

ÜNÜ Yatırım Holding A.Ş. And Its Subsidiaries

**Consolidated Financial Statements
As at and for the Year Ended 31 December 2023
With Independent Auditors' Report Thereon**

*(Convenience Translation of Consolidated Financial Statements and
Related Disclosures and Footnotes Originally Issued in Turkish)*



EY

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(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of ÜNLÜ Yatırım Holding Anonim Şirketi

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of ÜNLÜ Yatırım Holding Anonim Şirketi (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards (TFRS).

2) Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA and Capital Markets Board legislation, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) 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. These matters were addressed in the context of our 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.



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| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| <p>Determination carrying value of non-performing loans</p> <p>As of 31 December 2023, the Group has non-performing loans accounted under trade receivables account with total net present value of TL 261.203.646 (31 December 2022: TL 370.462.487); disclosure related to non-performing loans is explained in note 8 of the accompanying consolidated financial statements.</p> <p>The reasons that we focused on this area during our audit are; materiality of non-performing loan amount and significant judgments, assumptions and estimates used by the Group Management in determining the future projections of non-performing loans and the discount rates used in the net present value calculations. Since the management's estimates and assumptions can significantly affect the amount of non-performing loans in the statement of financial position, this area has been considered as a key audit matter.</p> | <ul style="list-style-type: none">- Within the scope of the audit we carried out within this framework, we evaluated the judgements used by the Group in estimating and revising the future projections and the policies regarding the updates of these estimations when necessary- Within the scope of our audit, we obtained supporting evidence while having discussions with Group management and performed reviews on these documents. We recalculated net present values accounted in financial statements by using the discount rates determined at initial recognition.- In addition, we evaluated the sufficiency of the explanations in the disclosures that are the part of the consolidated financial statements. |



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| Key audit matter | How our audit addressed the key audit matter |
|---|--|
| <p>Application of the hyperinflationary accounting</p> <p>As stated in Note 2.A.a to the consolidated financial statements, the Group has started to apply “IAS 29 Financial Reporting in Hyperinflation Economies” since the functional currency of the Group (Turkish Lira) is the currency of a hyperinflationary economy as per IAS 29 as of December 31, 2023.</p> <p>In accordance with IAS 29, consolidated financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish Lira and, as a result, are expressed in terms of purchasing power of Turkish Lira as of the reporting date.</p> <p>In accordance with the guidance in IAS 29, the Group utilised the Turkey consumer price indices to prepare inflation adjusted consolidated financial statements. The principles applied for inflation adjustment is explained in Note 2.A.a.</p> <p>Given the significance of the impact of IAS 29 on the reported result and financial position of the Group, we have assessed the hyperinflation accounting as a key audit matter.</p> | <p>Our audit procedures included the following;</p> <ul style="list-style-type: none"> • We inquired management responsible for financial reporting on the principles, which they have considered during the application of IAS 29, identification of non-monetary accounts and tested IAS 29 models designed, • We have tested the inputs and indices used, to ensure completeness and accuracy of the calculations, • We have audited the restatements of corresponding figures as required by IAS 29, • We assessed the adequacy of the disclosures in inflation adjusted consolidated financial statements for compliance with IAS 29. |

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, 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 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 Group's financial reporting process.



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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS 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 standards on auditing as issued by the Capital Markets Board of Turkey and InAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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



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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

B) Report on Other Legal and Regulatory Requirements

- 1) Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on 18 April 2024.
- 2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January – 31 December 2023 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.
- 3) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Emre Çelik.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Emre Çelik, SMMM
Partner

18 April 2024
Istanbul, Turkey

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ÜNLÜ YATIRIM HOLDİNG A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

| | <i>Notes</i> | Audited 31 December 2023 | Audited 31 December 2022 |
|--|--------------|---|---|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 5 | 868.672.606 | 435.755.458 |
| Financial investments | 6 | 459.356.228 | 832.197.028 |
| Derivatives instruments | 30 | 12.759.848 | 17.134.762 |
| Trade receivables | 8 | 548.170.520 | 855.544.446 |
| - Trade receivables due from related parties | 4 | 8.079.344 | 11.916.142 |
| - Trade receivables due from other parties | 8 | 540.091.176 | 843.628.304 |
| Other receivables | 9 | 187.282.096 | 204.510.025 |
| - Other receivables due from related parties | 4 | 59.585 | 1.058.949 |
| - Other receivables due from other parties | 9 | 187.222.511 | 203.451.076 |
| Prepaid expenses | 11 | 27.453.379 | 22.112.305 |
| Current tax-related assets | 27 | 4.447.993 | 2.334.376 |
| Other current assets | 12 | 6.109.863 | 4.704.011 |
| SUBTOTAL | | 2.114.252.533 | 2.374.292.411 |
| Assets held for sale | 13 | 2.451.734 | 469.334 |
| TOTAL CURRENT ASSETS | | 2.116.704.267 | 2.374.761.745 |
| Non-current assets | | | |
| Financial investments | 6 | 1.517.254 | 2.500.024 |
| Investments accounted through equity method | 7 | 14.755.361 | 27.267.837 |
| Trade receivables | 8 | 198.129.593 | 265.650.732 |
| Property and equipment | 15 | 56.180.605 | 54.417.753 |
| Rights of use | 17 | 2.305.770 | 14.509.353 |
| Intangible assets | | 300.380.974 | 291.251.243 |
| - Goodwill | 16 | 255.582.259 | 255.582.258 |
| - Other intangible assets | 16 | 44.798.715 | 35.668.985 |
| Prepaid expenses | | 20.372 | -- |
| Other non-current assets | | 201.247 | 41.108 |
| Deferred tax assets | 27 | 13.221.746 | 1.528.906 |
| TOTAL NON-CURRENT ASSETS | | 586.712.922 | 657.166.956 |
| TOTAL ASSETS | | 2.703.417.189 | 3.031.928.701 |

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

ÜNLÜ YATIRIM HOLDİNG A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

| | Notes | Audited 31 December 2023 | Audited 31 December 2022 |
|--|-------|-----------------------------|-----------------------------|
| LIABILITIES | | | |
| Short term liabilities | | | |
| Short term liabilities | 14 | 747.282.556 | 900.035.416 |
| Short term portion of long term liabilities | 14 | 27.938.910 | 37.349.990 |
| - Short term liabilities due to other parties | 14 | 27.938.910 | 37.349.990 |
| Leasing payables | 14 | 947.988 | 7.148.342 |
| Other financial liabilities | 14 | 506.810 | 12.798.600 |
| Derivatives instruments | 30 | 10.914.772 | 12.745.579 |
| Trade payables | 8 | 34.258.263 | 19.470.165 |
| - Trade payables due to other parties | 8 | 34.258.263 | 19.470.165 |
| Other payables | 9 | 54.357.913 | 45.772.404 |
| - Other payables due to related parties | 4 | 3.951.609 | 5.261.792 |
| - Other payables due to other parties | 9 | 50.406.304 | 40.510.612 |
| Short term liabilities for employee benefits | 10 | 119.705.663 | 120.971.115 |
| Short term provisions | | 31.744.758 | 33.073.830 |
| - Provisions for employee benefits | 20 | 29.817.576 | 30.604.268 |
| - Other provisions | 18 | 1.927.182 | 2.469.562 |
| Other short-term liabilities | | 417.983 | -- |
| Tax payable for the period | 27 | 15.253.108 | 15.505.283 |
| Deferred income | | 1.666.044 | 1.041.322 |
| TOTAL SHORT TERM LIABILITIES | | 1.044.994.768 | 1.205.912.046 |
| Long term liabilities | | | |
| Long term liabilities | 14 | 7.248.077 | 43.455.142 |
| - Long term financial liabilities due to other parties | 14 | 7.248.077 | 43.455.142 |
| Leasing payables | 14 | -- | 1.853.526 |
| Long term provisions | | 3.872.193 | 7.870.243 |
| - Provisions for employee benefits | 20 | 3.872.193 | 7.870.243 |
| Deferred tax liabilities | 27 | 80.807.450 | 104.096.142 |
| TOTAL LONG TERM LIABILITIES | | 91.927.720 | 157.275.053 |
| SHAREHOLDERS' EQUITY | | | |
| Equity attributable to owners of the parent | | 1.566.494.701 | 1.668.741.602 |
| Share capital | 21 | 175.000.000 | 175.000.000 |
| Share capital inflation adjustment | 21 | 907.444.676 | 907.444.676 |
| Share premium | 21 | 714.744.514 | 714.744.514 |
| Repurchased shares | 21 | (49.652.802) | (18.216.686) |
| Other comprehensive expenses that will not be reclassified to profit or loss | | 19.708.101 | 21.029.447 |
| - Remeasurement (losses)/profit of defined benefit plans | 21 | (6.219.999) | (3.382.674) |
| - Revaluation gains on financial assets at fair value through other comprehensive income | 21 | 25.928.100 | 24.412.121 |
| Other comprehensive income that will be reclassified to profit or loss | | (18.341.412) | 18.517.573 |
| - Foreign currency translation differences | 21 | (18.341.412) | 18.517.573 |
| Restricted reserves | 21 | 139.564.640 | 119.620.510 |
| Retained earnings | | (358.127.472) | (245.935.395) |
| Net income for the period | | 36.154.456 | (23.463.037) |
| TOTAL SHAREHOLDERS' EQUITY | | 1.566.494.701 | 1.668.741.602 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 2.703.417.189 | 3.031.928.701 |

