

**Golden West Tohumculuk ve
Ticaret Limited Sirketi
Financial Statements
At 31 December 2020 Together
With Auditor's Report**

**To the Shareholders of Golden West Tohumculuk ve Ticaret Limited Sirketi
Antalya – Turkey**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1) Qualified Opinion

We have audited the financial statements of **Golden West Tohumculuk ve Ticaret Limited Sirketi** (the Company), which comprise the statement of financial position as at **31 December 2020**, and the statement of profit and loss and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of **Golden West Tohumculuk ve Ticaret Limited Sirketi** as at **31 December 2020**, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

2) Basis for Qualified Opinion

The company has prepared its financial statements based on the continuity assumption of the business. As of **31 December 2020**, the Company saw accumulated losses of **EUR 3.272.214**. In addition, as of **31 December 2020**, short-term liabilities were higher than current assets of **EUR 1.760.736**.

As of **31.12.2020**, the Company has trade payable to shareholder by the amount of **EUR 3.610.800,99** and the Company generates negative cash flows from operating activities. We were not able to satisfy ourselves whether trade payable to shareholder would be paid in the next twelve months period.

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

The certified auditor on the audit resulting in this independent auditor's report is **Bilalettin Topluk**.

14.04.2021

Bilalettin Topluk
Certified Auditor



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
GOLDEN WEST TOHUMCULUK VE TICARET LIMITED Sirketi**

AUDITOR'S	
NAME/SURNAME	Bilalettin TOPLUK
CHAMBER	Antalya Yeminli Mali Müşavirler Odası
OFFICE ADDRESS	Etiler Mah., Evliya Çelebi Cad., No:23, Remel Plaza, Kat:5, Ofis:502, Muratpaşa, 07060, Antalya
TAX OFFICE	Düden Vergi Dairesi
TAX NUMBER	854 001 5106
PHONE NUMBER	0090 (242) 247 31 18
FAX NUMBER	0090 (242) 247 31 18
GSM	0090 (554) 585 07 10
E-MAIL ADDRESS	bilalettintopluk@yahoo.com

THE AUDIT AGREEMENT'S	
DATE	10 September 2020
NUMBER	2SERVA202764

CLIENT'S	
TITLE	Golden West Tohumculuk ve Ticaret Limited Sirketi
NATURE OF BUSINESS	Import and Export of Seeds and Business Writing in the Main Contract
PHONE NUMBERS	0090 (232) 220 01 07
FAX NUMBER	0090 (232) 220 01 08
ADDRESS	Atıfbey Mah., 5/3 Sokak, No:5, D:4, Becergeren Apt., Gaziemir, İzmir
TAX OFFICE	Gaziemir
TAX NUMBER	396 042 1443
AUDITED PERIOD	01.01.2020-31.12.2020



GOLDEN WEST TOHUMCULUK VE TICARET LIMITED SIRKETI
BALANCE SHEET

(All amounts in Euro (EUR) unless indicated otherwise)

ASSETS		As at 31.12.2020	As at 31.12.2019
I . CURRENT ASSETS		<u>2.085.617,88</u>	<u>1.950.223,40</u>
A. Liquid Assets	Note-4	85.649,45	33.168,02
1 . Cash		1.378,39	392,40
3 . Banks		84.271,06	32.775,62
C. Trade Receivables	Note-5	386.565,47	333.722,06
1 . Accounts Receivable		1.051.965,30	877.343,75
2 . Notes Receivable		269.366,31	435.411,97
3 . Paid Deposits & Guarantees		1.279,09	1.750,31
4 . Doubtful Trade Receivables		7.311,00	6.912,23
5 . Provision for Doubtful Trade Receivables		-943.356,23	-987.696,20
D. Other Receivables		82.234,33	0,00
2. Other Various Receivables		82.234,33	0,00
E. Inventories	Note-6	1.391.645,56	1.372.537,53
1 . Raw Materials & Supplies		351.810,40	763.146,76
2 . Work in Progress		21.587,68	149.435,93
3 . Finished Goods		130.615,08	103.568,89
4 . Merchandise		809.385,95	551.156,80
5 . Other Inventories		349,06	477,65
6 . Advanced Payments		363.783,39	90.637,50
7 . Impairment of inventory		-285.886,00	-285.886,00
H. Other Current Assets		139.523,07	210.795,79
1 . V.A.T. Accumulated	Note-7	105.158,35	163.043,64
4 . Advanced Payments for Services	Note-8	34.364,72	47.752,15
II. FIXED ASSETS		<u>327.522,17</u>	<u>346.316,45</u>
A. Trade Receivables		29.644,12	40.564,94
1. Paid Deposits & Guarantees	Note-9	29.644,12	40.564,94
D. Tangible Assets	Note-10	287.028,21	287.652,68
1 . Plants, Machinery and Equipment		644,43	881,84
2 . Furniture and Fixtures		13.211,04	16.056,13
3 . Accumulated Depreciation (-)		-10.732,26	-13.190,29
4 . Differ Tax Assets		283.905,00	283.905,00
E. Intangible Assets	Note-11	9.903,52	13.551,96
4 . Advanced Payments		9.903,52	13.551,96
G. Prepaid Expenses and Accruals For Next Years		946,32	4546,87
1. Prepaid Expenses For Next Years		946,32	4.546,87
ACTIVE (TOTAL ASSETS)		<u>2.413.140,05</u>	<u>2.296.539,85</u>

