Bir Tablette Senden (A Tablet from You for Education) Campaign	10,000
Türk Eğitim Vakfı (Turkish Education Foundation)	3,450
Türkiye Sağırlar ve Tesanüt Derneği (Deaf and Solidarity Association)	2,600
SMA Association	1,750
Tema Foundation	1,652
Fiziksel Engelliler Derneği (Association for Physically Disabled)	1,500
Unicef	1,500
KASEV (Kadıköy Health Education Centre)	1,300
Total	436,777

Internal Audits

The internal audit system of the company consists of job descriptions, authorisation system, policies and documented procedures that were previously determined based on the work flows and processes.

Our Company aims to achieve its targets on efficiency and effectiveness of operations, the reliability of its financial reporting system and assurance on the compliance to the legal regulations through implementation of an internal audit system.

Internal audit system is regularly subjected to periodic evaluation by the Quality Assurance Department and effectiveness of the production operations is inspected.

The Audit Committee has notified the Board of Directors in writing about its opinions on the election of the independent auditors for the year 2020 interim and annual financial statements to be disclosed to the public, accuracy and consistency of them with the accounting principles and actual figures and the decisions taken during the meetings held throughout the year.

Risks and Assessment of the Board of Directors

All of the strategic, operational, financial particularities and other aspects that are thought to create risks preventing our company from achieving its short- and long-term targets are evaluated at every level of the organisation starting from the Board.

The Early Risk Detection Committee that is established for this purpose carries out activities in parallel with the objective of making recommendations and giving advice towards detecting, evaluating and managing, reporting all kinds of risks including strategic, financial, operational risks etc., that may have an impact on the Company and taking them into consideration in the decision taking mechanisms.

Operational Risks: These risks are evaluated from a broad perspective beginning from the procurement of raw materials, production, sales and after sales services.

Receivables Risk: The receivable risks of our company are reported by the Limit Determination Committees consisting of senior executives of the Company in accordance with the Customer Limits Determination Procedure and they are approved upon checking and analysing in accordance with the relevant procedure.

There are insurance policies covering the receivables of our Company from the domestic market and foreign countries so that the losses that may arise from risks can be compensated.

In addition to the global policies, various security methods (securities, bonds, direct debiting system, etc.) are

used with the purpose of minimizing the receivables risk.

Financial Risks: These risks are classified in four categories as Liquidity Risks, Interest Rate Risks, Foreign Exchange and Price Risks and following principles are regarded for the management.

Liquidity Risks: Attention is paid for matching the due dates of our Company's receivables and debts, and efforts are made to maintain the liquidity ratios of the Company (current ratio and acid-test ratio) through effective cash flow management and control and net operating capital management with the purpose of maintaining the short-term liquidity level.

Interest Rate Risk: Changes in the interest rates lead to a substantial risk with respect to the financial consequences as a result of the impact created on interest sensitive assets and liabilities. This risk is managed by balancing the amount and maturity dates of the interest sensitive items.

Accordingly, efforts are made not only to match the maturities of the receivables and payables but also to balance the fixed/ fluctuating interest rates and short/long-term maturities.

Foreign Exchange Risk: As our company carries out operations in a vast geography, the operations are compensated with different currencies. Therefore, the exchange rate risk is one of the most important financial risks encountered. The main principle in managing this risk is to

balance foreign currency assets and liabilities in foreign currencies such that the currency fluctuations create the minimum impact, in other words, a level close to zero is maintained in connection with the foreign currency position. Most of the time, methods that can be implemented on the balance sheet are used for the management of the foreign exchange. In addition, derivative financial instruments are used for protection against the parity change risks.

Raw Material Price Risk: Copper prices that form a substantial part of our costs are set by the global markets and follow a volatile trend. We implement models based on matching the prices and payment dates of the goods procured and sold in order to protect the Company against such price change risks. Apart from these models, all long-term price fixing demands of customers are managed through hedging operations.

In addition to the hedging operations against changes in copper prices, we implement hedging operations for other metals such as Tin, Nickel and Aluminium too, as they form a part of our costs and are open to price changes.

MISCELLANEOUS

No important developments of special importance occurred in the company that may have a potential to affect rights of the partners, debtors and other relevant persons and organisations upon expiry of the activity period.

Corporate Governance Compliance Report

SECTION I - DECLARATION OF COMPLIANCE WITH THE CORPORATE GOVERNANCE PRINCIPLES

Our company adopted complete compliance to Corporate Management Principles included in the annex of Communiqué on Corporate Management no.II-17.1 of the Capital Markets Board that came into effect after it was published in the Official Gazette no. 28871 dated 03.01.2014. However, full compliance could not be achieved due to reasons such as difficulties that could be faced in practice and that could cause delays in the company's activities, existence of debates in our country and also in the international arena about the compliance to some articles and as some of its aspects do not fully coincide with our company's present structure. There is not any conflict-of-interest situation that our company has been subject to for not complying with any principle. During application of Corporate Management Principles, some principles that do not fully coincide with our company structure and could cause delays in some activities were not included.

In the annual period that ended on Thursday, December 31, 2020, the explanations regarding compliance to corporate management principles found in the attachment of Corporate Management Communiqué as well as the principles yet to be complied with were given in Corporate Governance Compliance Report ("URF") and Corporate Governance Data Sheet ("KYBF") and other sections of the report. In case of any change in URF or KYBF within the annual period, special announcements will be made and updates will be included in interim reports.

Prepared in line with the Capital Market Board decision dated 10.01.2019 and numbered 2/49 and Corporate Governance Communiqué numbered II-17.1, Corporate Governance Compliance Report (CRF) and Corporate Governance Information Form (CGIF) can be accessed below.

SUSTAINABILITY PRINCIPLES COMPLIANCE FRAME

With the amendment made on Corporate Governance Communiqué on October 2, 2020, Capital Markets Board requested the following information to be included in the Annual Reports;

- If the fundamental principles defined as part of sustainability principles compliance framework are implemented,
- If not, explanations on the issue,
- Explanations related to impacts on the environmental and social risk management in the event of not fully complying with these principles.

Although implementation of sustainability principles is voluntary, whether or not implementing the principles must be explained in the report on "Implement or Explain" basis. Sarkuysan has the goal to fully comply with the principles defined in Sustainability Principles Compliance Framework document. Sarkuysan also has the goal to integrate internationally-recognised ESG (Environmental, Social and Governance) reporting metrics with its corporate structure and strategic goals in order to create short-, medium- and long-term values. Thus, in the following period, the Company will focus on building structures, defining strategies, building policies in order to fully comply with the aforementioned principles. We will continue with our projects in education, innovation and environment, which are already priority projects of the Company, with the goal to foster a more conscious society today and in the future. For a sustainable future, we will continue to contribute to environment, people, economy, society and develop; and fulfil the expectations of our stakeholders.

	Compliance Situation					Explanation
	Yes	Partially	No	Exempt	NA	
1.1. Facilitating Use of Shareholder Rights						
1.1.2 - Updated information and disclosures that may affect the use of shareholder rights are presented to the attention of the investors on the corporate website.	x					
1.2 Right to Demand and Review Information						
1.2.1 - The Company management avoids any actions that may complicate special audits.	x					
1.3. General Assembly Meeting						
1.3.2 - The Company ensured a clear description of the agenda of the General Assembly Meeting and each suggestion to be given under a separate title.	x					
1.3.7 - Privileged persons who have the opportunity to obtain partnership information informed the Board of Directors about the activities they carry out as part of the field of activity of the partnership in their own name to ensure that the item is included to the agenda for the General Assembly to be informed.			x			Privileged persons who have the opportunity to obtain partnership information have not taken action as part of the activity subject of the partnership in their own name.
1.3.8 - The Members of the Board, other concerned individuals, authorities in charge of preparing the financial statements and the auditors were present at the General Assembly meeting regarding the subjects on the agenda.	x					
1.3.10 - The agenda of the General Assembly included the amounts of all donations and grants and the grantees under a separate item.	x					
1.3.11 - General Assembly was held open to public including stakeholders and the media with no right to speak.	x					
1.4. Right to Vote						
1.4.1 - There are no restrictions and practices that make shareholders to exercise their right to vote difficult.	x					
1.4.2 - The Company has no shares that have privileged voting rights.			x			There is a share with privilege to nominate for the Membership of the Board of Directors.
1.4.3 - The Company has not voted in a General Assembly of a partnership, in which the company has cross-ownership that also brings rulership.	x					
1.5. Minority Shareholder Rights						
1.5.1 - The Company pays utmost attention for the minority shareholders to use their rights.	x					

Corporate Governance Compliance Report

	Compliance Situation					Explanation
	Yes	Partially	No	Exempt	NA	
1.5.2 - Minority rights are granted to those who are in possession of less than one twentieth of the capital by the Articles of Association, and the scope of the minority rights was revised and extended in the Articles of Association.			x			The Company agrees that the related legislation in terms of the use of minority shareholder rights is sufficient. No extension was included in the Articles of Association regarding the minority shareholder rights.
1.6. Dividend Right						
1.6.1 - Profit distribution policy approved by the General Assembly is disclosed to the public on the partnership's corporate website.	x					
1.6.2 - Profit Distribution Policy includes minimum information to clearly ensure the shareholders to project the procedures and principles of profit distribution of the partnership in the upcoming periods.	x					
1.6.3 - Reasons not to distribute profit and the way of utilisation for the undistributed profit were defined under the related agenda item.					x	
1.6.4 - The Board of Directors reviewed if there is a balance between the benefits of the shareholders and the partnership in the Profit Distribution Policy.	x					
1.7. Transfer of Shares						
1.7.1 - There are no restrictions that make transfer of shares difficult.	x					
2.1. Corporate Website						
2.1.1 - The corporate website of the Company includes all items listed under Corporate Governance Principle no. 2.1.1.	x					
2.1.2 - The structure of shareholders (names, privileges, number of shares and rates of the real person shareholders who own more than 5% of the issued capital) is updated on the corporate website in every six months at the latest.	x					
2.1.4 - Information on the corporate website of the Company are also prepared in other languages selected in line with the requirements and the contents were kept the same with the Turkish version.	x					
2.2. Annual Report						
2.2.1 - The Board of Directors ensures that annual report reflects company activities completely and correctly.	x					

	Compliance Situation					Explanation
	Yes	Partially	No	Exempt	NA	
2.2.2 - The annual report includes all elements listed under the principle no. 2.2.2.	x					
3.1. Company Policy Regarding Stakeholders						
3.1.1 - Revisions regarding the rights of the stakeholders are protected as part of agreements and principles of goodwill.	x					
3.1.3 - Policies and procedures regarding the rights of stakeholders are disclosed on the corporate website of the Company.	x					
3.1.4 - Required mechanisms for the stakeholders to inform about any acts against the legislation and unethical acts were built.	x					
3.1.5 - The Company considers the conflicts of interests between the stakeholders in a balanced manner.	x					
3.2. Supporting the Contribution of the Stakeholders to the Management of the Company						
3.2.1 - Contribution of employees to the management is drawn up in articles of association and internal regulations.	X					
3.2.2 - Methods such as surveys, consultation, etc. were conducted to get the opinions of the stakeholders in significant decisions that have outcomes with regard to stakeholders.	x					
3.3. Company's Human Resources Policy						
3.3.1 - The Company adopted an employment policy that ensures equal opportunity and succession planning for all key executive positions.		x				The Company adopted an employment policy that ensures equal opportunity. This is indicated in the Human Resources Policy section of Company Annual Report Corporate Governance Principles Compliance Report section. The Succession Policy is currently being developed.
3.3.2 - Criteria for recruitment is adopted in written.	x					
3.3.3 - The Company has a Human Resources Development Policy and employees are provided training.	x					
3.3.4 - Meetings were held to inform employees on the financial structure of the Company, remuneration, career planning, training and healthcare.	x					

Corporate Governance Compliance Report

	Compliance Situation					Explanation
	Yes	Partially	No	Exempt	NA	
3.3.5 - Employees and employee representatives were informed about decisions that may have an effect on employees. Unions were consulted for such issues.	x					
3.3.6 - Job descriptions and performance criteria were elaborated for all employees and announced to employees; and these were used in decisions regarding remuneration.	x					
3.3.7 - Various measures have been taken to prevent discrimination among employees and protect them against physical, mental and emotional abuse within the company and these include procedures, trainings, awareness raising, targets, tracking, grievance mechanisms.	x					
3.3.8 - The Company effectively supports the recognition of freedom to establish organisations and collective labour agreements.	x					
3.3.9 - A secure work environment is provided for the employees.	x					
3.4. Relationships with Customers and Suppliers						
3.4.1 - The Company has measured customer satisfaction and has been operating based on the principle of unconditional customer satisfaction.	x					
3.4.2 - Customers are informed in case there is a delay in processing their requests regarding products and services they have purchased.	x					
3.4.3 - The company is committed to the quality standards regarding products and services.	x					
3.4.4 - The Company has the necessary measures in place to protect the confidentiality of sensitive information of customers and suppliers as part of commercial secret.	x					
3.5. Code of Ethics and Social Responsibility						
3.5.1 - The Board of Directors defined the Codes of Ethics and disclosed them on the corporate website of the Company.	x					
3.5.2 - Partnership is sensitive to social responsibility. Measures have been taken to prevent corruption and bribery.	x					
4.1. Function of the Board of Directors						
4.1.1 - The Board of Directors ensures that strategies and risks do not threaten long-term interests of the company and implementation of an effective risk management.	x					

	Compliance Situation					Explanation
	Yes	Partially	No	Exempt	NA	
4.1.2 - Meetings' agendas and minutes show that the Board of Directors discusses and approves strategic targets of the company, determines the required resources and supervises performance of the management.	x					
4.2. Operational Principles of the Board of Directors						
4.2.1 - The Board of Directors has documented its activities and informed shareholders accordingly.	x					
4.2.2 - Roles and authorities of the Members of the Board are disclosed in the annual report.	x					
4.2.3 - The Board of Directors has created an internal audit system suitable to the scale of the company and complexity of the activities.	x					
4.2.4 - Information regarding processes and effectiveness of internal audit system are given in the annual report.	x					
4.2.5 - The positions of President and CEO (General Manager) were separated and their roles were defined.	x					
4.2.7 - The Board of Directors ensures effective operation of investor relations department and corporate governance committee and works in close cooperation with investor relations department and corporate governance committee to resolve conflicts between company and shareholders and in communication with shareholders.	x					
4.2.8 - The Company had initiated an executive liability insurance with an amount exceeding 25% of the capital regarding any damages in the Company that may result from the faults of the Members of the Board during their assignments.	x					
4.3. Structure of the Board of Directors						
4.3.9 - The Company set a goal to have a minimum of 25% for the ratio of women in the Board of Directors and built a policy to reach the goal. The structure of the Board of Directors is reviewed annually and the policy shall be considered for the nomination process.		x				Members of the Board, except Independent Members, are elected in every 3 years. Independent Members are elected every year. The Company set a goal to have a minimum of 25% for the ratio of women in the Board of Directors, yet no policy was built to reach the goal.
4.3.10 - At least one of the members of the committee in charge of auditing shall have 5 years of experience in auditing/accounting and finance.	x					

Corporate Governance Compliance Report

	Compliance Situation					Explanation
	Yes	Partially	No	Exempt	NA	
4.4. Nature of Board Meetings						
4.4.1 - All Members of the Board physically attended to the majority of the board meetings.	x					In 2020, 22 out of 26 meetings were held on digital platforms due to the pandemic; on the other hand, resolutions made in these meetings were later originally signed by the Members of the Board of Directors.
4.4.2 - The Board of Directors sets a minimum period for the Members of the Board to be provided information and documents regarding the items of the agenda before the meeting is held.	x					
4.4.3 - The opinions of members who did not attend the Board meeting but submitted their views in writing were presented to the information of other members.	x					
4.4.4 - Each member has the right for one vote on the Board.	x					
4.4.5 - The method of Board meetings is put in writing with internal regulations.	x					
4.4.6 - Minutes of Board meeting shall indicate that all items in the agenda are discussed and records shall include the opposing views as well.	x					
4.4.7 - Members of the Board are restricted in assuming other duties outside of the company. The assignments of the Members of the Board other than their assignments in the Company were disclosed to the shareholders during the General Assembly Meeting.	x					
4.5. Committees Under the Board of Directors						
4.5.5 - Each Member of the Board is assigned to only one committee.			x			Independent members of the Board are assigned to more than 1 committee.
4.5.6 - The committees invite people, whose views were deemed necessary to be heard, to the meetings and heard their views.	x					
4.5.7 - Information regarding the independency of the person/organisation that the committee is provided consultancy is included in the annual report.			x			No consultancy services were provided.
4.5.8 - Reports were issued regarding the outcomes of the committee meetings and were submitted to Members of the Board.	x					

	Compliance Situation					Explanation
	Yes	Partially	No	Exempt	NA	
4.6. Financial Rights Given to the Members of the Board and Administrative						
4.6.1 - The Board of Directors went through a Board of Directors performance evaluation to assess if they effectively fulfilled their responsibilities.			x			No performance evaluation was conducted.
4.6.4 - The Company has not provided credit facilities to any of the Members of the Board of Directors or managers with administrative responsibilities, has not given loans or extended the term of the loan that was given, has not improved the conditions of loan, has not provided credit facilities under the title of a personal credit through third parties or has not given guarantees on behalf of these such as indemnity.	x					
4.6.5 - Remuneration given to the Members of the Board and executives with administrative responsibilities has been disclosed to the public for each member in the annual report.		x				Remuneration given to the Members of the Board and executives with administrative responsibilities has been disclosed to the public as a total amount in the annual report.

Corporate Governance Compliance Report

CORPORATE GOVERNANCE INFORMATION FORM

1. SHAREHOLDERS	
1.1. Facilitating Use of Shareholder Rights	
Number of investor conferences and meetings organised throughout the year	None.
1.2. Right to Demand and Review Information	
Number of private auditor requests	None.
Number of private auditor requests agreed during the General Assembly Meeting	None.
1.3. General Assembly Meeting	
As part of Principle 1.3.1 (a-d), link to the PDP (Public Disclosure Platform) announcement in which required information is disclosed	https://www.kap.org.tr/tr/Bildirim/848640
Whether documents regarding the General Assembly Meeting is submitted both in Turkish and English	Documents in English are being prepared.
As part of Principle 1.3.9, the links to the PDP announcements associated with the transactions that are not approved by the majority of independent members or by unanimous votes of the present members	No such process was carried out as part of Principle 1.3.9.
The links to the PDP announcements associated with related party activities carried out as part of article 9 of the Communique on Corporate Governance (II-17.1)	In 2020, no such process was carried out as part of article 9 of the "Communique on Corporate Governance".
The links to the PDP announcements associated with common and continuous activities as part of Article 10 of the Communique on Corporate Governance (II-17.1)	In 2020, no such process was carried out as part of article 10 of the "Communique on Corporate Governance".
The name of the section that presents the donations and grants policy of the company on the corporate website	"Investor Relations" section includes the related information both under annual reports section and "Minutes of General Assembly" section under the announcements segment.
The link to the PDP announcement that presents the minutes of the general assembly meeting in which the donations and grants policy was approved	https://www.kap.org.tr/tr/Bildirim/853355
The number of the provision in the articles of association that discuss the participation of stakeholders to the general assembly meeting	None.
Information on the stakeholders participating in the general assembly	Company General Assembly is held as per the relevant Turkish Commercial Code and Capital Market Board provisions, being open to all shareholders, employees and physical persons permitted to participate in the assembly as part of the relevant regulations.
1.4 Right to Vote	
Whether there is any privilege in the right to vote	No
If yes, indicate privileged shareholders and their percentage of shares	None.
Specify the percentage of share of the shareholder that owns the largest percentage of share	9.51
1.5 Minority Shareholder Rights	
Whether the scope of minority rights extended (in terms of content or ratio) in the articles of association of the company	No
If yes, specify the relevant provision of the articles of association	Not extended.

CORPORATE GOVERNANCE INFORMATION FORM

1.6 Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	The information can be accessed on www.sarkuysan.com under Homepage/Investor Relations/Annual Reports section.
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend	Dividend will be distributed.
PDP link to the related general assembly meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	No proposal of not distributing dividends.
2. PUBLIC DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
Specify the sections of the company website providing the information requested by the corporate governance principle 2.1.1.	Information specified under Corporate Governance Principle item 2.1.1 are disclosed on our Company's website, www.sarkuysan.com , under the titles within "Investor Relations" section and again under the "Sarkuysan at Istanbul Stock Exchange" section on the homepage.
Specify the section on the website providing the list of real person shareholders who directly or indirectly own more than 5% of the shares	The information can be accessed on www.sarkuysan.com under Homepage/Investor Relations/Partnership and Capital Structure section.
List of languages for which the website is available	Turkish/English
2.2. Annual Report	
Page numbers and/or name of the sections in the annual report that demonstrate the information requested by corporate governance principle 2.2.2.	
a) Page numbers and/or name of the sections in the annual report that demonstrate the information on the duties of the Members of the Board and executives conducted out of the company and statements of independence of Members of the Board	The information is provided under "Corporate Governance Principles Compliance Report" section of the Company's annual report.
b) Page numbers and/or name of the sections in the annual report that demonstrate the information on committees built under the Board of Directors	The information is provided under "Corporate Governance Principles Compliance Report" section of the Company's annual report.
c) Page numbers and/or name of the sections in the annual report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	The information is provided under "Corporate Governance Principles Compliance Report" section of the Company's annual report.
ç) Page numbers and/or name of the sections in the annual report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	There are no amendments in the legislation which may significantly affect the activities of the corporation.
d) Page numbers and/or name of the sections in the annual report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	There are no significant lawsuits filed against the corporation.
e) Page numbers and/or name of the sections in the annual report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and measures taken by the corporation in order to avoid these conflicts of interest	No consultancy or rating services are procured.
f) Page numbers and/or name of the sections in the annual report that demonstrate the information on the cross-ownership subsidiaries that the direct contribution to the capital exceeds 5%	There is no such cross-ownership subsidiary.

Corporate Governance Compliance Report

CORPORATE GOVERNANCE INFORMATION FORM

g) Page numbers and/or name of the sections in the annual report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	The information is provided under "Human Resources Policy" title of the "Corporate Governance Principles Compliance Report" section of the Company's annual report.
3. STAKEHOLDERS	
3.1. Company Policy Regarding Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	No remedy or severance policy is published on the company's website.
The number of definitive convictions the company was subject to in relation to breach of employee rights	None.
The title of the person responsible for the alert mechanism	Human Resources Manager / 0 262 676 66 00
The contact detail of the company's alert mechanism	Human Resources Manager / 0 262 676 66 00
3.2. Supporting the Participation of the Stakeholders to the Management of the Company	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	The information is provided under "Stakeholders" title of the "Corporate Governance Principles Compliance Report" section of the Company's annual report.
Management bodies where employees are represented	Union
3.3. Company's Human Resources Policy	
The role of the Board on developing and ensuring that the company has a succession plan for the key management positions	The Board of Directors are fully authorised for the assignments to Key Management positions.
The name of the section on the corporate website that demonstrates the human resources policy covering equal opportunities and recruitment principles and a summary of relevant parts of the human resources policy	The information is provided under the "Investor Relations" section on the homepage of our corporate website and under the "Human Resources Policy" title of the "Corporate Governance Principles Compliance Report" section of the Company's annual report.
Whether the company provides an employee stock ownership plan	None.
The name of the section on the corporate website that demonstrates the human resources policy covering discrimination and mistreatments and the measures to prevent them; and a summary of relevant parts of the human resources policy	The information is provided under the "Investor Relations" section on the homepage of our corporate website and under the "Human Resources Policy" title of the "Corporate Governance Principles Compliance Report" section of the Company's annual report.
The number of definitive convictions the company is subject to in relation to health and safety issues	None.
3.5. Code of Ethics and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	The information is provided under the "Investor Relations" section on the homepage of our corporate website and under the "Code of Ethics and Social Responsibility" title of the "Corporate Governance Principles Compliance Report" section of the Company's annual report.
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues	The information is provided under the "Investor Relations" section on the homepage of our corporate website and under the "Code of Ethics and Social Responsibility" title of the "Corporate Governance Principles Compliance Report" section of the Company's annual report.

CORPORATE GOVERNANCE INFORMATION FORM

Any measures combating any kind of corruption including embezzlement and bribery	All required measures are taken by double signatures for all activities, control of supervisor, Enterprise Resource Planning (SAP) activities and authorisation.
4. BOARD OF DIRECTORS - I	
4.2. Operational Principles of the Board of Directors	
Date of the last Board evaluation conducted	None.
Whether the board evaluation was externally facilitated	No.
Whether all board members released from their duties	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Hayrettin ÇAYCI Chairman, assigned in executive position, Hamit Mücellit Deputy Chairman, assigned in executive position, A.Hamdi BEKTAŞ Member of the Board, assigned in executive position, Cenap TAŞKIN Member of the Board, assigned in executive position, Maksut URUN Member of the Board, not assigned in executive position, Nurtekin Keçeci Member of the Board, not assigned in executive position, Turgay ŞOHOĞLU Member of the Board, not assigned in executive position, Bekir MENETLİOĞLU Member of the Board, not assigned in executive position, Fatma Burcu CESUR Member of the Board, not assigned in executive position, Mehmet BAHTİYAR Member of the Board, not assigned in executive position, Ayhan ZEYTİNOĞLU Member of the Board, not assigned in executive position, Virma SÖKMEN Member of the Board, not assigned in executive position (No unlimited power of decision is given to anybody in our Company. Representation and binding of the Company in all transactions shall be JOINTLY signed by the Chairman or Deputy Chairman, as well as a Member of Board with the related authority or the General Manager.)
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	None.
The name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	The information is provided under "Internal Audits" and "Risks and Assessment of the Board of Directors" titles of the annual report.
Full Name of the Chairman	Hayrettin Çaycı
Full Name of the CEO/General Manager	Sevgür Arslanpay
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	Not combined.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the course of their duties is insured for an amount exceeding 25% of the company's capital	Insured. The amount of the insurance coverage does not exceed 25% of the Company's capital.
The name of the section on the corporate website that demonstrates current diversity policy that has the goal to increase the percentage of women directors	None.
Number and percentage of woman directors	There are 2 woman directors in the Board of Directors. The percentage is 16.66%.

Corporate Governance Compliance Report

STRUCTURE OF THE BOARD

Name and Surname of the Member of the Board	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board
Hayrettin ÇAYCI	Executive	Not An Independent Member	22.12.1995
Hamit MÜCELLİT	Executive	Not An Independent Member	1.10.2010
A. Hamdi BEKTAŞ	Executive	Not An Independent Member	30.03.2005
Cenap TAŞKIN	Executive	Not An Independent Member	20.06.2013
Maksut URUN	Not Executive	Not An Independent Member	30.03.1998
Nurtekin KEÇEÇİ	Not Executive	Not An Independent Member	2.05.2016
Turgay ŞOHOĞLU	Not Executive	Not An Independent Member	28.03.2014
Bekir MENETLİOĞLU	Not Executive	Not An Independent Member	7.04.2017
Fatma BURCU CESUR	Not Executive	Not An Independent Member	29.06.2020
Mehmet BAHTIYAR	Not Executive	Independent Member	7.04.2017
Ayhan ZEYTİNOĞLU	Not Executive	Independent Member	12.04.2019
VİRMA SÖKMEN	Not Executive	Independent Member	29.06.2020

Link To PDP Notification That Includes The Statement of Independence	Whether the Independent Director Considered By The Nomination Committee	Whether There Is Any Director Who Ceased to Satisfy The Independence	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/OR Finance
-	-	-	Yes
-	-	-	Yes
-	-	-	Yes
-	-	-	No
-	-	-	No
-	-	-	Yes
-	-	-	No
-	-	-	Yes
-	-	-	No
https://www.kap.org.tr/tr/Bildirim/668027	Evaluated	-	No
https://www.kap.org.tr/tr/Bildirim/826640	Evaluated	-	Yes
https://www.kap.org.tr/tr/Bildirim/848640	Evaluated	-	Yes

Corporate Governance Compliance Report

CORPORATE GOVERNANCE INFORMATION FORM

4. BOARD OF DIRECTORS - II	
4.4 Nature of Board Meetings	
Number of physical board meetings in the reporting period (meetings in person)	26
Director average attendance rate at board meetings	99
Whether the board uses an electronic portal to support its work	No.
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	1 day
The name of the section on the corporate website that demonstrates information about the board charter	The information is provided under "The Board of Directors" title of the "Corporate Governance Principles Compliance Report" section of the Company's annual report.
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	Some of the Company's Members of the Board are executive managers at other companies or members in their Board of Directors. External commitments of the Board Members are permitted during the General Assembly as per articles 395 and 396 of TTC.
4.5. Committees Under the Board of Directors	
Page numbers or section names of the annual report where information about the Board committees are presented	The information is provided under "The Board of Directors" title of the "Corporate Governance Principles Compliance Report" section of the Company's annual report.
Link to the PDP announcement with the board committee charters	https://www.kap.org.tr/tr/Bildirim/853408

MEMBER OF THE BOARD - I

Names of the Board Committees	Name of Committee Members	Surname of Committee Members	Whether Committee Chair or Not	Whether Board Member or Not
Audit Committee	Ayhan	ZEYTİNOĞLU	Yes	Member of the Board
Audit Committee	Mehmet	BAHTİYAR	No	Member of the Board
Audit Committee	Virma	SÖKMEN	No	Member of the Board
Corporate Governance Committee	Mehmet	BAHTİYAR	Yes	Member of the Board
Corporate Governance Committee	Turgay	ŞOHOĞLU	No	Member of the Board
Corporate Governance Committee	Fatma Burcu	CESUR	No	Member of the Board
Corporate Governance Committee	Bekir	MENETLİOĞLU	No	Member of the Board
Corporate Governance Committee	Şefiye	YAYLA	No	Not a Member of the Board
Early Risk Detection Committee	Virma	SÖKMEN	Yes	Member of the Board
Early Risk Detection Committee	Nurtekin	KEÇECİ	No	Member of the Board
Early Risk Detection Committee	Mehmet	BAHTİYAR	No	Member of the Board

CORPORATE GOVERNANCE INFORMATION FORM**COMMITTEES OF THE BOARD - II**

Names of the Board Committees	Names of the Board Committees	The Percentage of Non-executive Directors	The Percentage of Independent Directors in the Committee	The Number of Meetings Held in Person	The Number of Reports on its Activities Submitted to the Board
Audit Committee	Audit Committee	100%	100%	5	5
Corporate Governance Committee	Corporate Governance Committee	100%	20.00%	2	2
Early Risk Detection Committee	Early Risk Detection Committee	100%	66.67%	6	6

4. BOARD OF DIRECTORS - III**Committees Built Under the Board of Directors**

Specify where the activities of the audit committee are presented in your annual report or the website. (page number or name of the section)	The information is provided under "The Board of Directors" title of the "Corporate Governance Principles Compliance Report" section of the Company's annual report.
Specify where the activities of the corporate governance committee are presented in your annual report or the website. (page number or name of the section)	The information is provided under "The Board of Directors" title of the "Corporate Governance Principles Compliance Report" section of the Company's annual report.
Specify where the activities of the nomination committee are presented in your annual report or the website. (page number or name of the section)	The information is provided under "The Board of Directors" title of the "Corporate Governance Principles Compliance Report" section of the Company's annual report.
Specify where the activities of the early detection of risk committee are presented in your annual report or website. (page number or name of the section)	The information is provided under "The Board of Directors" title of the "Corporate Governance Principles Compliance Report" section of the Company's annual report.
Specify where the activities of the remuneration committee are presented in your annual report or the website. (page number or name of the section)	The information is provided under "The Board of Directors" title of the "Corporate Governance Principles Compliance Report" section of the Company's annual report.

4.6. Financial Rights Given to the Members of the Board and Administrative Executives

Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	The information is provided under "Financial Status" section of the Company's annual report.
Specify the section of website where remuneration policy for executive and non-executive directors are presented	The information is provided under the "Investor Relations" section on the homepage of our corporate website and under "The Board of Directors" title of the "Corporate Governance Principles Compliance Report" section of the Company's annual report.
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	The information is provided under "The Board of Directors" title of the "Corporate Governance Principles Compliance Report" section, as well as the "Financial Rights Given to the Members of the Board and Senior Executives" section of the Company's annual report.

Corporate Governance Compliance Report

INVESTOR RELATIONS DEPARTMENT

Our company has an Investor Relations Department formed under Financial Affairs Deputy General Manager Ümit Uluçam and our personnel who have CMB Level 3 and CMB Corporate Governance Rating Licenses and below given personnel who is our Company's Legal Counsel work in this department.

In line with the requirements of Corporate Governance Principles, Şefiye YAYLA is also appointed as a member of Corporate Governance Committee.

Şefiye Yayla

Investor Relations Unit Manager

Phone: 0262 676 66 00/3275

Fax: 0262 676 66 82

E-Mail: yatirimciiliskileri@sarkuysan.com

Uğur Bulat

Investor Relations Unit Member

Phone: 0262 676 66 00/3276

Fax: 0262 676 66 82

E-Mail: yatirimciiliskileri@sarkuysan.com

Demet Cizrelioğulları

Investor Relations Unit Member-Legal Counsel

Phone: 0262 676 66 00/3277

Fax: 0262 676 66 82

E-Mail: yatirimciiliskileri@sarkuysan.com

The Investor Relations Department is responsible for ensuring that the investor relations are conducted as part of Corporate Governance Principles, following the changes that occur in the regulations concerning the Capital market Board Law and making sure that the concerned departments in the company are informed, maintaining the relationship between the Capital Market Board (CMB), the Istanbul Stock Exchange (BIST) and the Central Records Agency (MKK) and representing our company.