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

ÜNLÜ YATIRIM HOLDİNG A.Ş.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

| | <i>Notes</i> | Audited 1 January – 31 December 2023 | Audited 1 January – 31 December 2022 |
|---|--------------|---|---|
| PROFIT OR LOSS | | | |
| Financial sector activities revenue | 22 | 24.960.453.371 | 19.937.166.244 |
| Cost of financial sector activities (-) | 22 | (23.442.297.965) | (18.633.161.342) |
| Gross profit from financial sector activities | | 1.518.155.406 | 1.304.004.902 |
| Marketing, selling and distribution expenses (-) | 23 | (84.951.623) | (76.154.209) |
| General administrative expenses (-) | 23 | (1.044.208.649) | (846.853.434) |
| Other operating income | 24 | 6.889.202 | 9.908.542 |
| Other operating expense (-) | 24 | (1.115.598) | (1.177.314) |
| Operating profit | | 394.768.738 | 389.728.487 |
| Gain on investments for using the equity method | 4,7 | 1.532.636 | 9.514.476 |
| Income from investing activities | 25 | 303.216.728 | 271.678.124 |
| Expense from investing activities (-) | 25 | (18.889.920) | (87.252.546) |
| Profit before financial income | | 680.628.182 | 583.668.541 |
| Financial income | 26 | 396.320.126 | 559.515.709 |
| Financial expenses (-) | 26 | (406.165.589) | (467.886.126) |
| Monetary loss | | (512.951.913) | (556.234.272) |
| Profit before tax | | 157.830.806 | 119.063.852 |
| Tax expense | | | |
| - Tax expense for the period | 27 | (151.235.576) | (130.149.474) |
| - Deferred tax income/(expense) | 27 | 29.559.226 | (12.377.415) |
| Profit | | 36.154.456 | (23.463.037) |
| Profit attributable to: | | | |
| Equity holders of the parent | | 36.154.456 | (23.463.037) |
| Non-controlling interests | | -- | -- |
| Net income for the period | | 36.154.456 | (23.463.037) |
| OTHER COMPREHENSIVE INCOME | | | |
| Items that will not be reclassified to profit or loss | | (1.321.346) | 18.257.695 |
| Remeasurement gains of defined benefit plans | 20 | (3.869.122) | (4.446.356) |
| Deferred tax income | 27 | 1.031.797 | 1.063.682 |
| Change in fair value of financial assets at fair value through other comprehensive income | | 7.970.082 | 27.709.594 |
| Change in fair value of financial assets at fair value through other comprehensive income, tax effect | | (6.454.103) | (6.069.225) |
| Items that will be reclassified to profit or loss | | (36.858.985) | (51.792.420) |
| Foreign currency translation differences | 21 | (36.858.985) | (51.792.420) |
| Other comprehensive income / (expense) | | (38.180.331) | (33.534.725) |
| Total comprehensive income | | (2.025.875) | (56.997.762) |
| Total comprehensive income attributable to: | | | |
| Equity holders of the parent | | (2.025.875) | (56.997.762) |
| Total comprehensive income | | (2.025.875) | (56.997.762) |

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

ÜNLÜ YATIRIM HOLDİNG A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

| Audited attributable to owners of the parent | | | | | | | | | | | | | | |
|--|------|--------------------|--------------------------|--------------------|---|---|---|----------------------------------|---------------------|----------------------|---------------------------|----------------------|---------------------------|----------------------|
| | | | | | Other accumulated comprehensive income not to be classified in profit or loss | Other accumulated comprehensive income to be classified in profit or loss | | | | | | | | |
| | Note | Paid capital | Paid capital differences | Share premium | Repurchased shares | Remeasurement losses/profits of defined benefit plans | Revaluation gain on financial assets at fair value through other comprehensive income | Currency translation differences | Restricted reserves | Retained earnings | Net income for the period | Equity of the parent | Non-controlling interests | Total |
| 1 January 2022 | | 175.000.000 | 907.444.676 | 714.744.514 | (18.216.686) | -- | 2.771.752 | 70.309.993 | 113.877.920 | (192.825.236) | -- | 1.773.106.933 | (16.067) | 1.773.090.866 |
| Transfers | 21 | -- | -- | -- | -- | -- | -- | -- | 5.742.590 | (5.742.590) | -- | -- | -- | -- |
| Net income for the period | 21 | -- | -- | -- | -- | -- | -- | -- | -- | -- | (23.463.037) | (23.463.037) | 16.067 | (23.446.970) |
| Total comprehensive income | 21 | -- | -- | -- | -- | (3.382.674) | 21.640.369 | (51.792.420) | -- | -- | -- | (33.534.725) | -- | (33.534.725) |
| Dividend distributed | | -- | -- | -- | -- | -- | -- | -- | -- | (47.367.569) | -- | (47.367.569) | -- | (47.367.569) |
| 31 December 2022 | | 175.000.000 | 907.444.676 | 714.744.514 | (18.216.686) | (3.382.674) | 24.412.121 | 18.517.573 | 119.620.510 | (245.935.395) | (23.463.037) | 1.668.741.602 | -- | 1.668.741.602 |
| 1 January 2023 | | 175.000.000 | 907.444.676 | 714.744.514 | (18.216.686) | (3.382.674) | 24.412.121 | 18.517.573 | 119.620.510 | (245.935.395) | (23.463.037) | 1.668.741.602 | -- | 1.668.741.602 |
| Transfers | 21 | -- | -- | -- | -- | -- | -- | -- | 19.944.130 | (43.407.167) | 23.463.037 | -- | -- | -- |
| Net income for the period | 21 | -- | -- | -- | -- | -- | -- | -- | -- | -- | 36.154.456 | 36.154.456 | -- | 36.154.456 |
| Increase due to share-based transactions | | -- | -- | -- | (31.436.116) | -- | -- | -- | -- | -- | -- | (31.436.116) | -- | (31.436.116) |
| Total comprehensive income | 21 | -- | -- | -- | -- | (2.837.325) | 1.515.979 | (36.858.985) | -- | -- | -- | (38.180.331) | -- | (38.180.331) |
| Dividend distributed | | -- | -- | -- | -- | -- | -- | -- | -- | (68.784.910) | -- | (68.784.910) | -- | (68.784.910) |
| 31 December 2023 | | 175.000.000 | 907.444.676 | 714.744.514 | (49.652.802) | (6.219.999) | 25.928.100 | (18.341.412) | 139.564.640 | (358.127.472) | 36.154.456 | 1.566.494.701 | -- | 1.566.494.701 |

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

ÜNLÜ YATIRIM HOLDİNG A.Ş.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

| | | Audited | Audited |
|--|----------|---------------------------------|---------------------------------|
| | Not | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
| A. Cash flows (used in)/from operating activities | | 977.954.427 | (817.259.126) |
| Net profit for the period | | 36.154.456 | (23.463.037) |
| Adjustments for to reconcile net income to net cash provided by operating activities | | 282.452.589 | (14.315.318) |
| Adjustments for depreciation and amortization | 15,16,17 | 60.838.733 | 41.144.634 |
| Adjustments for provisions | | 24.908.336 | 30.855.156 |
| Adjustments for provision for employee benefits | | 24.504.455 | 31.403.260 |
| Adjustments for lawsuit provisions | 18 | 403.881 | (548.104) |
| Adjustments for other provisions | | -- | -- |
| Adjustments for interest income and expenses | | 121.245.259 | 66.070.548 |
| Adjustments for unrealized foreign currency translation differences | | (25.726.868) | (25.280.092) |
| Adjustments for fair value gain/(loss) | | (25.160.849) | (37.808.203) |
| Adjustments for tax expense | | 121.676.350 | 142.526.889 |
| Monetary gain/(loss) | | 4.671.628 | (231.824.250) |
| Operating profit before changes in assets and liabilities | | 659.347.382 | (779.480.771) |
| Adjustments for decrease/(increase) in trade receivables | 8 | 374.895.065 | (102.164.980) |
| - Decrease/(increase) in trade receivables due from related parties | 4 | 3.836.798 | (2.952.431) |
| - Decrease/(increase) in trade receivables due from other parties | 8 | 371.058.267 | (99.212.549) |
| Adjustments for decrease/(increase) in other receivables | 9 | 17.227.929 | (103.374.124) |
| - Decrease in other receivables due from related parties | 4 | 999.364 | 2.005.938 |
| - Decrease/(increase) in other receivables due from other parties | 9 | 16.228.565 | (105.380.062) |
| Adjustments for (increase) in other current assets | | (6.927.437) | (2.729.842) |
| Change in financial investments | | 380.810.882 | (513.613.046) |
| Adjustments for increase/(decrease) in trade payables | | 14.788.098 | (5.398.156) |
| Adjustments for increase in other payables | | 1.677.448 | 426.582 |
| - (Decrease)/increase in other payables due to related parties | | (8.218.242) | 2.377.569 |
| - Increase/(Decrease) in other payables due to other parties | | 9.895.690 | (1.950.987) |
| Adjustments for increase in other liabilities | | 6.319.287 | 35.861.092 |
| Employment benefits paid | 20 | (18.064.053) | (4.197.362) |
| Other changes related to operations | | 397.571 | 2.646.533 |
| Taxes paid/refunded | | (111.777.408) | (86.937.468) |
| B. Cash flows used in investing activities | | (57.924.534) | (42.764.832) |
| Dividend received | 26 | 1.376.047 | 733.744 |
| Cash inflows from sales of non-current assets held for sale | | 4.919.874 | -- |
| Purchase of property and equipment | 15 | (30.167.099) | (24.296.123) |
| Purchase of intangible assets | 16 | (34.264.497) | (20.246.024) |
| Sales of intangible assets | | 211.141 | 1.043.571 |
| C. Cash flows from/(used in) financing activities | | (345.373.944) | 590.112.487 |
| Cash from financial borrowings | | 24.533.089.769 | 64.378.182.274 |
| Cash outflows from debt payments | | (24.648.695.707) | (63.660.211.100) |
| Interest paid | | (260.236.853) | (133.605.563) |
| Cash outflows from financial leasing transactions | | (7.520.092) | (14.635.021) |
| Dividends distributed | | (68.784.910) | (47.367.569) |
| Interest received | | 138.209.965 | 67.749.466 |
| Cash outflows from sales of shares | | (31.436.116) | -- |
| D. The effect of changes in foreign currency translation differences on cash and cash equivalents | | 25.726.868 | 25.280.092 |
| E. Effect of inflation differences on cash and cash equivalents | | (172.183.893) | (53.779.652) |
| Net increase in cash and cash equivalents (A+B+C+D+E) | | 428.198.924 | (298.411.031) |
| F. Cash and cash equivalents at the beginning of the period | 5 | 435.255.967 | 733.666.998 |
| Cash and cash equivalents at the end of the period (A+B+C+D+E+F) | 5 | 863.454.891 | 435.255.967 |

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

ÜNLÜ YATIRIM HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

1 ORGANISATION AND NATURE OF OPERATIONS

The establishment of ÜNLÜ Yatırım Holding A.Ş. ("the Company") (Formerly known as "ÜNLÜ Finansal Yatırımlar A.Ş.") was registered on 3 October 2011 and came into effect after Articles of Association were published in the Trade Registry Gazette No. 7915 dated 6 October 2011.