The accompanying notes are integral part of the Balance Sheet

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GOLDEN WEST TOHUMCULUK VE TICARET LIMITED SIRKETI
BALANCE SHEET

(All amounts in Euro (EUR) unless indicated otherwise)

(Continued)

LIABILITIES & EQUITY	As at 31.12.2020	As at 31.12.2019
I. SHORT TERM LIABILITIES	<u>3.846.353,63</u>	<u>3.669.858,85</u>
A. Financial Payables	0,00	0,00
1. Bank Loans	0,00	0,00
B. Trade Payables Note-12	3.723.802,75	3.592.121,31
1. Accounts Payables	3.720.526,93	3.583.879,24
2. Notes Payables	0,00	0,00
3. Received Advances	0,00	0,00
3. Other Trade Payables	3.275,82	8.242,07
C. Other Payables	516,43	1.143,78
1. Payables to Partners	0,00	0,00
2. Payables to Employees	516,43	1.143,78
D. Advances Received	107.494,02	61.650,58
1. Advances Received for Purchases	107.494,02	61.650,58
F. Taxes & Other Liabilities Note-13	2.643,43	3.046,18
1. Taxes & Funds Payables	1.055,51	1.244,05
2. Social Security Liabilities	1.515,85	1.797,63
3. Other Liabilities	72,07	4,50
G. Provisions	11.897,00	11.897,00
3. Provision for Seniority Indemnities	11.897,00	11.897,00
I. Other Short Term Liabilities	0,00	0,00
1. Calculated V.A.T.	0,00	0,00
II. SHAREHOLDERS' EQUITY Note-14	<u>-1.433.213,58</u>	<u>-1.373.319,00</u>
A. Paid-in Capital	1.240.827,00	1.240.827,00
1. Paid-in Capital Note-15	1.240.827,00	1.240.827,00
D. Retained Earnings	-3.272.213,67	-3.067.617,00
1. Retained Earnings	-3.272.213,67	-3.067.617,00
2. Exchange differences	598.173,09	453.471,00
PASSIVE (TOTAL LIABILITIES & EQUITY)	<u>2.413.140,05</u>	<u>2.296.539,85</u>

The accompanying notes are integral part of the Balance Sheet



GOLDEN WEST TOHUMCULUK VE TICARET LIMITED SIRKETI
INCOME STATEMENT

(All amounts in Euro (EUR) unless indicated otherwise)