Information and disclosures of a nature that could affect the use of shareholder rights are presented to the attention of shareholders on our website, www.sarkuysan.com. In 2020, our company has made 59 special situation disclosures on the Public Disclosure Platform. Material events were disclosed according to the "Material Events" communiqué and no sanctions were imposed by the CMB and Borsa Istanbul. The verbal applications, which were made by investors to our company within the period, were also responded.

Investor Relations Unit prepares an annual report regarding its activities and submits this report to the Corporate Governance Committee within the first two months of the following year.

1. SHAREHOLDERS EXERCISING THEIR RIGHT TO INFORMATION

1.1 Facilitating Use of Shareholder Rights

Updated information and disclosures that may affect the use of shareholder rights are presented to the attention of the investors on the corporate website.

1.2 Right to Demand and Review Information

While there is no article concerning the appointment of a special auditor in our articles of association, our company avoids actions that may complicate special audit and in 2020 there were no requests of a special audit from shareholders.

Investors can obtain answers to anything they want to know about our company from the 0262 666 66 00 / extension 3275 and 3276. The e-mail address of investor relations, yatirimciliskileri@sarkuysan.com, can be used by shareholders to have all their questions answered other than information that has not been disclosed to the public, that is confidential and of a commercial secret nature. The inquiries of our partners who choose to contact us via mail will be answered immediately.

Information and disclosures of a nature that could affect the use of shareholder rights are presented to the attention of shareholders on our website www.sarkuysan.com under "Investor Relations" menu. Also, following the agreement made with the MKK, the sub-section "Information Society Services" was added under the "Investor Relations" section and through the link provided here services can be accessed over the e-COMPANY Portal on MKK thus fulfilling the obligations specified in the TCC article 1524 and in the Regulation.

1.3 General Assembly

Company's General Assembly Meetings and invitation to General Assembly are organised in a way that provides adequate information to the shareholders and wide participation of the shareholders as per Turkish Commercial Code, Capital Market Regulation, General Assembly Internal Directive and Corporate Governance Principles. Ordinary General Assembly Meeting with regard to 2019 annual period was held on 29.06.2020 at the headquarters of the company. Shareholders acting as principal or agent have participated in the meeting which was organised in the electronic environment along with physical attendance and 74.96% participation was achieved.

Call for General Assembly meeting is announced 3 weeks before the General Assembly as per Corporate Governance Principles Communiqué, on the same date as the Board of Directors decree dated 02.06.2020, via Special Occasion Announcement made through Public Disclosure Platform and Electronic General Assembly System (EGKS). Call for General Assembly meeting was advertised in Turkish Commercial Registry Gazette dated 04.06.2020, in Gebze Newspaper and Company website on 04.06.2020 as per the obligatory regulations in order to inform shareholders and enable highest participation for the meeting. Additionally, an announcement was made regarding the General Assembly Meeting to the shareholders of Group A Registered Shares by a letter dated 04.06.2020. The agenda of the meeting, information regarding the meeting, a copy of power of attorney and signature declaration were attached to the letters. At least three weeks before the general assembly meeting date, excluding announcement and meeting dates, the Consolidated Financial Statements and the Annual Report were made available to shareholders as part of the Turkish Commercial Code no 6102, article 437.

We negotiated with the company Medianova Internet Hizmetleri ve Tic. A.Ş. for an Electronic General Assembly Meeting per the Turkish Commercial Code number 1524 and article 34 of our Articles of Association. On the day of our company's general assembly meeting the audio and video of our meeting was broadcasted by 3 cameras on the internet by connecting to the Central Records Agency.

Corporate Governance Compliance Report

Privileged persons who have the opportunity to obtain partnership information have not taken action as part of the activity subject of the partnership in their own name.

The Members of the Board, other concerned individuals, authorities in charge of preparing the financial statements and the auditors were present at the General Assembly meeting to answer questions and provide information about the subjects on the agenda. During General Assembly meeting, items in the agenda are conveyed to the shareholders in an unbiased, clear and detailed manner. During General Assembly meeting, shareholders and stakeholders who participated in the meeting evaluated the questions asked in EGKS environment electronically as well as physically as per the related regulation and answers were given by the Members of the Board of Directors and Senior Managers; no question was left unanswered.

Company General Assembly is held as per the relevant Turkish Commercial Code and Capital Market Board provisions, being open to all shareholders, employees and physical persons permitted to participate in the assembly as part of the relevant regulations. During the General Assembly meeting, information was provided to the partners under a separate agenda item about the donations and aids given out within the period and a decision was made on the upper limit for donations in 2020. All of the decisions concerning the meeting agenda matters discussed in the General Assembly and the minutes of General Assembly meeting including the dividends were published on PDP, EGKS and e-Company portals as well as our company's corporate website, www.sarkuysan.com.tr, after the meeting.

1.4 Right to Vote

While the company avoids all practices that make it difficult for shareholders to use their votes, the necessary mechanisms have been established to help shareholders vote easily and properly, even outside the borders. Hence, shareholders who have the right to participate in General Assembly Meetings are able to attend these meetings in electronic setting per Turkish Commercial Code article 1527 according to articles 21 and 34 of the articles of association concerning Participation in General Assembly Meetings Electronically. At the 2020 Ordinary General Assembly meeting the system established according to this provision of the articles of association was used to enable shareholders and their representatives to use their votes. No privileges are recognised concerning voting rights in the company Articles of Association. There is one vote per share in the Ordinary and Extraordinary General Assemblies. Shareholders may attend the General Assembly meetings by proxy with a power of attorney issued in the name of shareholders or non-shareholders representing them. Power of attorney holders who are also shareholders shall have the right to use their own vote plus the vote of the share they are representing. The power of attorney form is determined and announced by the Board in accordance with the CMB. There are no privileges concerning the use of votes. Only as a requirement of our articles of association, during the election of Board of Directors, 5 of the Members of the Board are selected amongst the candidates nominated by shareholders of the (A) group and 4 candidates nominated by the (B) group shareholders, after which the selection is carried out in the General Assembly. The Company has not voted in a General Assembly of a partnership, in which the company has cross-ownership that also brings rulership.

1.5 Minority Shareholder Rights

The Company pays utmost attention for the minority shareholders to use their rights. The Company agrees that the related legislation in terms of the use of minority shareholder rights is sufficient. No extension was included in the Articles of Association regarding the minority shareholder rights.

1.6 Dividend Right

There are no privileges on dividend rights and profit is distributed equally to all existing shares. The company has a specific and consistent profit distribution policy. This policy is presented to the partners for approval at the general assembly meeting and is disclosed on our company's corporate website. Profit is distributed according to the policy provisions.

Dividend Distribution Policy

- The annual profit of the Company is distributed per General Assembly meeting decision in accordance with the Dividend Distribution policy formulated in accordance with the Turkish Commercial Code, Capital Market Law, appropriate regulations and Company's articles of association.
- The Board determines its proposal for dividend distribution in line with appropriate legal provisions and by observing the sensitive benefit balance between shareholders and Company.
- The decision of whether to distribute profit or not is taken during the General Assembly upon the proposal of the board. The Board's proposal for profit distribution is publicly disclosed together with the dividend distribution scheme, for which the format and content are defined by the capital markets board, in line with CMB's regulations on the disclosure of material events, on the date when the agenda of the general assembly meeting is announced at the latest, and then posted in the Company's corporate website.
- The profit distribution process is initiated no later than the end of accounting period for which the general assembly meeting where dividend distribution is decided is held.
- The profit may be paid in instalments of equal or different amounts subject to the further appropriate decision taken at the general assembly meeting. The number and timing of instalments are determined during the general assembly meeting or by the board of directors authorised thereby.
- Instalment payments are distributed equally to all of the shares existing as of the date of payment pro rata their shares in capital, regardless of their dates of issuance and acquisition.
- The dividend per share is found by dividing the profit to be distributed to shareholders under the general assembly meeting decision by total number of shares.
- There is no share certificate granting any privilege for dividend share.
- Since the share certificates of the Company are registered on account as per the applicable regulations, dividend payments are deposited to Takasbank A.Ş. for further transfer to the accounts of shareholders with brokers and banks upon Central Registry's request on the date specified by the general assembly.
- Dividend distribution is affected in accordance with Turkish Commercial Code, Capital Market Law, applicable regulations and the Company's articles of association.
- The Company's articles of association should contain a specific provision for profit distribution to the Members of the Board and Company's employees.
- The Company's articles of association should contain a provision to make donations. The limit of donation is designated defined during the general assembly meeting. Donations made within the given fiscal period are added to the distributable profit base. The donations and payments to be made are presented to the partners in the ordinary general assembly.
- The profit distribution policy is formulated in accordance with the Turkish Commercial Code, Capital Market Law appropriate legal regulations and the Company's articles of association, and included in the annual report. Shareholders are informed accordingly during the general assembly meeting.
- In the event that it is proposed to make an amendment to the dividend distribution policy, the Board resolution on this matter and justification thereof are publicly disclosed in accordance with CMB's regulations on the public disclosure of material events.

1.7 Transfer of Shares

There are no restrictions that make transfer of shares difficult. All of the A and B Group shares that were issued against our company's issued capital have been listed in the Stock Exchange. Whilst the Group A registered shares are not traded, the B group shares are issued to the holder and traded. Per article 7 of the company Articles of Association "Founding partners who wish to sell their Group (A) Registered Shares shall first propose their intention in writing through the Board to the other partners. If none of the founding partners states an interest in the said shares at market value or the real value of the share stock this share may be sold to an outsider. All sales, which are not done accordingly shall be considered invalid by the company and shall not be entered on the company ledgers."

Corporate Governance Compliance Report

2.1 Corporate Website

The objective of disclosure policy is to share the performance, expectations, strategies, targets, and visions of the company except for confidential business information with the public, relevant authorities, existing and potential investors and shareholders through an active and open communication medium. This policy is presented to the approval of the partners during the general assembly meeting and is disclosed to the public in the annual report and on our company's website.

The Sarkuysan website www.sarkuysan.com is actively used by the company in public disclosure as recommended by the CMB Corporate Governance Principles. The disclosures on the website do not take the place of notifications and material disclosures required by the Capital Markets Board. The website is prepared in Turkish and in English with the content and format set forth by the CMB Corporate Governance Principles. In accordance with Article 1527 of the Turkish Commercial Code, a specific part of the corporate website is dedicated to legal announcements. This section is available through "Information Society Services" in our corporate website. The Investor Relations part of our corporate website contains the Company's trade registration details, most recent shareholding and management structure, details of preferred shares, announcements, date and issue no of the Turkish Commercial Registry Gazette announcing the amendments to the Company's articles of association, Company's up-to-date articles of association, material event disclosures, annual reports, announcements for General Assembly meetings, sample agenda and power of attorney, list of attendance, meeting minutes, profit distribution policy, disclosure policy, frequently asked questions and answers thereto. In the part "Sarkuysan on Istanbul Stock Exchange" of our website, all details about the Company posted in Istanbul Stock Exchange's corporate website are available. The corporate website further contains stock prices, charts, prices of some precious items as well as news about Sarkuysan and all other related news and exchange rates.

2.2 Annual Report

Board of Directors ensures that annual report reflects company activities completely and correctly. The company's annual report is prepared according to the provisions in the Regulation on Determining the Minimum Contents of Company Annual Reports published in the Official Gazette no 28395 dated August 28, 2012, the periods in the Communique on Principles Concerning Financial Reporting in the Capital Markets (II - 14.1) and as part of Corporate Governance Principles and are disclosed to the public.

3.1 Company Policy Regarding Stakeholders

The rights of all our stakeholders and employees are protected and they are informed efficiently as part of our information disclosure policy concerning company activities. Stakeholders are organisations or interest groups like employees, creditors, customers, suppliers, unions and various nongovernmental organisations that are involved in our Company's reaching its goals or in its activities. The Company protects the rights of stakeholders that are organised by relevant regulations and mutual contracts in its operations and activities. In cases where the rights of stakeholders are not protected under regulations and mutual contracts, the rights of stakeholders are protected as part of good faith and to the extent of the company's capabilities.

Our company forms the necessary mechanisms to forward any acts of stakeholders that are in violation of our company's relevant regulations and ethically unsuitable to the corporate governance committee or the committee in charge of auditing.

3.2 Supporting the Contribution of the Stakeholders to the Management of the Company

In order to encourage the participation of personnel at all levels in the management, regular management meetings are held with the attendance of department managers and executive managers. The "Suggestion System" for employees is actively used. In 2020, 68 of the 133 suggestions were accepted. Those whose suggestions are chosen to be the best are rewarded every year. All of the operations and processes of our company are carried out in accordance with the ISO 9001 quality management system procedures. While there are no provisions in the Company's Articles of Association concerning employee participation in the management, the principle to employ personnel who have been raised within the company for vacancies in senior management positions has been adopted.

3.3 Corporate Human Resources Policy

Company has adopted an employment policy that ensures equal opportunity. This is indicated in the Human Resources Policy section of Company Annual Report Corporate Governance Principles Compliance Report section. Succession Policy is currently being developed. Action is taken in line with the Human Resources Policy broadcasted on the company website.

When forming employment policies and planning careers, the principle of providing equal opportunity to people in equal conditions is implemented. Employees are treated fairly in all rights and training programs are provided to increase their knowledge, skills and experience. Meetings are organised to inform employees and get their views on the financial status of our company, salaries, career, training and health. Periodic bulletins and announcements as necessary are issued to achieve an efficient communication network to inform employees, increase their motivation and develop good relations and communication.

Decisions that are made concerning the employees or developments about the employees are notified to the employee or their representatives and if deemed necessary the views of the concerned unions are obtained for these types of decisions.

Various measures have been taken to prevent discrimination among employees and protect them against physical, mental and emotional abuse within the company and these include procedures, trainings, awareness raising, targets, tracking, grievance mechanisms.

Our company effectively supports the freedom to establish organisations and collective labour agreements. Relations with employees as part of Collective Labour Contracts are conducted through representatives. As an employer the company is a member of the Turkish Metal Industrialists (MESS) and its blue-collar workers are members of the United Metal Labour Union.

A safe work environment and conditions are provided to our employees. As part of the "ISO 9001 Quality Management System" job descriptions and our booklet titled "The Basic Sources of Our Corporate Culture", which includes Our Quality Policy, Our Personnel Guidelines, Our Collective Labour Contract and Our Corporate Behaviour Principles, is given in printed form to each employee. The "Health & Safety Handbook" is handed to our workers with priority as part of our activities which we carry out to prevent occupational accidents. Applications like vaccination, health screening and medical follow up is carried out meticulously to protect employee health, which is a top priority of the company. The necessary work within the framework of standards under the "OHSAS 18001 Occupational Health and Safety" management system certificate we possess is carried out in integration with our legal obligations. All of our employees and their spouses and children are covered under a group personal injury insurance policy 24/7 and 365 days a year.

Various social, athletic and artistic events are organised to motivate employees. Our Sarkuysan Tennis Table team has won domestic and international championships and a number of different achievements while we also have different activities in music.

Our Turkish Music Chorus, which is composed of our staff members, gives concerts to the local people in Gebze. Furthermore, folk dancing and Pilates activities continue.

3.4 Relations with Customers and Suppliers

The company has measured customer satisfaction and has been operating based on the principle of unconditional customer satisfaction. Customers are informed in case there is a delay in processing their requests regarding products and services they have purchased. The company is committed to the quality standards regarding products and services. The company has the necessary measures in place to protect the confidentiality of sensitive information of customers and suppliers as part of commercial secret.

Corporate Governance Compliance Report

3.5 Ethics Code and Social Responsibility

The Ethics Code of the Company is explained to the employees under the “Corporate Behaviour Principles” titles within “The Basic Principles of the Company Culture” manual.

Partnership is sensitive to social responsibility. Measures have been taken to prevent corruption and bribery.

Our company presents its governance undertakings concerning the environment and health and safety with its “Environment, Health and Safety Policy” which it has disclosed to the public through our Company website.

Being aware of its social responsibilities, Sarkuysan continuously develops social projects at all fields. Accordingly;

Frej Han, renovated and used as Company Headquarters for several years, is an important contribution to our cultural legacy. The company contributes to education by building the Sarkuysan High School in Gebze and the Sarkuysan Elementary School in Darica and by granting non-refundable scholarships to higher education students. Sarkuysan also supports State Religious Affairs with the Sarkuysan Mosque inspired by and built as an Ottoman Architectural complex. Contributing to health sector by allocating the funds reserved in the beginning of the year for the urgent medical device needs of a health institution, the company also supports sports with its Table Tennis Team that frequently represents our country successfully in the European Cup Championship. Contributing to arts with its Turkish Music Choir, Folk Dance group consisting of its employees, the company pays utmost attention to the environment by developing forestation areas. And the last but not the least is that Sarkuysan promotes our country by hosting international events. There are no cases filed against our company for environmental damage in this period.

4.1 Function of the Board of Directors

The Board of Directors ensures that strategies and risks do not threaten long-term interests of the company and implementation of an effective risk management. Meetings’ agendas and minutes show that the Board of Directors discusses and approves strategic targets of the company, determines the required resources and supervises performance of the management.

4.2 Rules of Procedures for the Board of Directors

The Board of Directors has documented its activities and informed shareholders of these.

The Board of Directors has created an internal audit system suitable to the scale of the company and complexity of the activities. Information regarding processes and effectiveness of internal audit system are given in the annual report.

The Chairman and the General Manager positions are filled by two different persons. The Board of Directors ensures effective operation of investor relations department and corporate governance committee and works in close cooperation with investor relations department and corporate governance committee to resolve conflicts between company and shareholders and in communication with shareholders.

According to the Company’s Articles of Association, the management of the Company is carried out as part of Turkish Commercial Code provisions and the Capital Markets Board Regulation by 12 members, 9 of which are regular members and 3 of which are independent members, to be elected by General Assembly decision from among the 5 candidates nominated by A Group shareholders and 4 candidates to be nominated by B Group shareholders. The Members of the Board must be determined as to assist conducting efficient and constructive work, making fast and rational decisions and effectively organizing the formation work of the committees.

Some members of the board are assigned in executive positions whilst others are not. (Members of the board who are not assigned in an executive function are individuals that, except for membership, do not have any other management position in the company or an executive department that reports to them and are not involved in the daily work flow and ordinary

activities of the company.) Amongst the Members of the Board who are not assigned in an executive function, there are independent members with the ability to carry out their duties without being under any kind of influence.

As part of the duties of Members of the Board of Directors and managers, managers' liability insurance with 25 million Euro worth of securities (an amount that does not exceed 25% of the Company's capital) was put in place to pay damages against liabilities they may be held responsible for personally.

4.3 Structure of the Board of Directors

In the Ordinary General Assembly Meeting held in 2020, 3 independent members who fully meet the criteria set forth by the Capital Markets Board's communique no. II-17.1 were elected. The Independent Members of Board submitted their independence declarations and background information to the Corporate Governance Board before the General Assembly Meeting. No incidents that would invalidate the independent status of our Independent Board Members occurred in this activity period.

In accordance with the decision taken in the General Assembly meeting dated 29.06.2020, the terms of duty for the Members of the Board elected is 3 years; while in accordance with the decision taken in the General Assembly meeting dated 29.06.2020, the terms of duty for the Independent Members of the Board elected is 1 year; and it was decided by the General Assembly decision that the members of the Board of Directors be allowed to carry out transactions in accordance with articles 395 and 396 of the Turkish Commercial Code and the Capital Market Board regulations.

With the objective of carrying out the duties and responsibilities of our Board efficiently, an "Audit Committee", a "Corporate Governance Committee" and an "Early Risk Detection Committee" were established in line with Board decision 1351/12.41 dated 18.09.2012 and these committees conduct their activities as part of their specified operation principles. However, since a separate nomination committee and remuneration committee have not been established due to the structure of the Board, the corporate governance committee carries out the duties of these committees. No conflicts of interest occurred in the committees in 2020.

The tasks, principles of work and which members will comprise the committees is determined by the board and disclosed on Public Disclosure Platform (PDP).

The General Manager is not assigned in any of the committees.

The utmost care is taken to make sure that one Board member is not assigned in more than one committee but members who have to serve on more than one committee due to the structure provide communication between the committees that serve in related matters and increase the ability to cooperate. The Board of Directors is of the opinion that the benefits expected from the committee work are being provided.

All kinds of resources and supports, which are required for the committees to fulfil their duties, are provided by the Board. The committees invite people, who they deem as necessary, to the meetings and obtain their views.

Committees utilise independent expert opinions on subjects they require concerning their operations. The fees for consultation which is needed by the committee are covered by the company. However, in such a case, information about the person/company service is being acquired from and whether or not this person/company has any relation with the company is included in our annual report.

Decisions that are made as a result of the independent work done by our committees are presented to the Board of Directors and the final decision is made by the Board of Directors. Committees put all their work in writing and keep records. Our committees meet at the frequency that is deemed necessary and explained in the working principles. Committees present reports containing information about their work and results of meetings to the Board of Directors.

Corporate Governance Compliance Report

MEMBERS OF THE BOARD

Name and Surname	Position	Executive or Not	Independent Member of Board or Not
Hayrettin ÇAYCI	Chairman	Executive	Not An Independent Member
Hamit MÜCELLİT	Acting Chairman	Executive	Not An Independent Member
A. Hamdi BEKTAŞ	Member	Executive	Not An Independent Member
Cenap TAŞKIN	Member	Executive	Not An Independent Member
Maksut URUN	Member	Not executive	Not An Independent Member
Nurtekin KEÇECİ	Member	Not executive	Not An Independent Member
Turgay ŞOHOĞLU	Member	Not executive	Not An Independent Member
Bekir MENETLİOĞLU	Member	Not executive	Not An Independent Member
Fatma Burcu CESUR	Member	Not executive	Not An Independent Member
Ayhan ZEYTİNOĞLU	Member	Not executive	Independent Member
Mehmet BAHTİYAR	Member	Not executive	Independent Member
Virma SÖKMEN	Member	Not executive	Independent Member

Latest Date of Election	Term of Office	Committees Assigned & Roles	Duties Outside the Company
29.06.2020	3 Years		Chairman and General Manager at Sarkuysan Group of Companies, Chairman of Turktrade
29.06.2020	3 Years		Vice Chairman and Member of Board at Sarkuysan Group of Companies
29.06.2020	3 Years		Vice Chairman and Member of Board at Sarkuysan Group of Companies
29.06.2020	3 Years		
29.06.2020	3 Years		Vice Chairman at Sarkuysan Group of Companies
29.06.2020	3 Years	Early Risk Detection Committee	
29.06.2020	3 Years	Corporate Governance Committee	
29.06.2020	3 Years	Corporate Governance Committee	
29.06.2020	3 Years	Corporate Governance Committee	
29.06.2020	1 Year	Audit and Corporate Governance Committees	President of Kocaeli Chamber of Industry, Vice President of Turkish Union of Chambers and Commodity Exchange (TOBB), President of Economic Development Foundation (IKV), General Coordinator of Zeytinoğlu Denizcilik A.Ş.
29.06.2020	1 Year	Audit, Corporate Governance & Early Risk Detection Committees	Academician at Yeditepe, Bahçeşehir and Kadir Has Universities
29.06.2020	1 Year	Audit & Early Risk Detection Committees	Member of Loan Committee at Yapı Kredi Bank

Corporate Governance Compliance Report

4.4. Nature of Board Meetings

Our Board of Directors meets at least once a month as part of the provisions of the articles of association. The Chairman of the Board negotiates with the other Members and the General Manager to determine the agenda of the board meeting. Members make every effort to attend every meeting and voice their opinions at the meetings. All Members of the Board physically attended to the majority of the board meetings. Work has been started to make sure remote participation can be made possible through technological means and this has been included in the articles of association.

The Board of Directors sets a minimum period for the members of the Board to be provided information and documents regarding the items of the agenda before the meeting is held. The opinions of members who did not attend the meeting but submitted their views in writing are submitted to the attention of other members.

Each member has one vote on the board.

How the Board of Directors meetings are to be held has been organised and also an internal guideline has been prepared as part of the TCC and relevant regulations. In 2020, the Board of Directors met 26 times.

The Board Members shall always consult to the Chairman and ask for matters to be added to the agenda.

The Independent Members of Board have positive votes on the Board decisions concerning related party processes presented to the Members of the Board for approval.

The issues on the agenda in Board meetings are openly discussed in every aspect. The Chairman of the Board does the best to make sure that nonexecutive members actively attend the Board meetings. Board members shall record their reasonable and detailed justifications for opposing votes on issues they disagree in the decision record. Minutes of Board meeting shall indicate that all items in the agenda are discussed and records shall include the opposing views as well.

Members of Board shall set aside sufficient time for company work. If the member of Board is an administrator or board member in another company or provides consultation in another company, it is essential that this situation does not cause a conflict, interests or disruptions in the member's work in this company. Members of the Board are not restricted in assuming other duties outside of the company.

4.5 Committees Formed Under the Board of Directors

Independent members of the Board are assigned to more than 1 committee. Members who have to serve in more than one committee shall enable communication between the committees that serve in related matters and increase the ability to cooperate. The committees invite people, whose views were deemed necessary to be heard, to the meetings and heard their views.

The Audit Committee

Our audit committee monitors the company accounting system, the disclosure of financial information to the public, independent auditing and the operation and efficiency of the internal control and auditing system. At least one of the members of the committee in charge of auditing shall have 5 years of experience in auditing/accounting and finance.

The independent audit company that our company will obtain services from and the services to be obtained from this company are determined by the audit committee and presented to the board for approval. The company accounting and internal audit system, investigation and conclusion of complaints received by the company concerning internal audit and the methods and criteria to be applied in the evaluation of disclosures concerning company employees, company accounting and independent audit as part of confidentiality principles are determined by the audit committee. The audit board makes an evaluation of the annual and interim financial statements to be disclosed to the public and their compliance with the

accounting principles followed by the company and their accuracy and submits the evaluations along with the opinions of company administrators and independent auditors, in writing to the Board. The audit committee met 6 times in 2020 and the results of the meetings were recorded and decisions were presented to the board of directors. Explanations of the activities and meetings results of the audit committee are provided in the annual report. The number of audit committee's submission with written notification to the board within the accounting period is included in the annual report.

THE AUDIT COMMITTEE

Ad ve Soyad	Position in the Company	Duty in the Committee
Ayhan ZEYTİNOĞLU	Independent Member of Board	Chairman
Mehmet BAHTİYAR	Independent Member of Board	Member
Virma SÖKMEN	Independent Member of Board	Member

Corporate Governance Committee

Our corporate governance committee determines whether or not corporate governance principles are being implemented in our company, if not the reasons for not implementing and the conflicts of interest that are generated by not fully complying with these principles, they make recommendations to the board to improve the implementation of corporate governance applications and monitor the work of the investor relations department.

CORPORATE GOVERNANCE COMMITTEE

Name and Surname	Position in the Company	Duty in the Committee
Mehmet BAHTİYAR	Independent Member of Board	Chairman
Turgay ŞOHOĞLU	Member of the Board	Member
Bekir MENETLİOĞLU	Member of the Board	Member
Fatma Burcu CESUR	Member of the Board	Member
Şefiye YAYLA	Investor Relations Manager	Member

Nomination Committee (within our Corporate Governance Committee)

The duties of this committee include forming a transparent system for selecting, evaluating and training suitable candidates for the board and management positions with administrative responsibility, to determine policies and strategies on this subject, to make regular assessments of the structure and productivity of the Board and to submit suggestions to the Board on changes that could be made on these subjects.

Remuneration Committee (within our Corporate Governance Committee)

This committee determines the principles, criteria and applications to be used in the remuneration of the Members of the Board and managers with administrative responsibilities taking into account the long-term goals of the company and monitors the application thereof. The committee presents recommendations for the wages to be paid to the Members of the Board and managers with administrative responsibility considering their degree of meeting the criteria used in remuneration to the Board.

Early Risk Detection Committee

The early risk detection committee works to detect the risks that could endanger our company's existence, development and continuation, to take precautions concerning the detected risks and manage the risks; and reviews the risk management systems at least once a year. Additionally, the committee meets at least once in every two months and gives reports to the Board on their work.

Corporate Governance Compliance Report

EARLY RISK DETECTION COMMITTEE

Name and Surname	Position in the Company	Duty in the Committee
Virma SÖKMEN	Independent Member of Board	Chairman
Mehmet BAHTIYAR	Independent Member of Board	Member
Nurtekin KEÇECİ	Member of the Board	Member

4.6 Financial Rights Given to the Members of the Board and Administrative Executives

The principles of remuneration for the Members of the Board and administrative executives have been transferred into written form and presented to the information of shareholders as a separate item on the agenda at the general assembly meeting dated 29.06.2020. Our partners are given the opportunity to submit their opinions on the subject.

Dividends, profit options or payment plans based on the company's performance cannot be used in the remuneration of Independent Members of the Board. In fact, the remunerations of our Independent Members of the Board are determined at a level that will maintain their independence. Our company has not provided credit facilities to any of the Members of the Board or executives with administrative responsibilities, has not given loans or extended the term of the loan that was given, has not improved the conditions of loan, has not provided credit facilities under the title of a personal credit through third parties or has not given guarantees on behalf of these such as indemnity.

All other benefits acquired with the remunerations given to the Members of the Board and administrative executives have been disclosed to the public via the annual report.

The wages, attendance fees and dividends from the annual profit of Board Members and administrative staff have been transferred to written form. The criteria and remuneration principles have been presented as a separate agenda subject in the General Assembly meeting dated 29.06.2020 and shareholders have been given the opportunity to state their opinions. Decisions, which are made at a later date, are written on record and disclosed to the public. This information that is included in our annual report is also available on our website.

Risk Management and Internal Control Mechanism

All of the strategic, operational, financial particularities and other aspects that are thought to create risks preventing our company from achieving its short- and long-term targets are evaluated at every level of the organisation starting from the Board of Directors' level. The Early Risk Detection Committee that is established for this purpose carries out activities in parallel with the objective of making recommendations and giving advice towards detecting, evaluating and managing, reporting all kinds of risks including strategic, financial, operational risks etc., that may have an impact on the Company and taking them into consideration in the decision taking mechanisms.

The internal audit system of the company consists of job descriptions, authorisation system, policies and documented procedures that were previously determined based on the work flows and processes. Our Company aims to achieve its targets on efficiency and effectiveness of operations, the reliability of its financial reporting system and assurance on the compliance to the legal regulations through implementation of an internal audit system. Internal audit system is regularly subjected to periodic evaluation by the Quality Assurance Department and effectiveness of the production operations is inspected. The Audit Committee has notified the Board of Directors in writing about its opinions on the election of the independent auditors for the year 2020 interim and annual financial statements to be disclosed to the public, accuracy and consistency of them with the accounting principles and actual figures and the decisions taken during the meetings held throughout the year.

Strategic Goals of the Company

The goals and critical performance indicators that are in parallel with the company's vision and mission are approved by the Board of Directors at the budget meetings which is organised at the end of the previous year. The Board of Directors reviews the results of activities and target indicators by comparing with the previous year's performance and target indicators in its ordinary meetings.

Statements of Independence from the Members of the Board

I hereby declare that I am a candidate for assuming the role of an “Independent Member” in the Board of Directors of Sarkuysan Elektrolitik Bakır San. ve Tic. A.Ş (Company); as part of the criteria stipulated in the legislations, the articles of association of the Company and the Corporate Governance principles issued by the Capital Markets Board,

- Within the last five years, no executive employment relation that would give important duties and responsibilities has been established between myself, my spouse, my second degree relatives by blood or by marriage and (i) the Company and (ii) the subsidiaries of Company, and (iii) shareholders who control the management of Company or who have significant influence in Company and legal persons controlled by these shareholders; and that I neither possess more than 5% of any and all capital or voting rights or privileged shares nor have significant commercial relations,
- Within the last five years, I have not worked as an executive manager who would have important duties and responsibilities, or have not been a member of the Board of Directors or been a shareholder (more than 5%) particularly in the companies that provide auditing, rating and consulting services for the Company (including tax audit, legal audit, internal audit), and in the companies that the Company purchase products and services from or sells products and services to as part of the agreements signed,
- I do have the professional training, knowledge, and experience that will help me properly carry out the tasks and duties I will assume as a result of my independent membership on the Board,
- Accordance with the legislations, I will not be working full-time in public institutions and organizations (except working as an academician at the university) after being elected as a member,
- I am treated as a resident in Turkey in accordance with the Income Tax Law no 193 of 31.12.1960,
- I do have the strong ethical standards, professional standing and experience that will help me positively contribute to the activities of Company and remain neutral in conflicts of interests between Company shareholders, and that will help me take decisions freely by taking the rights of the stakeholders into consideration,
- I will be able to spare the sufficient time for the activities of the Company to an extent that will help me pursue the activities of the Company and fulfil the requirements of my tasks and duties,
- I have not been a member of the Board of Directors of the Company for more than six years in total within the last decade,
- I have not been an independent member of the Board of Directors in more than three of the companies controlled by the Company or by the shareholders who control the management of the Company and in more than five of the publicly traded companies in total,
- I have not been registered and announced on behalf of the legal entity elected as member of the Board of Directors,

and therefore, I will fulfil my Board membership as an independent member.