ÜNLÜ Yatırım Holding A.Ş.'s main purposes are to; use its funds to establish new equity companies to engage in investment, financing, organization, and other common service field activities with established or to-be-established companies, organize its activities related to these issues and make commercial investments by participating in the relevant companies' management process, make the necessary attempts to establish partnerships with these companies or third parties, do research and provide consultancy services to its affiliated companies about financial issues, excluding tax-related issues, especially about local and international finance market regulations, but not including investment consulting specified in capital markets regulations, and also about technical matters, planning, programming, budgeting, project design, financial and organizational matters, and firm values, collect investable funds and make use of these funds by investing them in other securities, along with the equity shares that have the capacity and potential to make a profit and which the equity companies have issued or will issue, and provide financing and credit from sources outside the group and engage in the other activities specified in the Articles of Association.

The address of the Company is; Maslak Mah. Ahi Evran Cad. Polaris Plaza No: 21 İç Kapı No: 11 Sarıyer/İstanbul.

The company applied to the Capital Markets Board on 7 January 2021 for the amendment of the Articles of Association, with the permission of the Capital Markets Board dated 5 March 2021 and numbered E-29833736-110.03.03-2937 and the Ministry of Commerce dated 8 March 2021 and E-50035491. Following the letter numbered -431.04-00062112491, the amendment to the Articles of Association was approved at the Extraordinary General Assembly held on 10.03.2021 and registered and announced in the Turkish Trade Registry Gazette dated March 19, 2021 and numbered 10291.

In addition to the changes in other articles of the Articles of Association, the Company; registered capital system and the registered capital ceiling is TL. It has been determined as 650.000.000, and the existing paid-in capital is TL 137,730,842 divided into share groups as follows. Group A Share nominal: TL 55.092.337 wholly owned by Mahmut Levent ÜNLÜ and its ratio to the paid-in capital is 31.48%. Group B Share nominal: TL 58.143.258 Mahmut Levent ÜNLÜ, its share in the capital is 33.23 %. Group B Share nominal: TL 61.764.405 Other shareholders, its ratio to the capital is 35.29%.

Within the public offering plans, ÜNLÜ Yatırım Holding A.Ş. applied to the Capital Markets Board for the Public Offering Prospectus on March 12, 2021, with the permission of the Capital Markets Board dated 27.05.2021 and numbered E-29833736-105.01.01.01-6608, as a result of the IPO, which was carried out with the "Fixed Price Bookbuilding" method between 31.05.2021 and 01.06.2021, capital at a price of TL 6,90 each. A total of 45.533.009 Group "B" shares were sold, of which 37.269.158 shares were offered to the public through the sale of shareholders, and 8.263.851 shares were offered to the public through the sale of partner Mahmut Levent Ünlü. Group "B" shares offered to the public Borsa İstanbul A.Ş. It started to be traded on "Star Market" on 07.06.2021.

Direct subsidiaries of the Company are ÜNLÜ Menkul Değerler A.Ş. ("ÜNLÜ Menkul"), ÜNLÜ Portföy Yönetimi A.Ş. ("ÜNLÜ Portföy"), İstanbul Varlık Yönetim A.Ş. ("İstanbul Varlık"), ÜNLÜ Teknoloji ve Yazılım Hizmetleri A.Ş. ("ÜNLÜ Teknoloji"), UNLU Alternative Asset Management Limited ("UAAM") and Turkish Alternative Investments Limited ("TAIL") details of all direct and indirect subsidiaries were given in the note 2.C.(a).

ÜNLÜ Menkul Değerler A.Ş. was established under the name of Işıklar Menkul Kıymetler A.Ş. on 28 December 1990 in order to carry out operations related to capital markets, in accordance with the Capital Market Law and relevant legislation. After the acquisition of Işıklar Menkul Kıymetler A.Ş. by the shareholders of Dundas ÜNLÜ & Co. Ltd. on 5 June 2012, its name changed to "Dundas ÜNLÜ Menkul Değerler A.Ş. The name was registered on 28 June 2002 and went into effect after being published in the Trade Registry Gazette No. 5609 on 8 August 2002.

ÜNLÜ YATIRIM HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

1 ORGANISATION AND NATURE OF OPERATIONS (Continued)

The Capital Markets Board accepted Dundas ÜNLÜ Menkul Değerler A.Ş.'s application for share transfer on 9 August 2007. The share transfer process was completed as of 31 August 2007. In addition, it was resolved to change the trade name of Dundas ÜNLÜ Menkul to "Standard ÜNLÜ Menkul Değerler A.Ş."

As a result of, respectively the permission of Capital Markets Board permission No. 2012/35 dated 29 August 2012 and the Extraordinary General Assembly meeting on 30 October 2012, 59.033.300 of Mahmut Levent Ünlü's shares in ÜNLÜ Menkul Değerler A.Ş. and 179.399.700 shares owned by Standard Bank London Holdings Limited, the Company's majority shareholder, were transferred to ÜNLÜ Finansal Yatırımlar A.Ş. In addition, the Company's name was changed to "ÜNLÜ Menkul Değerler A.Ş." in its Articles of Association.

With regard to Board of Director's decision dated 24 August 2015 numbered 2015/22 of ÜNLÜ Menkul, ÜNLÜ Menkul's shareholder Standard Bank Group Limited transferred its 25% of shares with nominal amount of TL 2.500.000 each 1 kuruş total 250.000.000 registered shares to ÜNLÜ Yatırım Holding A.Ş. The relevant decision was approved at a meeting of the CMB dated 2 October 2015.

ÜNLÜ Portföy (formerly known as Standard ÜNLÜ Portföy Yönetimi A.Ş.) was established in order to carry out activities related to portfolio management in accordance with the Capital Markets Law and related legislation and the company was registered on 27 October 2006 and announced with the trade registry gazette numbered 6674 dated 2 November 2006. ÜNLÜ Yatırım Holding A.Ş., which is the indirect parent company of the ÜNLÜ Portföy purchased 5.000.000 share certificates amounting to TL 5.000.000 nominal value which is owned by ÜNLÜ Menkul Değerler A.Ş., representing the entire amount of the Company's capital with all their rights and obligations on 13 April 2017. As of 23 November 2021, within the capital ceiling of 10.000.000 TL, the issued capital of the Company is increased from 5.000.000 TL to 1.000.000 TL by 16,6667%, to 6.000.000 TL; It has been decided to cover the entire capital of TL 1.000.000 increased from Other Capital Reserves. The company has increased its issued capital from 6.000.000 TL to 10.000.000 TL, with an increase of 4.000.000 TL, staying within its authorized capital ceiling of 10.000.000 TL. It has been decided that the entire increased capital of 4.000.000 TL will be covered by the sole shareholder ÜNLÜ Yatırım Holding A.Ş. This decision was registered and announced in the Turkish Trade Registry Gazette dated July 25, 2022, with registration number 10624.

Capital of İstanbul Varlık and its subsidiaries Plato Finans and Plato Teknoloji which belong to ÜNLÜ Menkul Değerler A.Ş. with amount of TL 10.000.000 which has TL 10.000.000 nominal capital amount has been transferred to ÜNLÜ Yatırım Holding A.Ş. which registry number of 792072 with cash paid amount of TL 16.999.996 as the date of 5 August 2016. Related transfer transaction has been registered İstanbul Registry of Commerce as the date of 11 August 2016, related announcement had been made in Turkish Trade Registry Gazette with numbered 9139, as the date of 17 August 2016. Within the year 2017, the capital of İstanbul Varlık has been paid up to 10.000.000 TL and it has been increased to 20.000.000 TL by being provided from extraordinary reserve funds.

At the Ordinary General Assembly meeting held on May 8, 2023, it was decided to increase the company's registered capital ceiling of 10.000.000 TL to 50.000.000 TL for the years 2023-2027 (5 years), and this decision was registered and announced in the Turkish Trade Registry Gazette dated May 17, 2023, and numbered 10833.

At the Extraordinary General Assembly meeting held on June 26, 2023, it was decided to increase the issued capital within the registered capital ceiling of 50,000,000 TL from 10,000,000 TL to 40.000.000 TL by increasing it by 30.000.000 TL; of the increased capital of 30.000.000 TL, 25.000.000 TL was covered by the Sole Shareholder Partner, ÜNLÜ Yatırım Holding A.Ş., and 5.000.000 TL was covered from Extraordinary Reserves, and this decision was registered and announced in the Turkish Trade Registry Gazette dated July 7, 2023, and numbered 10866."