Total Comprehensive Income

Income Statement	01 Jan. 2020 31 Dec. 2020	01 Jan. 2019 31 Dec. 2019
A. Gross Sales	2.530.307,49	2.531.320,85
1 . Local Sales	1.320.491,16	1.734.797,92
2 . Exports	1.209.728,01	796.189,99
3 . Other Revenues	88,32	332,94
B. Sales Returns & Discounts (-)	-199.480,34	-49.240,08
1 . Sales Returns (-)	-135.062,46	-23.655,71
2 . Sales Discounts (-)	-64.417,88	-25.584,37
C. Net Sales Revenue	2.330.827,15	2.482.080,77
D. Cost of Sales (-)	-1.640.124,23	-1.722.854,69
1 . Cost of Finished Goods (-)	-201.693,45	-355.695,28
2 . Cost of Merchandise (-)	-1.438.430,78	-1.367.159,41
GROSS PROFIT OR LOSS	690.702,92	759.226,08
Note-16		
E. Operating Expenses (-)	-204.306,68	-222.549,62
Note-17		
1 .Selling & Marketing Expenses (-)	-150.685,72	-159.011,04
2 . General Administration Expenses (-)	-53.620,96	-63.538,58
OPERATING INCOME OR LOSS	486.396,24	536.676,46
F. Other Ordinary Income	317.582,66	297.263,33
1. Interest Income	0,00	2.031,29
2 . Gains from Exchange Rates	317.582,66	295.232,04
Note-18		
G. Other Ordinary Loss and Expenses (-)	-997.487,86	-539.943,92
1 . Losses from Exchange Rates (-)	-997.487,86	-539.943,92
Note-19		
ORDINARY INCOME OR LOSS	-193.508,96	293.995,87
I. Extraordinary Income	619,36	279,46
2. Other Extraordinary Income	619,36	279,46
J. Extraordinary Expenses and Losses (-)	-11.707,08	-5.508,33
1 . Previous Period Expenses and Losses (-)	-1.216,37	-516,32
2. Other Extraordinary Expenses and Losses (-)	-10.490,71	-4.992,01
INCOME OR LOSS FOR THE PERIOD	-204.596,68	288.767,00
K. Period Income Tax Provision (-)	0,00	0,00
A. NET INCOME OR LOSS FOR THE PERIOD	-204.596,68	288.767,00
Note-20		
Other comprehensive income	01 Jan. 2020 31 Dec. 2020	01 Jan. 2019 31 Dec. 2019
Translation Differences	144.702,09	156.974,00
Actuarial Differences	0,00	-1.347,00
Other comprehensive income B	144.702,09	155.627,00
Total Comprehensive Income A+B	-59.894,59	444.394,00

The accompanying notes are integral part of the Income Statement



GOLDEN WEST TOHUMCULUK VE TICARET LIMITED SIRKETI
STATEMENT OF CHANGES
IN SHAREHOLDERS' EQUITY

(All amounts in Euro (EUR) unless indicated otherwise)

	Share Capital	Currency translation differences	Retain Earnings	Total Equity
Balance at 01.01.2019	1.240.827,00	296.497,00	-3.355.037,00	-1.817.713,00
Transfer to general reserves			0,00	0,00
Total comprehensive loss		156.974,00	287.420,00	444.394
Total Equity Movements	0,00	156.974,00	287.420,00	444.394,00
Balance at 31.12.2019	1.240.827,00	453.471,00	-3.067.617,00	-1.373.319,00
Balance at 01.01.2020	1.240.827,00	453.471,00	-3.067.617,00	-1.373.319,00
Transfer to general reserves				0,00
Total comprehensive loss		144.702,09	-204.596,68	-59.895
Total Equity Movements	0,00	144.702,09	-204.596,68	-59.894,59
Balance at 31.12.2020	1.240.827,00	598.173,09	-3.272.213,68	-1.433.213,59

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GOLDEN WEST TOHUMCULUK VE TICARET LIMITED SIRKETI
STATEMENT OF CASH FLOWS

(All amounts in Euro (EUR) unless indicated otherwise)

DESCRIPTION	01 Jan. 2020 31 December 2020	01 Jan. 2019 31 December 2019
Cash Flows From Operating Activities	-	-
Net Profit for The Period	-204.596,67	298.201,27
Provision (Release From) for Doubtful Receivable	0,00	0,00
Provision For (Release From) Diminution of Inventories	0,00	0,00
Operating Income Before Changes in Working Capital	-204.596,67	298.201,27
Adjustments To Increase/Decrease In Trade Receivables	-446.487,50	-570.878,92
Adjustments To Increase/Decrease In Trade Payables	1.098.745,56	775.368,97
Adjustments To Increase/Decrease In Inventories	-465.585,67	-617.856,70
Prepaid Expenses	2.376,45	-676,66
Cash From Other Assets	14.522,68	-84.119,99
Cash Paid to Employees	-319,43	755,19
Advances Received	62.440,90	-93.465,28
Taxes Paid	417,33	314,19
Net Cash from Operating Activities	61.513,65	-292.357,93
Cash Flows From Investing Activities	-	-
Purchase of Property, Plant and Equipment	-384,47	-483,86
Purchase of Intangible Assets	281,68	0,00
Net Cash Used In Investing Activities	-102,79	-483,86
Cash Flows From Financing Activities	-	-
Dividends paid	0,00	0,00
Net Cash Used In Financing Activities	0,00	0,00
Net Increase In Cash and Cash Equivalents	61.410,86	-292.841,79
Cash and Cash Equivalents at Beginning of Period	24.238,59	326.009,81
Cash and Cash Equivalents at End of Period Note-4	85.649,45	33.168,02

The accompanying notes are integral part of the financial statements



NOTES AND EXPLANATIONS TO THE FINANCIAL STATEMENTS

Note-1:

ORGANISATION AND NATURE OF ACTIVITIES

The Company was established in **Izmir/Turkey** in **2003** under the Turkish Commercial Law. The Company was registered in the Izmir Commercial Chamber on **5 May 2003** with the registration number **107935** after fulfilling all the legal procedures and announced in the Turkish Trade Registrar's Gazette on **8 May 2003** on **5794th** issue.