Best regards,

Mehmet Bahtiyar

Statements of Independence from the Members of the Board

I hereby declare that I am a candidate for assuming the role of an “Independent Member” in the Board of Directors of Sarkuysan Elektrolitik Bakır San. ve Tic. A.Ş (Company); as part of the criteria stipulated in the legislations, the articles of association of the Company and the Corporate Governance principles issued by the Capital Markets Board,

- Within the last five years, no executive employment relation that would give important duties and responsibilities has been established between myself, my spouse, my second degree relatives by blood or by marriage and (i) the Company and (ii) the subsidiaries of Company, and (iii) shareholders who control the management of Company or who have significant influence in Company and legal persons controlled by these shareholders; and that I neither possess more than 5% of any and all capital or voting rights or privileged shares nor have significant commercial relations,
- Within the last five years, I have not worked as an executive manager who would have important duties and responsibilities, or have not been a member of the Board of Directors or been a shareholder (more than 5%) particularly in the companies that provide auditing, rating and consulting services for the Company (including tax audit, legal audit, internal audit), and in the companies that the Company purchase products and services from or sells products and services to as part of the agreements signed,
- I do have the professional training, knowledge, and experience that will help me properly carry out the tasks and duties I will assume as a result of my independent membership on the Board,
- Accordance with the legislations, I will not be working full-time in public institutions and organizations (except working as an academician at the university) after being elected as a member,
- I am treated as a resident in Turkey in accordance with the Income Tax Law no 193 of 31.12.1960,
- I do have the strong ethical standards, professional standing and experience that will help me positively contribute to the activities of Company and remain neutral in conflicts of interests between Company shareholders, and that will help me take decisions freely by taking the rights of the stakeholders into consideration,
- I will be able to spare the sufficient time for the activities of the Company to an extent that will help me pursue the activities of the Company and fulfil the requirements of my tasks and duties,
- I have not been a member of the Board of Directors of the Company for more than six years in total within the last decade,
- I have not been an independent member of the Board of Directors in more than three of the companies controlled by the Company or by the shareholders who control the management of the Company and in more than five of the publicly traded companies in total,
- I have not been registered and announced on behalf of the legal entity elected as member of the Board of Directors,

and therefore, I will fulfil my Board membership as an independent member.

Best regards,

Ayhan Zeytinoğlu

I hereby declare that I am a candidate for assuming the role of an “Independent Member” in the Board of Directors of Sarkuysan Elektrolitik Bakır San. ve Tic. A.Ş (Company); as part of the criteria stipulated in the legislations, the articles of association of the Company and the Corporate Governance principles issued by the Capital Markets Board,

- Within the last five years, no executive employment relation that would give important duties and responsibilities has been established between myself, my spouse, my second degree relatives by blood or by marriage and (i) the Company and (ii) the subsidiaries of Company, and (iii) shareholders who control the management of Company or who have significant influence in Company and legal persons controlled by these shareholders; and that I neither possess more than 5% of any and all capital or voting rights or privileged shares nor have significant commercial relations,
- Within the last five years, I have not worked as an executive manager who would have important duties and responsibilities, or have not been a member of the Board of Directors or been a shareholder (more than 5%) particularly in the companies that provide auditing, rating and consulting services for the Company (including tax audit, legal audit, internal audit), and in the companies that the Company purchase products and services from or sells products and services to as part of the agreements signed,
- I do have the professional training, knowledge, and experience that will help me properly carry out the tasks and duties I will assume as a result of my independent membership on the Board,
- Accordance with the legislations, I will not be working full-time in public institutions and organizations (except working as an academician at the university) after being elected as a member,
- I am treated as a resident in Turkey in accordance with the Income Tax Law no 193 of 31.12.1960,
- I do have the strong ethical standards, professional standing and experience that will help me positively contribute to the activities of Company and remain neutral in conflicts of interests between Company shareholders, and that will help me take decisions freely by taking the rights of the stakeholders into consideration,
- I will be able to spare the sufficient time for the activities of the Company to an extent that will help me pursue the activities of the Company and fulfil the requirements of my tasks and duties,
- I have not been a member of the Board of Directors of the Company for more than six years in total within the last decade,
- I have not been an independent member of the Board of Directors in more than three of the companies controlled by the Company or by the shareholders who control the management of the Company and in more than five of the publicly traded companies in total,
- I have not been registered and announced on behalf of the legal entity elected as member of the Board of Directors,

and therefore, I will fulfil my Board membership as an independent member.

Best regards,

Virma Sökmen

Disclosure Policy

PURPOSE

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş. pursues a transparent and accurate policy that enables its shareholders to be informed precisely, clearly, accurately and simultaneously as part of relevant laws and the Capital Markets Board (CMB) Corporate Governance Principles. Any information, which is not regarded as a trade secret and can be legally disclosed, is publicly communicated.

The objective of the disclosure policy is to share past performance, strategies, targets except for confidential business information, and visions of the company with the public, relevant authorities, existing and potential investors and shareholders through an active and open communication medium.

Sarkuysan complies with the regulations of CMB and the regulations of the Istanbul Stock Exchange (IMKB) regarding all public disclosure, and aims to follow the most accurate, fair, simultaneous, clear and efficient communication policy as part of CMB Corporate Governance Principles.

AUTHORITIES AND RESPONSIBILITIES

The authority and responsibility to follow, monitor and develop Sarkuysan's policy of clarifying and informing the public is under the responsibility of the Board, whilst the Vice General Manager (Finance), Accounting Department and Investor Relationships Department conduct the coordination of the disclosure function. Such authorities carry out their responsibilities in close cooperation with the Board and the General Manager.

The Disclosure Policy approved by the Board is submitted to the consideration of shareholders at the General Assembly meeting and disclosed publicly through the corporate website.

METHODS AND MEANS OF PUBLIC DISCLOSURE

The methods and means used to inform the public by Sarkuysan in accordance with the regulations of CMB and BIST and further with the appropriate provisions of the Turkish Commercial Code (TCC) are given below:

- Material Event disclosures (submitted online to the Public Disclosure Platform (PDP)),
- Financial statements, notes, independent audit reports and statements periodically disclosed on quarterly basis (submitted online to PDP),
- Annual and interim reports,
- Corporate website (www.sarkuysan.com),
- Prospectus, circular, invitation for general assembly and other documents disclosed through Central Registration System (CRS) and the Central Database Service Provider (CDSP) systems,
- Announcements and notices made in Turkish Trade Registry Gazette, and also in national and local newspapers that are widely circulated when necessary, press releases published in the press and mass media throughout the year parallel to the important developments,
- Means and methods of communication such as telephone, e-mail, fax, etc.,
- Announcements made through brochures and catalogues,
- Domestic and International fairs participated.

PUBLIC DISCLOSURE OF MATERIAL EVENTS

The material event disclosures of Sarkuysan A.Ş are prepared by the Financial Affairs Department and Investor Relations Department, and submitted online to PDP by duly authorised directors. The relevant units carry out controls in connection with the publication of such disclosures on PDP.

Officials with administrative function are Board Members, Auditors, the General Manager, the Assistant General Managers, Finance Department, Cost Accounting and other officials who make administrative decisions having effect on future development and commercial objectives of Sarkuysan.

Such officials are announced in the Annual Report updated annually and on the corporate website.

In the event that there are legal and commercial relationships between our Company and real & legal entities with which we directly or indirectly collaborate for capital management and audit purposes, the necessary disclosures are made pursuant to the appropriate provisions of CMB.

PUBLIC DISCLOSURE OF THE ANNUAL REPORT

Financial statements and footnotes of Sarkuysan are prepared in consolidated form in accordance with the provisions set forth by the Public Oversight Accounting and Auditing Standards Authority (POA) of Turkey and Turkish Financial Reporting Standards (TFRS). Annual and semi-annual financial statements are subject to independent audit in accordance with Turkish Audit Standards before public disclosure. 3- and 9-month Financial Statements are also prepared in accordance with TFRS and publicly disclosed within a defined timeframe.

In accordance with the Capital Markets Legislation, prior to public disclosure of the financial statements and footnotes, they are submitted to the Board of Directors for approval upon the positive opinion of the Audit Committee. After attestation is granted at the meeting, financial statements, footnotes and the independent audit reports are submitted to BIST and CMB in accordance with the Capital Market Law and BIST.

Financial statements and footnotes that are disclosed on PDP are publicly announced simultaneously with PDP on our corporate website under a link titled BIST due to our agreement with Forex. In addition to that, data of financial statements are retrospectively stored for a period of five years under the heading "Annual Reports" in the Investor Relations section of the corporate website.

PUBLIC DISCLOSURE OF THE ANNUAL REPORT

The content of yearly and interim Annual Reports is prepared in accordance with the Turkish Commercial Code, CMB legislation and CMB Corporate Governance Principles. Turkish Accounting Standards (TAS) and Turkish Financial Reporting Standards (TFRS) are applied to the annual report and financial statements.

Once Annual Reports are prepared, they are subject to the Board's approval, and then reports are publicly disclosed through the corporate website three weeks prior to the General Assembly meeting, and also communicated to PDP online. Investors may obtain a Turkish and English hard-copy version of the Annual Report from the Finance Department and Investor Relations Department.

WEBSITE

The Sarkuysan website www.sarkuysan.com is actively used by the company in public disclosure as recommended by the CMB Corporate Governance Principles. The disclosures on the website do not take the place of notifications and material disclosures required by the Capital Markets Board. The website is prepared in Turkish and in English with the content and format set forth by the CMB Corporate Governance Principles.

In accordance with Article 1527 of the Turkish Commercial Code, a specific part of the corporate website is dedicated to legal announcements. This section is available through "Information Society Services" in our corporate website.

The Investor Relations part of our corporate website contains the Company's trade registration details, most recent

Bilgilendirme Politikası

shareholding and management structure, details of preferred shares, announcements, date and issue no of the Turkish Commercial Registry Gazette announcing the amendments to the Company's articles of association, Company's up-to-date articles of association, material event disclosures, annual reports, announcements for General Assembly meetings, sample agenda and power of attorney, list of attendance, meeting minutes, profit distribution policy, disclosure policy, ethical rules of the Company, frequently asked questions and answers.

In the part "Sarkuysan on Istanbul Stock Exchange" of our website, all details about the Company posted in Istanbul Stock Exchange's corporate website are available. The corporate website further contains stock prices, charts, prices of some precious items as well as news about Sarkuysan and all other related news and exchange rates.

ANNOUNCEMENTS IN THE TURKISH TRADE REGISTRY GAZETTE

As required by the Capital Market Law, Turkish Commercial Code and the Company's Articles of Association; the announcements related to the General Assembly meeting, capital increase and dividend payment are published both in the Turkish Trade Registry Gazette and daily newspapers.

STATEMENTS ON THE EXERCISE OF SHAREHOLDER RIGHTS

Pursuant to CMB regulations, shareholders are informed about the General Assembly, Capital Increase, Dividend Payments, merger and appropriate matters through prospectuses and announcements.

Company's Ordinary General Assembly meetings are held every year within legal periods specified. The information and documents to be discussed during the General Assembly meeting can be listed as the List of Attendance, Annual Report, Auditor's Report, Balance Sheet, Statement of Income, minutes of meeting for the General Assembly and Amendments to the Articles of Association, if any.

MEASURES TO KEEP IN-HOUSE INFORMATION CONFIDENTIAL UNTIL PUBLIC DISCLOSURE

Sarkuysan A.Ş. employees with internal information and other relevant parties are informed about their liability to ensure confidentiality of internal information between the time when the information subject to a material event disclosure develops until it is announced on PDP.

In the event that it is determined that internal information has unintentionally been shared by people working for and on behalf of Sarkuysan A.Ş. with third parties, if it is concluded that the confidentiality of the information cannot be protected as part of CMB legislations, a material event disclosure is made immediately.

Dividend Distribution Policy

- The annual profit of the Company is distributed as per the decision taken during the general assembly meeting in accordance with the Profit Distribution policy formulated in accordance with the Turkish Commercial Code, Capital Market Law, appropriate regulations and Company's articles of association.
- The Board determines its proposal for dividend distribution in line with appropriate legal provisions and by observing the sensitive benefit balance between shareholders and Company.
- The decision of whether to distribute profit or not is taken during the General Assembly upon the proposal of the board. The Board's proposal for profit distribution is publicly disclosed together with the dividend distribution scheme, for which the format and content are defined by the capital markets board, in line with CMB's regulations on the disclosure of material events, on the date when the agenda of the general assembly meeting is announced at the latest, and then posted in the Company's corporate website.
- The profit distribution process is initiated no later than the end of accounting period for which the general assembly meeting where dividend distribution is decided is held.
- The profit may be paid in instalments of equal or different amounts subject to the further appropriate decision taken at the general assembly meeting. The number and timing of instalments are determined during the general assembly meeting or by the board of directors authorised thereby.
- Instalment payments are distributed equally to all of the shares existing as of the date of payment pro rata their shares in capital, regardless of their dates of issuance and acquisition.
- The dividend per share is found by dividing the profit to be distributed to shareholders under the general assembly meeting decision by total number of shares.
- There is no share certificate granting any privilege for dividend share.
- Since the share certificates of the Company are registered on account as per the applicable regulations, dividend payments are deposited to Takasbank A.Ş. for further transfer to the accounts of shareholders with brokers and banks upon Central Registry's request on the date specified by the general assembly.
- Dividend distribution is affected in accordance with Turkish Commercial Code, Capital Market Law, applicable regulations and the Company's articles of association.
- The Company's articles of association should contain a specific provision for profit distribution to the Members of the Board and Company's employees.
- The Company's articles of association should contain a provision to make donations. The limit of donation is designated defined during the general assembly meeting. Donations made within the given fiscal period are added to the distributable profit base. The donations and payments to be made are disclosed to the public as part of rules concerning public disclosure of material events and are presented to the partners in the ordinary general assembly.
- The profit distribution policy is formulated in accordance with the Turkish Commercial Code, Capital Market Law appropriate legal regulations and the Company's articles of association, and included in the annual report. Shareholders are informed accordingly during the general assembly meeting.
- In the event that it is proposed to make an amendment to the dividend distribution policy, the Board resolution on this matter and justification thereof are publicly disclosed in accordance with CMB's regulations on the public disclosure of material events.

Guarantees/Pledges/Mortgages Assigned

	31.12.2019 Amount (TL)	31.12.2020 Amount (TL)
A. Total value of GMP assigned on behalf of the Company	511,417,872	664,555,522
Sarkuysan A.Ş. Letter of Guarantees Given	160,492,585	161,644,520
Sarkuysan A.Ş. Surety Bonds Given	330,481,882	447,839,218
Sar Makina A.Ş. Letter of Guarantees Given	473,004	1,348,292
Sarda A.Ş. Letter of Guarantees Given	19,960,000	53,710,000
Aegean Free Trade Zone Letter of Guarantees Given	10,401	13,492
B. Total amount of the GMP assigned in favour of the corporations included under full consolidation	186,331,438	37,772,291
Sureties	186,331,438	37,772,291
Mortgages		
C. Total amount of the GMP assigned for securing debts of other 3rd persons in order to carry out ordinary business operations		
D. Total amount of other warranties, pledges and encumbrances given		
ii. Total amount of the GMPs assigned in favour of the other group companies that are not included under articles B and C		
iii. Total amount of the GMPs assigned in favour of 3rd persons that are not included under article C		
Total	697,749,310	702,327,813

Dividend Distribution Proposal

The 239,376,252.- TL Net Distributable Period Profit that remains after the Taxes to be Paid and the General Legal Reserves are deducted from the period profit on our Consolidated Income Table dated 31.12.2020 prepared in accordance with the Capital Markets Board and the donations are added, is recommended to be distributed as shown in the table below per article 25 of our articles of association and our partners be given an 21.25% net dividend and the distribution date be 05.05.2021.

If this proposal is accepted, 25% (0.25 TL) Gross and 21.25% (0.2125 TL) Net in cash dividend will be given for each nominal value share of 1.-TL of our 300,000,000.-TL Paid Capital.

Yours faithfully,

The Board of Directors

SAR KUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET A.Ş. DIVIDEND DISTRIBUTION IN 2020

1. Paid-in/Issued Capital		300,000,000	
2. General Legal Reserves (According to Legal Records)		47,411,471	
Information on the relevant privilege if any privileges are applied in the distribution of dividends		None.	
		According to CMB According to Legal Registries	
3. TERM PROFIT		309,687,377	238,087,905
4. Taxes (-)		61,574,690	54,623,656
	<i>Corporate Tax (-)</i>	61,574,690	54,623,656
	<i>Provision for Deferred Tax (-)</i>	0	0
5. Net Term Profit		248,112,687	183,464,249
6. Previous Years Losses (-)		0	0
7. General Legal Reserve (-)		9,173,212	9,173,212
9. NET DISTRIBUTABLE PROFIT FOR THE PERIOD		238,939,475	174,291,037
10. Donations Within the Year (+)		436,778	
Net Distributable Profit for the Period Incl. Donations		239,376,252	
12. First Dividend to Shareholders		11,968,813	
	<i>Cash</i>	11,968,813	
	<i>Bonus</i>	0	
	<i>Total</i>	11,968,813	
13. Dividends Distributed to Privileged Shareholders		0	
14. Other Dividends Distributed		8,222,342	
- <i>Dividends to Board Members</i>		8,222,342	
15. Dividends Distributed to Holders of Redeemed Shares		0	
16. Second Dividend to Shareholders		63,031,187	
	<i>Cash</i>	63,031,187	
	<i>Bonus</i>	0	
	<i>Total</i>	63,031,187	
17. General Legal Reserve (-)		6,822,234	
18. Statutory Reserves		0	0
19. Special Reserves		0	0
20. EXTRAORDINARY RESERVE		148,894,899	84,246,461
21. Other Resources to be Distributed		0	0
Profits of the Previous Years		0	0
Extraordinary Reserves		0	0
Other Reserves Distributable pursuant to Law and Articles of Association		0	0

PROFIT SHARES TABLE

Information on Dividend per Share

	Group	Total Dividends Distributed		Total Dividends Distributed / Dividends Corresponding to Net Distributable Dividends Share with Par Value of 1 TL		
		Cash (TL)	Bonus (TL)	Ratio (%)	Amount (TL)	Rate (%)
NET	A	3.19	0.00	0.00	0.212500	21.2500
	B	63,749,996.81	0.00	26.68	0.212500	21.2500
	Total	63,750,000.00	0.00	26.68	0.212500	21,2500

Auditor's Report on Early Risk Detection System and Committee

TO THE BOARD OF DIRECTORS OF SARKUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET A.Ş.

We have audited the early risk detection system and committee established by the Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.

RESPONSIBILITY OF THE BOARD

Per article 378 clause 1 of the Turkish Commercial Code (TCC) Law no. 6102, the Board of Directors is responsible for establishing an expert committee for early detection of factors that threaten the existence, development and continuation of the Group, to implement the necessary precautions and solutions for these and to manage the risk; for operating and developing the system.

RESPONSIBILITY OF THE AUDITOR

Our responsibility is to come to a conclusion concerning the early risk detection system and committee based on the audit we have conducted. Our audit was conducted in accordance with TCC and the "Principles on the Independent Auditor's Report on Early Risk Detection System and Committee" and ethical requirements as announced by Public Oversight Accounting and Auditing Standards Authority (POA) of Turkey. These Principles require us to determine whether the early risk detection system and committee of the Group has been established, and if established, to evaluate whether the system and committee operate in accordance with Article 378 of TCC. Our audit does not involve auditing the appropriateness of the solutions on the risks identified by the Early Risk Detection System and Committee and the practices performed by the management against the risks.

INFORMATION ON THE EARLY RISK DETECTION SYSTEM AND COMMITTEE

The Group built the committee September 18, 2012 and the committee consists of 3 (three) members. The Committee met 6 (six) times in 2020 for early detection of factors that threaten the existence, development and continuation of the Group, to implement the necessary precautions and solutions for these and to manage the risk; and the reports prepared as a result were submitted to the Board.

CONCLUSION

As a result of the audit we conducted, we have found the early risk detection system and committee built by Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş. to be sufficient in every perspective within the framework of TCC article 378.

GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.

An Independent Member of BAKER TILLY INTERNATIONAL

Dr. Hakkı DEDE

Auditor in charge

Istanbul, Thursday, March 11, 2021

Independent Audit Report regarding the Annual Report of the Board of Directors

TO THE BOARD OF DIRECTORS OF SARKUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET A.Ş.

OPINION

We have audited the Annual Report of Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş. for the fiscal period covering the period between January 1 and December 31, 2020.

In our opinion, the financial information provided in the annual report of the Board of Directors as well as the discussions of the Board of Directors regarding the status of the Group, is presented fairly and consistent with the whole set of financial statements audited and information acquired during the independent audit in all material respects.

BASIS FOR THE OPINION

The independent audit we have conducted is in accordance with the Independent Audit Standards (IAS), which are inseparable parts of the Turkish Audit Standards published by the Public Oversight, Accounting and Audit Standards Agency ("KGK"). Our responsibilities as part of the aforementioned standards are explained in detail in our report under the title of Responsibility of the Independent Auditor on the Annual Report of the Independent Auditor. Ethics Code for the Independent Auditors (Code of Ethics) published by KGK and ethical rules pursuant to the legislation regarding independent audits, we hereby declare that we are independent from the Group. Code of Conduct and other responsibilities regarding ethics as part of legislation have been fulfilled by us. We believe that the audit evidence we have obtained during our independent audit is sufficient and appropriate to provide a basis for our audit opinion.

AUDITOR'S OPINION ON THE FULL SET OF CONSOLIDATED FINANCIAL STATEMENTS

We kindly submitted our opinion on the whole set of financial statements of the Group regarding the period covering January 1 and December 31, 2020 in our report dated March 11, 2021.

RESPONSIBILITY OF THE BOARD OF DIRECTORS REGARDING THE ANNUAL REPORT

The executives of the Group are responsible from the following items regarding the annual report as per the articles 514 and 516 of the Turkish Commercial Code (TCC) no 6102:

- a. Annual report shall be prepared within the first three months following the date of the balance sheet and submitted to the attention of the General Assembly.
- b. The annual report shall be prepared to include the activities carried out within the year, and the Group's financial status in a complete, correct, direct, realistic and honest way. The financial status given in the report shall be evaluated according to the financial statements. The report shall also explicitly highlight the development of the Group and the possible risks to be encountered. The assessment of the Board of Directors on the subject issues shall be included in the report.
- c. The annual report shall also include the following issues:
 - Special incidents occurred in the Group after completion of the operation period for the year-in-question,
 - Research and development activities of the Group,
 - Financial benefits such as the salaries, premiums, bonuses, etc., allowances, travel, accommodation and representation expenses and real and cash benefits, insurances and similar securities.

During the preparation process of the annual report, the Board of Directors shall also consider the regulations stipulated by the secondary legislation of the Ministry of Customs and Trade and other related institutions.

Independent Audit Report regarding the Annual Report of the Board of Directors

RESPONSIBILITY OF THE INDEPENDENT AUDITOR REGARDING THE INDEPENDENT AUDIT OF THE ANNUAL REPORT

The purpose is to provide our opinion on whether or not financial information provided in the annual report as well as the discussions of the Board of Directors are consistent with and represent the actual situation in the audited financial statements of the Group and information acquired during the independent audit and to prepare a report including our opinion.

The independent audit that we carried out was in compliance with the Independent Audit Standards. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the financial information provided in the annual report and discussions of the Board of Directors is free from material misstatement and consistent with the financial statements and information gathered during the independent audit.

The independent audit was carried out and completed by Hakkı Dede, auditor in charge.

GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.

An Independent Member of BAKER TILLY INTERNATIONAL



Dr. Hakkı DEDE

Auditor in charge

Istanbul, Thursday, March 11, 2021

Amendment in the Articles of Association

FORMER TEXT	REVISED TEXT
CAPITAL	CAPITAL
<p>ARTICLE - 6 - The Company accepted the registered capital system as per the provisions of Capital Market Code and moved into the system with the decision of Capital Market Board dated 23.3.1983 and numbered 75. The upper limit of the registered capital of the Company is 300,000,000 TL (threehundredmillion Turkish Lira) and is shared among 30,000,000,000 (thirty billion) shares, i.e., each share has a nominal price of 1 KR (one Turkish cent). The permit of the Capital Market Board for the upper limit of the registered capital is valid for the period between 2017 and 2021 (5 years). Although the upper limit of the registered capital could not reach the ceiling as of the end of 2021, the Board of Directors shall be authorized during the General Assembly for a new period of time after getting permission from the Capital Market Board for the previously permitted ceiling or a new ceiling price for the Board to be able to make a decision on capital increase after 2021. If such authorization is not provided, the Company cannot increase its capital by a resolution of the Board. The Company's issued capital is <u>300,000,000.- TL (threehundredmillion Turkish Lira)</u>. The capital is shared among <u>1,500 (onethousandfivehundred)</u> A-group registered shares and <u>29,999,998,500</u> B-group bearer shares, with each share has a nominal price of 1 KR (one Turkish cent). <u>This time, the capital increase of 100,000,000.-TL was provided from Merger Bonus account (1,934,965.-TL) and General Reserves account (98,065,035.-TL)</u>. In compliance with the provisions of the Capital Market Board and the related legislation, the Board of Directors is authorized to issue registered or bearer shares by defining the groups by the upper limit of the registered capital and increase the capital, when required, for the period between 2017 and 2021. Furthermore, the Board of Directors is authorized to issue shares more than the nominal value and partially and completely limit the shareholders right to buy new shares, increase invested capital in Turkey and/or abroad. As part of the authorization provided under this article herein, resolutions of the Board of Directors shall be announced in line with the principles specified by the Capital Market Board. Shares representing the capital is monitored by record in line with the dematerialization principles.</p>	<p>ARTICLE - 6 - The Company accepted the registered capital system as per the provisions of Capital Market Code and moved into the system with the decision of Capital Market Board dated 23.3.1983 and numbered 75. The upper limit of the registered capital of the Company is 600,000,000.-TL (sixhundredmillion Turkish Lira) and is shared among 60,000,000,000 (sixtybillion) shares, i.e., each share has a nominal price of 1 KR (one Turkish cent). The permit of the Capital Market Board for the upper limit of the registered capital is valid for the period between 2021 and 2025 (5 years). Although the upper limit of the registered capital could not reach the ceiling as of the end of 2025, the Board of Directors shall be authorized during the General Assembly for a new period of time after getting permission from the Capital Market Board for the previously permitted ceiling or a new ceiling price for the Board to be able to make a decision on capital increase after 2025. If such authorization is not provided, the Company cannot increase its capital by a resolution of the Board. The Company's issued capital is <u>300,000,000.- TL (threehundredmillion Turkish Lira)</u>. The capital is shared among <u>1,500 (onethousandfivehundred)</u> A-group registered shares and <u>29,999,998,500</u> B-group bearer shares, with each share has a nominal price of 1 KR (one Turkish cent). <u>This time, the capital increase of 100,000,000.-TL was provided from Merger Bonus account (1,934,965.-TL) and General Reserves account (98,065,035.-TL)</u>. In compliance with the provisions of the Capital Market Board and the related legislation, the Board of Directors is authorized to issue registered or bearer shares by defining the groups by the upper limit of the registered capital and increase the capital, when required, for the period between 2021 and 2025. Furthermore, the Board of Directors is authorized to issue shares more than the nominal value and partially and completely limit the shareholders right to buy new shares, increase invested capital in Turkey and/or abroad. As part of the authorization provided under this article herein, resolutions of the Board of Directors shall be announced in line with the principles specified by the Capital Market Board. Shares representing the capital is monitored by record in line with the dematerialization principles.</p>

SARKUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET A.Ş

**CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDIT
REPORT FOR THE PERIOD BETWEEN JANUARY 1ST, 2020 AND
DECEMBER 31ST, 2020**

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INTRODUCTION

THE MANAGEMENT

GENERAL INFORMATION

OUR ACTIVITIES

CORPORATE GOVERNANCE

FINANCIAL INFORMATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret Anonim Şirketi;

Opinion

We have audited the accompanying consolidated financial statements of Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret Anonim Şirketi ("Company") and its subsidiaries ("collectively referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2020, consolidated statement of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash-flow for the year then ended and the notes to the consolidated financial statements, which include a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Turkish Accounting Standards ("TAS").

Basis for Opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

Emphasis of Matter

As of the reporting date, possible effects of COVID-19 (Coronavirus) pandemic, which affects the whole World and Turkey, on the Group's operations and financial results are closely monitored in all respects, and necessary actions are taken to ensure that the Group is affected in the least possible way. Due to the Coronavirus, there may be disruptions in the Group's procurement, production and sales processes in parallel with the developments/slowdown in the sectors in which the Group operates and in general economic activity. There has been a significant slowdown in economic activities of the Group since March. The detailed explanation by the Group management is disclosed in Note 41.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole and in forming our opinion thereon; and we do not provide a separate opinion on these matters.

Trade Receivables

Please refer to notes 2.09.09 and 10 to the Consolidated Financial Statements.

Key audit matters

Financial statements as of 31 December 2020 include trade receivables of TL 1.269.623.698 which constitutes 42 % of the Sarkuysan's total assets. An impairment provision amounting to TL 89.109.949 has been provided for trade receivables in the consolidated financial statements. The Group uses certain estimates and policies to reduce the value of its trade receivables to their recoverable amounts and determine the required provision.

The significance of trade receivables in the consolidated financial statements, its balance and recoverability determined as key audit matter for our audit

How our audit addressed the key audit matter

Our audit procedures are based on the verification of trade receivables and testing whether appropriate provisions are set by taking guarantees for uncollectability trade receivables into consideration.

The effectiveness of internal controls related to financial reporting on credit risk and credit follow-up processes were evaluated.

The Group's receivable risk policy is based on the analysis of overdue trade receivables considering the guarantees received.

Trade Receivables

Please refer to notes 2.09.09 and 10 to the Consolidated Financial Statements.

Key audit matters

How our audit addressed the key audit matter

For the purpose of verifying the existence of trade receivables, the third party verifications were evaluated and the foreign currency valuation of trade receivables, rediscount of receivables (deferred interest income) etc. which are recognized in the financial statement and other valuation transactions have been recalculated.

Aging results of receivables, economic conditions, past collection ability, lawsuits filed and execution proceedings, guarantees received against receivables and subsequent period collections are evaluated for appropriateness. TFRS 9 application and transition protocols were checked.

We had no material findings related to trade receivables as a result of these procedures.

Determination of Fair Value of Investment Properties

Please refer to notes 2.09.19 and 17 to the Consolidated Financial Statements.

Key audit matters

How our audit addressed the key audit matter

The fair value of the investment properties of the Group as of 31 December 2020 is TL 105.073.000. The statement of profit or loss of the Group in 2020 includes a revaluation surplus of TL 7.208.000 corresponding to an increase in the value of investment properties.

Fair values investment properties of the Group are recognized according to appraisal reports issued by independent experts. These appraisal companies used various estimations and assumptions, when making valuations. The determination of fair value of investment properties in the financial statement determined as key audit matter for our audit.

We performed the following procedures in relation to the testing the fair value of investment properties:

We examined the competency and neutrality of investment properties appraiser appointed by the Group management.

We have evaluated appropriateness of valuation methods used by the appraisal experts.

We made discussions with the Group management and in these discussions, we have compared the estimations and assumptions used in the appraisal reports with assumptions made in the previous years.

The disclosures in the consolidated financial statement and notes related to fair value of investment properties have been examined and the adequacy of the information in these notes is have been evaluated.

Financial Liabilities

Please refer to notes 2.09 and 8 to the Consolidated Financial Statements.

Key audit matters

How our audit addressed the key audit matter

As of 31 December 2020, the Group has current and non current financial liabilities amounting to TL 1.470.933.739 which constitute a significant portion of total liabilities.

The Group discloses the financial liabilities discounted cost by using the effective interest method. Calculation and reconciliation of discounted costs of financial liabilities determined as key audit matter for our audit.

We performed the following procedures in relation to the testing of financial liabilities:

We have evaluated 3rd party reconciliations of the financial liabilities balances and internal rate of return and discount studies calculated by the Group.

The disclosures in the consolidated financial statement and notes related to financial liabilities are examined and the adequacy of the information in these notes have been evaluated.

INDEPENDENT AUDITOR'S REPORT

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret Anonim Şirketi Yönetim Kurulu'na;

Revenue

Please refer to notes 2.09.01, 5 and 28 to the Consolidated Financial Statements.

Key audit matters

The Group recognizes the revenue in the consolidated financial statements when the Group transfers control of a good or service over time.

Based on the aforementioned disclosure, it has been determined as a key audit matter whether the revenue is recognized to the correct period in accordance with the periodicity and matching principle of sales.

How our audit addressed the key audit matter

We performed the following procedures in relation to the testing recognition of revenue:

The Group's accounting policies related to the recognition of the revenue in the consolidated financial statements are evaluated.

Revenue as a process is evaluated by observing the sales and delivery procedures of the Group.

Our audit procedures are focused on the assessment of invoices issued but risk and ownership have not been transferred. In this context, invoice, delivery note, warehouse exit and delivery documents are analyzed by sampling method and the actual delivery is made before the balance sheet date is evaluated.

Evaluating the details of the sales returns which are requested for the audit date from the sales department. We have tested the invoice and delivery notes are recognized in the correct period.

Evaluating whether there is a high amount of returns incurred after the balance sheet date,

In addition, we have evaluated the adequacy of disclosures included in "Revenue" in Note 28 within framework of TFRS 15.

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

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

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

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

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

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

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 10 March 2020.
2. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2019 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
3. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

The engagement partner responsible for the audit resulting in this independent auditor's report is Hakkı DEDE.

GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.