ÜNLÜ YATIRIM HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

1 ORGANISATION AND NATURE OF OPERATIONS (Continued)

Istanbul Varlık paid capital amounting to TL 20.000.000 is increased to TL 30.000.000 paid fully from extraordinary reserves in 2019 with date 18.07.2019 and was published in Turkey Trade Registry Gazette No. 9871. In 2021, the capital of İstanbul Varlık has been paid up to 30.000.000 TL was increased to 50.000.000 TL by being provided from extraordinary reserve funds and published in the Turkish Trade Registry Gazette dated 02.09.2021 and numbered 10400.

Capital of Du Finans which belong to ÜNLÜ Menkul Değerler A.Ş. with amount of TL 250.000 which has TL 250.000 nominal capital amount has been transferred to ÜNLÜ Yatırım Holding A.Ş. which registry number of 792072 with cash paid amount of TL 250.000 as the date of 19 August 2016. According to the decision of the Board of Directors dated 21 November 2016 numbered 2016/24, it was decided that Du Finans' shares would be transferred to Istanbul Varlık together with all assets and liabilities. In accordance with the Board of Directors decision dated 21 November 2016 and numbered 2016/24, it has been decided to transfer Du Finans' shares, together with all its assets and liabilities, to Istanbul Varlık. DU Finansal Danışmanlık Hizmetleri A.Ş., which is registered with the registry number 586635 in the Istanbul Trade Registry Office with the decision of the Board of Directors dated 15 December 2021 and numbered 24, will be dissolved without liquidation on the balance sheet and records dated 30 September 2021, together with all its assets and liabilities. It has been decided to merge with the Company by taking over as the complete successor.

UAAM was established on the Isle of Man in 2006. It operates at 33-37 Athol Street Isle of Man. UAAM provides financial consultancy services. As of 1 October 2012, all shares owned by UAAM had been acquired by ÜNLÜ Yatırım Holding A.Ş. On 27 November 2023, ÜNLÜ Alternative Asset Management Limited has entered the liquidation process in line with the decision of the Board of Directors and a liquidator was appointed.

TAIL was established in Guernsey on 15 August 2014. It operates at 1 Royal Plaza Royal Avenue St Peter Port Guernsey, GY1 2HL. TAIL provides financial consulting services. ÜNLÜ Yatırım Holding A.Ş. is the founder of TAIL, and owns 100% of its shares.

ÜNLÜ Yazılım ve Teknoloji Hizmetleri A.Ş. was established on August 26, 2022, with a capital of 1.000.000 TL. It was published in the Trade Registry Gazette dated August 29, 2022, and numbered 10649. A decision was made to increase the issued capital of ÜNLÜ Yazılım ve Teknoloji Hizmetleri A.Ş. from 1.000.000 TL to 5.000.000 TL, and it was registered and announced in the Turkish Trade Registry Gazette dated March 3, 2023, and numbered 10772.

A decision was made to increase the issued capital of ÜNLÜ Yazılım ve Teknoloji Hizmetleri A.Ş. from 5.000.000 TL to 10.000.000 TL, and it was registered and announced in the Turkish Trade Registry Gazette dated July 13, 2023, and numbered 10870.

On March 11, 2020, it was decided that the Company would participate in the capital increase of 'Otsimo Bilişim Anonim Şirketi' with a total of 97,500 TL in exchange for 555 shares, each valued at 1 (One) Turkish Lira. The capital increase was registered on April 3, 2020, and announced in the Turkish Trade Registry Gazette dated April 7, 2020, and numbered 10053. The Company's share in the capital of 'Otsimo' is 0.71%.

In accordance with the decision of the Board of Directors dated September 20, 2021, an application was made to the Banking Regulation and Supervision Agency on September 20, 2021, in order to obtain the necessary permissions for the establishment of an Investment Bank with a capital of TL 300.000.000, in which the capital of TL 299.999.996 will be participated by 99.9996%.

For the purposes of the consolidated financial statements, ÜNLÜ Yatırım Holding A.Ş. and its subsidiaries are together referred to as "the Group". As at 31 December 2023, there are 510 (31 December 2022: 480) employees in the Group.

The consolidated financial statements for the year ended 31 December 2023 were approved by the Board of Directors on 18 April 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

A. BASIS OF PRESENTATION

(a) Financial reporting standards and statement of Compliance to TFRS

The Company keeps and prepares its statutory books and statutory financial statements in accordance with the accounting principles set by the Turkish Commercial Code ("TCC") and tax legislation.

The accompanying consolidated financial statements have been prepared in accordance with the provisions of the Capital Markets Board ("CMB"), Series II, 14.1 "Principles of Financial Reporting in the Capital Markets" ("Communiqué") published in the Official Gazette dated 13 June 2013 and numbered 28676.

Companies reporting in accordance with the CMB regulations apply the Turkish Accounting Standards / Turkish Financial Reporting Standards and their annexes and comments ("TAS/TFRS") published by the Public Oversight Accounting and Auditing Standards Authority ("KGK"), in accordance with Article 5 of the Communiqué.

The consolidated financial statements are based on the Group's legal records and are expressed in Turkish Lira ("TL"), and have been prepared by subjecting to some adjustments and classification changes in order to adequately present the Group's position in accordance with TAS/TFRS published by KGK.

The consolidated financial statements and notes of the Group are presented in accordance with the formats provided by POA with the announcement dated 7 June 2019 in Turkish Trade Registry Gazette with numbered 30794, including the compulsory disclosures. Consolidated financial statements have been prepared on the basis of historical cost, except for derivative instruments and financial investments shown at fair value.

Adjustment of financial statements during high inflation periods

Entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after 31 December 2023 with the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

The accompanying consolidated financial statements are prepared on a historical cost basis, except for financial investments measured at fair value.

Financial statements and corresponding figures for previous period(s) have been restated for the changes in the general purchasing power of Turkish lira and, as a result, are expressed in terms of purchasing power of Turkish lira as of 31 December 2023 as per TAS 29.

ÜNLÜ YATIRIM HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

A. BASIS OF PRESENTATION (Continued)

Adjustment of financial statements during high inflation periods (Continued)

On the application of TAS 29, the entity used the conversion coefficient derived from the Customer Price Indexes (CPI) published by Turkey Statistical Institute according to directions given by POA. The CPI for current and previous year periods and corresponding conversion factors since the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e., since 1 January 2005, were as follow:

| Year-end | Index | Index, % | Correction coefficient |
|----------|---------|----------|------------------------|
| 2004 | 113,86 | 13,86 | 16,33041 |
| 2005 | 122,65 | 7,72 | 15,16005 |
| 2006 | 134,49 | 9,65 | 13,82541 |
| 2007 | 145,77 | 8,39 | 12,75557 |
| 2008 | 160,44 | 10,06 | 11,58925 |
| 2009 | 170,91 | 6,53 | 10,87929 |
| 2010 | 181,85 | 6,40 | 10,22480 |
| 2011 | 200,85 | 10,45 | 9,25756 |
| 2012 | 213,23 | 6,16 | 8,72007 |
| 2013 | 229,01 | 7,40 | 8,11921 |
| 2014 | 247,72 | 8,17 | 7,50597 |
| 2015 | 269,54 | 8,81 | 6,89835 |
| 2016 | 292,54 | 8,53 | 6,35599 |
| 2017 | 327,41 | 11,92 | 5,67906 |
| 2018 | 393,88 | 20,30 | 4,72068 |
| 2019 | 440,50 | 11,84 | 4,22107 |
| 2020 | 504,81 | 14,60 | 3,68333 |
| 2021 | 686,95 | 36,08 | 2,70672 |
| 2022 | 1128,45 | 64,27 | 1,64773 |
| 2023 | 1859,38 | 64,77 | 1,00000 |

Assets and liabilities were separated into those that were monetary and non-monetary, with non-monetary items were further divided into those measured on either a current or historical basis to perform the required restatement of financial statements under TAS 29. Monetary items (other than index-linked monetary items) and non-monetary items carried at amounts current at the end of the reporting period were not restated because they are already expressed in terms of measuring unit as of 31 December 2023. Non-monetary items which are not expressed in terms of measuring unit as of 31 December 2023 were restated by applying the conversion factors. The restated amount of a non monetary item was reduced, in accordance with appropriate TFRSs, in cases where it exceeds its recoverable amount or net realizable value. Components of shareholders' equity in the statement of financial position and all items in the statement of profit or loss and other comprehensive income have also been restated by applying the conversion factors.

Non-monetary items measured at historical cost that were acquired or assumed and components of shareholders' equity that were contributed or arose before the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e before 1 January 2005, were restated by applying the change in the CPI from 1 January 2005 to 31 December 2023.

The application of TAS 29 results in an adjustment for the loss of purchasing power of the Turkish lira presented in Net Monetary Position Gains (Losses) item in the profit or loss section of the statement of profit or loss and comprehensive income. In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power and an entity with an excess of monetary liabilities over monetary assets gains purchasing power to the extent the assets and liabilities are not linked to a price level. This gain or loss on the net monetary position is derived as the difference resulting from the restatement of non monetary items, owners' equity and items in the statement of profit or loss and other comprehensive income and the adjustment of index linked assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

A. BASIS OF PRESENTATION (Continued)

Adjustment of financial statements during high inflation periods (Continued)

In addition, in the first reporting period in which TAS 29 is applied, the requirements of the Standard are applied as if the economy had always been hyperinflationary. Therefore, the statement of financial position at the beginning of the earliest comparative period, i.e as of 1 January 2022, was restated as the base of all subsequent reporting. Restated retained earnings/losses in the statement of financial position as of 1 January 2022 was derived as balancing figure in the restated statement of financial position.