The Company moved to Antalya on **22 August 2007**. The official address of the Company was **Meydan Kavagi Mahallesi, 1595 Sok., İbrahim Faraçlar Sitesi, A Blok, Kat:2, Daire:6, 07200 Antalya, Turkey**. The Company was registered in Antalya Commercial Chamber with the register number **Antalya/53344**.

According to the Turkey Trade Registry Gazette with the number **9354/23.06.2017** the Company's new address is **Atıfbey Mahallesi, 5/3 Sokak No:5/4 Gaziemir, İzmir**. The Company is registered in Izmir Trade Registry Office with the register number **196260**.

According to the Turkey Trade Registry Gazette with the number **9338/01.06.2017** the Company opened its branch in Antalya. The address of the branch is **Meydan Kavagi Mahallesi, 1551 Sok., Akcanlar Sit. B Blok, No:1, Muratpaşa, Antalya**.

The Company's main business is importing, exporting and selling of all kinds of the seeds, agricultural chemical preparations (fertilizers, hormones, pesticides, herbicides etc.) and agricultural products.

As of **31.12.2020** number of personnel is 7.

Note-2:

BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1. Basis of Preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as developed and published by the International Accounting Standards Board ("IASB").

The Company maintains its books of account and prepares its statutory financial statements in Turkish Lira ("TRY") in accordance with the Turkish Commercial Code, tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The accompanying financial statements have been prepared on the basis of the Company's statutory records with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS.

Euro amounts shown in the financial position prepared in accordance with the IFRS have been translated from TRY, at the official EUR rate announced by the Central Bank of Republic of Turkey ("CBRT") on **31 December 2020**.



2.2. Going Concern

The Company prepared its financial statements in accordance with the going concern assumption. For the period ended **31 December 2020**, the Company has suffered from accumulated losses amounting to **EUR 3.272.214**. In addition, as at **31 December 2020**, the Company has negative equity amounting **EUR 1.433.214** and needs to increase its share capital by injection of fresh capital and current liabilities are higher than current assets by **EUR 1.760.736**.

2.3. Reporting Currency

These financial statements are presented in Euro.

2.4. Comparable Financial Information And Reclassification of Prior Period Financial Statements

The financial positions with the accompanying notes as of **31.12.2020** and **31.12.2019** and statement of income, comprehensive income, cash flow and changes in equity with the accompanying notes for the year ended **31.12.2020** and **31.12.2019** are presented as comparatively. For the comparability of the current financial statements, these financial statements are reclassified if necessary.

2.5. Financial Reporting Standards

The financial statements of the Company have been prepared in accordance with the International Accounting Standards/ International Financial Reporting Standards, ("IAS/IFRS").

New And Amended Standards And Interpretations

The accounting policies adopted in preparation of the financial statements as at **31 December 2020** are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards ("IAS")/IFRS and IFRIC interpretations effective as of 1 January 2019. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

IFRIC 22 Foreign Currency Transactions and Advance Consideration

The interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation states that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. An entity is not required to apply this Interpretation to income taxes; or insurance contracts (including reinsurance contracts) it issues or reinsurance contracts that it holds. The interpretation is effective for annual reporting periods beginning on or after 1 January 2018. Earlier application is permitted. The amendments will not have an impact on the financial position or performance of the Company.



IFRS 2 Classification and Measurement of Share-based Payment Transactions (Amendments)

The IASB issued amendments to IFRS 2 Share-based Payment, clarifying how to account for certain types of share-based payment transactions. The amendments, provide requirements on the accounting for;

- the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments,
- share-based payment transactions with a net settlement feature for withholding tax obligations,
- a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

These amendments are to be applied for annual periods beginning on or after 1 January 2018. Earlier application is permitted. The amendments will not have an impact on the financial position or performance of the Company.

IAS 40 Investment Property: Transfers of Investment Property (Amendments)

The IASB issued amendments to IAS 40 'Investment Property'. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. These amendments are to be applied for annual periods beginning on or after 1 January 2018. Earlier application is permitted. The amendments will not have an impact on the financial position or performance of the Company.