An Independent Member of BAKER TILLY INTERNATIONAL

Dr. Hakkı DEDE

Partner, CPA

11 March 2021

SARKUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET A.Ş

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2020 AND 2019

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

	Notes	Audited Current Period 31.12.2020	Audited Prior Period 31.12.2019
ASSETS			
Current Assets			
		2.475.574.703	1.669.897.169
Cash and Cash Equivalents	6	194.982.885	87.708.466
Financial Investments	7	-	-
Trade Receivables	10	1.269.623.698	859.178.009
<i>Trade Receivables From Non-Related Parties</i>	10	1.266.625.959	857.486.816
<i>Trade Receivables From Related Parties</i>	10, 37	2.997.739	1.691.193
Receivables from Finance Sector Operations		-	-
Other Receivables	11	81.806.071	70.768.411
<i>Other Receivables From Non-Related Parties</i>	11	81.806.071	70.768.411
<i>Other Receivables From Related Parties</i>	11, 37	-	-
Derivative Instruments	14	14.131.925	4.105.362
Inventories	13	868.952.340	589.867.375
Prepaid Expenses	26	31.754.108	30.146.337
Current Income Tax Assets	35	194.575	895.568
Other Current Assets	26	14.129.101	27.227.641
Total		2.475.574.703	1.669.897.169
Assets Held for Sale			
Assets Held for Sale	34	-	-
Non-Current Assets			
		535.066.800	492.177.976
Financial Investments	7	757.726	536.765
Trade Receivables	10	-	-
Receivables from Finance Sector Operations	12	-	-
Other Receivables	11	181.561	88.508
<i>Other Receivables From Non-Related Parties</i>	11	181.561	88.508
<i>Other Receivables From Related Parties</i>		-	-
Derivative Instruments	14	-	-
Investments Accounted for Using the Equity Method	16	58.557.552	51.568.805
Investment Properties	17	105.073.000	97.865.000
Property, Plant and Equipment	18	355.296.786	322.899.319
Right of Use Assets	18	1.763.014	819.745
Intangible Assets	19	7.243.550	9.664.980
Prepaid Expenses	26	404.456	381.742
Deferred Tax Asset	35	5.789.155	8.353.112
TOTAL ASSETS		3.010.641.503	2.162.075.145

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

SAR KUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET A.Ş

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2020 AND 2019

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

	Notes	Audited Current Period 31.12.2020	Audited Prior Period 31.12.2019
LIABILITIES			
Current Liabilities			
		1.699.686.498	1.238.043.858
Short-Term Borrowings	8	756.043.827	655.535.049
Short Term Portion of Long Term Borrowings	8	303.670.123	209.029.681
Other Financial Liabilities	9	-	-
Trade Payables	10	514.177.263	301.208.148
<i>Trade Payables To Non-Related Parties</i>	10, 38	514.177.263	301.208.148
<i>Trade Payables To Related Parties</i>		-	-
Employee Benefits Payables	12	13.340.689	5.529.408
Other Payables	11	30.568.077	10.730.081
<i>Other Payables To Non-Related Parties</i>	11	30.568.077	10.730.081
<i>Other Payables To Related Parties</i>		-	-
Derivative Instruments	14	-	-
Deferred Income	26	32.894.522	33.741.952
<i>Deferred Income from Non Related Parties</i>		32.894.522	33.741.952
Current Income Tax Liabilities	35	24.747.574	2.601.812
Short Term Provisions	22,24	24.244.423	19.667.727
<i>Provisions for Employee Benefits</i>		13.551.589	16.326.551
<i>Other Short Term Provisions</i>		10.692.834	3.341.176
Other Short Term Liabilities	26	-	-
Total		1.699.686.498	1.238.043.858
Liabilities Related to Assets Held for Sale		-	-
Non Current Liabilities			
		472.496.953	337.065.845
Long Term Borrowings	8	411.219.789	281.635.196
Trade Payables	10	-	-
Long Term Provisions	24	59.943.241	54.062.164
<i>Provisions for Employee Benefits</i>		59.943.241	54.062.164
<i>Other Long Term Provisions</i>		-	-
Deferred Tax Liabilities	35	1.333.923	1.368.485
EQUITY			
		838.458.052	586.965.442
Equity Holders of the Parent			
	27	837.777.297	586.422.093
Paid in Share Capital		300.000.000	200.000.000
Adjustment to Share Capital		1.020.551	1.020.551
Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss		9.222.852	8.278.422
Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss		85.515.955	61.439.335
Restricted Reserves		94.309.591	88.622.550
Retained Earnings		99.732.944	138.226.791
Net Profit for the Period		247.975.404	88.834.444
Non-Controlling Interest			
		680.755	543.349
TOTAL LIABILITIES AND EQUITY		3.010.641.503	2.162.075.145

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

SARKUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET A.Ş

CONSOLIDATED STATEMENTS OF INCOME FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019

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

	Notes	Audited Current Period 01.01.2020 31.12.2020	Audited Prior Period 01.01.2019 31.12.2019
PROFIT OR LOSS			
Revenue	5, 28	6.742.787.513	5.780.611.154
Cost Of Sales (-)	5, 28	(6.280.899.112)	(5.523.766.292)
GROSS PROFIT/(LOSS)		461.888.401	256.844.862
Marketing, Sales And Distribution Expenses (-)	29, 30	(41.031.389)	(26.299.470)
General Administrative Expenses (-)	29, 30	(56.128.582)	(55.570.931)
Research and Development Expenses (-)	29, 30	(4.237.278)	(3.245.701)
Other Operating Income	31	518.484.711	229.057.084
Other Operating Expenses (-)	31	(402.677.500)	(188.704.784)
OPERATING PROFIT / (LOSS)		476.298.363	212.081.060
Gains from Investment Activities	32	7.512.150	5.525.483
Losses from Investment Activities (-)	32	(315.312)	(312.057)
Share of profit/loss of investments accounted for using the equity method	16	6.988.747	7.214.081
OPERATING PROFIT/LOSS BEFORE FINANCIAL INCOME/EXPENSE		490.483.948	224.508.567
Financial Income	33	88.469.161	111.993.190
Financial Expense (-)	33	(269.265.732)	(221.148.258)
PROFIT BEFORE TAX		309.687.377	115.353.499
Tax income/(expense)	35	(61.574.690)	(26.416.253)
- Current income tax expense		(60.509.002)	(24.132.161)
- Deferred tax income		(1.065.688)	(2.284.092)
PROFIT FOR THE PERIOD		248.112.687	88.937.246
DISCONTINUED OPERATIONS			
Profit After Tax from Discontinued Operations		-	-
PROFIT FOR THE PERIOD		248.112.687	88.937.246
Attributable to:		248.112.687	88.937.246
Non-Controlling Interests		137.283	102.802
Equity Holders of the Parent		247.975.404	88.834.444
Earnings Per Share	36	0,00827	0,00444

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

SAR KUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET A.Ş

**CONSOLIDATED STATEMENTS OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019**

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

	Notes	Audited Current Period	Audited Prior Period
		01.01.2020 31.12.2020	01.01.2019 31.12.2019
PROFIT FOR THE PERIOD	27	248.112.687	88.937.246
OTHER COMPREHENSIVE INCOME			
Items Not to be Reclassified in Profit or Loss		942.535	(7.062.787)
Property, Plant and Equipment Revaluation Surplus	24	1.186.547	(8.975.725)
Share of other comprehensive income/(expenses) of investments accounted for using the equity method	16	-	136.268
Taxes relating to other comprehensive income not to be reclassified to profit/loss	35	(244.012)	1.776.670
- Current income tax expense		-	-
- Deferred tax income		(244.012)	1.776.670
Items to be Reclassified in Profit or Loss		24.078.638	10.417.639
Currency Translation Differences	27	24.078.638	10.417.639
Share of other comprehensive income/(expenses) of investments accounted for using the equity method		-	-
Taxes relating to other comprehensive income to be reclassified to profit/loss		-	-
- Current income tax expense		-	-
- Deferred tax income		-	-
OTHER COMPREHENSIVE INCOME (AFTER TAX)		25.021.173	3.354.852
TOTAL COMPREHENSIVE INCOME		273.133.860	92.292.098
Attributable to:		273.133.860	92.292.098
Non-Controlling Interests		137.406	102.185
Equity Holders of the Parent		272.996.454	92.189.913

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

SARKUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET A.Ş

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019

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

Audited Current Period	Notes	Paid in share capital	Adjustment to Share Capital	Other comprehensive income and expense not to be reclassified to profit or loss	
				Property, Plant and Equipment Revaluation Surplus	Gains/(losses) on remeasurement of defined benefit plans
Balances at 1 January 2020		200.000.000	1.020.551	23.800.684	(13.792.321)
Adjustments Related to Changes in Accounting Policies		-	-	-	-
IFRS 9 Policy Change Effect (Net)		-	-	-	-
Adjustments Related to Errors		-	-	-	-
Other Adjustments		-	-	-	-
Amounts After Adjustments		200.000.000	1.020.551	23.800.684	(13.792.321)
Transfers	27	100.000.000	-	-	-
Capital Increases		-	-	-	-
Dividends Paid		-	-	-	-
Transactions with Non Controlling Interests		-	-	-	-
Increase (Decrease) from Other Changes		-	-	-	-
Total Comprehensive Income		-	-	-	944.430
- Net Profit for the Period		-	-	-	-
- Other Comprehensive Income (Expense)		-	-	-	944.430
Balances at 31 December 2020		300.000.000	1.020.551	23.800.684	(12.847.891)

Audited Current Period	Notes	Paid in share capital	Adjustment to Share Capital	Other comprehensive income and expense not to be reclassified to profit or loss	
				Property, Plant and Equipment Revaluation Surplus	Gains/(losses) on remeasurement of defined benefit plans
Balances at 1 January 2019		200.000.000	1.020.551	23.800.684	(6.594.312)
Adjustments Related to Changes in Accounting Policies		-	-	-	-
IFRS 9 Policy Change Effect (Net)		-	-	-	-
Adjustments Related to Errors		-	-	-	-
Other Adjustments		-	-	-	-
Amounts After Adjustments		200.000.000	1.020.551	23.800.684	(6.594.312)
Transfers	27	-	-	-	-
Capital Increase		-	-	-	-
Dividends Paid		-	-	-	-
Transactions with Non Controlling Interests		-	-	-	-
Increase (Decrease) from Other Changes		-	-	-	-
Total Comprehensive Income		-	-	-	(7.198.009)
- Net Profit for the Period		-	-	-	-
- Other Comprehensive Income (Expense)		-	-	-	(7.198.009)
Balances at 31 December 2019		200.000.000	1.020.551	23.800.684	(13.792.321)

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

Share of other comprehensive income/ (expenses) of investments accounted for using the equity method	Other comprehensive income and expense to be reclassified to profit or loss	Restricted Reserves		Retained Earnings			Equity Holders of the Parent	Non Controlling Interests	Total Equity
	Currency Translation Differences	Legal Reserves	Gain on Disposal of Participating Preferred Stock and Properties	Prior Years Profits/Losses	Net Profit For the Period				
(1,729,941)	61,439,335	88,622,550	-	138,226,791	88,834,444	586,422,093	543,349	586,965,442	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
(1,729,941)	61,439,335	88,622,550	-	138,226,791	88,834,444	586,422,093	543,349	586,965,442	
-	-	5,687,041	-	(16,852,597)	(88,834,444)	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	-	(21,641,250)	-	(21,641,250)	-	(21,641,250)	
-	-	-	-	-	-	-	-	-	
-	24,076,620	-	-	-	247,975,404	272,996,454	137,406	273,133,860	
-	-	-	-	-	247,975,404	247,975,404	137,283	248,112,687	
-	24,076,620	-	-	-	-	25,021,050	123	25,021,173	
(1,729,941)	85,515,955	94,309,591	-	99,732,944	247,975,404	837,777,297	680,755	838,458,052	

Share of other comprehensive income/ (expenses) of investments accounted for using the equity method	Other comprehensive income and expense to be reclassified to profit or loss	Restricted Reserves		Retained Earnings			Equity Holders of the Parent	Non Controlling Interests	Total Equity
	Currency Translation Differences	Legal Reserves	Gain on Disposal of Participating Preferred Stock and Properties	Prior Years Profits/Losses	Net Profit For the Period				
(1,866,209)	51,022,125	88,862,693	-	103,213,140	91,098,734	550,557,406	511,242	551,068,648	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
(1,866,209)	51,022,125	88,862,693	-	103,213,140	91,098,734	550,557,406	511,242	551,068,648	
-	-	(240,143)	-	91,338,877	(91,098,734)	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	-	(56,314,603)	-	(56,314,603)	(80,701)	(56,395,304)	
-	-	-	-	-	-	-	-	-	
-	-	-	-	(10,623)	-	(10,623)	10,623	-	
136,268	10,417,210	-	-	-	88,834,444	92,189,913	102,185	92,292,098	
-	-	-	-	-	88,834,444	88,834,444	102,802	88,937,246	
136,268	10,417,210	-	-	-	-	3,355,469	(617)	3,354,852	
(1,729,941)	61,439,335	88,622,550	-	138,226,791	88,834,444	586,422,093	543,349	586,965,442	

SAR KUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET A.Ş

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019

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

		Audited Current Period 01.01.2020 31.12.2020	Audited Prior Period 01.01.2019 31.12.2019
	Notes		
A) CASH FLOWS FROM OPERATING ACTIVITIES		(140.980.336)	71.625.511
PERIOD PROFIT / (LOSS)		248.112.687	88.937.246
Profit for the Period from Continuing Operations		248.112.687	88.937.246
Profit for the Period from Discontinued Operations			
Adjustments to reconcile profit for the period to cash generated from operating activities:		115.197.613	140.671.012
Depreciation and amortisation	18,19	27.563.612	24.818.089
Adjustments for interest income/expense	33	65.179.684	60.808.403
<i>Adjustments for interest income</i>	33	<i>(7.757.100)</i>	<i>(14.585.674)</i>
<i>Adjustments for interest expenses</i>	33	<i>72.936.784</i>	<i>75.394.077</i>
Adjustments for impairment loss/(reversal of impairment loss)	13, 31	16.985.078	14.922.577
<i>Adjustments for Receivables Impairment (Reversal)</i>	10	<i>16.985.078</i>	<i>14.922.577</i>
<i>Adjustments for Other Impairment (Reversal)</i>	11	<i>-</i>	<i>-</i>
<i>Adjustments for Inventory Impairment (Reversal)</i>	28	<i>-</i>	<i>-</i>
Adjustments for provisions	24	11.638.312	16.006.369
Adjustments for provisions for employee benefits (reversal)	12, 24	4.286.653	14.832.502
Adjustments for other provisions (reversal)	22	7.351.659	1.173.867
Adjustments for interest income/expense	35	61.574.690	26.416.253
Adjustments for Unrealized Currency Translation Differences		(43.520.453)	10.417.210
Adjustments for Fair Value Gains/(Losses)	14	(17.234.563)	(10.267.632)
<i>Adjustments for Investment Properties Fair Value Increase/(Decrease)</i>		<i>(7.208.000)</i>	<i>(4.794.424)</i>
<i>Adjustments for Derivative Instruments Fair Value Increase/(Decrease)</i>	14	<i>(10.026.563)</i>	<i>(5.473.208)</i>
Adjustments for Undistributed Profit on Investments Accounted by using the Equity Method	16	(6.988.747)	(2.450.257)
Adjustments for losses (gains) on disposal of non-current assets	18	-	-
Changes in Working Capital		(465.927.396)	(136.492.639)
Decrease/(Increase) in Financial Investments		(220.961)	(441.183)
Adjustments for Gains/Losses in Trade Receivables	10	(427.430.767)	(166.838.223)
Gains/Losses from Inventories	13	(279.084.965)	(121.621.025)
Decrease/ (Increase) from Derivative Instruments		-	-
Adjustments for Gains/Losses In Other Receivables Related To Operations	11	2.668.820	(61.392.701)
Adjustments for losses/(gains) in Trade Payables	10	212.969.115	176.897.654
Adjustments for Gains/Losses In Other Payables Related To Operations	11,20,22	19.837.996	4.055.433
Decrease/(Increase) for Prepaid Expenses	26	(1.630.485)	15.493.852
Adjustments for increase (decrease) in payables due to employee benefits	24	7.811.281	(89.536)
Decrease/(Increase) from Deferred Income (Except Liabilities from Customer Contracts)	26	(847.430)	17.443.090
Other adjustments for increase (decrease) in other working capital		-	-
Total Cash Flows from Operating Activities		(102.617.096)	93.115.619
Payments Within Provisions Related To Employee Benefits	24	-	-
Income Taxes Refund/Paid		(38.363.240)	(21.490.108)
B) CASH FLOWS FROM INVESTING ACTIVITIES		(13.776.445)	(31.761.341)
Cash Outflows from Capital Increase or Subsidiaries or/and Joint Ventures	27	-	-
Cash inflows from sale of property, plant and equipment and intangible asset	18,19	2.989.611	11.032.568
Cash outflows from purchase of property, plant and equipment and intangible assets	18,19	(16.766.056)	(42.783.333)
Cash Outflows from purchase of investment properties		-	(10.576)
C) CASH FLOWS FROM FINANCING ACTIVITIES		237.912.879	(4.811.550)
Cash inflows from borrowings	8	1.806.820.361	2.098.477.627
Cash outflows from repayments of borrowings	8	(1.482.086.548)	(1.986.085.470)
Dividends Paid	27	(21.641.250)	(56.395.304)
Interest Paid	33	(72.936.784)	(75.394.077)
Interest Received		7.757.100	14.585.674
Net Increase (Decrease) in Cash and Cash Equivalents Before Effect of Exchange Rate Changes		83.156.098	35.052.620
Effect of Exchange Rate Changes on Cash and Cash Equivalents		24.076.620	(11.530.002)
Net Increase/(Decrease) in Cash and Cash Equivalents		107.232.718	23.522.618
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	87.618.426	64.095.808
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	194.851.144	87.618.426

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

SARQUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

NOTE 1 GROUP'S ORGANIZATION AND NATURE OF OPERATIONS

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş. ("Sarkuysan") was established on 3 May 1972 and its shares have been quoted on the Borsa İstanbul ("BIST Star Market"). Sarkuysan's business activities include producing and trading electrolytic copper wire, copper and copper alloys.

The registered address of Sarkuysan A.Ş is as follows: Emek Mahallesi Aşıroğlu Cad.No:147 Darıca, KOCAELİ.

All of the shares of the Sarkuysan have been quoted on the Borsa İstanbul and there is no shareholder who is holding voting rights more than 10%.

The subsidiaries ("Subsidiaries") included in the consolidation scope of Sarkuysan, their country of incorporation, nature of business and their respective business segments are as follows:

Partnership	Subsidiaries	Nature of Business	Country	Total Ownership Interest %
Sarkuysan A.Ş.	Sarmakina San.ve Tic. A.Ş.	Packaging materials steel spools, import machinery's manufacturing and export	Turkey	99,00
Sarkuysan A.Ş.	Sarda Dağ.ve Tic.A.Ş.	Marketing and Distribution	Turkey	99,97
Sarkuysan A.Ş.	Bektaş Emaye Kablo San. Tic. A.Ş.	The Company has earnings of properties rent income and revenue from partnerships.	Turkey	70,71
Sarda Dağ. ve Tic. A.Ş.	Bektaş Emaye Kablo San. Tic. A.Ş.	The Company has earnings of properties rent income and revenue from partnerships.	Turkey	29,13
Sarkuysan A.Ş.	Ege Serbest Bölge Şubesi	Import and trade of electrolytic copper wire.	Turkey	100,00
Sarkuysan A.Ş.	Demisaş Döküm Emaye Mam. San. A.Ş.	Import and trade of steels parts for automotive and household appliances.	Turkey	44,44
Sarkuysan A.Ş.	Bemka Kupferlackdraht GMBH.	Marketing and Distribution	Germany	99,60
Sarkuysan A.Ş.	Sark Bulgaria A.D.	Production of Electrolytic Copper And Conductors	Bulgaria	90,00
Sarkuysan A.Ş.	Sark Wire Corp.	Copper wire production and marketing.	United States	73,34
Bektaş Emaye Kablo San. Tic. A.Ş.	Sark Wire Corp.	Copper wire production and marketing.	United States	12,12
Sarmakina San. ve Tic. A.Ş.	Sark Wire Corp.	Copper wire production and marketing.	United States	14,54
Sarmakina San. ve Tic. A.Ş.	Sark Bulgaria A.D.	Production of Electrolytic Copper And Conductors	Bulgaria	10,00

The accompanying consolidated financial statements and related notes of the Sarkuysan and its Subsidiaries together referred as the "Group".

The Group has 100% effective ownership interest rate on Sark USA, Inc and Sark Wire Corp which have been merged under Sark Wire Corp in the United States of America and related merger was established on 15.05.2019 and was approved in accordance with the laws of the United States of America.

SARKUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET A.Ş

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

Total end of period and average number of personnel employed by Sarkuysan is 1.110. (2019: 1.095)

	31 December 2020	31 December 2019
Unionized Labour	597	591
Free Labour	81	76
White-Collar Worker	432	428
Total	1.110	1.095

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş. maintains their books of account and prepares their statutory financial statements in Turkish Lira in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance.

The accompanying consolidated financial statements have been prepared in accordance with the provisions of Capital Markets Board ("CMB") Communiqué No: II-14.1-"Communiqué on Principles of Financial Reporting in Capital Markets" ("Communiqué") and these consolidated financial statements as of and for the year ended 31 December 2020 have been approved for issue by the Board of Directors ("BOD") on 11 March 2021 and signed by Chairman of The Board Hayrettin ÇAYCI and Accounting Director Şefiye YAYLA on behalf of Board of Directors. These consolidated financial statements will be finalised following their approval in the General Assembly

NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Basis of Presentation

The Group maintains their books of account and prepares their statutory consolidated financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. Subsidiaries operating in foreign countries prepare accounting records and statutory financial statements according to currencies of the country where they are in and in accordance with the legislation of the countries. The Group's consolidated financial statements are presented with the Group's functional currency which is used primary economic conditions. Accordingly the Group's financial position and operation results are expressed in Turkish Lira.

The consolidated financial statements of the Group have been prepared in accordance with Turkish Financial Reporting Standards ("TFRS") promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") that are set out in the 5th article of the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board ("CMB") on 13 June 2013 and published in Official Gazette numbered 28676.

The consolidated financial statements are presented in accordance with the "Announcement regarding with TAS Taxonomy" issued by the POA on April 15, 2019 and the formats specified in the "Financial Statements Examples and Guidelines for Use" published by the CMB.

Financial Statements of the Subsidiaries which are Operated in Other Countries:

If the functional currency of any of the group companies is different than the reporting currency, the functional currency is translated into reporting currency according to the following rules (none of the currencies of the group companies belong to a hyper inflationist economy);

- Assets, liabilities and equity items except for the ones arising as a result of presenting income and expenses in the current period financial statements (except certain equity items) are translated into Turkish Liras at the closing rate at the date of that statement of financial position. Capital and capital reserves are carried at their historical nominal values and the translation differences arising from these are recognized under the equity as currency translation differences.
- Income and expenses in the statement of profit or loss are translated by the average exchange rate and the currency translation differences are recognized under Changes in Equity and Other Comprehensive Income Statement
- When a section of the foreign operations are sold, the exchange differences which were recognized under Changes in Equity Statement are transferred to Statement of Profit or Loss as sales income or expense. Goodwill and fair value adjustments arising from an acquisition of a foreign company are considered to be assets and liabilities of the acquired entity and are translated using the closing exchange rate.

SARKUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET A.Ş

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

2.02 Dealing with the Inflation Effects in Hyper-Inflationary Periods

Before the related legislation of Turkish Commercial Code no. 6102 and the Decree Law no. 660, Capital Markets Board ("CMB"), a decision which was taken on 17 March 2005, companies operating in Turkey and for companies that prepare consolidated financial statements in accordance with CMB Accounting Standards, it is not necessary the inflation accounting application, to be effective from January 1, 2005 as announced, as of this date Turkey Accounting Standard 29 "Financial Reporting in Hyper inflationary Economies" practice of preparation and presentation of consolidated financial statements has ended.

2.03 Basis of Consolidation

Subsidiary is company over which Sarkuysan has the power to control the financial and operating policies for the benefit of Sarkuysan, either (a) through the power to exercise more than 50% of voting rights relating to the shares in the companies as a result of the ownership interest owned directly and indirectly by itself, and/or by certain Sarkuysan members and companies owned by them where by Sarkuysan exercises control over the ownership interest of the shares held by them and shares to be used according to Sarkuysan preferences; or (b) although not having the power to exercise more than 50% of the ownership interest, Sarkuysan has power to control the investee due to the dispersed capital structure of the investee and/or Sarkuysan has rights or is exposed to variable returns from its involvement with the investee and when at the same time it has the power to affect these returns through its power over the investee.

The balance sheets and income statements of the Subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by Sarkuysan and its Subsidiaries is eliminated against the related equity. Intercompany transactions and balances between Sarkuysan and its Subsidiaries are eliminated during the consolidation. The nominal amount of the shares held by Sarkuysan in its Subsidiaries dividends are eliminated from equity and income for the period, respectively.

The subsidiaries ("Subsidiaries") included in the consolidation scope of Sarkuysan, their ownership interests is as follows:

31 December 2020

Subsidiaries	Direct Ownership by Parent Company	Indirect Ownership by Parent Company	Total Ownership Interest
Sarmakina San. ve Tic. A.Ş.	99%	-	99%
Sarda Dağ.ve Tic.A.Ş.	99,97%	-	99,97%
Bektaş Emaye Kablo San. Tic. A.Ş.	70,71%	29,13%	99,84%
Ege Serbest Bölge Şubesi	100%	-	100%
Sark Wire Corp.	73,34%	26,66%	100%
Sark Bulgaria A.D.	90%	10%	100%
Bemka Kupferlackdraht GMBH	99,60%	-	99,60%

31 December 2019

Subsidiaries	Direct Ownership by Parent Company	Indirect Ownership by Parent Company	Total Ownership Interest
Sarmakina San. ve Tic. A.Ş.	99%	-	99%
Sarda Dağ.ve Tic.A.Ş.	99,97%	-	99,97%
Bektaş Emaye Kablo San. Tic. A.Ş.	70,71%	29,13%	99,84%
Ege Serbest Bölge Şubesi	100%	-	100%
Sark Wire Corp.	73,34%	26,66%	100%
Sark Bulgaria A.D.	90%	10%	100%
Bemka Kupferlackdraht GMBH	99,60%	-	99,60%

Investments in Subsidiaries; are accounted by the equity method. These are entities over which the Group generally has between 20% and 50% of voting rights or has significant influence, but does not have control on these subsidiaries operations. Unrealized gains that result from intercompany transactions between the Group and its Subsidiaries are eliminated on consolidation, whereas unrealized losses are eliminated unless they do not address any impairment. Equity accounting is discontinued when the carrying amount of the investment in a Subsidiary reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the Subsidiaries. Such Subsidiaries are accounted at fair value if the fair value can be determined objectively; otherwise, they are accounted at cost.

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Demisaş A.Ş is one of Sarkuysan Elektrolitik Bakır Sanayi and Ticaret A.Ş.'s subsidiary, is accounted for under the equity method. According to equity method, subsidiaries are recognized initially at acquisition cost, and subsequently the amount of the parent's interest in the subsidiaries equity is reflected to consolidated financial statements by either adding the increase in the amount to the investment amount or subtracting the losses from the investment amount.

The subsidiaries ("Subsidiaries") included in the consolidation scope of Sarkuysan, their ownership interests is as follows:

31 December 2020

Name of the Subsidiary	Direct Ownership by Parent Company	Indirect Ownership by Parent Company	Total Ownership
Demisaş Döküm Emaye Mam.San.A.Ş.	%44,44	-	%44,44

31 December 2019

Name of the Subsidiary	Direct Ownership by Parent Company	Indirect Ownership by Parent Company	Total Ownership
Demisaş Döküm Emaye Mam.San.A.Ş.	%44,44	-	%44,44

Financial Assets in which the Group and its Subsidiaries, have interest below 20%, or over which the Group does not have a significant influence even though having more than an interest over 20 %, are classified as financial assets available for sale. Financial Assets available for sale that do not have a quoted market price in active markets and whose fair value cannot be measured reliably are carried at cost less any provision for diminution in value. Financial Assets available for sale that have a quoted market price in active markets and whose fair values can be measured reliably are carried at fair value. **(Note.7)**

The minority shareholders' share in the net assets and results for the period for Subsidiaries are separately classified in the consolidated statement of financial position and in the statement of profit or loss as Non-Controlling Interest.

2.04 Comparatives and Adjustment of Prior Period Financial Statements

The current period consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in financial position and performance. Comparative information is reclassified when necessary and important differences are explained in order to ensure compliance with the presentation of the current period consolidated financial statements.

2.05 Significant Accounting Estimates and Assumptions

Preparation of the consolidated financial statements requires the usage of estimations and assumptions which may affect the reported amounts of assets and liabilities as of the balance sheet date, disclosure of contingent assets and liabilities and reported amounts of income and expenses during the financial period. The accounting assessments, forecasts and assumptions are reviewed continuously considering the past experiences, other factors and the reasonable expectations about the future events under current conditions. Although the estimations and assumptions are based on the best estimates of the management's existing incidents and operations, they may differ from the actual results.

Estimates and assumptions that may cause significant adjustments in the book value of assets and liabilities in the next financial reporting period are as follows:

- Provision for employment termination benefits is determined by using actuarial assumptions (discount rates, future salary increases and employee exit rates) **(Note 24)**
- The Group depreciates its property, plant and equipment on a straight-line basis over their useful lives. Expected useful life residual value and amortization method are reviewed every year for possible effects of changes in estimates and are accounted for prospectively if there is a change in estimates. **(Note 2.09.03-2.09.04)**
- On the provision for lawsuits in **Note 22**, the probability of losing these cases regarding collecting the receivables and the consequences to be faced if these cases are lost evaluated in accordance with the opinions of the Group's legal counsel as of 31 December 2020 and 2019.
- In determining the impairment of trade receivables, creditworthiness of debtors, past payment performances and restructuring conditions, collaterals of mortgages and receivable insurance amounts taken into consideration. **(Note 10)**. In addition, the Group hedges its domestic and foreign receivables with insurance, letters of guarantee and various guarantees in accordance with the credit risk policy. The Group calculates the expected credit loss using the expected life-to-maturity ratio by adopting the simplified approach model for trade receivables that does not include a significant financing component in accordance with TFRS 9. This model is based on a review of the collection performance of the

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customer on the basis of past and the comparison of the sales made and the submerged ratio account which includes future forecasts taking into account the future credit risks and macroeconomic impacts. In the expected credit loss calculations, the right to insurance indemnity and letters of guarantee are considered as the most liquid collaterals and are taken into account in the calculations. The Group makes forward-looking estimates of the collection performances, taking into account the effects of economic growth expectations and the exchange rate effects of foreign currency exchange rates.

- e. The physical properties of the inventories and the past are examined in relation to the inventory impairment, the availability of the personnel is determined according to the opinions of the technical personnel and provision is made for the items that are estimated to be unavailable. Average sales prices are used to determine the net realizable value of inventories. The information about the inventory impairment that has been set as of the balance sheet date is given in **Note 13**.
- f. The Group has chosen to use the revaluation model for Investment Properties in the accompanying consolidated financial statements. (**Note 2.09.19**)

2.06 Changes in Accounting Policies

Gerekli olması veya Grup'un finansal durumu, performansı veya nakit akımları üzerindeki işlemlerin ve olayların etkilerinin konsolide finansal tablolarda daha uygun ve güvenilir bir sunumu sonucunu doğuracak nitelikte ise muhasebe politikalarında değişiklik yapılır. Muhasebe politikalarında yapılan değişikliklerin önceki dönemleri etkilemesi durumunda, söz konusu politika hep kullanımdaymış gibi konsolide finansal tablolarda geriye dönük olarak da uygulanır.

2.07 Changes in Accounting Estimates and Errors

Whether there are changes and errors in accounting policies and accounting estimates, the amended significant changes and the identified significant accounting errors are implemented retrospectively and the previous periods Group's consolidated financial statements are adjusted. Whether the changes are amended in accounting policies effect the previous periods, aforementioned policy is implemented retrospectively to the consolidated financial statements as it had been used in.

The nature and amount of a change in the accounting estimate that has an effect on the current period operating result or is expected to have an effect on future periods are disclosed in the Notes to the consolidated financial statements, except when it is not possible to estimate the effect for future periods. There is no change in accounting estimates expected to have an impact on operating results in the current period.

2.08 Offsetting

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.09 Summary of Significant Accounting Policies

Accounting policies used in the preparation of consolidated financial statements are summarised below:

2.09.01 Revenue Recognition

Revenues are shown to be expected to be earned in return for goods and services. Revenue is recognized in the financial statements with a 5-stage model in accordance with TFRS 15 which is as follows.

- Identification of customer contracts,
- Identification of performance obligations,
- Determination of the transaction price in the contracts,
- Allocation of transaction price to the performance obligations,
- Recognition of revenue when the performance obligations are satisfied.

Group revenue consists mainly of electrolytic copper wire, copper and composite sales to the domestic market and overseas and subcontracting services. Rent income from investment properties is included in sales.

When the revenue from services can be measured reliably, the revenue is recorded in accordance with its completion level. If the revenue cannot be measured reliably, revenue is recognized as much as the recoverable amount of expenses that are associated with this revenue.

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Other miscellaneous income that are derived by the Group, are recognized as follows:

Interest Income, on the basis of effective interest method

Rent and Royalty Income, on an accruals basis in accordance with the substance of the relevant agreement

Dividend Income, when the shareholder's right to receive payment is established.

Rent income from investment properties is recognized on a straight-line basis over the term of the respective lease.

When there is significant amount of cost of financing included in the sales, the fair value is determined by discounting all probable future cash flows with the yield rate, which is included in the financing cost. The differences between the fair value and the nominal value are recognized as interest income according to the accrual basis.