The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at December 31, 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2024 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at January 1, 2023 are as follows

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date. The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added. The amendments did not have a significant impact on the financial position or performance of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

A. BASIS OF PRESENTATION (Continued)

i) The new standards, amendments and interpretations which are effective as at January 1, 2023 are as follows (Continued)

Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized. The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments. However, certain disclosure requirements are not required to be applied for any interim period ending on or before 31 December 2023. The amendments did not have a significant impact on the financial position or performance of the Group.

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

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

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. The Group will wait until the final amendment to assess the impacts of the changes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

A. BASIS OF PRESENTATION (continued)

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

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2025 with the announcement made by the POA. The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

In January 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa. The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16. The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

A. BASIS OF PRESENTATION (continued)

Standards issued but not yet effective and not early adopted (continued)

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed. The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following amendments to IAS 21 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments are issued and become effective under TFRS.

Amendments to IAS 21 - Lack of exchangeability

In August 2023, IASB issued amendments to IAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. Overall, the the Group expects no significant impact on its balance sheet and equity.

ÜNLÜ YATIRIM HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (*continued*)

A. BASIS OF PRESENTATION (*continued*)

(b) Functional and presentation currency

The consolidated financial statements of the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency(USD, Euro, GBP)). The consolidated financial statements are presented in Group's reporting currency TL. (Note 2C.a)

(c) Offsetting

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

(d) Going Concern

The Group prepared its consolidated financial statements based on going concern principle.

(e) Comparative information and reclassified of prior year's financial statements

To allow the determination of financial status and performance trends, the Group's consolidated financial statements have been prepared in comparison with the previous period. Comparative information is reclassified when necessary in order to comply with the presentation of the current period consolidated financial statements.

B. CHANGES IN ACCOUNTING ESTIMATES AND ERRORS

If the changes in accounting estimates are related to only one period, they are reflected to the financial statements in the current period in which the change is made; if they are related to the future period, they are reflected to the financial statements both in the current period in which the change is made and in the future period anticipatorily, as to be taken into consideration in determining the net profit or loss for the future period.

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies followed in the preparation of consolidated financial statements are summarized as follows.

(a) Basis of consolidation

Subsidiaries

The consolidated financial statements of the Company include its subsidiaries, which it controls directly or indirectly. This control is normally evidenced when the Company owns control power, either directly or indirectly, over company's share capital and is able to govern the financial and operating policies of an enterprise so as to benefit from its activities.

ÜNLÜ YATIRIM HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of consolidation (Continued)

Subsidiaries (Continued)

This control power is determined based on current and convertible voting rights. The financial statements of the subsidiaries are consolidated from the beginning of the control power over the subsidiaries to end of that power.

The table below shows all subsidiaries and other companies within the scope of consolidation, and provides their share ratios as of 31 December 2023 and 2022:

| Name of the company | Country | Functional Currency | Main activity and service line | Final share ratio | |
|--|---------------|---------------------|--------------------------------|-------------------|------------------|
| | | | | 31 December 2023 | 31 December 2022 |
| Subsidiaries | | | | | |
| ÜNLÜ Menkul Değerler A.Ş. ("ÜNLÜ Menkul") ⁽¹⁾ | Turkey | TRY | Brokerage services | % 100,00 | % 100,00 |
| ÜNLÜ Portföy Yönetimi A.Ş. ("ÜNLÜ Portföy") | Turkey | TRY | Portfolio management | % 100,00 | % 100,00 |
| İstanbul Varlık Yönetim A.Ş. ("İstanbul Varlık") | Turkey | TRY | Asset management | % 100,00 | % 100,00 |
| ÜNLÜ Securities Inc. ("ÜNLÜ Securities US") ⁽¹⁾ | U.S.A | USD | Brokerage services | % 100,00 | % 100,00 |
| ÜNLÜ Securities UK Limited ("ÜNLÜ Securities UK") ⁽¹⁾ | UK | GBP | Brokerage services | % 100,00 | % 100,00 |
| ÜNLÜ Alternative Asset Management Ltd. ("UAAM") ⁽³⁾ | Isle of Man | USD | Financial consulting | -- | % 100,00 |
| Türkish Alternative Investments Limited ("TAIL") ⁽²⁾ | Guernsey | TRY | Investment company | % 100,00 | % 100,00 |
| ÜNLÜ Portföy Dokuzuncu Serbest (TL) Fon ⁽⁴⁾ | Turkey | TRY | Fund | % 97,00 | % 95,00 |
| ÜNLÜ Yazılım ve Teknoloji Hizmetleri A.Ş. ("ÜNLÜ Yazılım") | Turkey | TRY | Software Services | % 100,00 | % 100,00 |
| Associates accounted with equity pick-up method | | | | | |
| ÜNLÜ LT Investments Limited Partnership ("ÜNLÜ LT") ⁽³⁾ | Guernsey | TRY | Venture capital | 4,76% | 4,76% |
| 212 Limited (Cayman Island) | Cayman Island | USD | Venture capital | 32,5% | 32,5% |

(1) ÜNLÜ Menkul has 100% share in UNLU Securities Inc and UNLU Securities UK Limited.

(2) TAIL owns 4.76% share of ÜNLÜ LT (31 December 2021: 4.76%).

(3) On November 27, 2023, ÜNLÜ Alternative Asset Management Limited entered the liquidation process in line with the decision of the Board of Directors and a liquidator was appointed.

(4) It is a fund founded by ÜNLÜ Portfolio Management A.Ş.

Financial status tables, profit or loss and other comprehensive income tables of all subsidiaries are fully consolidated and the carrying values of the subsidiaries owned by the Company are netted with the shareholder's capital.

ÜNLÜ YATIRIM HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of consolidation (Continued)

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Non-controlling interest transactions that do not result in a loss of control for the parent company are recognised under equity. These transactions are made between shareholders. The difference between the net book value of the subsidiary's gained assets and the fair value of the price paid to gain the said assets is recognised under the equity. Non-controlling interests and profit or loss resulting from the sales are categorized under equity. The effective and direct partnership rates and financial information of the subsidiaries within the scope of consolidation are as follows:

31 December 2023

| Name | Effective holding ratio | Total Assets | Total Equity | Profit/(loss) for the period |
|---|-------------------------|---------------|--------------|------------------------------|
| ÜNLÜ Menkul Değerler A.Ş. (consolidated) | 100,00% | 1.203.744.004 | 440.202.515 | 114.297.100 |
| ÜNLÜ Portföy Yönetimi A.Ş. | 100,00% | 60.527.974 | 53.321.791 | (11.477.413) |
| İstanbul Varlık Yönetim A.Ş. | 100,00% | 581.840.747 | 295.447.677 | 33.369.461 |
| Turkish Alternative Investments Limited | 100,00% | 15.405.880 | 15.129.316 | 4.289.608 |
| ÜNLÜ Yazılım ve Teknoloji Hizmetleri A.Ş.(“ÜNLÜ Yazılım”) | 100,00% | 23.971.910 | 20.724.698 | 1.205.671 |
| ÜNLÜ Portföy Dokuzuncu Serbest (TL) Fon | 97,00% | 613.285.397 | 612.722.313 | 218.409.853 |

31 December 2022

| Name | Effective holding ratio | Total Assets | Total Equity | Profit/(loss) for the period |
|---|-------------------------|---------------|--------------|------------------------------|
| ÜNLÜ Menkul Değerler A.Ş. (consolidated) | 100,00% | 1.160.715.999 | 328.503.846 | 84.838.495 |
| ÜNLÜ Portföy Yönetimi A.Ş. | 100,00% | 37.671.240 | 26.303.993 | (9.227.984) |
| İstanbul Varlık Yönetim A.Ş. | 100,00% | 624.874.065 | 262.897.467 | 8.420.252 |
| ÜNLÜ Alternative Asset Management Ltd. | 100,00% | 53.894.730 | 51.222.292 | (7.016.482) |
| Turkish Alternative Investments Limited | 100,00% | 28.341.563 | 14.079.258 | 19.848.709 |
| ÜNLÜ Yazılım ve Teknoloji Hizmetleri A.Ş.(“ÜNLÜ Yazılım”) | 100,00% | 996.537 | 806.367 | (68.119) |
| ÜNLÜ Portföy Dokuzuncu Serbest (TL) Fon | 95,00% | 649.945.977 | 649.498.173 | 36.230.804 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Revenue recognition (Continued)

The Group assigns a product or service to a customer and fulfills the performance obligation or brings the revenue to the consolidated financial statements. The asset is transferred as soon as the asset is checked or passed.

The Group transfers the revenue to the financial statements based on the following five principles:

- Identify the contract(s) with a customer
- Identify the separate performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the separate performance obligations
- Recognise revenue when (or as) the entity satisfies a performance obligation

The Group recognizes a contract with its customer as revenue when all of the following conditions are met:

- The parties to the Convention have ratified the contract (in accordance with written, oral or other commercial practices) and undertakes to carry out their acts,
- Identify the rights of each party regarding the goods or services to be transferred,
- Payment terms can be defined for the goods or services to be transferred,
- The contract is essentially commercial,
- The Group is likely to charge a fee for the goods or services to be transferred to the customer.
- In merger and acquisition transactions, the agreement of the parties and the signing of a share transfer agreement within one week of the reporting date at the most is determined as a criterion for recording the service income as revenue and accounts within this scope.