Annual Improvements to TFRS - 2014-2016 Cycle

POA issued Annual Improvements to IFRS Standards 2014–2016 Cycle, amending the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards: This amendment deletes the short-term exemptions about some IFRS 7 disclosures, IAS 19 transition provisions and IFRS 10 Investment Entities. These amendments are to be applied for annual periods beginning on or after 1 January 2018.
- IAS 28 Investments in Associates and Joint Ventures: This amendment clarifies that the election to measure an investment in an associate or a joint venture held by, or indirectly through, a venture capital organization or other qualifying entity at fair value through profit or loss applying IFRS 9 Financial Instruments is available for each associate or joint venture, at the initial recognition of the associate or joint venture. These amendments are to be applied for annual periods beginning on or after 1 January 2018. Earlier application is permitted.

The amendments of the interpretations will not have an impact on the financial position or performance of the Company.



Standards Issued But Not Yet Effective And Not Early Adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the financial statements as at **31 December 2020** are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the financial statements and disclosures, when the new standards and interpretations become effective.

IFRS 9 Financial instruments – Amendments

Effective from annual periods beginning on or after 1 January 2019. This amendment confirm that when a financial liability measured at amortised cost is modified without this resulting in de-recognition, a gain or loss should be recognised immediately in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. This means that the difference cannot be spread over the remaining life of the instrument which may be a change in practice from IAS 39. The Company is in the process of assessing the impact of the standard on financial position or performance of the Company.

IFRS 16 Leases

The Company intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. As a result, all right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses). As at the reporting date, the assessment of the Company related to the impacts of IFRS 16 on its financial statements continues. These studies are managed by the Company including all its subsidiaries. The Company's activities as a lessor are not material.

IFRIC 23 Uncertainty Over Income Tax Treatments

Effective from annual periods beginning on or after 1 January 2019. This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The IFRS IC had clarified previously that IAS 12, not IAS 37 'Provisions, contingent liabilities and contingent assets', applies to accounting for uncertain income tax treatments. IFRIC 23 explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The Company is in the process of assessing the impact of the standard on financial position or performance of the Company.

IAS 28 Investments In Associates And Joint Venture

Effective from annual periods beginning on or after 1 January 2019. These amendments clarify that companies account for long-term interests in associate or joint venture to which the equity method is not applied using IFRS 9. The Company is in the process of assessing the impact of the amendment on financial position or performance of the Company.



Annual Improvements 2015-2017

Effective from annual periods beginning on or after 1 January 2019. These amendments include minor changes to:

- IFRS 3, 'Business combinations'; – a company remeasures its previously held interest in a joint operation when it obtains control of the business.
- IFRS 11, 'Joint arrangements'; – a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
- IAS 12, 'Income taxes'; – a company accounts for all income tax consequences of dividend payments in the same way.
- IAS 23, 'Borrowing costs'; – a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.
- IAS 19, 'Employee benefits'; on plan amendment, curtailment or settlement, use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

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

Amendments to IAS 1 and IAS 8 On The Definition of Material

Effective from Annual periods beginning on or after 1 January 2020. These amendments to IAS 1, 'Presentation of financial statements' and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs:

- use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting;
- clarify the explanation of the definition of material; and
- incorporate some of the guidance in IAS 1 about immaterial information.

Amendments to IFRS 3 - Definition of A Business

Effective from Annual periods beginning on or after 1 January 2020. This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations.

Amendments to IFRS 9, IAS 39 and IFRS 7

Interest rate benchmark reform; effective from Annual periods beginning on or after 1 January 2020. These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR based contracts, the reliefs will affect companies in all industries. The Company will assess the impact of amendments disclosed above and apply as of effective date.



Note-3:

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of the accompanying financial statements are summarized below:

Foreign Currency Transactions and Translation

Transactions in foreign currencies during the period have been translated into TRY at the exchange rates prevailing at dates of these transactions. Financial position items denominated in foreign currencies have been translated at the exchange rates prevailing at the financial position dates. Exchange gains or losses arising from settlement and translation of foreign currency items have been included in the income or expense accounts as appropriate. The foreign exchange rates used by the Company are as follows:

Currency	31.12.2020	31.12.2019
1 USD	7,4194 TRY	5,9400 TRY
1 EUR	9,1164 TRY	6,6621 TRY

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs comprise direct materials and, where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition but excludes borrowing cost.

Impairment

The carrying amounts of the Company's assets are reviewed at each financial position date to determine whether any indication of impairment exists. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognized in the income statement whenever the carrying amount of the asset exceeds its recoverable amount.

Trade Receivables / Payables

Trade receivables that are created by the Company by way of providing goods or services to a debtor are carried at amortized cost using the effective interest rate method. Receivables with short term maturities which have no predefined interest rate are measured at the original invoice amount unless the effect of imputed interest is significant.