2.09.02 Inventories

Inventories are evaluated at either the lower of acquisition cost or net realizable value. Cost of inventories includes; all purchasing costs, covering costs and other costs incurred to make the inventories ready to sell. The covering costs of inventories include costs which are directly related to production such as direct labor expense. Those costs also include systematically distributed costs from fixed and variable general production expenses incurred in covering direct raw material to the goods.

The cost of inventory calculated by the Group is the average annual cost method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.09.03 Property, Plant and Equipment and related depreciation

Property, plant and equipments are carried at cost less accumulated depreciation as of December 31, 2004 for the items purchased before 01 January 2005 and for the items purchased as of January 1, 2005, less the accumulated depreciation. Depreciation is provided for property, plant and equipment on a straight-line basis over their estimated useful lives. Fixed securities and machines are included in the consolidated financial statements with their fair value.

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

Type	Economic Useful Lives (Years)	31 December 2020 Ratio (%)	31 December 2019 Ratio (%)
Land Improvements	25	4	4
Buildings	50	2	2
Plant, Machinery and Equipment	8-12,5	8-12,5	8-12,5
Furniture and Fixtures	5	20	20
Vehicles	5	20	20
Other Property, Plant and Equipment	5	20	20
Leasehold Improvements	5	20	20

Useful life and the depreciation method are constantly reviewed, and accordingly, parallels are sought between the depreciation method and the period and the useful life to be derived from the related asset.

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

Repairs and maintenance expenses are charged to the income statements during the period in which they are incurred. Machinery and equipment are capitalised and amortised when their capacity is fully available for use.

2.09.04 Intangible Assets and related amortisation

Intangible Assets are stated at cost less accumulated depreciation and amortization and accumulated impairment losses for items purchased before January 01, 2005, adjusted for the effects of inflation and the cost of acquisition for items purchased after January 01, 2005. Intangible Assets cannot be capitalized and expenses incurred during the period in which they are incurred are excluded, except for expenses incurred in the development of new products that are planned to be produced within the Group. Intangible assets are amortized on a straight-line basis over their expected useful lives. Capitalized development costs are amortized on a straight-line basis over their estimated useful lives following the commencement of trade production of the product. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being recognized for on a prospective basis.

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Type	Economic Useful Lives (Years)	31 December 2020 Ratio (%)	31 December 2019 Ratio (%)
Rights	5	20	20
Research and Development Expenses	5	20	20
Other Intangible Assets	3 – 10	10 – 33	10 – 33

2.09.05 Impairment of Assets

Assets with an indefinite useful life, such as goodwill, are not subject to amortization. An impairment test is applied to these assets each year. For assets subject to amortization, impairment test is applied if the book value cannot be recovered. An impairment loss is recognized if the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets except goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.09.06 Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Group considers following indicators for the assessment of whether a contract conveys the right to control the use of an identified asset for a period of time or not:

- The contract includes an identified asset (contract includes a definition of a specified asset explicitly or implicitly),
- A capacity portion of an asset is physically distinct or represents substantially all of the capacity of an asset (if the supplier has a substantive right to substitute the asset and obtain economic benefits from use of the asset, then the asset is not an identified asset),
- The Group has the right to obtain substantially all of the economic benefits from use of the identified asset,
- The Group has the right to direct the use of an identified asset. Group has the right to direct how and for what purpose the asset is used throughout the period of use or relevant decisions about how and for what purpose the asset is used are predetermined: Group has the right to direct the use of the asset throughout the period of use only if either:
 - The Group has the right to operate the asset (or to direct others to operate the asset in a manner that it determines) throughout the period of use, without the supplier having the right to change those operating instructions; or
 - The Group designed the asset (or specific aspects of the asset) in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

The finance lease liabilities of the Group is disclosed in **Note 8**.

Property, plant and equipment acquired under finance lease are depreciated over their estimated useful lives. Net book value of assets acquired under finance lease are disclosed in **Note 18**.

Right of Use Assets Group as a Lessee

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease following the consideration of the above mentioned factors.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- The amount of the initial measurement of the lease liability,
- Any lease payments made at or before the commencement date, less any lease incentives received,
- Any initial direct costs incurred by the Group, and
- An estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

When applying the cost model, the Group measures the right-of-use asset at cost:

- Less any accumulated depreciation and any accumulated impairment losses; and
- Adjusted for any remeasurement of the lease liability.

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The Group applies the depreciation requirements in TAS 16 Property, Plant and Equipment Standard in depreciating the right-of-use asset. In the event that the supplier transfers the ownership of the underlying asset to the Group at the end of the lease term or if the cost of use rights indicates that the Group will use a purchase option, the Group depreciates the right of use asset from the effective date of the lease to the end of the useful life of the underlying asset. In other cases, the Company depreciates the right of use assets on the basis of the shorter of the useful life or the lease term of the asset, starting from the effective date of the lease.

The Group applies TAS 36 Impairment of Assets Standard to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease Liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease, if that rate can be readily determined, or by using the Group's incremental borrowing rate.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- Fixed payments, less any lease incentives receivable,
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability by:

- Increasing the carrying amount to reflect interest on the lease liability,
- Reducing the carrying amount to reflect the lease payments made, and
- Remeasuring the carrying amount to reflect any reassessment or lease modifications. The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The interest on the lease liabilities for each period in the lease term is the amount found by applying a fixed periodic interest rate to the remaining balance of the lease liabilities. The periodic interest rate, if easily determined, is the implied interest rate on the lease. If this rate cannot be easily determined, the Group uses the Group's incremental borrowing interest rate.

After the effective date of the lease, the Group remeasures the lease liabilities to reflect changes in lease payments. The Group reflects the remeasurement amount of the lease liabilities to the consolidated financial statements as an adjustment to the right of use assets.

The Group remeasures its lease liabilities by deducting the adjusted lease payments at a revised discount rate if either of the following conditions occurs:

- A change in the lease term. The Group determines adjusted lease payments based on the adjusted lease term.
- A change in these payments as a result of an index or rate change used to determine future lease payments. The Group remeasures the lease liabilities to reflect the adjusted lease payments only when there is a change in cash flows.

The Group determines the adjusted lease payments for the remaining lease term based on the adjusted contractual payments. In this case, the Group uses an unchanged discount rate.

The Group recognizes the restructuring of the lease as a separate lease if both of the following conditions are met:

- The restructuring shall extend the scope of the lease by adding the right of use on one or more underlying assets; and
- The increase in the lease amount by the appropriate price adjustment to reflect the price of the increase alone and the terms of the relevant contract.

The Group determines the adjusted lease payments for the remaining lease term based on the adjusted contractual payments. In this case, the Group uses an unchanged discount rate.

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The Group recognizes the restructuring of the lease as a separate lease if both of the following conditions are met:

- The restructuring shall extend the scope of the lease by adding the right of use on one or more underlying assets; and
- The increase in the lease amount by the appropriate price adjustment to reflect the price of the increase alone and the terms of the relevant contract.

Group as Lessor

The Group classifies each of the leases as operational leases or financial leases.

A lease is classified as a financial lease when all risks and gains of ownership of the underlying asset are substantially transferred. A lease is classified as an operational lease if all risks and gains of ownership of the underlying asset are not substantially transferred.

For a contract that includes one or more additional leasing components or not carrying a component, the Group distributes the contractual value by applying TFRS 15, "Revenue from Customer Contracts" standard.

The Group as Lessor:

The operational leasing collections are recognised as an income over the lease term on a straight-line basis. The Group's rent income from investment property is recognized under revenue, other rent income is recognized under other operating income. The transactions between parent company and subsidiaries are eliminated reciprocally within the scope of consolidation. (Note 31)

2.09.07 Research and Development Costs

Development costs are recognized as an expense in the period which they incurred. Development costs from prior periods are not capitalized in subsequent periods. Development cost can be recognized as intangible asset if the following criteria met:

- ability to measure reliably the expenditure attributable to the intangible asset during its development,
- technical efficiency/ feasibility can be measured,
- ability to use or sell the intangible asset,
- demonstrate the existence of a market for the output of the intangible asset or if it is to be used internally, the usefulness of the intangible asset,
- availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset,

Development costs that meet the above mentioned criteria can be capitalized and depreciated on straight-line basis over their estimated useful lives. The Group does not have any capitalized development costs during the period. (31 December 2019:None.)

2.09.08 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, one that takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale. When the financial borrowings have not started to disburse on investment, temporary financial income from these financial borrowings can be offset against borrowing costs. All other borrowing costs are recognized in profit or loss in the period in which they are incurred. The Group does not have capitalized financing costs during the period.

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2.09.09 Financial Instruments

I. Financial Assets

i. Financial Assets and Liabilities-Classification and Measurement

A financial asset is recognized for the first time in its consolidated financial statements:

- Financial instruments measured at amortised cost
- Debt instruments at fair value ("FV") through other comprehensive income;
- Equity instruments at fair value ("FV") through other comprehensive income
- Financial instruments at fair value ("FV") through profit or loss

For financial assets, reclassification is required between FVTPL, FVTOCI and amortised cost, if and only if the entity's business model objective for its financial assets changes so its previous model assessment would no longer apply. If reclassification is appropriate, it must be done prospectively from the reclassification date which is defined as the first day of the reporting period following the change in business model.

A financial asset that meets the following two conditions must be measured at FVTOCI unless the asset is designated at FVTPL under the fair value option.

Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

Cash flow characteristics: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument at FV through other comprehensive income if both of the following conditions are met and the FV is not classified as measured by the difference in profit or loss:

- The retention of the financial asset based on a business model aimed at collecting contractual cash flows and selling financial assets;
- The contractual terms of the financial asset lead to cash flows that include interest payments on principal and principal balance on certain dates.

All financial assets that are not measured by the above mentioned amortised cost or measured at FV through other comprehensive income are measured at FV through profit or loss. These include all derivative financial assets. In the event that financial assets are recognized for the first time in their consolidated financial statements; an irreversible amount of a financial asset is measured at fair value through profit or loss provided that it eliminates or substantially reduces an accounting mismatch arising from the different measurement of financial assets and the gain or loss related to them in the consolidated financial statements.

In the first measurement of the financial assets other than the fair value changes that are reflected to the profit or loss (except for the trade receivables that are measured at the transaction cost and not having an important financing component at the time of the consolidated financial statements), the transaction costs directly attributable to the acquisition or issuance thereof are also added to the fair value.

ii. Impairment of Financial Assets

In accordance with TFRS 9, "Expected Credit Loss" model is applied. The new impairment model applies to financial assets and contractual assets measured at amortized cost but is not applied to investments on equity instruments.

Financial assets measured at amortized cost consist of trade receivables, other receivables and cash and cash equivalents.

The provisions for trade receivables, other receivables, other assets and contractual assets are always measured at an amount equal to the expected credit losses for life.

When determining whether the credit risk in a financial asset has increased substantially since its adoption in the consolidated financial statements and the expected credit losses are estimated, reasonable and supportable information that can be obtained without incurring excessive costs or efforts is taken into consideration. These include qualitative and quantitative information and analyzes and forward-looking information based on the Group's past experience and informed credit evaluations.

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Transition to TFRS 9

Business models and measurement requirements of financial assets in accordance with TFRS 9 “Financial Instruments” standard are as follows.

Financial Assets Presented in the Financial Statements	TFRS 9 Measurement
Deposits	Measured at Amortized Cost
Notes/(Securities)	Measured at Amortized Cost
Trade Receivables	Measured at Amortized Cost
Derivative Instruments	Financial Assets Measured at Fair Value Through Profit or Loss
Equity Instruments (Share Certificates)	Financial Assets Measured at Fair Value Through Other Comprehensive Income

Credit-impaired financial asset

The Group assesses whether the financial assets measured at amortized cost are diminished in each reporting period. Under TFRS 9 a financial asset is credit-impaired when one or more events that have occurred and have a significant impact on the expected future cash flow of the financial asset. It includes observable data that has come to the attention of the holder of a financial asset about following events:

- significant financial difficulty of the issuer or borrower;
- a breach of contract, such as a default or past-due event;
- the lenders for economic or contractual reasons relating to the borrower’s financial difficulty granted the borrower a concession that would not otherwise be considered;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for the financial asset because of financial difficulties.

Presentation

In the case of a financial asset that is not purchased or originated credit-impaired financial asset and for which there is no objective evidence of impairment at the reporting date, interest revenue is calculated by applying the effective interest rate method to the gross carrying amount.

Derecognition

If there is no reasonable expectation to recover a cash flow higher than the financial asset, the gross amount of the financial asset is deducted from the records. This is generally the case when the Group determines that the borrower does not have sufficient sources of income or assets that can repay the amounts subject to the reversal. However, the financial assets that are derecognized may still be subject to sanction activities applied by the Group for the recovery of past due receivables.

Financial assets are deducted from the records if there is no expectation of recovery (such as the debtor does not make any repayment plans with the Group). The Group continues to exercise sanctions in order to recover the receivables of trade receivables, other receivables, other assets and contract assets. The recovery amounts are recognized in statement of income.

2.09.10 Foreign Currency Translation

Foreign currency transactions are translated into Turkish Lira using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rates at the balance sheet date. Foreign currency gains or losses arising from the translation of foreign currency-based monetary assets and liabilities are reflected in the income statement.

Currency translation differences are recognized in profit or loss in the period in which they incurred except:

- Currency translation differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings,
- Currency translation differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedging accounting policies),
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

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2.09.11 Earnings Per Share

Earnings per share disclosed in the consolidated income statement are determined by dividing net income attributable to equity holders of the parent by the weighted average number of shares outstanding during the period concerned.

In Turkey, companies can increase their share capital through a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and inflation adjustment to equity. For the purpose of earnings per share computations, the weighted average number of shares in existence during the period has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier period as if the event had occurred at the beginning of the earliest period reported.

2.09.12 Events After the Balance Sheet Date

Subsequent events cover all events that occur between the balance sheet date and the publication date of the consolidated financial statements. The Group adjusts the amounts recognised in its consolidated financial statements to reflect the adjusting events after the balance sheet date. If non-adjusting events after the balance sheet date have material influence on the economic decisions of users of the consolidated financial statements, they are disclosed in the notes to the consolidated financial statements.

2.09.13 Provisions, Contingent Assets and Liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Contingent liabilities are consistently reviewed prior to the probability of any cash out-flow. In case of the cash outflow is probable, provision is set forth in the consolidated financial statements of the year the probability of contingent liability accounts is changed. A provision is 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 reliable estimate can be made for the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in the consolidated financial statements and treated as contingent assets or liabilities.

2.09.14 Related Parties

For the purpose of these consolidated financial statements, shareholders, parents of Sarkuysan A.Ş, key management personnel and Board of Directors members, their close family members and the legal entities over which these related parties exercise control and significant influence, are considered and expressed as "related parties". The transactions with the related parties from ordinary operations are occurred in accordance with the market conditions (**Note.37**).

2.09.15 Government Grants

The government grants and research and development incentives are accounted for according to accrual basis at the fair value when the authorities approve the Group's submission for these incentives.

2.09.16 Taxes on Income

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis. Income tax expense (or income) is the sum of the current tax expense and the deferred tax expense (or income).

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Current tax

Current year tax liability is calculated over the taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it excludes items that cannot be taxed or deducted. The Group's liability for current tax is calculated using legal statutory tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax

Deferred tax assets and liabilities are determined by calculating the temporary differences between the amounts shown in the consolidated financial statements and the amounts considered in the statutory tax base in accordance with the balance sheet method. Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax liability or asset is not calculated in respect of temporary timing differences arising from the initial recognition of assets or liabilities other than goodwill or business combinations and which do not affect both commercial and financial profit /loss.

Deferred tax liabilities are calculated for all taxable temporary differences related to the investments in subsidiaries and associates and shares in joint ventures, except in cases where the Group is able to control the discontinuation of temporary differences and in the near future it is unlikely that such difference will be eliminated. Deferred tax assets resulting from taxable temporary differences related to such investments and shares are calculated on the condition that it is highly probable that future taxable profit will be available and that it is probable that future differences will be eliminated.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that financial profit will be available to allow the benefit of some or that entire amount.

Deferred tax assets and liabilities are calculated over the tax rates that are expected to be valid in the period when the assets are realized or the liabilities are fulfilled and legalized or substantially legalized as of the balance sheet date (tax regulations). During the calculation of deferred tax assets and liabilities, the tax consequences of the methods that the Group expects to recover or settle the carrying amount of the assets as of the balance sheet date are taken into consideration

Deferred tax assets and liabilities are recognized when there is a legal right to offset current tax assets and current tax liabilities, or if such assets and liabilities are associated with the income tax collected by the same tax authority, or if the Group intends to pay off the current tax assets and liabilities.

Current and deferred tax for the period

The deferred tax, other than those directly attributable to debt or liability recognized in equity (in which case deferred tax is recognized directly in equity) or deferred tax, other than those arising from initial recognition of business combinations, is recognized as income or expense in the income statement. In business combinations, the tax effect is taken into consideration in the calculation of goodwill or in determining the part of the purchaser that exceeds the acquisition cost of the share of the acquiree's identifiable assets, liabilities and contingent liabilities in the fair value.

The taxes included in the consolidated financial statements include current period tax and the change in deferred taxes. The Group calculates current and deferred tax on the results for the period.

Offsetting in Tax Assets and Liabilities

The amount of corporate tax payable is netted because it is related to prepaid corporate tax amounts. Deferred tax assets and liabilities are also offset in the same way.

2.09.17 Provision for Employment Termination Benefits

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

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

SARKUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET A.Ş**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2.09.18 Statement of Cash Flow

Cash and cash equivalents are stated at their fair values in the statement of financial position. The cash and cash equivalents comprises cash in hand, bank deposits and highly liquid investments. Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.

Cash flows from operating activities represent the cash flows generated from the Group's activities. Cash flows from investing activities represent the cash flows that are used in or provided from the investing activities of the Group (tangible and intangible assets and financial assets).

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

2.09.19 Investment Properties

Investment Properties, are real estates that held for the purpose of gaining rent or appreciation of its value are recognized at cost value less accumulated depreciation and accumulated impairment losses, if any. If it meets the accepted criteria, the amount included in the balance sheet includes the cost of changing any part of the existing Investment Property. This amount does not include daily maintenance for Investment Property.

In the event that Investment Properties are not used or sold, they are removed from the balance sheet. Gains or losses arising from the sale of these properties are recognized in the income statement. Properties within the operating lease have been classified as investment properties.

Investment properties are reviewed for possible impairment losses and where the carrying amount of the investment property is greater than the estimated recoverable amount, it is written down to its recoverable amount. Recoverable amount of the investment property is the higher of future net cash flows from the utilisation of this investment property or fair value less cost to sell.

Group's investment property is presented at their fair value in the consolidated financial statements. Therefore, investment property is not subject to depreciation. The fair values of the properties were determined according to the results of the appraisal reports signed by a licensed Real Estate Appraisal Company in line with the regulations of the CMB Communiqué Serial VIII No: 35 "Communiqué On Principles Regarding Appraisal Companies And Their Listings By The Board" (Note 17)

2.10 Capital and Dividend

Dividend income is recognised by the Group at the date the right to collect the dividend is realised and classified as equity. Dividend payables are recognised as liability less retained earnings in the consolidated financial statements following the approval of the general assembly.

2.11 Foreign Currency Translation*Functional and presentation currency*

Items included in the consolidated financial statements of the Subsidiaries, Joint Ventures and Associates of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in TL, which is Sarkuysan A.Ş's functional and presentation currency

Foreign currency transactions and balances

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rates at the balance sheet date. Foreign exchange gains and losses resulting from trading activities (trade receivables and payables) denominated in foreign currencies of the Group companies operating in the non-finance sectors, have been accounted for under "other operating income/expenses" whereas foreign exchange gains and losses resulting from the translation of other monetary assets and liabilities denominated in foreign currencies have been accounted for under "financial income/expenses" in the consolidated income statement. Foreign exchange gains and losses resulting from monetary assets and liabilities denominated in foreign currencies of the Group companies operating in the finance sector, have been classified under "revenue/cost of finance sector operations" in the consolidated income statement.

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The consolidated financial statements of Group's subsidiaries operating in The United States of America, Bulgaria, Germany are translated from foreign currency into TL as of 31 December 2020 and 2019 and the foreign currencies and TL equivalents are as follows:

As of 31 December 2020 and 31 December 2019, the foreign currencies (USD,EURO,LEV) are as follows:

Period-End

	USD	EURO	LEVA
31 December 2020	7,3405	9,0079	4,5798
31 December 2019	5,9402	6,6506	3,3813

As of the ends of the periods, the the average rate of foreign currencies and TL equivalents are as follows:

Average Rate

	USD	EURO	LEVA
01 January 2020-31 December 2020	7,0034	8,0140	4,0745
01 January 2019-31 December 2019	5,6712	6,3481	3,2274

2.12 Going Concern Principle

The Group has prepared its consolidated financial statements with the assumption on the Group's ability to continue its operations in the foreseeable future as a going concern.

2.13 New and Revised Turkey Financial Reporting Standards**New amendments and interpretations in force as of 31 December 2020:****Amendments to TFRS 3-Definition of Business;**

Defining a business is important. This is because the financial reporting requirements for the acquisition of a business are different from the requirements for the purchase of a group of assets that does not constitute a business. The proposed amendments are intended to provide entities with clearer application guidance to help distinguish between a business group of asset when applying TFRS 3. For making it easier for companies to decide whether activities and assets they acquire are a business or merely a group of assets. These amendments:

- Confirmed that a business must include inputs and a process and clarified that; the process must be substantive and the inputs and process must together significantly contribute to creating outputs.
- Narrowed the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and
- Added a test that makes it easier to conclude that a Group has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

It is effective for annual reporting periods starting on January 1, 2020 or after this date. The mentioned amendment does not have a significant impact on the consolidated financial position and performance of the Group.

Amendments to TAS 1 and TAS 8 Definition of Materiality

The changes in Definition of Material (Amendments to TAS 1 and TAS 8) all relate to a revised definition of "material" which is in scope of Conceptual Framework from the final amendments.

It is effective for annual reporting periods starting on January 1, 2020 or after this date. The mentioned amendment does not have a significant impact on the consolidated financial position and performance of the Group.

Amendments to TFRS 9, TAS 39 and TFRS 7 - Benchmark interest rate reform;

These amendments provide certain facilitating practices regarding benchmark interest rate reform. These practices relate to hedge accounting, and the effect of the IBOR reform should generally not lead to the end of hedge accounting. However, any hedging ineffectiveness should continue to be recorded in the income statement. Considering the prevalence of hedge accounting in IBOR-based contracts, these facilitating practices will affect all companies in the industry.

SARKUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET A.Ş**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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The Board considered the pre-replacement issues to be more urgent and decided to address the following hedge accounting requirements in TFRS 9 and TAS 39 as a priority in the first phase of the project. A Company shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform.

The amendments affect the following areas:

- Highly probable requirement for cash flow hedges,
- Prospective assessment,
- TAS 39 retrospective assessment and,
- Separately identifiable risk components.

All other hedge accounting requirements remain unchanged. It is effective for annual reporting periods starting on January 1, 2020 or after this date. The mentioned amendment does not have a significant impact on the consolidated financial position and performance of the Group.

Amendments to TFRS 16 'Leases - COVID 19 Related rent concessions':

In May 2020 the IASB provided a practical expedient that permits lessees (not lessors) to not assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions in profit or loss as if they were not lease modifications. The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments due on or before 30 June 2021; and
- There is no substantive change to other terms and conditions of the lease.

Amendments to TFRS 16 'Leases - COVID 19 Related rent concessions'; is effective for annual reporting periods starting on 1 June 2020 or after this date. Early application is permitted. Due to the COVID-19 outbreak, some privileges were provided by the Group to tenants in rent payments. The Group does not provide rent concessions related to COVID-19 before January 1, 2020.

Amendments to References to the Conceptual Framework in TFRS Standards

The IASB also issued Amendments to References to the Conceptual Framework in TFRS Standards. The document contains amendments to TFRS 2, TFRS 3, TFRS 6, TFRS 14, TAS 1, TAS 8, TAS 34, TAS 37, TAS 38, TFRIC 12, TFRIC 19, TFRIC 20, TFRIC 22 and SIC-32.

The amendments published are effective for annual periods beginning on or after 1 January 2020. Not all amendments, however update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework.

New standards in force as of 31 December 2020 and changes and interpretations on existing previous standards:**TFRS 17 Insurance Contracts**

TFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within scope of the standard. The objective of TFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. TFRS 17, "Insurance Contracts"; effective for annual reporting periods starting on or after January 1, 2023. This standard replaces TFRS 4, which currently allows a wide variety of applications. According to the new standard, insurance liabilities will be accounted for using current values instead of historical cost.

TFRS 17 will fundamentally change the accounting of all businesses that issue insurance contracts and investment contracts with discretionary participation. TFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023. Early application is permitted. The change in question is not expected to have an impact on the consolidated financial position and performance of the Group.

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Amendments to TAS 1, “Presentation of financial statements” standard regarding the classification of liabilities as Current or Non-Current;

The amendments affect only the presentation of liabilities (an obligation for at least twelve months within the reporting period) in the statement of financial position not the amount or timing of recognition of any asset, liability, income or expenses, or the information that entities disclose about those items.

The amendments published are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Amendments to TFRS 3 Reference to the Conceptual Framework

The update on the amendment is a reference to the Conceptual Framework for Financial Reporting in TFRS 3 without changing the standard significantly. The amendments published are effective for annual periods beginning on or after 1 January 2022.

Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

Amendments to TAS 16 Property, Plant and Equipment – Proceeds before intended use

The standard prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments published are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Amendments to TAS 37 Onerous Contracts – Cost of Fulfilling a Contract

The standard specify that the “cost of fulfilling” a contract comprises the “costs that relate directly to the contract”. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item property, plant and equipment used in fulfilling the contract).

The amendments published are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Annual Improvements - 2018 – 2020 cycle**Amendments to TFRS 1 First-time adoption of international financial reporting standards**

The amendment permits a subsidiary that applies D16(a) of TFRS 1, to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transtion to TFRSs.

Amendments to TFRS 9 Financial Instruments

The amendment clarifies which fees an entity includes when it applies the 10 percent test of TFRS 9 in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.

Amentments to TAS 41 Agriculture

The amendment removes the requirement in paragraph 22 of TAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in TFRS 13.

The amendments of TFRS 1, TFRS 9 and TFRS 41 published are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

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NOTE 3 BUSINESS COMBINATIONS

31 December 2020

None.

31 December 2019

The Group has 100% effective ownership interest rate on Sark USA, Inc and Sark Wire Corp which have been merged under Sark Wire Corp in the United States of America and related merger was established on 15.05.2019 and was approved in accordance with the laws of the United States of America. The subsidiaries are included in the scope of consolidation as effective ownership rate has been changed 100% of its financial statements of Sark USA, Inc and Sark Wire Corp.

NOTE 4 DISCLOSURE OF INTERESTS IN OTHER ENTITIES

None.

NOTE 5 SEGMENT REPORTING

The Group's Segment Reporting and summary of profit / loss as of 31 December 2020 and 31 December 2019 are as follows:

31 December 2020

	Copper	Enamelled Copper Wire	CTC Wire	Spools	Machinery	Other	Total	Consolidation and Elimination Adjustments	01.01.2020 31.12.2020
Revenue	7.509.921.744	490.907.778	82.637.574	6.744.578	9.726.515	39.294.520	8.139.232.709	(1.396.445.196)	6.742.787.513
Cost of Sales	(7.096.657.026)	(459.265.353)	(74.467.032)	(5.180.411)	(6.243.673)	(21.227.641)	(7.663.041.136)	1.382.142.024	(6.280.899.112)
Gross Profit/Loss	413.264.718	31.642.425	8.170.542	1.564.167	3.482.842	18.066.879	476.191.573	(14.303.172)	461.888.401

31 December 2019

	Copper	Enamelled Copper Wire	CTC Wire	Spools	Machinery	Other	Total	Consolidation and Elimination Adjustments	01.01.2019 31.12.2019
Revenue	6.186.149.662	407.020.999	65.594.670	6.115.603	7.894.805	27.588.460	6.700.364.199	(919.753.045)	5.780.611.154
Cost of Sales	(5.950.590.719)	(388.223.097)	(57.108.801)	(5.185.406)	(4.151.962)	(18.868.712)	(6.424.128.697)	900.362.405	(5.523.766.292)
Gross Profit/Loss	235.558.943	18.797.902	8.485.869	930.197	3.742.843	8.719.748	276.235.502	(19.390.640)	256.844.862

NOTE 6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the Group are as of period ends are as follows

Account Name	31 December 2020	31 December 2019
Cash in hand	26.277	77.779
Bank	194.955.586	87.629.902
- Demand Deposit	46.730.603	20.158.665
- Time Deposit	148.224.983	67.471.237
Other	1.022	785
Total	194.982.885	87.708.466

As of 31 December 2020, the Group has no blocked deposits.

As of 31 December 2020, interest income accrual on time deposits calculated using the effective interest method is TL 131.741 (31 December 2019: TL 90.040)

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As of 31 December 2020 and 31 December 2019, cash and cash equivalents presented in the consolidated statement of cash flows are as follows:

Account Name	31 December 2020	31 December 2019
Net Balance Sheet Position	194.982.885	87.708.466
Interest Income Accruals	(131.741)	(90.040)
Net Cash Flow Position	194.851.144	87.618.426

The redemption schedule of bank deposits is as follows:

Account Name	31 December 2020	31 December 2019
Demand Deposits	46.730.603	20.158.665
1-30 days	138.210.304	51.041.072
30-90 days	10.014.679	16.430.165
Total	194.955.586	87.629.902

Effective interest rates of time deposits denominated in foreign currencies are as follows:

Currency	31 December 2020		31 December 2019	
	TL Equivalent	Interest Rate	TL Equivalent	Interest Rate
TL	57.133.169	10,90%-18,75%	27.434.630	8%-12%
USD	75.261.794	0,01%-0,08%	33.363.976	0,1%-0,5%
EURO	14.117.595	0,01%-0,02%	5.520.037	0,01%-0,5%
GBP	1.712.425	0,01%-0,02%	1.152.594	0,1%
BGN	-	-	-	-
Total	148.224.983		67.471.237	

NOTE 7 FINANCIAL INVESTMENTS

I) Short Term Financial Investments

As of 31 December 2020 and 31 December 2019, the Group does not have any Short Term Financial Investments.

II) Long Term Financial Investments

The Group's financial investments consist of investments classified as financial assets measured at fair value through profit or loss. The Group classifies its investments in equity securities as financial assets measured at fair value through profit or loss. As of 31 December 2020 and 31 December 2019, Long Term Financial Investments of the Group are as follows:

Non-Current Assets	Shareholding Percentage	1 January 2020	1 January 2019
		31 December 2020	31 December 2019
<i>Unlisted Shares:</i>			
Kamaş Kuyumcukent Alış Veriş Merkezi (*)	< 1	531	531
Kiaş Kuyumcukent İşletme A.Ş.	< 1	9.824	9.824
Kocaeli Savunma Sanayi ve Ticaret A.Ş.	> 1	423.590	400.000
<i>Listed Shares:</i>			
Kuyuş Kuyumculuk Gayrimenkul Yatırım Ort.	< 1	323.781	126.410
		757.726	536.765

(*) Since the fair values of Kamaş Kuyumcukent Shopping Center cannot be measured, they are included in the financial statements with previously reported cost values.

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Long-Term Securities	1 January 2020 31 December 2020	1 January 2019 31 December 2019
Balance at the Beginning of the Period	536.765	95.582
Additions	220.961	441.183
Disposals	-	-
Balance at the End of the Period	757.726	536.765

NOTE 8 FINANCIAL LIABILITIES

The Group's Current Financial Liabilities for the period ends are as follows:

Account Name	31 December 2020	31 December 2019
Bank Borrowings	623.996.518	595.632.894
Short-Term Installments of Long Term Bank Borrowings	303.670.123	209.029.681
Finance Lease Payables	6.903.094	2.625.349
Other Financial Payables	124.750.055	57.045.169
Lease Liabilities	394.160	231.637
Total	1.059.713.950	864.564.730

Bank loans are reflected in accompanying consolidated financial statements at their amortized cost.