At the beginning of the contract, the Group evaluates the goods or services it has committed in the contract with the customer and defines each commitment to transfer it to the customer as a separate performance obligation. The Group also determines whether, at the start of the contract, the Group fulfills each performance obligation over time or at a certain time of time.

When another party intervenes in the provision of goods or services to the customer, the Group determines that it has a performance obligation to provide the goods or services of the nature of the commitment (noble) or to mediate such goods or services provided by the other party (proxy). The Group is a principal if the goods or services are checked before handing over those goods or services to the customer. In such case, when it fulfills (or brings) the performance of the performance, it takes the revenue to the financial statements as much as the gross amount of the consideration expected to be paid in return for the transferred goods or services. The Group is acting as a proxy if the performance obligation is mediated by another party to provide the goods or services specified, and does not reflect the revenue to the consolidated financial statements for the performance obligation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Revenue recognition (Continued)

Accordingly, securities purchase and sales profits / losses are recognized in the consolidated income statement on the date the relevant sales order is placed, related purchases and sales are shown in gross in the income statement. Commission income of transactions with customer assets based on customer orders are recognized under service income.

i. Incomes and costs from securities trading transactions

Securities purchase and sale incomes / costs are accounted in the consolidated income statement on the date the relevant purchase-sale order is placed.

ii. Corporate finance income

The Group has determined the signing of a share transfer agreement within one week following the agreement of the parties and the maximum reporting date in merger and acquisition transactions as a criterion for recording the service income as revenue and accounts within this scope. Consulting income is recognized in profit or loss, taking into account the progress level at the end of the reporting period.

iii. Portfolio management income

Fund management fees and portfolio management commissions of portfolios created to carry out trading transactions in capital markets on behalf of clients are recognized as income under the "Portfolio management income" item on an accrual basis.

iv. Incomes from overdue receivables

The Group calculates and records the net present values of expected collection projections of overdue receivables, using the effective interest rate determined on the date of purchase, in the valuation of loan portfolios purchased. Interest income calculated over the book values of loan portfolios using the effective interest rate adjusted according to the credit determined at the first purchase of the loan portfolios is recognized as income under the item "Income from non-performing receivables". The Group recognizes transaction costs that can be directly attributed to the acquisition of portfolios by deducting from the amount collected, as an revenue under the "Incomes from overdue receivables" item when the collection is realized.

v. Income from brokerage

Transaction fees and commissions are generally reflected in the profit or loss statement on the date they are collected or paid. Stock transaction commissions are accounted by netting with commission returns. Dividend income from stock investments are recorded when shareholders are entitled to receive dividends. Interest income is recognized in the income statement in the relevant period on an accrual basis. Interest income includes coupons earned on fixed income investment instruments and incomes arising from the valuation of discounted government bonds on internal discount basis.

vi. Other financial income

Other financial income that is not included in the income items titled above are recognized as income under the item "Other financial income" on an accrual basis.

vii. Consulting income and costs

Consulting income and costs are recorded on an accrual basis over the fair value of the amount received or to be received, when the service is provided, the income amount can be measured reliably and it is highly probable that the economic benefits related to the transaction will be obtained by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Trade receivables

In cases where the trade receivables are not impaired for certain reasons (except for a realized impairment loss) within the scope of the impairment calculations of trade receivables, which are recognised for at amortized cost in the financial statements and which do not contain a significant financing component (less than 1 year), provisions for losses relating to the trade receivables are measured at an amount equal to “life-time expected credit losses”. In the event of the collections of the doubtful receivables whether the whole amount or the some part of it, after the booking of the provision for the doubtful receivables, the collected amount is deducted from the doubtful receivables provision and recorded as other operating income. Following the booking of provision for doubtful receivables, the collected amount is deducted from the doubtful receivable provision and recorded in other income in case of collecting all or part of the doubtful receivable amount.

At the reporting date, the group recognizes as a loss allowance only the total changes in lifetime expected credit losses since initial recognition for credit-impaired financial assets when purchased or created.

At each reporting date, the group recognizes the amount of the change in lifetime expected credit losses as an impairment gain or loss in profit or loss. Positive changes in lifetime expected credit losses are recognized as an impairment gain, even if the lifetime expected credit losses are less than the expected credit losses estimated at initial recognition of the asset.

The Group's loans provided to the borrower by providing cash directly are classified as trade receivables by the Group. All loans given are reflected to the financial statements after the cash amount is allocated to the borrower.

ÜNLÜ YATIRIM HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial assets

The Group shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets shall be recognized and derecognized, as applicable, using trade date accounting or settlement date accounting. Purchase and sale transactions of securities are accounted at the settlement date. The classification of financial instruments at initial recognition depends on the contractual conditions and the relevant business model. Except for the assets in the scope of TFRS 15 Revenue from contracts with customers, at initial recognition, the Bank measures financial asset or financial liabilities at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit/loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. On which category a financial instruments shall be classified at initial recognition depends on both the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group's financial assets and liabilities within the scope of TFRS 9 are shown below:

Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit/loss are financial assets that are either acquired for generating a profit from short term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at the fair value through profit or loss are initially recognized at fair value and measured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the income statement.

Financial Assets at Fair Value Through Other Comprehensive Income:

Financial assets at fair value through other comprehensive income are financial assets other than those classified as trade and other receivables, investment securities held to maturity and financial assets at fair value through profit or loss.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial assets (Continued)

Financial Assets at Fair Value Through Other Comprehensive Income (Continued):

Financial assets at fair value through other comprehensive income are measured at fair value subsequent to their initial recognition. However, if the fair value of available for sale investment securities cannot be reliably measured, then those financial assets at fair value through other comprehensive income with fixed maturity are measured at amortised cost by using effective interest rate model and those available for sale investment securities without fixed maturity are measured by using fair value pricing models or discounted cash flow techniques. Unrecognized gains or losses derived from the changes in fair value of financial assets at fair value through other comprehensive income and the difference between their fair value and the discounted values calculated per effective interest rate method are recorded in "Fair value reserve" under equity. At the disposal of available for sale investment securities, value increases/decreases recorded in the fair value reserve under equity are transferred to profit or loss.

Financial assets measured at amortized cost:

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost. Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective interest rate method. Interest income obtained from financial assets measured at amortized cost is accounted in income statement.

Financial assets to be valued at cost

Financial assets measured at cost consist of long-term financial assets whose fair value cannot be reliably assessed. These assets are measured at their cost. Group shares that are not quoted in the stock exchange and whose value cannot be measured reasonably is expected to be held in the long term are shown under this item.

Impairment / expected loss provision for financial assets

The Group calculates and recognizes provision for expected losses for life by applying the simplified method to all financial assets except the fair value difference reflected to profit / loss. At each reporting date, it is assessed whether there has been a significant increase in the credit risk of the financial instrument within the scope of impairment since the first time it is included in the financial statements. This assessment takes into account the change in the default risk of the financial instrument. The expected loss allowance estimate is unbiased, weighted by probabilities and includes supportable information about past events, current circumstances and forecasts for future economic conditions.

For all financial assets, except for trade receivables where the carrying amount is reduced through the use of a provision account, the impairment loss is directly deducted from the carrying amount of the financial asset. If the trade receivable cannot be collected, the amount is deducted from the provision account. Changes in the allowance account are recognized in profit or loss for the period. If the impairment loss is reduced in the following period, except for the equity instruments at fair value through the other comprehensive income, and the decrease can be attributed to an event occurring after the impairment loss is recognized, the impairment loss that was previously recognized is not accounted for when the impairment loss is never recognized. it is canceled in the income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial assets (Continued)

Any increase in the fair value of equity instruments at fair value through profit or loss is recognized directly in equity. The Group makes the valuation of the loan portfolios it purchases by using the future collection projections. Amounts discounted by using the effective interest rate method are calculated on these projections and related loans are valued in this way. The valuation methods of the Group's non-performing loans, which are level 3 financial assets, are reviewed by valuation experts at every reporting period. Under TFRS 9, if a financial asset is acquired in default or there is evidence of impairment at initial recognition, for example, if it is acquired at a deep discount rate, the impairment loss on such assets is reflected in the expected cash flows over the life of the asset calculated using the effective interest rate that accommodates the expected credit loss provision at initial recognition. In this context, while calculating the effective interest rate during the initial recognition of the non-performing receivable portfolios acquired by the Company, the lifetime expected credit loss is included in the expected cash flows over the estimated life of the asset (e.g., 10 years). In the reporting periods following the acquisition date of the non-performing loan portfolios acquired by the Group, the changes to the lifetime expected loss allowance amounts are calculated with the Expected Credit Loss Model ("ECL") model. In terms of loans evaluated together within the scope of the ECL model, loans with common risk characteristics are segmented. As for the risk groups evaluated within the scope of ECL assessment and measurement methods, Probability of Default (PD) and Loss Given Default (LGD) are determined using data obtained from the Group's existing non-performing loan portfolios. The Lifetime Expected Credit Loss Amount for any debt is calculated as the product of the Probability of Default and the Loss Given Default Rate (PD x LGD).

(e) Explanations on netting of financial assets

Financial assets and liabilities are set off and the net amount presented in the balance sheet when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(f) Trade payables

Trade payables refer to the obligatory payments for the goods and services obtained by the suppliers for the ordinary activities of the company. If the time period for the trade receivables to be paid is one year or less (or if it is longer, but is within the normal operating cycle of the company), these receivables are classified as short term liabilities. If not, they are classified as long term liabilities.

Trade payables are recorded with their fair values and recognized in the accounts of the following periods, through use of the effective interest rate method over discounted value, by allocation of a provision for impairment (Note 8).