A doubtful receivable provision for trade receivables is established if there is objective evidence that the Company will not be able to collect all amounts due. The amount of provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.



Employee Termination Benefits

Under Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who retires in accordance with social insurance regulations or is called up for military service or dies.

Related Parties

A related party is a person or entity that is related to reporting entity, the entity that is preparing its financial statements.

a) A person or a close member of that person's family is related to a reporting entity if that person

(i) has control or joint control over the reporting entity,

(ii) has significant influence over the reporting entity,

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Revenue Recognition

The Company recognizes revenue when the goods or services is transferred to the customer and when performance obligation is fulfilled. Goods is counted to be transferred when the control belongs to the customer.

Company recognizes revenue based on the following main principles:

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



Revenue from sale of goods is recognized when all the following conditions are satisfied:

- a) The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations,
- b) Company can identify each party's rights regarding the goods or services to be transferred,
- c) Company can identify the payment terms for the goods or services to be transferred,
- d) The contract has commercial substance,
- e) It is probable that Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.

Income Taxes

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

Deferred income tax is provided, using the liability method, on all temporary differences at the financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences.

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

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

Recognition and Derecognition of Financial Instruments

The Company recognizes a financial asset or financial liability in its financial position when and only when it becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset or a portion of a financial asset when and only when it loses control of the contractual rights that comprise the financial asset or a portion of a financial asset or when a financial asset or a portion of a financial asset expires. The Company derecognizes a financial liability when and only when a liability is extinguished and that is when the obligation specified in the contract is discharged, cancelled and expires.

Cash and Cash Equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand; deposits with banks and other financial institutions with the original maturity of three months or less.



Note-4:**Liquid Assets**

As of 31.12.2020, the balance of the **Liquid Assets** account is **85.649,45 EUR**. The breakdown of **Liquid Assets** is as follows:

Description	31.12.2020	31.12.2019
Cash	1.378,39	392,40
Collected Checks	0,00	0,00
Cash at Banks	84.271,06	32.775,62
TOTAL	85.649,45	33.168,02

Note-5:**Trade Receivables**

As of 31.12.2020, the balance of the **Trade Receivables** account is **386.565,47 EUR**. The breakdown of **Trade Receivables** is as follows:

Account Name	31.12.2020	31.12.2019
Accounts Receivable	1.051.965,30	877.343,75
Notes Receivable	269.366,31	435.411,97
Paid Deposit & Guarantees	1.279,09	1.750,31
Doubtful Trade Receivables	7.311,00	6.912,23
Provision for Doubtful T-R	-943.356,23	-987.696,20
TOTAL	386.565,47	333.722,06

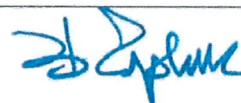
1.035.842,78 EUR (before impairment) of Accounts Receivable are receivables from foreign clients and the rest amount of **16.122,52 EUR** are receivables from local clients.

The rediscount interest expense of Accounts Receivable wasn't not calculated because it is an open account. According to the Turkish Tax Law the payables and receivables of open accounts are not allowed to be evaluated.

Note-6:**Inventories**

As of 31.12.2020, the balance of the **Inventories** account is **1.391.645,56 EUR**. The breakdown of **Inventories** is as follows:

Description	Amount (EUR)
Raw Materials & Supplies	351.810,40
Work in Progress	21.587,68
Finished Goods	130.615,08
Merchandise	809.385,95
Other Inventories	349,06
Advanced Payments	363.783,39
Impairment of inventories	-285.886,00
Total Inventories	1.391.645,56



The evaluation of the stock was made according to the following methods:

1. The Company uses the **FIFO** method. **FIFO** is one method used to determine Cost of Goods Sold for a business. **FIFO**; which stands for "**first-in-first-out**" is an inventory costing method which assumes that the first items placed in inventory are the first sold.
2. The expenses cost of the goods are distributed according to their amount proportion.

Note-7:

V.A.T. Accumulated

As of **31.12.2020**, the balance of **V.A.T. Accumulated** account in EUR is as follows:

Account Name	31.12.2020	31.12.2019
V.A.T. Accumulated	105.158,35	163.043,64
TOTAL	105.158,35	163.043,64

There is a decrease of **35,50 %** of the accumulated V.A.T. on purchases and expenses compared to the previous period.

Note-8:

Advanced Payments for Services

As of **31.12.2020**, the balance of the **Advanced Payments for Services** account is **34.364,72 EUR**.