The Group's Non Current Financial Liabilities for the period ends are as follows:

Account Name	31 December 2020	31 December 2019
Bank Borrowings	398.365.618	276.792.798
Finance Lease Payables	11.358.653	4.303.550
Lease Liabilities	1.495.518	538.848
Total	411.219.789	281.635.196

a) Redemption schedule of bank loans is as follows:

	31 December 2020	31 December 2019
0-3 months	154.262.983	441.503.030
4-12 months	773.403.658	363.159.545
13-36 months	393.713.463	197.797.294
37-60 months	4.652.155	78.995.504
TOTAL	1.326.032.259	1.081.455.373

Finance Lease Payables	31 December 2020	31 December 2019
0-3 months	1.460.746	667.605
4-12 months	5.442.348	1.957.742
13-36 months	11.358.653	4.187.333
37-60 months	-	116.219
TOTAL	18.261.747	6.928.899

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31 December 2020Loans

Type	Currency Amount	TL Amount	Annual Effective Interest Rate (%)
TL Loans	-	238.422.917	6,90%-10%
USD Loans	14.738.280	108.186.344	2%-3,66%
EURO Loans	26.940.453	242.676.908	0,95%-2,45%
GBP Loans	3.490.653	34.710.349	1,40%
Total Loans (Short Term)		623.996.518	

Type	Currency Amount	TL Amount	Annual Effective Interest Rate (%)
TL Loans	-	95.645.276	9,30-12,40%
USD Loans	2.759.602	20.256.861	5,21-5,94%
EURO Loans	15.920.754	143.412.562	1,68-3,94%
GBP Loans	4.460.611	44.355.424	1,40%
Total Loans (Short-Term Installments of Long Term Bank Loans)		303.670.123	

Type	Currency Amount	TL Amount	Annual Effective Interest Rate (%)
TL Loans	-	124.800.346	9,30-12,40%
USD Loans	17.983.553	132.008.276	5,21-5,94%
EURO Loans	15.714.761	141.556.996	1,68-3,94%
Total Loans (Long Term)		398.365.618	

Finance Lease Payables

31.12.2020	Currency Amount	TL Amount
Finance Lease Payables USD (1-12 months)		940.411
Finance Lease Payables USD (1-5 years)		1.547.395
Total		18.261.747

31 December 2019Loans

Type	Currency Amount	TL Amount	Annual Effective Interest Rate (%)
TL Loans	-	160.348.057	10% - 23,5%
USD Loans	37.280.288	221.452.372	2%-3,55%
EURO Loans	23.413.211	155.711.902	1%-2%
GBP Loans	7.473.872	58.120.563	1,37% - 1,52%
Total Loans (Short Term)		595.632.894	

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Type	Currency Amount	TL Amount	Annual Effective Interest Rate (%)
TL Loans	-	145.318.498	15,5%-27,56%
USD Loans	4.208.253	24.997.863	3,65% - 3,67%
EURO Loans	5.821.027	38.713.320	2,0%-4,2%
Total Loans (Short-Term Installments of Long Term Bank Loans)		209.029.681	

Type	Currency Amount	TL Amount	Annual Effective Interest Rate (%)
TL Loans	-	113.725.237	10,9% - 18,61%
USD Loans	6.901.716	40.997.575	2,20% - 5,96%
EURO Loans	18.354.733	122.069.986	2,01% - 3,25%
Total Loans (Long Term)		276.792.798	

Finance Lease Payables

31.12.2019	Currency Amount	TL Amount
Finance Lease Payables USD (1-12 months)	441.963	2.625.349
Finance Lease Payables USD (1-5 years)	724.479	4.303.550
Total		6.928.899

Reconciliation of borrowings is as follows:

Account Name	31.12.2020	31.12.2019
Balance at the Beginning of the Period	1.146.199.926	1.033.807.769
Additions During the Period	1.526.231.286	2.048.074.923
Payments During the Period	(1.395.158.998)	(1.910.691.394)
Interest Payments	(72.936.784)	(60.475.041)
Interest Accrual at the End of the Period	(13.990.766)	(14.919.035)
Currency Translation Differences	280.589.075	50.402.704
Balance at the End of the Period	1.470.933.739	1.146.199.926

NOTE 9 OTHER FINANCIAL LIABILITIES

None.

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NOTE 10 TRADE RECEIVABLES AND PAYABLES

The Group's Short Term Trade Receivables as of the end of the period are as follows:

Account Name	31.12.2020	31.12.2019
Trade Receivables from Non Related Parties	1.266.625.959	857.486.816
- Customers	1.246.727.183	829.116.204
- Notes Receivables	22.765.915	31.271.027
- Rediscount on Notes Receivables	(2.867.139)	(2.900.415)
- Doubtful Trade Receivables	89.109.949	72.124.871
- Provisions for Doubtful Trade Receivables (-)	(89.109.949)	(72.124.871)
Trade Receivables from Related Parties	2.997.739	1.691.193
- Trade Receivables from Related Parties	2.997.739	1.691.193
Total	1.269.623.698	859.178.009

The maturity of receivables is averagely 45 days. (31 December 2019: 41 days) Receivables from both domestic and foreign sales is guaranteed by Exim Bank.

In addition, letters of guarantee, guarantee notes and mortgages are available for domestic receivables and details are given in **Note 22**. Explanations on the level of risks in trade receivables are given in **Note 38**.

The Group allocates accordingly for all receivables which are objective evidence that there is no possibility of collection. In addition, TFRS 9 provides a provision for trade receivables that do not include a significant financing component. Provision for Doubtful Receivables as of 31 December 2019 is **TL 89.109.949. (Note 31)** (31 December 2019: **TL 72.124.871**)

Movements of provision for doubtful receivables is as follows:

Account Name	1 January 2020 31 December 2020	1 January 2019 31 December 2019
Balance at the Beginning of the Period	(72.124.871)	(57.202.294)
Provisions No Longer Required	5.989.640	9.826.129
TFRS 9 Adjustments (Note:2.06) (Prior Period)	7.986	(38.320)
Currency Translation Differences (*)	(7.785.705)	(3.497.856)
Period Expenses	(15.196.999)	(21.212.530)
Balance at the End of the Period	(89.109.949)	(72.124.871)

The Group does not have Long Term Trade Receivables as of the periods ended.

(*) Foreign exchange losses amounting to **TL 7.785.705** is offset with foreign exchange gain from doubtful receivables and has no effect on period profit.

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The Group's Short Term Trade Payables as of the end of the period are as follows.

Account Name	31 December 2020	31 December 2019
Trade Payables to Non Related Parties	514.177.263	301.208.148
- Suppliers	514.330.479	301.256.913
- Notes Payable	-	193.357
- Rediscount on Notes Payable	(153.216)	(242.122)
Trade Payables to Related Parties	-	-
- Trade Payables to Related Parties	-	-
Total	514.177.263	301.208.148

As of 31 December 2020, the average maturity of the Group's purchases from its suppliers is 16 days. (31 December 2019: 11 days)

The Group does not have any Long Term Trade Payables as of the end of period.

NOTE 11 OTHER RECEIVABLES AND PAYABLES

The Group's Short Term Other Receivables as of the period ends are as follows:

Account Name	31 December 2020	31 December 2019
Deposits and Guarantees Given	5.750.953	617.032
Receivables from Tax Office (*)	74.935.938	69.950.329
Receivables from Employees	448.826	201.050
Other Receivables	670.354	-
Total	81.806.071	70.768.411

The Group's Long Term Other Receivables as of the period ends are as follows.

Account Name	31 December 2020	31 December 2019
Deposits and Guarantees Given	181.561	88.508
Total	181.561	88.508

The Group's Short Term Other Payables as of the end of the period are as follows:

Account Name	31 December 2020	31 December 2019
Other Payables to Non Related Parties	30.568.077	10.730.081
Other Payables	7.895.211	9.519.746
Deposits and Guarantees Received	24.993	22.192
Taxes Payables	22.529.582	720.692
Other Payables	118.291	467.451
Total	30.568.077	10.730.081

The Group does not have any Long Term Other Payables as of the end of the period.

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NOTE 12 EMPLOYEE BENEFITS PAYABLES

The Group's Employee Benefits Payables at the end of the period are as follows:

Account Name	31 December 2020	31 December 2019
Wage Payables	706.957	674.235
Taxes Payables	9.561.861	2.030.441
SSI Premium Payables	3.071.871	2.824.732
Total	13.340.689	5.529.408

NOTE 13 INVENTORIES

Inventories of the Group as of the end of the period are as follows:

Account Name	31 December 2020	31 December 2019
Raw Materials and Supplies	260.126.425	181.064.431
Semi-Finished Goods	249.765.513	135.188.998
Finished Goods	335.034.141	260.971.630
Merchandise	9.877.879	6.005.623
Other Inventories	14.148.382	6.636.693
Total	868.952.340	589.867.375

The raw materials acquired by the Group consist of assets which are used in operating cycle of production and sold afterwards. The insurance coverage of assets is disclosed in the **Note: 22**. There are no inventories which are pledged as collateral. In the current or previous periods there is not any financial expenses over inventories cost.

A significant portion of the Group's inventories are copper and other inventories with metal content and prices are formed in international markets such as the London Metal Exchange (LME). The Group Management has made an assessment based on the sales prices of the inventories at the London Metal Exchange (LME) and concluded that there is no provision for impairment of inventories.

NOTE 14 DERIVATIVE INSTRUMENTS

As of 31 December 2020 and 31 December 2019, derivative instruments is as follows:

31 December 2020

As of 31 December 2020, the Group has forward foreign exchange purchase and sales contracts with a purchase feature of USD 2.977.160 against sales of GBP 2.200.000 and forward foreign exchange purchase and sale contracts with a purchase feature of USD 6.029.615 against a sales of EUR 5.100.000. The Group has liabilities amounting to TL 1.640.437 arising from these contracts.

In addition, the Group has USD 10.398.170, EURO 10.302.831, GBP 1.022.919 purchase and USD 11.499.785, EURO 11.238.076 and GBP 948.638 sales commitments from hedge transactions carried out to provide protection against sales and purchase price movements on a one-to-one order basis, As of the balance sheet date, the Group has a net asset amounting to TL 14.131.925 due to the actual deliveries based on the delivery commitments.

31 December 2019

As of 31 December 2019, the Group has forward foreign exchange purchase and sale contracts with a purchase feature of USD 2.117.460 against sales of GBP 1.600.000. The Group has assets amounting to TL 132.008 arising from these contracts.

In addition, the Group has USD 10.862.514 and EURO 6.774.048 purchase and USD 11.169.034 and EURO 7.097.713 sales commitments from hedge transactions carried out to provide protection against sales and purchase price movements on a one-to-one order basis, As of the balance sheet date, the Group has a net asset amounting to TL 4.105.362 due to the actual deliveries based on the delivery commitments.

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Assets and Liabilities related to Derivative Instruments are as follows:

	31 December 2020		31 December 2019	
	Assets	Liabilities	Assets	Liabilities
Forward Contracts	-	(1.640.437)	132.008	-
Commodity Swaps as Hedge Instruments	15.772.362	-	3.973.354	-
Total	15.772.362	(1.640.437)	4.105.362	-

NOTE 15 ASSETS RELATED TO ONGOING CONSTRUCTION CONTRACTS

None.

NOTE 16 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

As of 31 December 2020 and 31 December 2019, investments accounted for using the equity method is as follows:

31 December 2020

Company Name	Shareholding Percentage	Provision for Impairment	31 December 2020 Net Position in Statement of Financial Position
Demisaş	44,44	-	58.557.552
Total		-	58.557.552

31 December 2019

Company Name	Shareholding Percentage	Provision for Impairment	31 December 2020 Net Position in Statement of Financial Position
Demisaş	44,44	-	51.568.805
Total		-	51.568.805

Fair Value Movement of Investments Accounted for using the Equity Method is as follows:

	01 January 2020	01 January 2019
	31 December 2020	31 December 2019
Balance as of 1 January	51.568.805	49.118.548
Share from Current Period Profit	6.988.747	7.214.081
Dividends Paid (-)	-	(4.900.092)
Capital Increase (Cash) (+)	-	-
Share from Other Comprehensive Income	-	136.268
Balance as of 31 December	58.557.552	51.568.805

The summary financial information about Investments Accounted for using the Equity Method are as follows:

	31 December 2020	31 December 2019
Total Assets	378.760.737	305.627.669
Total Liabilities and Equity	141.357.125	125.630.872
Net Sales	387.583.617	378.799.455

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NOTE 17 INVESTMENT PROPERTIES

Group classified the assets which are held for rent income or capital appreciation or both, instead of being used in production of goods or rendering of services or administrative purposes or sold in the ordinary course of business, as investment properties.

The Group measures the investment properties at fair value in the consolidated financial statements. The Group has no capitalized borrowing costs allocated to investment properties in scope of TAS 23.

Investment properties is presented at fair values in the consolidated financial statements as of 31 December 2020 and December 2019 is as follows:

31 December 2020

Asset Value	01 January 2019 Opening Balance	Fair Value Differences	Transfers (PPE)	Additions	Disposals (-)	31 December 2020 Closing Balance
Land	15.155.000	1.718.000	-	-	-	16.873.000
Land	15.155.000	1.718.000	-	-	-	16.873.000
Buildings	82.710.000	5.490.000	-	-	-	88.200.000
Gebze Warehouse	17.310.000	1.255.000	-	-	-	18.565.000
Gebze Building and Warehouse	28.585.000	2.035.000	-	-	-	30.620.000
Kuyumcukent Workshop and Store	2.410.000	905.000	-	-	-	3.315.000
Pendik Facilities	31.635.000	1.005.000	-	-	-	32.640.000
Perpa Head Office	2.770.000	290.000	-	-	-	3.060.000
TOTAL	97.865.000	7.208.000	-	-	-	105.073.000

31 December 2019

Asset Value	01 January 2019 Opening Balance	Fair Value Differences	Transfers (PPE)	Additions	Disposals (-)	31 December 2019 Closing Balance
Land	14.715.000	440.000	-	-	-	15.155.000
Land	14.715.000	440.000	-	-	-	15.155.000
Buildings	78.345.000	4.354.424	10.576	-	-	82.710.000
Gebze Warehouse	15.920.500	1.389.500	-	-	-	17.310.000
Gebze Building and Warehouse	26.399.500	2.174.924	10.576	-	-	28.585.000
Kuyumcukent Workshop and Store	2.275.000	135.000	-	-	-	2.410.000
Pendik Facilities	31.135.000	500.000	-	-	-	31.635.000
Perpa Head Office	2.615.000	155.000	-	-	-	2.770.000
TOTAL	93.060.000	4.794.424	10.576	-	-	97.865.000

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Appraisal reports dated on February 2021 by TSKB Gayrimenkul Değerleme A.Ş based on the appraisal amounts of 31.12.2020 are taken into consideration in the determination of the fair value of the land and buildings followed by the Group in investment properties.

The detailed list of Investment Properties of the Group as of 31 December 2020 and December 2019 is as follows:

31 December 2020

Province	District	Town/Neighborhood	Deed of Real Estate (m2)	Date of Acquisition
Kocaeli (a)	Gebze	İstasyon	8.198	30.06.2000
Kocaeli (a)	Gebze	İstasyon	15.001	30.09.1991
İstanbul (b)	Pendik	Ortamahalle	5.833	10.06.1990
Kocaeli (c)	Darica	Darica 2	4.248	06.08.2004
Kocaeli (c)	Darica	Darica 2	1.515	31.08.2009
Kocaeli (d)	Dilovası	Tepecik Neighborhood	7.135	28.07.1998
Kocaeli (d)	Dilovası	Tepecik Neighborhood	14.707	28.07.1998
Kocaeli (e)	Gebze	Duraklı Village	23.901	09.07.1997
Kocaeli (e)	Gebze	Duraklı Village	7.348	09.07.1997
Kocaeli (e)	Gebze	Duraklı Village	8.510	09.07.1997
İstanbul (f)	Şişli	Kaptanpaşa	493	26.11.1997 and 25.08.2000
İstanbul (g)	Bahçelievler	Yenibosna	179	24.06.2009
Sakarya (h)	Erenler	Ekinli Neighborhood	5.600	15.05.2000

31 December 2019

Province	District	Town/Neighborhood	Deed of Real Estate (m2)	Date of Acquisition
Kocaeli (a)	Gebze	İstasyon	8.198	30.06.2000
Kocaeli (a)	Gebze	İstasyon	15.001	30.09.1991
İstanbul (b)	Pendik	Ortamahalle	5.833	10.06.1990
Kocaeli (c)	Darica	Darica 2	4.248	06.08.2004
Kocaeli (c)	Darica	Darica 2	1.515	31.08.2009
Kocaeli (d)	Dilovası	Tepecik Neighborhood	7.135	28.07.1998
Kocaeli (d)	Dilovası	Tepecik Neighborhood	14.707	28.07.1998
Kocaeli (e)	Gebze	Duraklı Village	23.901	09.07.1997
Kocaeli (e)	Gebze	Duraklı Village	7.348	09.07.1997
Kocaeli (e)	Gebze	Duraklı Village	8.510	09.07.1997
İstanbul (f)	Şişli	Kaptanpaşa	493	26.11.1997 and 25.08.2000
İstanbul (g)	Bahçelievler	Yenibosna	179	24.06.2009
Sakarya (h)	Erenler	Ekinli Neighborhood	5.600	15.05.2000

Land:

a. The ownership right and zoning information for the Kocaeli Province Gebze District İstasyon Quarter, 5739 block 14 parcel and 5741 block 16 parcels, classified under Investment Properties by the Group, are as follows

There is a right of easement in favor of TEDAŞ on island 5739, parcel 14, on the 8.198.54 m2 factory building and its land, in its 1.980 square meter area. Island 5741 and parcel 16 consists of 5,014 m2 of gross closed area on the land with a surface area of 15,001 m2 and there is easement right in favor of TEK in 726 m2 part. While the parcels in which the subject immovables are located are within the scope of the 1 / 1.000 scale "Gebze District Implementation Zoning Plan" with the approval date of 14.07.2015, they were canceled by the decision of the Kocaeli 2nd Administrative Court with the basis number 2016/1190 dated 01.12.2017. While the immovables remain in the "Trade and Road Area" legend within the scope of the 1 / 5.000 scaled "E-5 2. Region Master Zoning Plan" dated 12.10.2017, the 1 / 1.000 scale "E-5 2. Zone Implementation Plan Partly in the "Road Area" and partly in the "Trade Area". The valuation was made in accordance with the report of TSKB Gayrimenkul Değerleme A.Ş., dated February 26, 2021 and numbered 2021REV62, and the value of the immovables is TL 49.185.000 according to the market comparison approach.

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- b. As of the report date, there is no mortgage, levy or annotation on the facilities placed in Ortamahalle District, Kavsak Street, No:8, Pendik - İstanbul. (10282 block, 3 parcels). The area of the Facilities is 5.833,04 m² and the 811,50 m² of the facilities is owned by Pendik Municipality. During the investigation of the Pendik directorate of land registry information, there is not any change in property right for parcel of land at least 3 years. The appraisal report 2021REV63 and dated on 26 February 2021 has been prepared by TSKB Gayrimenkul Değerleme A.Ş. in accordance with market comparison approach and the value of the property is TL 32.640.000
- c. The Group classified under Investment Properties, Kocaeli province, Darıca district, Darıca Ş. 1333 island parcel no 2 with a surface area of 1.515 m² in the quarter and parcel no 3 with island 1333 with a surface area of 4.248 m² were transformed into parcel no 1333 with the decision of the Council of Darıca dated 10 July 2012 and numbered 759. There is no mortgage, lien or restrictive annotation on the said parcel as of the report date. As a result of the investigations carried out in the Darıca Municipality Zoning Directorate on 11.02.2019, it was determined that the parcel subject to the report remained within the 1/1000 scale "D-100 edge areas to be renewed implementation Zoning Plan" dated 13.09.2018 and its location is correct. The immovables subject to valuation are empty as of the report date. The valuation was made in accordance with the report of TSKB Gayrimenkul Değerleme A.Ş., dated February 26, 2021 and numbered 2021REV64, and the value of the property is TL 11.240.000 according to the market comparison approach.
- d. Group classified under Investment Properties, parcel numbered 17 and 18 in Kocaeli province, Dilovası district, Tepecik Village, it has taken block 108, parcel number 11 and parcel 12. While parcel no 17 was 7.050 m² before the study, it became 7.135 m² after parcel no 108 became real estate, while parcel no 18 was 14.800 m² before the study, and it became 14.707 m² after it became unmovable on island 108. On island 108, parcel 11, parcel 108, parcel 108, 533,211 m² and 117.61 m², respectively, are located within the boundaries of the forest throne (containment) as of the report date. Apart from this, there is no mortgage, lien or restrictive annotation on the property. The immovables subject to valuation are empty as of the report date. In the researches carried out in the Dilovası Municipality Zoning Directorate, it was stated that the aforementioned immovables remained in "Other Agricultural Areas" in the 1 / 25.000 scale revision master development plan, which was approved by the Assembly Decision dated 16 December 2008 and numbered 669, and their location was correct. The valuation was made in accordance with the report of TSKB Gayrimenkul Değerleme A.Ş., dated February 26, 2021 and numbered 2021REV66, and the value of the property is TL 3.200.000 according to the market comparison approach.
- e. The Group classified under Investment Properties, in Kocaeli province, Gebze district, Duraklı Village Domdompinarı area, on a land of 23.888 m² 7 plots - parcel no 1128, 7 plots with a surface area of 7.360 m² - parcel no 1135 and 8.620 m² 8 plots with a surface area of parcel no -1155, while parcel numbers 1135, 1155 and 1128 are parcels with island 189, parcel no. 198, parcel no. 198, parcel no. 199, parcel no. Before parcel no. 1135 was 7.360 m², before parcel no. 189, parcel no. 34, 7.348 m², after parcel no. After it became a real estate, it became 23,901 m². As of the report date of the parcel no.46, 3.585 m² part belongs to Sar kuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş. Apart from this, there is no mortgage, lien or restrictive annotation on the property. The immovables subject to valuation are empty as of the report date. In the researches carried out in Gebze Municipality Zoning Directorate, it was determined that the aforementioned immovable properties remained within "Other Agricultural Areas" in the master development plan with a scale of 1 / 25.000 in the plan dated December 16, 2008 and their location was correct. The valuation was made in accordance with the report of TSKB Gayrimenkul Değerleme A.Ş., dated February 26, 2021 and numbered 2021REV67, and the value of the property is TL 2.285.000 according to the market comparison approach.
- f. The Group consists of independent sections A Block 111 and B Block 978 and 980 in Perpa Trade Center in İstanbul province, Şişli district, Kaptanpaşa neighborhood, classified under Investment Properties. In the title deed registration examination, the first degree of TL 10.000 mortgage in favor of İstanbul Metropolitan Municipality (dated 03.12.1986 and journal number 392) and lease annotation in favor of TEK (dated 25.09.1987 and journal no 3035) on sections B Block 978 and 980.). In the investigation of the zoning status, it was determined that the parcel in which the subject immovables are located is located in the "Central Business Areas" in the 1/1000 scale of Dolapdere - Piyalepaşa Boulevard and its Vicinity Implementation Zoning Plan with the approval date of 08.02.2007 in the investigations carried out in Şişli Municipality Zoning Directorate. In the researches, it has been determined that there has been no change in the ownership status of the immovables in the last 3 years. The valuation was made in accordance with the report of TSKB Gayrimenkul Değerleme A.Ş., dated February 26, 2021 and numbered 2021REV68, and the value of the property is TL 3.060.000 according to the market comparison approach.
- g. The Group consists of independent sections no. 1412 and M Block 209 in Kuyumcu Kent Business Center in İstanbul province, Bahçelievler district, Yenibosna district, classified under Investment Properties. There is a lease annotation in favor of TEDAŞ on the immovable subject to the appraisal in the title deed registration examination, and this annotation is the routine practice of the relevant institution and does not affect the legal status of the immovables. As a result of the investigations carried out in the Bahçelievler Zoning Directorate on 12.02.2019, it was understood that the parcel no.1542, where the immovables subject to appraisal are located, remained within the 1 / 1.000 scale "Bahçelievler Revision

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Implementation Zoning Plan". The appraisal has been made based on the report of TKSB Gayrimenkul Değerleme A.Ş., dated February 26, 2021 and numbered 2021REV71, and the value of the property is TL 3.315,000 according to the market comparison approach.

h. It is an agricultural land of 5.600 m2 located in Sakarya province, Erenler district, Ekinli District, classified under Investment Properties by the Group. In the title deed registry examination, there is the statement that the land subject to appraisal is in the great plain protection area declared by the Council of Ministers Decree in accordance with the 14th article of the law numbered 5403. In the investigation of the zoning status, it was understood that the real estate subject to appraisal was within the "Central Planning Sub-Zone Zoning Plan" with a scale of 1 / 25.000, as a result of the examinations made on 05.02.2019 in the Zoning Directorate of Erenler Municipality. The real property subject to appraisal does not have a construction condition. The valuation was made in accordance with the report of TKSB Gayrimenkul Değerleme A.Ş., dated February 26, 2020 and numbered 2021REV72, and the value of the property is TL 148.000 according to the market comparison approach.

The amounts of liens and other restrictions on property, plant and equipment are disclosed in **Note: 22**.

Insurance coverage amount of Investment Properties are disclosed in **Note: 22**

NOTE 18 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment of the Group as of the end of the period are as follows.

31 December 2020

Cost	1 January 2020 Opening Balance	Currency Translation Differences	Transfers	Additions	Disposals	31 December 2020 Closing Balance
Land	52.001.792	2.780.393	-	-	-	54.782.185
Land Improvements	3.111.449	-	-	-	-	3.111.449
Buildings	120.467.181	16.015.883	4.478.221	1.206.678	(126.739)	142.041.224
Machinery, Plant and Equipment	501.708.926	40.433.859	77.015	13.756.466	(1.744.534)	554.231.732
Vehicles	10.193.338	332.809	-	726.085	(175.924)	11.076.308
Furniture and Fixtures	10.169.337	530.354	60.705	795.863	(1.228.235)	10.328.024
Other Property, Plant and Equipment	8.427.914	-	3.720	44.869	(72.781)	8.403.722
Ongoing Investments	11.182.048	1.171.909	(4.619.661)	218.854	(2.425.052)	5.528.098
Leasehold Improvements	4.143.494	680.918	-	-	-	4.824.412
Assets Acquired Through Financial Leasing	23.958.307	-	-	-	-	23.958.307
Provisions for Impairment of Land (-)	(550.536)	-	-	-	-	(550.536)
Provisions for Impairment of Buildings (-)	(432.564)	-	-	-	-	(432.564)
Total	744.380.686	61.946.125	-	16.748.815	(5.773.265)	817.302.361

Accumulated Depreciation	1 January 2020 Opening Balance	Currency Translation Differences	Transfers	Current Period Depreciation	Disposals	31 December 2020 Closing Balance
Land Improvements	(1.663.613)	-	-	(92.500)	-	(1.756.113)
Buildings	(27.224.625)	(1.229.556)	-	(3.055.654)	20.648	(31.489.187)
Machinery, Plant and Equipment	(358.860.373)	(16.652.760)	-	(18.697.169)	1.279.993	(392.930.309)
Vehicles	(5.178.712)	(142.684)	-	(1.433.818)	175.924	(6.579.290)
Furniture and Fixtures	(6.965.808)	(161.136)	-	(783.508)	1.125.424	(6.785.028)
Other Property, Plant and Equipment	(8.248.694)	-	-	(92.279)	72.781	(8.268.192)
Leasehold Improvements	(2.426.879)	(291.585)	-	(62.889)	-	(2.781.353)
Assets Acquired Through Financial Leasing	(10.912.663)	-	-	(503.440)	-	(11.416.103)
Total	(421.481.367)	(18.477.721)	-	(24.721.257)	2.674.770	(462.005.575)

Property, plant and equipment, net	322.899.319	355.296.786
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SAR KUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET A.Ş

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31 December 2019

Cost	1 January 2019 Opening Balance	Currency Translation Differences	Transfers	Additions	Disposals	31 December 2019 Closing Balance
Land	51.072.788	920.005	-	8.999	-	52.001.792
Land Improvements	3.111.449	-	-	-	-	3.111.449
Buildings	88.566.995	2.758.304	28.218.964	922.918	-	120.467.181
Machinery, Plant and Equipment	459.834.548	15.640.183	16.865.641	12.449.743	(3.081.189)	501.708.926
Vehicles	6.981.505	104.187	-	3.443.918	(336.272)	10.193.338
Furniture and Fixtures	9.400.334	95.142	-	1.424.934	(751.073)	10.169.337
Other Property, Plant and Equipment	8.517.447	-	-	45.116	(134.649)	8.427.914
Ongoing Investments	47.752.867	-	(48.386.558)	19.171.736	(7.355.997)	11.182.048
Leasehold Improvements	3.300.865	284.035	-	558.594	-	4.143.494
Assets Acquired Through Financial Leasing	23.958.307	-	-	-	-	23.958.307
Provisions for Impairment of Land (-)	(550.536)	-	-	-	-	(550.536)
Provisions for Impairment of Buildings (-)	(432.564)	-	-	-	-	(432.564)
Total	701.514.005	19.801.856	(3.301.953)	38.025.958	(11.659.180)	744.380.686

Accumulated Depreciation	1 January 2019 Opening Balance	Currency Translation Differences	Transfers	Current Period Depreciation	Disposals	31 December 2019 Closing Balance
Land Improvements	(1.570.660)	-	-	(92.953)	-	(1.663.613)
Buildings	(24.437.915)	(444.544)	-	(2.342.166)	-	(27.224.625)
Machinery, Plant and Equipment	(338.121.781)	(7.054.338)	-	(16.528.509)	2.844.255	(358.860.373)
Vehicles	(4.440.938)	(133.519)	-	(887.084)	282.829	(5.178.712)
Furniture and Fixtures	(6.933.511)	(57.429)	-	(678.432)	703.564	(6.965.808)
Other Property, Plant and Equipment	(8.240.348)	-	-	(141.662)	133.316	(8.248.694)
Leasehold Improvements	(1.739.211)	(97.902)	-	(589.766)	-	(2.426.879)
Assets Acquired Through Financial Leasing	(10.355.928)	-	-	(556.735)	-	(10.912.663)
Total	(395.840.292)	(7.787.732)	-	(21.817.307)	3.963.964	(421.481.367)

Property, Plant and Equipment, Net	305.673.713	322.899.319
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All of the assets acquired through financial leasing consist of plant, machinery and equipment.

The amounts of pledges, mortgages and limitations on Property Plant and Equipment are disclosed in **Note: 22**.

Insurance coverage amounts of Property, Plant and Equipment are disclosed in **Note: 22**.

Since property, Plant and Equipment are not included in the scope of qualifying assets defined in TAS 23 "Borrowing Costs", financial expenses related to tangible assets are associated with the consolidated statement of profit or loss and are not capitalized. The Group has no Property, Plant and Equipment that are temporarily idle.

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Right of Use Assets31 December 2020

Account Name	1 January 2020	Additions	Disposals (-)	TFRS 16 Initial Recognition	31 December 2020
Buildings and Land and Land Improvements	126.132	526.498	-	-	652.630
Machinery, Plant and Equipment	633.034	794.910	-	-	1.427.944
Vehicles	182.708	-	(26.504)	-	156.204
Total	941.874	1.321.408	(26.504)	-	2.236.778

Accumulated Depreciation

Account Name	1 January 2020	Current Period Depreciation	Disposals	TFRS 16 Initial Recognition	31 December 2020
Buildings and Land and Land Improvements	(59.074)	(19.961)	-	-	(79.035)
Machinery, Plant and Equipment	(52.755)	(253.235)	-	-	(305.988)
Vehicles	(10.300)	(78.439)	-	-	(88.741)
Total	(122.129)	(351.635)	-	-	(473.764)

Net Book Value	819.745	1.763.014
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31 December 2019

Account Name	1 January 2019	Additions	Disposals (-)	TFRS 16 Initial Recognition	31 December 2019
Buildings and Land and Land Improvements	-	-	-	126.132	126.132
Machinery, Plant and Equipment	-	-	-	633.034	633.034
Vehicles	-	-	-	182.708	182.708
Total	-	-	-	941.874	941.874

Accumulated Depreciation

Account Name	1 January 2019	Current Period Depreciation	Disposals	TFRS 16 Initial Recognition	31 December 2019
Buildings and Land and Land Improvements	-	(59.074)	-	-	(59.074)
Machinery, Plant and Equipment	-	(52.755)	-	-	(52.755)
Vehicles	-	(10.300)	-	-	(10.300)
Total	-	(122.129)	-	-	(122.129)

Net Book Value	-	819.745
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NOTE 19 INTANGIBLE ASSETS

The Group's Intangible Assets as of the end of the period is as follows.

31 December 2020

Cost	1 January 2020 Balance	Currency Translation Differences	Transfers	Additions	Disposals	31 December 2020 Closing Balance
Rights	27.607.880	202.256	-	17.241	-	27.827.377
Research and Development Expenses	3.293.659	-	-	-	-	3.293.659
Other Intangible Assets	177.495	-	-	-	-	177.495
Total	31.079.034	202.256	-	17.241	-	31.298.531

Accumulated Depreciation	1 January 2020 Balance	Currency Translation Differences	Transfers	Current Period Depreciation	Disposals	31 December 2020 Closing Balance
Rights	(18.368.792)	(150.207)	-	(2.190.828)	-	(20.709.827)
Research and Development Expenses	(2.867.769)	-	-	(299.892)	-	(3.167.661)
Other Intangible Assets	(177.493)	-	-	-	-	(177.493)
Total	(21.414.054)	(150.207)	-	(2.490.720)	-	(24.054.981)

Intangible Assets, Net	9.664.980	7.243.550
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31 December 2019

Cost	1 January 2019 Balance	Currency Translation Differences	Transfers	Additions	Disposals	31 December 2019 Closing Balance
Rights	23.868.897	14.895	3.291.378	524.125	(91.415)	27.607.880
Research and Development Expenses	3.293.659	-	-	-	-	3.293.659
Other Intangible Assets	177.495	-	-	-	-	177.495
Total	27.340.051	14.895	3.291.378	524.125	(91.415)	31.079.034

Accumulated Depreciation	1 January 2019 Balance	Currency Translation Differences	Transfers	Current Period Depreciation	Disposals	31 December 2019 Closing Balance
Rights	(15.949.531)	(20.717)	-	(2.454.560)	56.016	(18.368.792)
Research and Development Expenses	(2.443.676)	-	-	(424.093)	-	(2.867.769)
Other Intangible Assets	(177.493)	-	-	-	-	(177.493)
Total	(18.570.700)	(20.717)	-	(2.878.653)	56.016	(21.414.054)

Intangible Assets, Net	8.769.351	9.664.980
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NOTE 20 GOODWILL

None.

NOTE 21 GOVERNMENT GRANTS

The Group benefits from incentives in scope of Marketing Research and Development (100 % Corporate Tax Exemption).

SARKUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET A.Ş

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NOTE 22 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

22. Provisions;

Account Name	31 December 2020	31 December 2019
Provisions for Employee Benefits	13.551.589	16.326.551
Provision for Premiums	8.551.509	12.485.704
Provision for Unused Vacation	5.000.080	3.840.847
Provision for Employment Termination Benefits	-	-
Other Short Term Provisions	10.692.834	3.341.176
Provision for Lawsuits	1.790.000	1.900.000
Other Provisions	8.902.834	1.441.176
Total	24.244.423	19.667.727

31 December 2020

	Provision for Lawsuits	Provision for Premiums	Provision for Unused Vacation	Provision for Employment Termination Benefits	Other	Total
Balance as of 1 January 2020	1.900.000	12.485.704	3.840.847	-	1.441.176	19.667.727
Additional Provisions	55.000	8.551.509	5.000.080	-	8.902.834	22.509.423
Payments	(165.000)	(12.485.704)	(3.840.847)	-	(1.441.176)	(17.932.727)
Balance as of 31 December 2020	1.790.000	8.551.509	5.000.080	-	8.902.834	24.244.423

31 December 2019

	Provision for Lawsuits	Provision for Premiums	Provision for Unused Vacation	Provision for Employment Termination Benefits	Other	Total
Balance as of 1 January 2019	726.132	6.265.988	3.157.900	601.447	1.517.117	12.268.584
Additional Provisions	1.173.868	12.485.704	3.840.847	-	1.441.176	18.941.595
Payments	-	(6.265.988)	(3.157.900)	(601.447)	(1.517.117)	(11.542.452)
Balance as of 31 December 2019	1.900.000	12.485.704	3.840.847	-	1.441.176	19.667.727

The Group has provision for long-term payables include employment termination benefits and which are disclosed in **Note 24**.

22.2 Contingent Assets and Liabilities;Contingent Liabilities Provisions;**31 December 2020**

The Group has provision for doubtful receivables for its receivables that are overdue and / or that are transferred to the execution stage. As of 31 December 2020, the Group has provision for doubtful receivables amounting to TL 89.109.949. In addition, the Group has provision for lawsuits amounting to TL 1.790.000 in the consolidated financial statements for the lawsuits filed against the Group.

31 December 2019

The Group has provision for doubtful receivables for its receivables that are overdue and / or that are transferred to the execution stage. As of 31 December 2019, the Group has provision for doubtful receivables amounting to TL 72.124.871. In addition, the Group has provision for lawsuits amounting to TL 1.900.000 in the consolidated financial statements for the lawsuits filed against the Group.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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22.3 Commitments not included in the liability:

Type	Currency	31 December 2020	31 December 2020	31 December 2019	31 December 2019
		Currency Amount	TL Amount	Currency Amount	TL Amount
Sarkuysan Letter of Guarantees Given	TL		82.323.746	-	29.538.510
Sarkuysan Letter of Guarantees Given	USD	4.905.400	36.008.089	8.780.478	52.157.795
Sarkuysan Letter of Guarantees Given	EURO	4.808.300	43.312.686	11.847.996	78.796.282
Sarmakina Letter of Guarantees Given	TL	-	319.080	-	369.080
Sarmakina Letters of Guarantees Given	USD	17.495	128.422	17.495	103.924
Sarkuysan Letter of Guarantees Given	EURO	100.000	900.790		
Sarda Letter of Guarantees Given	TL	-	53.710.000	-	19.960.000
Ege Free Trade Zone Letter of Guarantees Given	TL		13.491	-	10.401
TOTAL GUARANTEE LETTER GIVEN			216.716.304		180.935.992
Sarkuysan Bill of Guarantees Given	TL	-	18.587.342	-	18.587.342
Sarkuysan Bill of Guarantees Given	EURO	500.000	4.503.950	500.000	3.325.300
Sarkuysan Bill of Guarantees Given	USD	2.000.000	14.681.000	27.679.000	164.418.796
TOTAL BILL OF GUARANTEES GIVEN			37.772.292		186.331.438
Sarda Letter of Guarantees Received	TL	-	10.705.000	-	9.655.000
Sarda Letter of Guarantees Received	EURO	1.050.000	9.458.295	500.000	
Sar Makine Letter of Guarantees Received	TL	-	-	-	-
Sar Makine Letter of Guarantees Received	EURO	-	-	-	-
Sarkuysan Letter of Guarantees Received	TL	-	10.061.000	-	6.481.500
Sarkuysan Letter of Guarantees Received	USD	5.093.852	37.391.418	5.424.850	32.224.694
Sarkuysan Letter of Guarantees Received	EURO	-	-	15.875	105.578
TOTAL GUARANTEE LETTER RECEIVED			67.615.713		52.192.072
Sarkuysan Cheques of Guarantees Received	TL		67.700	-	67.700
Sarkuysan Cheques of Guarantees Received	USD	172.633	1.267.210	222.436	1.321.314
Sarkuysan Cheques of Guarantees Received	EURO	10.000	90.079	10.000	66.506
TOTAL GUARANTEE CHEQUES RECEIVED			1.424.989		1.455.520
Sarkuysan Notes of Guarantees Received	TL	-	29.059.386	-	29.229.386
Sarkuysan Notes of Guarantees Received	USD	19.150.000	140.570.575	19.150.000	113.754.830
Sarkuysan Notes of Guarantees Received	EURO	60.325	543.401	60.325	401.197
Sarda Notes of Guarantees Received	TL	-	150.000	-	150.000
TOTAL GUARANTEE NOTES RECEIVED			170.323.362		143.535.413
Sarkuysan Mortgages Received	TL		53.600.000	-	53.600.000
TOTAL MOTGAGES RECEIVED			53.600.000		53.600.000
Sarkuysan Notes of Guarantees and Bonds Given	USD	19.375.000	142.222.188	23.495.000	139.564.999
Sarkuysan Notes of Guarantees and Bonds Given	EURO	24.620.000	221.774.498	19.595.000	130.318.507
Sarkuysan Notes of Guarantees and Bonds Given	GBP	8.140.000	80.942.532	7.792.500	60.598.376
Sarkuysan Notes of Guarantees and Bonds Given	TL		2.900.000	-	-
TOTAL GUARANTEE NOTES AND BONDS GIVEN			447.839.218		330.481.882
Sarkuysan Guarantees of Factoring(Guarantees Rec.)	USD	269.699	1.979.724	605.092	3.594.367
Sarkuysan Guarantees of Factoring(Guarantees Rec.)	EURO	12.555.697	113.100.464	29.187.866	194.116.822
Sarkuysan Guarantees of Factoring(Guarantees Rec.)	GBP	5.184.487	51.553.498	3.016.072	23.454.787
Sarkuysan Direct Debiting System Guarantee (Guarantees Rec.)	USD	-	-	-	-
Sarkuysan Direct Debiting System Guarantee (Guarantees Rec.)	TL	-	42.133.000	-	23.998.000
Sarkuysan Exim Guarantee (Guarantees Rec.)	EUR	46.850.000	422.020.115	46.850.000	311.580.610
Sarkuysan Exim Guarantee (Guarantees Rec.)	GBP	7.275.000	72.341.145	7.275.000	56.574.038
Sarkuysan Exim Guarantee (Guarantees Rec.)	TL	-	-	-	-
Sarkuysan Exim Guarantee (Guarantees Rec.)	USD	152.605.000	1.120.197.003	154.900.000	920.136.980
Sarda Exim Guarantee (Guarantees Rec.)	TL	-	54.750.000	-	71.450.000
Sarda Exim Guarantee (Guarantees Rec.)	EUR	7.330.000	66.027.907	5.100.000	33.918.060
Sarda Exim Guarantee (Guarantees Rec.)	USD	2.132.000	15.649.946	1.200.000	7.128.240
Sarda Exim Guarantee (Guarantees Rec.)	GBP	250.000	2.485.950	350.000	2.721.775
Sarda Hermes Guarantee (Guarantees Rec.)	EUR	400.000	3.603.160	-	-
Sarda Hermes Guarantee (Guarantees Rec.)	USD	3.715.000	27.269.958	-	-
Sark Wire Atradius Guarantee (Guarantees Rec.)	USD	-	-	31.950.000	189.789.390
Sarda Contract of Guarantee (Received)	USD	4.715.000	34.610.457	-	-
TOTAL OTHER GUARANTEES RECEIVED			2.027.722.327		1.838.463.069

SARKUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET A.Ş

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31 December 2020

The amount of guarantee checks received is amounting to TL 67.000 is composed of suppliers for service procurements, while the rest consists of customers.

The amount of guarantee letters received is amounting to TL 271.215 is composed of suppliers for service procurements, while TL 47.181.203 consists of customers.

The amount of guarantee notes received TL 165.642.102 were purchased from customers and the amount of guarantee notes received from suppliers was TL 4.531.261.

Letters of guarantee given include amounting to TL 3.514.827 to Large Taxpayers Tax Office, TL 53.610.000 to Vatan İhtisas, TL 5.000.000 to the Undersecretariat of Customs, TL 74.011.727 to Eximbank, TL 3.575.000 to Gazport A.Ş., TL 2.043.805 to Sakarya Elektrik Dağıtım A.Ş., TL 1.131.620 to Izmir 1st Civil Court of First Instance, TL 4.387.600 to Customs Directorates, TL 500.000,00 to the Energy Market Regulatory Board, TL 4.233.713 to Burgan Leasing, TL 2.869.400 to the Ministry of Trade, TL 415.200 to the Turkish State Railways, TL 7.870.010 to the Ministry of Treasury and Finance, TL 20.000.000 to Ziraat Bank, TL 30.000.000 to OdeaBank, TL 192.000 to Istanbul 11th, 13th and 18th Enforcement Office, TL 225.000 to Birlik Organized Industrial Zone and TL 2.686.402 to Other Public Institutions.

The entire amount of security bonds and bills that were provided include of guarantees given to Eximbank.

Bails and guarantees given by the Group include TL 6.342 was given to Bektaş, TL 4.503.950 (EUR 500.000) and TL 211.000 to Sarmakina, TL 18.370.000 to Sarda and TL 14.681.000 (USD 2.000.000) to Sark Wire Corp in accordance with the full consolidation method.

31 December 2019

The amount of guarantee checks received is amounting to TL 67.000 is composed of suppliers for service procurements, while TL 1.387.820 consists of customers.

The amount of guarantee letters received is amounting to TL 334.788 is composed of suppliers for service procurements, while TL 51.857.283 consists of customers.

The amount of guarantee notes received TL 138.976.356 were purchased from customers and the amount of guarantee notes received from suppliers was TL 4.559.056.

Letters of guarantee given include amounting to TL 1.164.826 to Large Taxpayers Office, TL 5.000.000 to Prime Ministry Undersecretariat of Customs, TL 4.591.123 to Customs Office, TL 7.444.852 to Istanbul 34th Directorate of Execution, TL 125.744.957 to Eximbank and TL 3.575.000 to Gazport A.Ş., TL 1.517.663 to Sakarya Elektrik Perakende Satış A.Ş., TL 1.075.520 to the Energy Market Regulatory Board, TL 2.869.400 to Ministry of Trade, TL 415.200 to Turkish State Railways and TL 2.521.790 to other public institutions.

The entire amount of security bonds and bills that were provided, are comprise of guarantees given to Eximbank.

The bill of guarantees and guarantees were given include; Sarmakina TL 3.325.300 and Sarda TL 18.370.000, which were consolidated according to full consolidation method.

22.4 Insurance Coverage of Assets;**31 December 2020**

Assets Insured	Company Name	Insurer Company	Period of Insurance	Currency	Insurance Amount	
					TL	Currency Amount
Fire - Earthquake	Group Companies	Ak Sigorta A.Ş.	31 December 2020			
			31 December 2021	USD	99.117.044	
Vehicles	Group Companies	Ak Sigorta A.Ş.	31 December 2020			
			31 December 2021	TL	11.493.571	
Machinery and Fixture	Group Companies	Ak Sigorta A.Ş.	31 December 2020			
			31 December 2021	USD	128.716.100	
Theft	Group Companies	Ak Sigorta A.Ş.	31 December 2020			
			31 December 2021	USD	494.150	
USD Total						228.327.294
TL Total						11.493.571

SAR KUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET A.Ş

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31 December 2019

Assets Insured	Company Name	Insurer Company	Period of Insurance	Currency	Insurance Amount	
					TL	Currency Amount
Fire - Earthquake	Group Companies	Ak Sigorta A.Ş.	31 December 2019 31 December 2020	USD		233.943.244
Vehicles	Group Companies	Ak Sigorta A.Ş.	31 December 2019 31 December 2020	TL	6.768.034	
Machinery and Fixture	Group Companies	Ak Sigorta A.Ş.	31 December 2019 31 December 2020	USD		138.025.250
Theft	Group Companies	Ak Sigorta A.Ş.	31 December 2019 31 December 2020	USD		6.120.855
USD Total						378.089.349
TL Total						6.768.034

22.5 Ratio of guarantees and mortgages to equity:

As of 31 December 2020 and 31 December 2019, the Group's collateral / pledge / mortgage ("G&P&M") position is as follows.

Collateral, Pledge, Mortgages Given by the Group	31 December 2020	31 December 2020	31 December 2019	31 December 2019
	Currency Amount	TL Equivalent	Currency Amount	TL Equivalent
A. Total amount of CPM given in the name of its own legal personality	-	664.555.522	-	511.417.872
Letters of Guarantee (TL)	-	136.366.317	-	49.877.991
Letters of Guarantee (EURO)	4.908.300	44.213.476	11.847.996	78.796.280
Letters of Guarantee (USD)	4.922.895	36.136.511	8.797.973	52.261.719
Mortgage (TL)	-	-	-	-
Mortgage (EURO)	-	-	-	-
Guarantee Cheques (TL)	-	-	-	-
Guarantee Cheques (USD)	-	-	-	-
Guarantee Notes and Bond (TL)	-	2.900.000	-	-
Guarantee Notes and Bond (USD)	19.375.000	142.222.188	23.495.000	139.564.999
Guarantee Notes and Bond (EURO)	24.620.000	221.774.498	19.595.000	130.318.507
Guarantee Notes and Bond (GBP)	8.140.000	80.942.532	7.792.500	60.598.376
Pledge (TL)	-	-	-	-
B. Total amount of CPM's given on behalf of the fully consolidated subsidiaries	-	37.772.291	-	186.331.438
Bill of Guarantees (TL)	-	18.587.341	-	18.587.342
Bill of Guarantees (EURO)	500.000	4.503.950	500.000	3.325.300
Bill of Guarantees (EURO)	2.000.000	14.681.000	27.679.000	164.418.796
Mortgage (TL)	-	-	-	-
C. Total amount of CPM's given on behalf of third parties for ordinary course of business	-	-	-	-
D. Total amount of other CPM's given	-	-	-	-
Total		702.327.813		697.749.310

The ratio of other CPMs given by the Group to the Group's equity ratio is 0% as of 31 December 2020 (31 December 2019: 0%).

NOTE 23 COMMITMENTS

None.

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NOTE 24 PROVISIONS FOR EMPLOYEE BENEFITS

Short and Long Term Provisions for Employee Benefits of the Group are as follows

Account Name	31 December 2020	31 December 2019
Provision for Employment Termination Benefits	59.943.241	54.062.164
- Short Term Provision for Employment Termination Benefits (Note 22)	-	-
- Long Term Provision for Employment Termination Benefits	59.943.241	54.062.164
Provision for Premium	8.551.509	12.485.704
Provision for Unused Vacation	5.000.080	3.840.847
Total	73.494.830	70.388.715

Under Turkish Labour Law, Sarkuysan A.Ş is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). As of 31 December 2020, the amount payable consists of one month's salary limited to a maximum of TL 7.638,96 (31 December 2019: TL 6.730,15) The liability is not funded as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. TAS 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions are used in the calculation of total liabilities:

Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As of 31 December 2020, the provisions in the accompanying consolidated financial statements are calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. As of 31 December 2020, the provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 8.50% and an interest rate of 11.50%, resulting in a real discount rate of 2.76%. (31 December 2019: 2,76% real discount rate).

As of the 31 December 2020, turnover rate to estimate the probability of retirement is 99,48%. (31 December 2019: 99,99%) The Group management revised the expectations of discount assumptions in 2020.

Movements in the provision for employment termination benefits are as follows:

	01 January 2020 31 December 2020	01 January 2019 31 December 2019
Beginning of the Period – 1 January	54.062.164	39.921.451
Current Period Service Cost	4.401.386	4.028.079
Interest Cost	5.850.914	4.235.105
Actuarial Gains and Losses	(1.186.547)	8.975.725
Loss on Payment	2.676.266	(333.346)
Payments During the Period (-)	(5.860.942)	(2.764.850)
Balance at the End of the Period	59.943.241	54.062.164

As of the 31 December 2020, provision for employment termination benefit is amounting to TL 12.928.567 (31 December 2019 TL 7.929.838) and the accounts are recognized as an expense as follows:

	01 January 2020 31 December 2020	01 January 2019 31 December 2019
Production Cost	(10.396.212)	(5.626.351)
Marketing, Sales and Distribution Expenses	(851.891)	(486.220)
General Administrative Expenses	(1.413.943)	(1.542.208)
Research and Development Expenses	(266.521)	(275.059)
Provision for Employment Termination Benefits (Provision No Longer Required)	-	-
Amount Recognized in Profit or Loss	(12.928.567)	(7.929.838)

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	01 January 2020 31 December 2020	01 January 2019 31 December 2019
Actuarial (Gains) /Loss Recognized in Other Comprehensive Income (Taxable)	1.186.547	(8.975.725)
Tax Effect %20	(244.012)	1.776.670
Net Actuarial (Gains)/ Losses	942.535	(7.199.055)

NOTE 25 RETIREMENT PLAN

None.

NOTE 26 OTHER ASSETS AND LIABILITIES

Short and Long Term Prepaid Expenses are as follows:

Account Name	31 December 2020	31 December 2019
Short Term Prepaid Expenses	4.267.050	3.513.455
Advances Given to Suppliers	27.426.519	26.586.307
Business Cash Advances	60.539	46.575
Total Prepaid Expenses (Current Assets)	31.754.108	30.146.337
Advances Given for Purchases	404.456	381.742
Total Prepaid Expenses (Non Current Assets)	404.456	381.742

Other Current Assets of the Group as of 31 December 2020 and 31 December 2019 are as follows.

Account Name	31 December 2020	31 December 2019
Deferred VAT	12.430.831	25.796.811
Advances Given to Employee	118.475	58.309
Other	1.579.795	1.372.521
Total	14.129.101	27.227.641

The Group does not have any Other Non Current Assets at the end of the periods.

Deferred Income of the Group at the end of the periods are as follows:

Account Name	31 December 2020	31 December 2019
Deferred Income from Non-Related Parties	32.894.522	33.741.952
- <i>Advances Received</i>	32.894.522	33.741.952
Total	32.894.522	33.741.952

The Group does not have any Short Term Other Liabilities at the end of the periods.

The Group does not have any Long Term Other Liabilities at the end of the periods.

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NOTE 27 EQUITY

27.1 Non Controlling Interests

	31 December 2020	31 December 2019
Non Controlling Interests	680.755	543.349
Total	680.755	543.349

Movements of non controlling interests are as follows.

	01 January 2020 31 December 2020	01 January 2019 31 December 2019
Beginning of the Period – 1 January	543.349	511.242
Share from Current Period Profit	159.299	102.802
Dividend Distribution	(22.016)	(80.701)
Currency Translation Differences	2.018	445
Actuarial Gains/Losses on Employment Termination Benefits	(1.895)	(1.046)
Adjustments under scope of TFRS 9	-	-
Other	-	10.607
End of the Period	680.755	543.349

27.2 Capital / Capital Adjustments Due to Cross Ownership

The Group's capital consists Class A and Class B shares, and the information regarding the distribution of shares by these groups and the privileges are as follows.

31.12.2020

	Nominal Value	Number of Shares
Class A Shares	15	1500
Class B Shares	299.999.985	29.999.998.500
Total	300.000.000	30.000.000.000

31.12.2019

	Nominal Value	Number of Shares
Class A Shares	10	1000
Class B Shares	199.999.990	19.999.999.000
Total	200.000.000	20.000.000.000

All of the A group shares consist of registered shares, and 5 members of the 12-person board of directors are selected from among the candidates nominated by the Class A shareholders, and 4 members of the Board of Directors are selected from among the candidates nominated by the Class B shareholders. 3 members of the Board of Directors are elected as independent board members in accordance with the regulations of the Capital Markets Board on corporate governance.

All of the shares of the Sarkuysan have been quoted on the Borsa Istanbul and there is no shareholder who is holding voting rights more than 10% included in paid in share capital with a nominal value amounting to TL 300.000.000.

Capital Increase During the Period:

The Group is subject to the registered capital system and with the decision of the Board of Directors dated 25.06.2020, the Group has capital increases from TL 200.000.000 to TL 300.000.000 during the period, and the entire increased capital was covered by internal funding. The capital increase was approved by the Capital Markets Board's letter dated 17.08.2020 and numbered E-29833736-105.01.01.01-8322.

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27.3 Accumulated Other Comprehensive Income or Expenses not to be Reclassified in Profit or Loss

The analysis of other comprehensive income (expenses) not to be reclassified in profit or loss is as follows.

Account Name	31 December 2020	31 December 2019
Actuarial Gains/Losses (Note:24)	(16.059.864)	(17.240.401)
Tax Effect (-)(Note:24, Note:35)	3.211.973	3.448.080
Actuarial Gains/Losses (Net)	(12.847.891)	(13.792.321)
Investment Properties Revaluation Surplus	23.800.684	23.800.684
Property, Plant and Equipment Revaluation Surplus	-	-
Revaluation and Measurement Gains and Losses	10.952.793	10.008.363
Share of other comprehensive income/(expenses) of investments accounted for using the equity method (Note 16)	(1.729.941)	(1.729.941)
Other Gains/Losses	(1.729.941)	(1,729.941)
Accumulated Other Comprehensive Income or Expenses not to be Reclassified in Profit or Loss	9.222.852	8.278.422

The movement of other comprehensive income (expenses) not to be reclassified in profit or loss is as follows:

31 December 2020

	Actuarial Gains/ Losses (***)	Revaluation Surplus (*)	Other Gains/ Losses (**)	Total
Beginning of the Period - 1 January	(13.792.321)	23.800.684	(1.729.941)	8.278.422
Additions	-	-	-	-
Transfer to Retained Earnings	-	-	-	-
Actuarial Gains/Losses on Employment Termination Benefits	1.186.547	-	-	1.186.547
Deferred Tax Offset (-)	(244.012)	-	-	(244.012)
Effect of Non-Controlling Interest	1.895	-	-	1.895
Balance at the End of the Period	(12.847.891)	23.800.684	(1.729.941)	9.222.852

31 December 2019

	Actuarial Gains/ Losses (***)	Revaluation Surplus (*)	Other Gains/ Losses (**)	Total
Beginning of the Period - 1 January	(6.594.312)	23.800.684	(1.866.209)	15.340.163
Additions	-	-	136.268	136.268
Actuarial Gains/Losses on Employment Termination Benefits	(8.975.725)	-	-	(8.975.725)
Deferred Tax Offset from Equity (-)	1.776.670	-	-	1.776.670
Non-Controlling Interests	1.046	-	-	1.046
Balance at the End of the Period	(13.792.321)	23.800.684	(1.729.941)	8.278.422

(*)The Group's investment property is recognized at fair value. Investment property took into consideration for the intended purpose of initial classification related to capital appreciation which was recognized under equity. Capital appreciation related to evaluated investment property which was recognized under statement of profit or loss in subsequent periods. Revaluation surplus (Capital Appreciation) is recognized also under equity. The deferred tax asset related to capital appreciation is offsetted from evaluation differences fund. CMB determines that series: VIII, No:35" Communiqué on principles regarding appraisal companies and their listing by the board" with this communiqué the evaluation made by real estate appraisal companies which listed by the Board, when determine the fair value of investment property.

(**)Explanations on Actuarial Gain / Loss are disclosed in **Note. 24.**

(***)The Group's subsidiaries are recognized as investments accounted for using equity method under share of other comprehensive income.

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27.4 Accumulated Other Comprehensive Income or Expenses to be Reclassified in Profit or Loss

As at 31 December 2020 and 31 December 2019, the detailed table of other comprehensive income or expenses to be reclassified in profit or loss recognized in equity is as follows.

Account Name	31 December 2020	31 December 2019
Currency Translation Differences	85.515.955	61.439.335
Accumulated Other Comprehensive Income or Expenses to be Reclassified in Profit or Loss	85.515.955	61.439.335

27.5 Restricted Reserves

Legal reserves consist of first and second reserves as stipulated in the Turkish Commercial Code.

According to Article 519 of the Turkish Commercial Code ("TCC"), the general legal reserve is allocated as 5% of the annual profit until it reaches 20% of the company's paid-in capital. After reaching this limit, 10% of the total amount will be added to the general legal reserves after the dividend payment is paid to the shareholders. According to the Turkish Commercial Code, if the general legal reserve does not exceed 50% of the share capital or the issued capital, it can be used only to close the losses, to continue the business when business is not going well or to take measures to mitigate the results.

27.6 Retained Earnings

Retained earnings include extraordinary reserves, and other retained earnings. In accordance with CMB regulations, breakdown of retained earnings as of 31 December 2020 and 2019, is as follows:

Account Name	31 December 2020	31 December 2019
Extraordinary Reserves	87.843.838	120.079.043
Special Funds	158.648	-
Other Retained Earnings	11.730.458	18.147.748
Total	99.732.944	138.226.791

Publicly traded companies have special provision regarding to dividend distribution policy in accordance with the Article 19 of the Capital Market Law No. 6362 and the "Communiqué on Dividends" No. II-19.1 of the Capital Markets Board, which entered into force as of 1 February 2014. In accordance with the Communiqué, corporations have no dividend distribution obligation for shareholders whose shares are traded on the stock exchange and corporations distribute their profits by decisions of the general assembly of shareholders within the framework of their dividend distribution policies to be determined by the general assembly of shareholders and in accordance with provisions of the applicable laws and regulations.

27.7 Other

Account Name	31 December 2020	31 December 2019
Capital	300.000.000	200.000.000
Adjustment to Share Capital	1.020.551	1.020.551
Accumulated Other Comprehensive Income Or Expenses not to Be Reclassified In Profit Or Loss	9.222.852	8.278.422
Gains/(Losses) on Remeasurements of Defined Benefit Plans	(12.847.891)	(13.792.321)
Investment Properties Revaluation Surplus	23.800.684	23.800.684
Other Gains and Losses	(1.729.941)	(1.729.941)
Accumulated Other Comprehensive Income Or Expenses to Be Reclassified In Profit Or Loss	85.515.955	61.439.335
Currency Translation Differences	85.515.955	61.439.335
Restricted Reserves	94.309.591	88.622.550
Retained Earnings	99.732.944	138.226.791
Net Profit for the Period	247.975.404	88.834.444
Total Equity Holders of the Parent	837.777.297	586.422.093
Non Controlling Interests	680.755	543.349
Total Equity	838.458.052	586.965.442

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NOTE 28 REVENUE AND COST OF SALES

Revenues and Cost of Sales of the Group the end of the period are as follows.

Account Name	01 January - 31 December 2020	1 January - 31 December 2019
Domestic Sales (*)	3.197.358.468	2.829.636.812
Foreign Sales	3.629.906.070	3.033.570.868
Other Sales	36.945	38.457
Sales Returns (-)	(30.069.199)	(36.748.312)
Sales Discounts (-)	(54.444.771)	(45.886.671)
Revenue	6.742.787.513	5.780.611.154
Cost of Sales (-)	(6.280.899.112)	(5.523.766.292)
Gross Profit/(Loss)	461.888.401	256.844.862

(*) As a result of the hedging transactions carried out in order to provide protection against sales and purchasing price movements on an order basis in sales, the Group has expense amounting to TL 19.645.990 in 2020 in which is classified as revenue.

The breakdown of Cost of Sales are as follows.

Account Name	1 January 2020 31 December 2020	1 January 2019 31 December 2019
Cost of Goods Sold (-)	(6.126.792.397)	(5.371.251.469)
Cost of Merchandise Sold(-)	(101.310.593)	(101.358.115)
Cost of Services Sold (-)	(29.854.906)	(31.835.935)
Depreciation Expenses (-)	(22.941.216)	(19.320.773)
Cost of Sales (-)	(6.280.899.112)	(5.523.766.292)

Production Outputs	Unit of Measurement	01 January 31 December 2020	1 January 2019 31 December 2019
Copper Wire	Tonne	139.889	159.583
Copper Pipe, Bars, Bronze, etc.	Tonne	13.901	15.983
Copper Bar, Plate	Tonne	413	235
Spools	Piece	12.677	8.721
Machinery Manufacturing	Piece	32	21
CTC Wire	Tonne	1769	2.095
Enamelled Copper Wire	Tonne	8.685	8.805

Sales Volume	Unit of Measurement	01 January 31 December 2020	1 January 2019 31 December 2019
Copper Wire	Tonne	142.073	158.021
Copper Pipe, Bars, Bronze, etc.	Tonne	13.821	15.809
Copper Bar, Plate	Tonne	373	235
Spools	Piece	12.330	8.721
Machinery Manufacturing	Piece	32	21
CTC Wire	Tonne	1.797	2.067
Enamelled Copper Wire	Tonne	8.668	8.925

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NOTE 29 RESEARCH AND DEVELOPMENT EXPENSES, MARKETING SALES AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES

Operating Expenses of the Group as of the end of the period are as follows:

Account Name	01 January - 31 December 2020	01 January - 31 December 2019
Marketing, Sales and Distribution Expenses (-)	(41.031.389)	(26.299.470)
General Administrative Expenses (-)	(56.128.582)	(55.570.931)
Research and Development Expenses (-)	(4.237.278)	(3.245.701)
Total Operating Expenses	(101.397.249)	(85.116.102)

NOTE 30 EXPENSES BY NATURE

The Group's Expenses by Nature at the end of the period are as follows.

Marketing, Sales and Distribution Expenses	01 January - 31 December 2020	01 January - 31 December 2019
Personnel Expenses	(10.240.733)	(9.330.047)
Provision for Employment Termination Benefits	(851.891)	(486.220)
Communication and IT Expenses	(275.093)	(190.694)
Transportation, Distribution and Freight expenses	(22.258.180)	(11.241.443)
Advertisement and Promotion Expenses	(669.840)	(1.377.121)
Insurance Expenses	(973.921)	(720.829)
Taxes, Duties and Charges	(1.912.760)	(437.890)
Depreciation and Amortisation Charges	(258.150)	(71.131)
Representation and Hospitality Expenses	(179.709)	(37.301)
Motor Vehicle Expenses	(154.917)	(283.330)
Rent Expenses	-	(106.899)
Other	(3.256.195)	(2.016.565)
Total	(41.031.389)	(26.299.470)

General Administrative Expenses	01 January - 31 December 2020	01 January - 31 December 2019
Personnel Expenses	(32.601.504)	(30.581.756)
Communication and IT Expenses	(476.176)	(469.049)
Representation and Hospitality Expenses	(676.535)	(282.430)
Insurance Expenses	(1.550.849)	(4.426.206)
Consultancy and Audit Expenses	(2.706.313)	(2.324.750)
Maintenance and Repair Expenses	(1.793.194)	(668.136)
Provision for Employment Termination Benefits	(1.413.943)	(1.542.208)
Taxes, Duties and Charges	(1.955.882)	(1.136.731)
Depreciation and Amortisation Charges	(4.171.943)	(5.415.608)
Travel Expenses	(91.878)	(409.918)
Motor Vehicle Expenses	(202.384)	(394.873)
Rent Expenses	(33.042)	(159.699)
Other	(8.454.939)	(7.759.567)
Total	(56.128.582)	(55.570.931)

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	01 January - 31 December 2020	01 January - 31 December 2019
Research and Development Expenses		
Personnel Expenses	(3.291.331)	(2.405.270)
Depreciation and Amortisation Charges	(192.303)	(10.577)
Outsourcing Expenses	(120.975)	(166.731)
Provision for Employment Termination Benefits	(266.521)	(275.059)
Other	(366.148)	(388.064)
Total	(4.237.278)	(3.245.701)

Research and development costs incurred during the period is TL 4.237.278 (1 January 2019- 31 December 2019: TL 3.245.701), The Group does not have capitalized research and development costs during the period. (1 January 2019- 31 December 2019: None.)