(f) Explanations on forward and option contracts and other derivative instruments

In accordance with the "Financial Assets" ("TFRS 9"); the forward foreign currency purchases/sales transactions and swap transactions, which are not considered as hedging instruments, are classified as derivative instruments at fair value through profit or loss. Derivative financial instruments are measured at fair value.

The fair values of the forward foreign currency purchases/sales transactions at fair value through profit or loss are measured with the internal pricing models by taking the expectations from the market into account. The change in the fair values is recorded through the period's profit or loss.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND
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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Explanations on assets held for sale, disposal groups and discontinued operations

Assets that meet the criteria to be classified as held for sale and disposal groups are measured at the lower of its carrying amount and fair value less costs to sell. Depreciation of such assets is ceased and they are presented separately in the balance sheet. In order to classify a tangible fixed asset as held for sale, the asset (or the disposal group) should be available for an immediate sale in its present condition subject to the terms of any regular sales of such assets (or such disposal groups) and the sale should be highly probable. For a highly probable sale, the appropriate level of management must be committed to a plan to sell the asset (or the disposal group), and an active programme to complete the plan should be initiated to locate a customer (Note 13). It is also required that the sales of these assets should be expected as an accounting of finalized sale within the year after the classification. Necessary transactions should have done for the completion of sale and the possibility of significant changes on the plan or cancellation of the plan should be assessed as low. Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset from being classified as held for sale if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset.

A discontinued operation is a part of the Group's business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in income statement. Assets held for sale consist of tangible assets acquired due to overdue loans.

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Property and equipment

Property and equipment are carried at cost less accumulated depreciation (Note 15).

Depreciation is provided on restated amounts of property and equipment using the straight-line method based on the useful lives of such assets, the estimated useful lives of assets are as it is shown below:

| | |
|------------------------|---------------------------------------|
| Office equipment | 5 years |
| Furniture and fixtures | 3 - 5 years |
| Other tangible assets | 5 years |
| Lease assets | 2-3 years |
| Leasehold improvements | Shorter of 5 years or period of lease |

Estimated useful life and depreciation method are reviewed every year to identify the effects of the changes in estimations and the changes in estimations are entered into accounts.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

Gains and losses on the disposal of property and equipment are determined in reference to their carrying amounts and are taken into account in determining operating profit.

(j) Intangible assets

Intangible assets comprise acquired intellectual property, information systems and computer software. They are recorded at acquisition cost and amortized on a straight-line basis over their estimated economic lives for a period not exceeding three to five years from the date of acquisition. To determine the change effect in estimation of the estimated useful lives and depreciation method is considered every year and recognised accordingly to changes in these estimations (Note 16).

Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and written down immediately to its recoverable amount.

(k) Financial liabilities

Except for the liabilities related to financial instruments which are defined as financial liabilities held for trading and classified at their fair values, financial liabilities are recognized at their acquisition costs including the transaction cost and appraised at their discounted values calculated through "effective interest rate method" in the subsequent periods. All financial expenses are recorded in the income statement and other comprehensive income statement in the period when they arise.

(l) Foreign exchange transactions

Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. As of 31 December 2023, foreign currency at the end of the period for EUR transactions is TL 32,5739, for USD transactions, it is TL 29,4382, for GBP transactions, it is TL 37,4417 (31 December 2022: EUR: 19,9349, USD: 18,6983, GBP: 22,4892).

Any foreign exchange transactions which had converted to Turkish currency will be disclosed in "Foreign exchange gain/loss" item which is held in income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Foreign exchange transactions (Continued)

With respect to the consolidated financial statements, assets and liabilities of the subsidiaries in foreign currency have been translated into TL with the closing exchange rate at the balance sheet date. Profit/Loss items of the subsidiaries have been translated into TL with average exchange rate of the reporting period. The resulting translation differences amounted to net TL 18.341.412 is recognized in "Currency translation differences" account under the equity in the balance sheet (31 December 2022 TL 18.517.573 foreign currency gain).

(m) Provisions, contingent liabilities and assets

In accordance with the Turkish Accounting Standard 37 ("TAS 37") "Provisions, Contingent Assets and Liabilities", Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. 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 financial statements and treated as "Contingent assets or liabilities" (Note 18).

Contingent assets generally arise from unplanned or other unexpected events that bear the probability of inflow of economic benefits to the Group. Contingent assets are not shown on the financial statements, since they may imply accounting of an income that will never be gained. Contingent assets are disclosed in financial statement disclosures, if the inflow of the economic benefits to the Group is probable. Contingent assets are subject to continuous evaluation in order to reflect the effect of developments in contingent assets to financial statements accurately. In case that the probability of inflow of the economic benefit to the Company is almost certain, the related asset and the income generated from the asset are reflected to the financial statements of the regarding period.

(n) Finance leases (where the Group is "lessee")

Assets acquired under finance lease agreements are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payment. Leased assets are included in the property and equipment and depreciation on the leased asset is charged to income on a straight-line basis over the useful life of the asset.

If there is a decrease in the value of assets acquired through financial leasing and the expected future benefit from the assets is lower than the book value of the asset, the leased assets are valued with their net realizable value. Depreciation is calculated for assets acquired through financial lease in accordance with the principles applied for tangible fixed assets.

Right of use assets

The Group recognizes the right-of-use assets on the date the lease commences (for example, as of the date when the asset is eligible for use). Right of use assets are calculated by deducting accumulated depreciation and impairment losses from the cost value. If the financial lease payables are revalued, this figure is corrected.

The cost of the right-of-use asset includes:

- (a) the initial measurement of the lease obligation,
- (b) the amount obtained by deducting all lease incentives received from all lease payments made on or before the effective date of the lease, and
- (c) all initial direct costs incurred by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Finance leases (where the Group is “lessee”) (Continued)

Unless the transfer of the underlying asset to the Group at the end of the lease term is reasonably finalized, the Group depreciates the right of use from the effective date of the lease to the end of the useful life of the underlying asset.

Right-of-use assets are subject to impairment assessment.

Leasing Obligations

The Group measures the lease obligation at the present value of the unpaid lease payments on the date that the lease commences.

Lease payments included in the measurement of the lease obligation on the date that the lease actually commences consists of the following payments to be made for the right of use of the underlying asset during the lease period and not paid on the actual lease date:

- (a) Fixed payments,
- (b) Variable lease payments based on an index or rate, the first measurement made using an index or rate on the actual date of the lease.
- (c) Amounts expected to be paid by the Group under residual value commitments
- (d) the use price of this option and, if the Group is reasonably certain that it will use the
- (e) fines for termination of the lease if the lease shows that the Group will use an option to terminate the lease.

Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or condition that triggered the payment occurred.

The Group revises the revised discount rate for the remainder of the lease term, if the implicit interest rate in the lease can be easily determined; the Group’s alternative borrowing interest rate at the date of the revaluation.

After the effective date of the lease, the Group measures the lease obligation as follows:

- (a) increase the carrying amount to reflect the interest on the lease obligation; and
- (b) Decreases the carrying amount to reflect the lease payments made.

In addition, in the event of a change in the lease term, in essence a change in fixed lease payments or a change in the assessment of the option to buy the underlying asset, the value of the lease obligations is remeasured.

The right of use calculated for leasing agreements is accounted under “Property, plant and equipment” account.

The interest expense on the lease obligation is accounted under “Finance expenses” and the depreciation expense of the usage right asset is accounted under “Depreciation expenses and Amortization” account.

The duration of the agreements related to operating leases and the discount rates applied are as follows:

| Assets subject to operational leasing | Contract period (Year) | Discount rate (%) |
|--|-----------------------------------|--------------------------|
| Buildings | 1-5 year | TL -27,31 / -19,60 |
| Buildings | 1-2 year | GBP -0,75 / -0,80 |
| Vehicles | 1-3 year | TL - 19,60 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Subsequent events

Subsequent events cover any events which arise between the reporting date and the balance sheet date, even if they occurred after any declaration of the net profit for the period or specific financial information publicly disclosed. The Group adjusts its consolidated financial statements if such subsequent events arise which require an adjustment to the financial statements (Note 33).

(p) Related parties

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,
- (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).

Related party transactions are transactions in which resources, services and liabilities are transferred between related parties, regardless of whether they are charged for a price. In line with the purpose of the financial statements, shareholders, key management personnel and board members, their families and companies controlled by or affiliated with them, affiliates and partnerships are accepted and expressed as related parties.

(r) Taxes calculated over corporation income

Corporate tax

Corporate tax is calculated according to the Tax Procedural Law, and tax expenses except corporate tax are recognized in operating expenses (Note 27).

The corporate tax rate in Turkey is 25% (applied as 23% for corporate earnings for the 2022 tax period). The corporate tax rate is applied to the net corporate income, which is found by adding expenses not accepted as deductible under tax laws to the commercial income of corporations, and deducting exemptions and discounts stated in tax laws. Corporate tax is declared by the end of the thirtieth day of the fourth month following the end of the relevant year and is paid in a single installment by the end of the same month.

With the Law No. 7256 on the Restructuring of Certain Receivables and Amendments to Certain Laws published in the Official Gazette dated 17.11.2020 and numbered 31307, the institutions whose shares representing at least 20% of the capital are offered to the public for the first time in the Borsa Istanbul Equity Market. The corporate tax rate to be applied to corporate earnings will be applied with a discount of two (2) points for five accounting periods, starting from the accounting period in which the shares are offered to the public for the first time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Corporate tax (Continued)

Turkish tax legislation does not allow the parent company to file its subsidiaries and affiliates on its consolidated financial statements. Therefore, provisions for taxes reflected in these consolidated financial statements have been calculated separately for all companies included in the full consolidation. It is deducted when there is a legal right to set off current tax assets against current tax liabilities or if such assets and liabilities are associated with income tax collected by the same tax authority.