Note-9:

Paid Deposits & Guarantees

As of **31.12.2020**, the balance of the **Paid Deposits & Guarantees** account is **29.644,12 EUR**.

Note-10:

Tangible Assets

As of **31.12.2020**, the cost and accumulated depreciation balances of the **Tangible Assets** account in EUR are as follows:

Description	Amount (EUR)
Plants, Machinery and Equipment	644,43
Furniture and Fixtures	13.211,04
Accumulated Depreciation (-)	-10.732,26
Differ Tax Assets	283.905,00
TOTAL	287.028,21

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Note-11:**Intangible Assets**

As of 31.12.2020, the cost and accumulated amortization balances of the **Intangible Assets** account in EUR are as follows:

Description	Amount (EUR)
Rights	12.630,85
Advanced Payments	9.903,52
Accumulated Amortization (-)	-12.630,85
TOTAL	9.903,52

Note-12:**Trade Payables**

As of 31.12.2020, the balance of the **Trade Payables** accounts is **3.723.802,75 EUR**. The breakdown of **Trade Payables** is as follows:

Account Name	31.12.2020	31.12.2019
Payables to Local Suppliers	109.725,93	421.833,47
Payables to Foreign Suppliers	3.610.800,99	3.162.045,77
Other Trade Payables	3.275,82	8.242,07
TOTAL	3.723.802,75	3.592.121,31

3.610.800,99 EUR is payable to House of Agriculture Spirou Aebe company. The commercial dept, which the Company owes to House of Agriculture Spirou Aebe, is due to purchases of goods. The goods are imported from abroad. The transactions are reported in foreign currencies. Because of this reason, the loaning amount changes according to the increase and decrease of the value of the foreign currencies.

The rediscount of interest income of **3.723.802,75 EUR** wasn't calculated because it is an open account. According to the Turkish Tax Law the payables and receivables of open accounts are not allowed to be evaluated.

Note-13:**Taxes and Other Liabilities**

As of 31.12.2020, the breakdown of the **Taxes and Other Liabilities** account in EUR is as follows:

Account Name	Amount (EUR)
Taxes and Funds Payable	1.055,51
Social Security Liabilities	1.515,85
Other Liabilities	72,07
TOTAL	2.643,43



Note-14:**Shareholders' Equity**

As of 31.12.2020, the balance of the **Shareholders' Equity** account is **-1.433.213,58 EUR**. The breakdown of **Shareholders' Equity** is as follows:

Description	Amount (EUR)
Paid-in Capital	1.240.827,00
Accumulated Losses (-)	-3.272.213,67
Accumulated Translation Differences	598.173,09
Shareholders' Equity	-1.433.213,58

In accordance with Turkish Commercial Law Nr:376/(1), (2), (3), the partners of the Company must decide to complete the capital if the Company loses its all or 2/3 of the capital otherwise the Company will be dissolved.

Note-15:**Paid-in Capital**

The Company's registered and fully paid capital is **3.500.000,00 TRY** (at 31.12.2020 is **1.240.827 EUR historical translation rates**) and it is divided into **140.000** shares, with a value of **25,00 TRY** each. The shareholders of the Company are listed below:

Shareholders	Shareholding Amount (TRY)	Shareholding Amount (EUR) at 31.12.2020	Shareholding (%)
House of Agriculture Spirou Aebe	3.493.175	1.238.407,39	99,805
Spyridon Spyrou	6.825	2.419,61	0,195
TOTAL	3.500.000	1.240.827,00	100

Note-16:**Gross Profit**

The **Gross Profit** for the period from **01 January 2020** to **31 December 2020** is **690.702,93 EUR**. The breakdown of **Gross Profit** is as follows:

Description	01.01.2020- 31.12.2020	01.01.2019-31.12.2019
Domestic Sales	1.320.491,16	1.734.797,92
Export	1.209.728,01	796.189,99
Other Revenues	88,32	332,94
Gross Sales	2.530.307,49	2.531.320,85
Sales Return & Discounts (-)	-199.480,34	-49.240,08
Net Sales	2.330.827,15	2.482.080,77
Cost of Sales (-)	-1.640.124,23	-1.722.854,69
Gross Profit	690.702,92	759.226,08
Sales Profit as % of COS	42,11 %	44,07 %



Note-17:**Operating Expenses**

The total amount of the **Operating Expenses** account for the period from **01 January 2020** to **31 December 2020** is **204.306,68 EUR**. The breakdown of **Operating Expenses** account is as follows:

Description	Selling & Marketing Expenses	General Administration Expenses	TOTAL (EUR)
Personnel Gross Salaries and Insurance	40.545,22	16.932,80	57.478,02
Personnel Expenses	2.749,91	2.581,57	5.331,48
Electricity Expenses	-	596,93	596,93
Travel and Transportation Expenses	56.915,26	-	56.915,26
Rental Expenses	15.369,13	4.917,87	20.287,00
Cars Expenses	12.588,97	-	12.588,97
Third Part Service Providers	5.790,81	18.135,14	23.925,95
Stationery Expenses		448,93	448,93
Telephone and Cargo Expenses	615,00	2.433,95	3.048,95
Advertisement and Marketing Expenses	8.026,39	-	8.026,39
Various Expenses	-	1.969,81	1.969,81
Other Various Expenses	8.085,03	5.603,96	13.688,99
TOTAL	150.685,72	53.620,96	204.306,68

Note-18:**Gains from Exchange Rates**

The Company's exchange rates gains are **317.582,66 EUR** for 12 months period, from **01 January 2020** to **31 December 2020** because of the exchange rate evaluation.

Description	01.01.2020-31.12.2020	01.01.2019-31.12.2019
Gains from Exchange Rates	317.582,66	295.232,04
TOTAL	317.582,66	295.232,04

Note-19:**Losses from Exchange Rates**

The Company's exchange rates losses are **997.487,86 EUR** for 12 months period, from **01 January 2020** to **31 December 2020** because of the exchange rate evaluation.

Description	01.01.2020-31.12.2020	01.01.2019-31.12.2019
Losses from Exchange Rates	997.487,86	539.943,92
TOTAL	997.487,86	539.943,92



Note-20:**Net Loss for the Period**

The Company's Net Loss is **204.596,68 EUR** for the period from **01 January 2020** to **31 December 2020**. Details of Net Loss are as follows:

Description	Amount (EUR)
Operating Income	486.396,24
Gains from Exchange Rates	317.582,66
Losses from Exchange Rates (-)	-997.487,86
Ordinary Loss (-)	-193.508,96
Extraordinary Income	619,36
Previous Period Expenses and Losses (-)	-1.216,37
Other Extraordinary Expenses and Losses (-)	-10.490,71
Loss for the Period (-)	-204.596,68
Net Loss for the Period (-)	-204.596,68

Corporation Tax Calculations

Description	Amount (EUR)
Net Loss for the Period	-204.596,68
Non-Deductible Expenses	11.707,08
Taxable Income	0,00
Income Tax (22%)	0,00

As can be seen from the table above the Company has losses. Therefore the Corporation Income Tax is **0,00 TRY**.

In Turkey, the corporation tax rate on the profits for the calendar year **2020** is **22%** (**2019: 22%**). Taxable profits are calculated by modifying accounting income for certain exclusions and allowances for tax purposes from the profit disclosed in the statutory income. No other taxes are paid unless profits are distributed.

In Turkey no taxes are withheld from undistributed profits, profits added to share capital (bonus shares) and dividends paid to other resident companies. Other than those, profits distributed in dividend to individuals and non-resident companies are subject to withholding at the rate of **15%**.

According to the Corporation Tax Law No.5520 article No.5/(1-e) there is exemption period granted on profits from the sale of investment shares and immovable property. Accordingly, **75%** of profits from the sale of investments and **50%** of immovable's held for a minimum of two years will be tax exempt provided the sale proceeds are collected within two years and **75%** of the profit is added to share capital or is kept in a special reserve account for a minimum of five years.

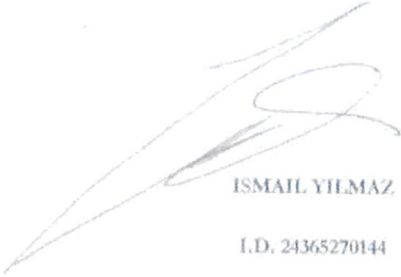
Tax losses that are reported in the Corporation Tax in Turkey return may be carried forward and deducted from the corporation tax base for a maximum of five consecutive years.

The Turkish Tax Procedural Law does not include a procedure for formally agreeing tax assessments. Tax returns must be filed within three and half months of the year-end and may be subject to investigation, together with their underlying accounting records, by the tax authorities at any stage during the following five years.




Izmir, 1 March 2021

Country Manager of GOLDEN WEST
TOHUMCULUK



ISMAIL YILMAZ
I.D. 24365270144

Head Accountant of GOLDEN WEST
TOHUMCULUK



ARIF BARIS
I.D. 13663544484

Finance Manager of Spiros House of Agriculture



LEONIDAS VRIONIDIS
I.D. AK 013665