The distribution of depreciation and amortization expenses that are stated in the statement of profit or loss are as follows:

	01 January - 31 December 2020	01 January - 31 December 2019
Cost of Sales	(22.941.216)	(19.320.773)
Marketing, Sales and Distribution Expenses	(258.150)	(71.132)
General Administrative Expenses	(4.171.943)	(5.415.607)
Research and Development Expenses	(192.303)	(10.577)
Total	(27.563.612)	(24.818.089)

NOTE 31 OTHER OPERATING INCOME / (EXPENSES)

The Group's Other Operating Income/ (Expenses) for the periods are as follows:

Account Name	01 January - 31 December 2020	01 January - 31 December 2019
Other Operating Income	518.484.711	229.057.084
Prior Years Income	538.489	623.534
Provisions No Longer Required (Doubtful Receivables)	5.989.640	10.084.965
Rent Income	2.081.529	2.240.206
Provisions No Longer Required (Lawsuits)	165.000	-
Provisions No Longer Required (Employment Termination Benefits)	29.337	-
Insurance Compensation Income	267.645	-
Interest and Rediscount Income	21.006.001	11.311.771
Foreign Exchange Gains	476.480.729	201.793.028
Other	11.926.341	3.003.580
Other Operating Expenses (-)	(402.677.500)	(188.704.784)
Provision for Doubtful Receivables	(15.196.999)	(24.748.707)
Provision for Lawsuits	(55.000)	(1.173.867)
Idle Capacity Expenses and Losses	-	(749.678)
Interest and Rediscount Expenses	(5.229.550)	(7.492.328)
Foreign Exchange Losses	(368.702.624)	(152.143.435)
Other	(13.493.327)	(2.396.769)
Other Income / Expense (Net)	115.807.211	40.352.300

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NOTE 32 GAINS/ (LOSSES) FROM INVESTMENT ACTIVITES

The Group's Gains and Losses from Investment Activities as of the end of the period are as follows:

Account Name	01 January - 31 December 2020	01 January - 31 December 2019
Gains from Investment Activities	7.512.150	5.525.483
Gain on Sale of Property, Plant and Equipment	159.146	689.876
Gains on Financial Investments Appreciation	145.004	41.183
Gains on Investment Properties Appreciation	7.208.000	4.794.424
Loss from Investment Activities (-)	(315.312)	(312.057)
Losses on Sale of Property, Plant and Equipment	(315.312)	(312.057)
Losses on Impairment of Financial Investments	-	-
Gains/(Losses) on Shares of Investments Accounted by the Equity Method	6.988.747	7.214.081
Gains / (Losses) from Investment Activities (Net)	14.185.585	12.427.507

NOTE 33 FINANCIAL INCOME / EXPENSES

Financial Income of the Group as of the end of the period is as follows:

Financial Income	01 January - 31 December 2020	01 January - 31 December 2019
Income from Derivative Transactions	-	595.352
Interest Income	7.757.100	14.585.674
Foreign Exchange Gains	80.712.061	96.812.164
Total	88.469.161	111.993.190

Financial Expenses of the Group as of the end of the period is as follows:

Financial Expenses	01 January - 31 December 2020	01 January - 31 December 2019
Interest Expenses	(72.936.784)	(75.394.076)
Foreign Exchange Losses	(181.985.653)	(132.370.232)
Letter of Guarantee and Commission Expenses and Charges	(14.343.295)	(13.383.950)
Total	(269.265.732)	(221.148.258)

NOTE 34 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None.

NOTE 35 TAX ASSETS AND LIABILITIES

The Group's tax expense (or income) consists of current period's corporate tax expense and deferred tax expense (or income).

Account Name	01 January - 31 December 2020	01 January - 31 December 2019
Current Period Tax Expense (-)	(60.509.002)	(24.132.161)
Deferred Income Tax / (Expense)	(1.065.688)	(2.284.092)
Total Tax Income/(Expense)	(61.574.690)	(26.416.253)

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35.1 Corporate Tax

The Group and its subsidiaries operated in Turkey is subject to corporate tax valid in Turkey. Provision is made in the accompanying consolidated financial statements for estimated tax liabilities related to the Group's current period results.

Account Name	31 December 2020	31 December 2019
Provision for current period tax	60.509.002	24.132.161
Prepaid Taxes	(35.761.428)	(21.530.349)
Total Current Income Tax Liabilities	24.747.574	2.601.812

As of the end of the period, the reimbursable / deductible prepaid tax amounting to TL 194.575 is included under the current period tax assets in current assets. (31 December 2019: TL 2.603,868)

Advance tax in Turkey is calculated and accrued on a quarterly basis. Corporate income as of the temporary tax periods, temporary tax rate of 22 % over the corporate income was calculated and prepaid taxes deducted from taxation on income.

Under Turkish tax law, losses can be carried forward to offset future taxable income for up to 5 years. However, losses cannot be deducted retrospectively from the profits of previous years.

According to Corporate Tax Law's Article: 20, the corporate tax is imposed by the taxpayer's tax returns. There is no procedure for a final and definitive agreement on tax assessments. Annual corporate tax returns are submitted until the 25th of April following the closing of the accounting year. Moreover, the tax authorities have the right to examine the tax returns and the related accounting records within five years.

Effective Corporate Tax Rate:

Corporation Tax rate applied in Turkey is 20%. In accordance with the "Law on the Amendment of Certain Tax Acts and Some Other Laws" numbered 7061 and published in Official Gazette on 5 December 2017; the corporate tax rate for the years 2018, 2019 and 2020 has been increased from 20% to 22%. Therefore, deferred tax assets and liabilities as of 31 December 2020 are calculated with 22% tax rate for the temporary differences that will be realised in 2019 and 2020; and with 22% tax rate for the temporary differences that will be realised after 2021 and onwards. (for the accounting periods starting within the related year for the institutions designated as special accounting period). This amendment is effective for taxation for periods beginning on 1 January 2018.

According to Turkish Corporate Tax Law, losses can be carried forward to offset the future taxable income for a maximum period of 5 years. On the other hand, such losses cannot be carried back to offset prior years' profits.

Income Withholding Tax:

In addition to the corporate tax, it is required to calculate income tax withholding on any dividends, except for those distributed to all taxpayer entities and Turkish branches of foreign companies gaining dividend for such distribution and declaring these dividends within the corporate profit. The rate of income withholding tax implemented as 10% between 24 April 2003 and 22 July 2006. The rate of withholding tax has been increased from 10% to 15% upon the Cabinet decision No: 2006/10731, which was published in Official Gazette on July 23, 2006. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

35.2 Deferred Tax

The Group's tax basis with the statutory financial statements published by POA prepared in accordance with Turkey Financial Reporting Standards arising from differences between the consolidated financial statements for temporary differences and deferred tax assets and liabilities are accounted for. These differences usually result in the recognition of revenue and expenses in different reporting periods for tax purposes and for the purposes of the Turkish Accounting Standards and disclosed below.

Temporary differences are result of recognizing certain income and expense items differently for accounting and tax purposes. Temporary differences are calculated off of the tangible assets (except land), intangible assets, inventories, the revaluation of prepaid expenses, discount of receivables, provision for employment termination benefits, and prior years losses. Every accounting year, the Group reviews the deferred tax asset and in circumstances, where the deferred tax assets cannot be used against the future taxable income, the Group writes-off the recognized deferred tax asset.

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	31 December 2020 Cumulative Temporary Differences	31 December 2019 Cumulative Temporary Differences	31 December 2020 Deferred Tax Receivables / (Payables)	31 December 2019 Deferred Tax Receivables / (Payables)
Property, Plant and Equipment	26.581.715	27.442.839	(3.236.823)	(3.409.049)
Investment Properties Revaluation Surplus	105.071.468	97.863.468	(10.507.147)	(9.786.347)
Foreign Subsidiaries Deferred Tax Assets	-	-	3.801.285	6.197.464
Rediscount Expenses	2.837.586	2.676.187	567.517	588.761
Provision for Employment Termination Benefits	59.443.661	53.683.701	11.888.732	10.736.740
Provision for Doubtful Receivables	13.314.243	5.557.657	2.662.849	1.184.365
Provision for Lawsuits	1.790.000	1.900.000	363.500	418.000
Provision for Interest Expenses	2.895.099	1.244.635	(579.020)	273.820
Derivatives Transactions (Net)	14.131.925	132.008	(2.826.385)	(29.042)
Provision for Unused Vacation	4.929.001	3.104.379	996.404	826.810
Rediscount Income	146.433	180.758	(29.287)	(39.767)
Adjustments Related to Prepaid Expenses	6.821.629	-	1.364.326	-
Other	199.149	121.921	(10.720)	22.872
Deferred Tax Assets / (Liabilities), Net			4.455.232	6.984.627

(*) The Group has been presented the net effect of deferred tax assets and liabilities in the consolidated balance sheets.

	01 January 2020 31 December 2020	01 January 2019 31 December 2019
Deferred Tax Asset/(Liabilities) at Beginning of the Period (Net)	6.984.627	6.690.391
TFRS 9	-	-
Actuarial Gains/Losses on Employment Termination Offset in Equity	(244.012)	1.776.670
Currency Translation Differences	(1.219.695)	801.658
Investment Properties Difference Offset in Equity	-	-
Deferred Income Tax / (Expense)	(1.065.688)	(2.284.092)
Deferred Tax Assets/(Liabilities) at the End of the Period	4.455.232	6.984.627

Deferred Tax Movement Table	01 January 2020 31 December 2020	01 January 2019 31 December 2019
Deferred Tax Assets	5.789.155	8.353.112
Deferred Tax Liabilities	(1.333.923)	(1.368.485)
Deferred Tax at the End of the Period, Net	4.455.232	6.984.627

The Turkish Tax Legislation does not allow the parent company to file a tax return on its consolidated financial statements. Therefore, provisions for taxes, as reflected in the consolidated financial statements, have been calculated on a separate-entity basis. On the consolidated financial statements, deferred tax assets and liabilities of different companies are shown separately and are not netted off.

Deferred tax assets and liabilities shown in the table above are calculated on the basis of gross values and represent the net deferred tax position.

Tax Provision Reconciliation:	01 January 2020 31 December 2020	01 January 2019 31 December 2019
Profit from Continuing Operations	309.687.377	126.929.407
Corporate Tax 22%	(71.555.158)	(29.404.512)
Tax Effect:		
- Non Taxable Income	17.068.559	4.390.971
- Property, Plant and Equipment and Intangible Assets Exemption, net	-	-
- Non Deductible Expenses	(7.088.091)	(1.402.712)
Tax Provision Position in Profit or Loss, net	(61.574.690)	(26.416.253)

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NOTE 36 EARNINGS PER SHARE

Earnings per share disclosed in the profit or loss and other comprehensive income is determined by dividing the net income by the weighted average number of shares that have been outstanding during the relevant period. Number of total shares and calculation of earnings per share at 1 January – 31 December 2020 and 2019 is as follows:

Account Name	01 January 2020 31 December 2020	01 January 2019 31 December 2019
Period Profit/(Losses)	247.975.404	88.834.444
Weighted Average Number of Shares	30.000.000.000	20.000.000.000
Earnings /(Losses) Per Share	0,0082	0,0044

NOTE 37 RELATED PARTY DISCLOSURES

Related parties balances are as follows:

31 December 2020

	Receivables		Payables	
	Trade Receivables	Other Receivables	Trade Receivables	Other Receivables
Demisaş	2.997.739	-	-	-
Total	2.997.739	-	-	-

31 December 2019

	Receivables		Payables	
	Trade Receivables	Other Receivables	Trade Receivables	Other Receivables
Demisaş	1.691.193	-	-	-
Total	1.691.193	-	-	-

There is not any guarantee given or obtained from related parties.

Related parties transactions are as follows:

31 December 2020

Related Parties	Sale of Goods and Services	Rent Income	Foreign Exchange -Delay Interest Gains	Other Sales	Total
Demisaş	12.796.953	237.180	587.643	267.720	13.889.496
Total	12.796.953	237.180	587.643	267.720	13.889.496

Related Parties	Purchase of Goods and Services	Rent Expenses	Foreign Exchange -Delay Interest Losses	Other Purchases	Total
Demisaş	-	-	14.406	17.306	31.712
Total	-	-	14.406	17.306	31.712

31 December 2019

Related Parties	Sale of Goods and Services	Rent Income	Foreign Exchange -Delay Interest Gains	Other Sales	Total
Demisaş	11.158.443	205.920	239.405	157.103	11.760.871
Total	11.158.443	205.920	239.405	157.103	11.760.871

Related Parties	Purchase of Goods and Services	Rent Expenses	Foreign Exchange -Delay Interest Losses	Other Purchases	Total
Demisaş	-	-	161.148	450	161.598
Total	-	-	161.148	450	161.598

As of 31 December 2020, the total key management compensation incurred by Sarkuysan is TL 11.192.531. (31 December 2019: TL 16.410.420)

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NOTE 38 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Capital Risk Management

The Group's main objectives for capital management are to keep the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debts includes the credits explained in **note 8**, cash and cash equivalents explained in **note 6** and resource items containing respectively issued capital, capital reserves, profit reserves and retained earnings explained in **note 27**.

Risks, associated with each capital class, and the senior management evaluates the capital cost. It is aimed that the capital structure will be stabilized by means of new borrowings or repaying the existing debts as well as dividend payments and new share issuances based on the senior management evaluations.

The Group monitors capital by using the debt to total capital ratio. This ratio is calculated by dividing net debt by total capital. Net debt is calculated by deducting cash and cash equivalents from the total debt amount (as shown in the balance sheet, loans, financial leasing and trade payables). Total capital is calculated by summing the equity and net debt as shown in the balance sheet.

General strategy based on the Group's equity does not differ from the previous period. The Group's risk policy mainly focuses on unpredictability and volatility of financial markets and intends to minimize the probable negative effects through the policies applied.

Significant Accounting Policies

The Group's significant accounting policies relating to financial instruments are presented in the **Note 2**.

Risks

Market risks encountered at the Group level are measured on the basis of sensitivity analysis.

Market risks faced by the Group in current period or the process of undertaking the faced risks or the process of the measure of faced risks were not changed according to previous year.

Foreign Exchange Risk Management

As a result of the Group doing business in a wide geography, operations are carried out in different currencies. Therefore, exchange rate risk is one of the most significant financial risks. The main principle in the management of this risk is to maintain the level of foreign exchange position close to zero by balancing the foreign exchange assets and foreign exchange liabilities on the basis of exchange rates in such a way that they are least affected by exchange rate fluctuations. Generally, in-balance sheet methods are preferred for the management of exchange rate risk. Meanwhile, derivative instruments are also used for hedging transactions.

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Exchange Rate Sensitivity Analysis Table 31 December 2020	Profit / Loss		Equity	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency	Appreciation of Foreign Currency	Depreciation of Foreign Currency
The impact of 10% USD increase in income statement				
1- USD Net Asset / Liability	(967.586)	967.586	(967.586)	967.586
2- Hedged portion of USD Risk (-)	-	-	-	-
3- USD Net Effect (1+2)	(967.586)	967.586	(967.586)	967.586
The impact of 10% EURO increase in income statement				
4- EURO Net Asset / Liability	(15.918.506)	15.918.506	(15.918.506)	15.918.506
5- Hedged portion of Euro Risk (-)	-	-	-	-
6- EURO Net Effect (4+5)	(15.918.506)	15.918.506	(15.918.506)	15.918.506
The impact of 10% GBP increase in income statement				
7- GBP Net Asset / Liability	(2.290.114)	2.290.114	(2.290.114)	2.290.114
8- Hedged portion of GBP Risk (-)	-	-	-	-
9- GBP Net Effect (7+8)	(2.290.114)	2.290.114	(2.290.114)	2.290.114
The impact of 10% Other currencies increase in income statement				
10- Other Currencies Net Asset / Liability	-	-	-	-
11- Hedged portion of Other Currencies Risk (-)	-	-	-	-
12- Other Currencies Net Effect (10+11)	-	-	-	-
TOTAL	(19.176.206)	19.176.206	(19.176.206)	19.176.206

Exchange Rate Sensitivity Analysis Table 31 December 2019	Profit / Loss		Equity	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency	Appreciation of Foreign Currency	Depreciation of Foreign Currency
The impact of 10% USD increase in income statement				
1- USD Net Asset / Liability	(7.191.655)	7.191.655	(7.191.655)	7.191.655
2- Hedged portion of USD Risk (-)	-	-	-	-
3- USD Net Effect (1+2)	(7.191.655)	7.191.655	(7.191.655)	7.191.655
The impact of 10% EURO increase in income statement				
4- EURO Net Asset / Liability	(4.934.369)	4.934.369	(4.934.369)	4.934.369
5- Hedged portion of Euro Risk (-)	-	-	-	-
6- EURO Net Effect (4+5)	(4.934.369)	4.934.369	(4.934.369)	4.934.369
The impact of 10% GBP increase in income statement				
7- GBP Net Asset / Liability	(214.243)	214.243	(214.243)	214.243
8- Hedged portion of GBP Risk (-)	-	-	-	-
9- GBP Net Effect (7+8)	(214.243)	214.243	(214.243)	214.243
The impact of 10% Other currencies increase in income statement				
10- Other Currencies Net Asset / Liability	-	-	-	-
11- Hedged portion of Other Currencies Risk (-)	-	-	-	-
12- Other Currencies Net Effect (10+11)	-	-	-	-
TOTAL	(12.340.267)	12.340.267	(12.340.267)	12.340.267

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Foreign Exchange Position Table	31 December 2020	
	TL Equivalent	USD
1. Trade Receivables	947.979.883	53.029.630
2a. Monetary Financial Assets	106.479.955	11.381.689
2b. Non-monetary financial assets	-	-
3. Other	918.247	113.417
4. Total Current Assets (1+2+3)	1.055.378.085	64.524.736
5. Trade Receivables	27.024	-
6a. Monetary Financial Assets	-	-
6b. Non-monetary financial assets	-	-
7. Other	-	-
8. Total Non Current Assets(5+6+7)	27.024	-
9. Total Assets (4+8)	1.055.405.109	64.524.736
10. Trade Payables	447.122.893	40.956.720
11. Financial Liabilities	580.634.422	19.887.060
12a. Other Monetary Liabilities	23.276.993	877.284
12b. Other Non- Monetary Liabilities	1.335.043	93.068
13. Total Current Liabilities (10+11+12)	1.052.369.351	61.814.132
14. Trade Payables	-	-
15. Financial Liabilities	208.929.754	13.956.384
16a. Other Monetary Liabilities	-	-
16b. Other Non- Monetary Liabilities	-	-
17. Total Non Current Liabilities (14+15+16)	208.929.754	13.956.384
18. Total Liabilities (13+17)	1.261.299.105	75.770.516
19. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b)	14.131.934	9.927.631
19a. Total Asset Amount of Hedged	259.866.074	20.325.801
19b. Total Liabilities Amount of Hedged	245.734.140	10.398.170
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	(191.762.062)	(1.318.149)
21. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (1+2a+3+5+6a-10-11-12a-14-15-16a)	(205.893.996)	(11.245.780)
22. Total Fair Value of Financial Instruments Used for Foreign Exchange Hedge	-	-
23. Foreign Exchange Hedged Portion Amount of Assets	-	-
24. Foreign Exchange Hedged Portion Amount of Liabilities	-	-
25. Export	3.673.666.562	235.138.845
26. Import	4.555.015.170	526.805.654

31 December 2019							
EUR	GBP	Other	TL Equivalent	USD	EUR	GBP	Other
53.447.947	7.769.879	-	653.275.230	53.720.174	41.980.704	7.068.705	-
2.319.883	204.690	-	51.601.883	6.950.033	1.362.518	161.477	-
-	-	-	-	-	-	-	-
5.537	3.603	-	652.545	109.661	-	146	-
55.773.367	7.978.172	-	705.529.658	60.779.868	43.343.222	7.230.328	-
3.000	-	-	19.952	-	3.000	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3.000	-	-	19.952	-	3.000	-	-
55.776.367	7.978.172	-	705.549.610	60.779.868	43.346.222	7.230.328	-
16.207.328	48.885	-	266.824.667	36.086.084	7.860.619	24.211	-
39.475.092	7.951.264	-	446.193.286	32.664.424	29.176.241	7.473.872	-
1.844.271	22.555	-	823.141	4.129	120.081	-	-
63.898	7.673	-	6.916.416	465.069	615.520	7.746	-
57.590.589	8.030.377	-	720.757.510	69.219.706	37.772.461	7.505.829	-
-	-	-	-	-	-	-	-
11.821.059	-	-	112.300.129	3.995.660	13.316.860	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
11.821.059	-	-	112.300.129	3.995.660	13.316.860	-	-
69.411.648	8.030.377	-	833.057.639	73.215.366	51.089.321	7.505.829	-
(4.036.438)	(2.250.851)	-	4.105.363	328.742	323.665	-	-
11.238.076	948.638	-	125.955.244	13.257.329	7.097.714	-	-
15.274.514	3.199.489	-	121.849.881	12.928.587	6.774.049	-	-
(17.671.719)	(2.303.056)	-	(123.402.666)	(12.106.756)	(7.419.434)	(275.501)	-
(13.635.281)	(52.205)	-	(127.508.029)	(12.435.498)	(7.743.099)	(275.501)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
222.985.455	25.875.716	-	3.184.789.931	222.136.092	270.515.025	28.989.012	-
101.977.789	4.918	-	3.871.880.629	638.386.010	39.742.322	9.404	7.189.295

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Interest Risk

The Group is exposed to interest rate risk arising from the rate changes on interest-bearing liabilities and assets. The Group manages this risk by balancing the repricing terms of interest-bearing assets and liabilities with fixed and floating interest and short-long term nature of borrowings as well as using derivative instruments for hedging purposes.

Fixed Interest Rate Financial Instruments	31 December 2020	31 December 2019
Financial Assets	57.133.167	27.434.630
Financial Liabilities	(458.868.538)	(419.391.792)
Floating Interest Rate Financial Instruments		
Financial Assets	91.091.816	40.036.607
Financial Liabilities	(867.163.721)	(662.063.581)

The Group's financial liabilities mainly consist of loans with maturities up to 1 year. The Group uses a portion of bank deposits as time deposits. The financial liabilities of the Group include short and long term borrowings and loans. Increase in interest rate will cause income reduction of the Group. This effect is measured by sensitivity analysis. As of 31 December 2020, in the case of 100 bps rise in the annual interests in TL, the negative impact on the Group's profit before tax before non controlling interest is TL 11.778.073 (31 December 2019: TL 10.139.841)

As of 31 December 2020, in the case of 100 bps rise in the annual interests, with all other variables held constant, profit before tax would have been TL 4.017.354 lower (31 December 2019: TL 3.919.571 lower).

Credit Risk

Holding financial instruments has the risk of other party's in execution of liabilities resulting from agreement. Group's payment collection risk mostly arises from trade receivables. Trade receivables must be assessed in accordance with corporate policies and procedures for making net value of trade receivables after provision of doubtful receivables are classified. **(Note: 10)**

Group's credit risk is determined in the scope of determination of customer limits and is reported by limit determination committee which is composed of Group's key management. In determined procedure respect, is confirmed by controlling and analyzing.

The Group has domestic and foreign receivable insurance policies related to receivables risk which are available to compensate the risk losses.

In addition to the global insurance policies, other guarantees are applied (mortgages, letters of guarantee, DDS etc.) for minimizing the receivable risk.

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CREDIT RISK DETAILS IN RESPECT OF FINANCIAL INSTRUMENT TYPES

The exposure of financial instruments to credit risk is as follows:

	Receivables						Bank Deposits	Notes
	Trade Receivables		Other Receivables		Notes			
	Related Party	Other	Related Party	Other				
31 December 2020								
Maximum exposure to credit risk as of reporting date (A+B+C+D)	2.997.739	1.266.625.959	-	81.987.632		194.955.586		
- Maximum risk, secured with guarantees	-	582.462.305	-	-	22	-	22	
A. Net book value of neither past due nor impaired financial assets	2.997.739	1.266.625.959	-	81.987.632	10-11	194.955.586	6	
B. Net book value of past due but not impaired financial assets	-	-	-	-	10-11	-	6	
- Secured with guarantees	-	-	-	-	10-11	-	6	
C. Net book value of impaired assets	-	-	-	-	10-11	-	6	
- Past due (gross book value)	-	89.109.949	-	-	10-11	-	6	
- Impairment (-)	-	(89.109.949)	-	-	10-11	-	6	
- Secured with guarantees	-	-	-	-	10-11	-	6	
- Not past due (gross amount)	-	-	-	-	10-11	-	6	
- Impairment (-)	-	-	-	-	10-11	-	6	
- Secured with guarantees	-	-	-	-	10-11	-	6	
D. Expected Credit Losses (-)	-	-	-	-	10-11	-	6	

	Receivables						Bank Deposits	Notes
	Trade Receivables		Other Receivables		Notes			
	Related Party	Other	Related Party	Other				
31 December 2019								
Maximum exposure to credit risk as of reporting date (A+B+C+D)	1.691.193	857.486.816	-	70.856.919		87.629.902		
- Maximum risk, secured with guarantees	-	541.943.008	-	-	22	-	22	
A. Net book value of neither past due nor impaired financial assets	1.691.193	857.486.816	-	70.856.919	10-11	87.629.902	6	
B. Net book value of past due but not impaired financial assets	-	-	-	-		-	6	
- Secured with guarantees	-	-	-	-	10-11	-	6	
C. Net book value of impaired assets	-	-	-	-		-	6	
- Past due (gross book value)	-	72.124.871	-	-	10-11	-	6	
- Impairment (-)	-	(72.124.871)	-	-	10-11	-	6	
- Secured with guarantees	-	-	-	-	10-11	-	6	
- Not past due (gross amount)	-	-	-	-	10-11	-	6	
- Impairment (-)	-	-	-	-	10-11	-	6	
- Secured with guarantees	-	-	-	-	10-11	-	6	
D. Expected Credit Losses (-)	-	-	-	-	10-11	-	6	

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Liquidity Risk

Liquidity risk comprises the risks arising from the inability to fund the increase in the assets, the inability to cover the liabilities due and the operations performed in illiquid markets. In the framework of liquidity risk management, funding sources are being diversified and sufficient cash and cash equivalents are held. In order to meet instant cash necessities it is ensured that the level of cash and cash equivalent assets does not fall below a predetermined portion of the short term liabilities.

Liquidity risk statements

Prudent liquidity risk management signifies maintaining sufficient cash, the utility of fund sources by sufficient credit transactions and the ability to close out market positions.

In order to manage liquidity risk, the Group's management makes certain that the maturity of receivables and payables are matched. In order to maintain short-term liquidity, the Group manages liquidity ratios (such as current ratio and acid-test ratio) through net working capital management and trying to keep through effective cash flow planning.

The ability to fund existing and prospective debt requirements is managed by maintaining the availability of adequate and high quality lenders.

Undiscounted contractual cash flows of the derivative and non derivative financial liabilities as of 31 December 2020 and 2019 are as follows:

31 December 2020

	Carrying Value	Total Contractual Cash Outflows	Demand or up to w3 months	3-12 months	1-5 years	5 years and over
Non Derivative Financial Liabilities	1.890.929.024	1.914.154.308	688.153.747	793.580.764	432.106.597	313.200
Bank Loans	1.326.032.259	1.347.209.416	141.220.937	787.502.662	418.485.817	-
Finance Lease Payables	18.261.747	19.173.480	1.858.127	5.574.381	11.740.972	-
Lease Liabilities	1.889.678	2.872.856	176.127	503.721	1.879.808	313.200
Trade Payables	514.177.263	514.330.479	514.330.479	-	-	-
Other Payables	27.848.376	27.848.376	27.848.376	-	-	-

	Carrying Value	Total Contractual Cash Outflows	Demand or up to 3 months	3-12 months	1-5 years	5 years and over
Derivative Instruments						
Cash Inflows	259.866.073	264.650.844	226.854.315	37.796.529	-	-
Cash Outflows	(245.734.148)	(243.476.151)	(206.139.161)	(37.336.990)	-	-
Derivative Instruments, Net	14.131.925	21.174.693	20.715.154	459.539	-	-

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31 December 2019

	Carrying Value	Total Contractual Cash Outflows	Demand or up to w3 months	3-12 months	1-5 years	5 years and over
Non Derivative Financial Liabilities	1.400.322.501	1.451.702.414	835.754.548	369.949.084	245.864.116	134.666
Bank Loans	1.081.455.373	1.132.142.009	522.902.914	367.935.235	241.303.860	-
Finance Lease Payables	6.928.899	7.380.054	671.283	2.013.849	4.560.256	134.666
Lease Liabilities	301.208.148	301.450.270	301.450.270	-	-	-
Trade Payables	10.730.081	10.730.081	10.730.081	-	-	-

	Carrying Value	Total Contractual Cash Outflows	Demand or up to 3 months	3-12 months	1-5 years	5 years and over
Derivative Instruments						
Cash Inflows	125.955.244	125.955.244	118.190.906	7.764.338	-	-
Cash Outflows	(121.849.881)	(121.849.881)	(114.203.134)	(7.646.747)	-	-
Derivative Instruments, Net	4.105.363	4.105.363	3.987.772	117.591	-	-

Other RisksRaw Materials Price Change Risk

A significant portion of Group's cost is copper price, its price is variable and determined by world's markets. Group's aim to balance to price and maturity models to harmony for the goods which are purchased and sold in order to hedging price change risks. Long term customers price fixing demands apart from these models are managed by hedging transactions.

Not only copper hedging transactions but also stannum, nickel and aluminium and other metals which are faced to price change risk in costs hedging transactions are made.

Equity Securities, etc. Risks Related Financial Instruments

The Group does not have any securities and similar financial assets sensitive to changes in fair value.

Operational Risks

Starting from raw material supplies, production, sales and after-sales are evaluated in a comprehensive manner. All strategic, operational, financial and other elements that are considered to constitute a risk for the Group to achieve its short and long term targets are evaluated at all levels of the organization, starting from the level of the Board of Directors.

In this context, Early Detection of Risk Committee is maintain its operations to determine, evaluate, manage and report strategic, financial, operational risks etc., which are affect the Group taking into consideration the decision mechanism in order to advising and making suggestion to board of directors.

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NOTE 39 FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGING ACCOUNTING)

31.12.2020	Notes	Other Financial Assets Measured at Amortized Costs	Loans and Receivables	Financial Assets Available for Sale
Financial Assets		209.114.810	1.269.623.698	-
Cash and Cash Equivalents	6	194.982.885	-	-
Trade Receivables	10	-	1.269.623.698	-
Financial Investments	7	-	-	-
Derivative Instruments	14	14.131.925	-	-
Financial Liabilities		1.470.933.739	514.177.263	-
Financial Payables	8	1.470.933.739	-	-
Trade Payables	10	-	514.177.263	-
Other Financial Liabilities	9	-	-	-
Derivative Instruments	14	-	-	-
31.12.2019				
Financial Assets		91.813.828	859.178.009	-
Cash and Cash Equivalents	6	87.708.466	-	-
Trade Receivables	10	-	859.178.009	-
Financial Investments	7	-	-	-
Derivative Instruments	14	4.105.362	-	-
Financial Liabilities		1.146.199.926	301.208.148	-
Financial Payables	8	1.146.199.926	-	-
Trade Payables	10	-	301.208.148	-
Other Financial Liabilities	9	-	-	-
Derivative Instruments	14	-	-	-

Financial Assets Measured at Fair Value Through Profit or Loss	Other Financial Liabilities Measured at Amortized Costs	Book Value	Fair Value
757.726	-	1.479.496.234	1.479.496.234
-	-	194.982.885	194.982.885
-	-	1.269.623.698	1.269.623.698
757.726	-	757.726	757.726
-	-	14.131.925	14.131.925
-	-	1.985.111.002	1.985.111.002
-	-	1.470.933.739	1.470.933.739
-	-	514.177.263	514.177.263
-	-	-	-
-	-	-	-
536.765	-	951.528.602	951.528.602
-	-	87.708.466	87.708.466
-	-	859.178.009	859.178.009
536.765	-	536.765	536.765
-	-	4.105.362	4.105.362
-	-	1.447.408.074	1.447.408.074
-	-	1.146.199.926	1.146.199.926
-	-	301.208.148	301.208.148
-	-	-	-
-	-	-	-

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The fair value of financial instruments is considered to approximate their carrying values.

Financial Risk Management

The Group is exposed to variety of financial risks due to its operations. These risks include credit risk, market risk (foreign exchange risk, interest rate risk, commodity price risk and product profit margin/crack margin risk) and liquidity risk. The Group's overall risk management strategy focuses on the unpredictability of financial markets and targets to minimise potential adverse effects on the Group's financial performance.

In order to mitigate the effects of these risks and to hedge against financial risks, the Group uses forward foreign exchange contracts as derivative instruments.

31.12.2020	Level 1	Level 2	Level 3	Total
Financial Assets	323.781	-	433.945	757.726
<i>Financial Assets Measured at Fair Value Through Profit or Loss</i>	323.781	-	433.945	757.726
<i>Financial Assets Available for Sale</i>	-	-	-	-
Derivative Instruments	-	14.131.925	-	14.131.925
<i>Other Financial Assets/Liabilities at Amortized Value (Net)</i>	-	14.131.925	-	14.131.925

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

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);

Level 3: Inputs for the asset or liability that are not based on observable market data.

NOTE 40 EVENTS AFTER THE BALANCE SHEET DATE

None.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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NOTE 41 THE OTHER MATTERS WHICH SUBSTANTIALLY AFFECT THE CONSOLIDATED FINANCIAL STATEMENTS OR ARE REQUIRED TO BE DESCRIBED IN TERMS OF MAKING THE CONSOLIDATED FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE

As of the reporting date, possible effects of COVID-19 (Coronavirus) pandemic, which affects the whole World and Turkey, on the Group's operations and financial results are closely monitored in all respects, and necessary actions are taken to ensure that the Group is affected in the least possible way. Due to the Coronavirus, there may be disruptions in the Group's procurement, production and sales processes in parallel with the developments/slowdown in the sectors in which the Group operates and in general economic activity. There has been a significant slowdown in economic activities of the Group since March. In order to ensure the sustainability of businesses, regulations have been made by the government regarding short-time work allowance, compensatory work, deferral of tax and SSI payables, and facilitating access to financing resources, and the scope of the precautionary measures are constantly expanded according to the emerging needs of businesses. In addition, to the effects on general economic activity, the effects of the Group on the operations of the Group are evaluated comprehensively by the Group Management and plans are implemented to mitigate the possible negative impact of the pandemic on the consolidated financial statements. As of 31 December 2020, the Group Management estimated no significant impairment and going concern risk in the consolidated financial statements as a result of the assessments.

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