According to Article 17 of the Omnibus Law published in the Official Gazette dated December 28, 2023, companies within the scope of the Banks, Financial Leasing, Factoring, Financing, and Savings Finance Companies Law, payment and electronic money institutions, authorized exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies will apply inflation accounting as of December 31, 2023, in accordance with the Tax Procedure Law. Any profit/loss difference arising from inflation adjustments made during the 2024 and 2025 accounting periods, including provisional tax periods, will not be taken into account in determining the tax base.

Deferred tax

Deferred income tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The rates enacted, or substantively enacted, at the balance sheet date are used to determine deferred income tax (Note 27).

The deferred tax assets and the deferred tax liabilities can be netted off only if there is a legal right in this respect according to the tax legislation of the country they are dependent on. Deferred tax liabilities and assets are recognized when it is probable that the future economic benefit resulting from the reversal of temporary differences will flow to or from the Company. Deferred tax assets resulting from temporary differences in the recognition of expense for income tax and financial reporting purposes are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. Deferred tax charges except for the ones that are recognised under the equity in the form of other reserves and the current tax balances accrued for the related reporting periods are directly recognized as income or expense in the statement of income.

Since the effective corporate tax rate is 23%-30% as of December 31, 2023, the tax rate of 23%-30% has been used for temporary differences (December 31, 2022: 18%-25%).

Transfer pricing

The article no. 13 of the Corporate Tax Law describes the issue of transfer pricing under the title of "disguised profit distribution" by way of transfer pricing. "The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing" published at 18 November 2007, explains the application related issues on this topic.

According to this communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm's length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Employee benefits

The Group accounts liabilities related to severance pay, vacation rights and other benefits for employees according to the clause “Turkish Accounting Standard related to Employee Benefits” (“TAS 19”) and classifies as “Provisions for employee benefits” at the balance sheet.

The Group is liable to pay a collective amount of payment to the employees dismissed except for the cause of retirement or resignation and significant course of actions according to Labor Law in Turkey. Provision for employment termination benefit is determined according to the law and specific actuarial estimations and reflected in the financial statements (Note 20).

According to the current Labor Law in Turkey, in case a contract of employment is terminated for any reason, the Group is obliged to pay the employee or right owners the fee of accrued but unused annual leave as regards to the remuneration on the contract’s termination date.

Turkish Accounting Standards 19 (“TAS 19”), Employee Termination Benefits, was revised as of 1 January 2013. In this context, actuarial gain/loss related to employee termination benefit provision is classified under other comprehensive income.

Due to the permission given about the amendment applied to the previous period financials under the title of related standard “Transition and effective date”, the Company has recognised actuarial gains and losses under the “Other comprehensive income”, and other accumulated gains and losses were presented under equity in the name of “Actuarial losses from employee termination benefits” in the statement of financial position within the related period.

(t) Explanations on loans and borrowings

Financial liabilities except financial liabilities held for trading valued at fair value, are initially recognized at cost including the transaction costs. Subsequent to initial recognition, borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings.

(u) Cash flow statement

For the purposes of cash flow statement, the Group considers cash due from banks with maturity periods of less than three months and mutual funds with a maturity of no more than three months (Note 5).

(v) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group’s share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The Group performs the goodwill impairment test at 31 December. Impairment losses on goodwill could not be reversed; Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold (Note 16).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Earning per share

Earnings per share disclosed in these statements of income are determined by dividing net profit by the weighted average number of shares that have been outstanding during the year concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("Bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period (Note 28).

D. SIGNIFICANT ACCOUNTING ASSESSMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis, Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Note 8 - Trade receivables and payables

Note 15 - Property and equipment

Note 16 - Intangible assets

Note 17 - Rights of use

Note 18 - Provisions, contingent assets and liabilities

Note 20 - Provision for employee benefits

Note 22 - Cost of sales

Note 27 - Tax assets and liabilities

Receivables to be liquidated: The financial assets of the Group, which are composed of non-performing receivables for goods purchased, are reflected in the balance sheet with their cost values and in order to determine their carrying values in the balance sheet, important projections, assumptions, and evaluations are made regarding the future estimated collections. Changes that might arise in these projections and assumptions.

3 SEGMENT REPORTING

Reporting of operating segments is organized on competent authority of activities based on uniformity. The executive committee, which is responsible for decision making of regarding the business activities of the decisions about resources to be allocated to the competent authority of department and evaluating performance of the department, is determined as competent authority for decision-making mechanism regarding to the company's activities.

Group's subsidiaries' ÜNLÜ Menkul, engaged in brokerage activities in the capital markets. Istanbul Varlık provides services in the field of asset management. UAAM gives financial consultancy service. The Group's other subsidiary, Ünlü Portföy, operates in corporate and individual portfolio management segment. UNLU Securities Inc and UNLU Securities UK Limited, indirect subsidiaries of the Group, are intermediary in the capital markets. ÜNLÜ Teknoloji operates in the field of software and technology. TAIL operates in the investment sector.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

3 SEGMENT REPORTING (Continued)

As at 31 December 2023 and 2022, segment reporting is prepared based on the brokerage, portfolio management activities and consultancy services.

| 31 December 2023 | Brokerage, corporate finance and portfolio management services | Asset management consultancy and services | Private equity | Investment holding services | Eliminations (*) | Total |
|---|--|--|--------------------|--------------------------------|----------------------|-------------------------|
| Financial sector activities revenue | 24.312.931.539 | 557.573.843 | - | 95.422.284 | (5.474.295) | 24.960.453.371 |
| Income from securities trading transactions | 23.550.730.264 | -- | -- | -- | -- | 23.550.730.264 |
| Income from brokerage | 562.894.799 | -- | -- | -- | (446.400) | 562.448.399 |
| Other financial incomes | 58.896.965 | -- | -- | 482.322 | (5.027.895) | 54.351.392 |
| Warrant income | 73.797.145 | -- | -- | -- | -- | 73.797.145 |
| Public offering commission income | 37.904.187 | -- | -- | -- | -- | 37.904.187 |
| Income from non-performing Loans | -- | 553.798.112 | -- | -- | -- | 553.798.112 |
| Corporate finance income | -- | -- | -- | 94.939.962 | -- | 94.939.962 |
| Consulting income | -- | 3.775.731 | -- | -- | -- | 3.775.731 |
| Portfolio management incomes | 29.718.531 | -- | -- | -- | -- | 29.718.531 |
| Discounts from financial income (-) | (1.010.352) | -- | -- | -- | -- | (1.010.352) |
| Cost of financial sector activities | (23.442.297.965) | -- | -- | -- | -- | (23.442.297.965) |
| Cost of securities trading transactions (-) | (23.442.297.965) | -- | -- | -- | -- | (23.442.297.965) |
| Gross profit | 870.633.574 | 557.573.843 | -- | 95.422.284 | (5.474.295) | 1.518.155.406 |
| General administrative, marketing, selling and distribution expense | (523.617.641) | (400.282.840) | (1.262.218) | (215.244.601) | 11.247.028 | (1.129.160.272) |
| Other operating income/expenses, net | 3.845.829 | 4.212.536 | -- | 3.487.972 | (5.772.733) | 5.773.604 |
| Operating profit/(loss) | 350.861.762 | 161.503.539 | (1.262.218) | (116.334.345) | -- | 394.768.738 |
| Share of profit of investment accounted through equity method | -- | -- | 1.891.839 | (359.203) | -- | 1.532.636 |
| Income from operation activities | 56.597.343 | 97.941.316 | -- | 148.678.069 | -- | 303.216.728 |
| Expense from operation activities | (6.774.808) | -- | -- | (12.115.112) | -- | (18.889.920) |
| Profit/(loss) before financial expenses | 400.684.297 | 259.444.855 | 629.621 | 19.869.409 | -- | 680.628.182 |
| Financial income | 267.559.159 | 24.306.629 | 684.770 | 105.701.439 | (1.931.871) | 396.320.126 |
| Financial expenses | (292.311.117) | (76.919.426) | (1.723.035) | (37.143.882) | 1.931.871 | (406.165.589) |
| Monetary gain loss | (159.961.398) | (158.979.176) | (7.520.544) | (186.490.795) | -- | (512.951.913) |
| Profit before tax | 215.970.941 | 47.852.882 | (7.929.188) | (98.063.829) | -- | 157.830.806 |
| Tax expense | (109.411.616) | (39.849.490) | -- | (1.974.470) | -- | (151.235.576) |
| Deferred tax income/(expense) | 12.307.398 | 16.643.375 | -- | 608.453 | -- | 29.559.226 |
| Net profit | 118.866.723 | 24.646.767 | (7.929.188) | (99.429.846) | -- | 36.154.456 |
| Other comprehensive income/(expense) | (2.766.778) | (33.992.777) | -- | (1.420.776) | -- | (38.180.331) |
| Total comprehensive income/(expense) | 116.099.945 | (9.346.010) | (7.929.188) | (100.850.622) | -- | (2.025.875) |
| Operating segment assets (31 December 2023) | 1.251.104.001 | 589.274.069 | 15.405.880 | 949.438.921 | (101.805.682) | 2.703.417.189 |
| Operating segment liabilities (31 December 2023) | 757.579.697 | 287.539.458 | 276.564 | 93.679.245 | (2.152.476) | 1.136.922.488 |

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3 SEGMENT REPORTING (Continued)

| 31 December 2022 | Brokerage, corporate finance and portfolio management services | Asset management consultancy and services | Private equity | Investment holding services | Eliminations (*) | Total |
|---|--|---|--------------------|-----------------------------|----------------------|-------------------------|
| Financial sector activities | | | | | | |
| revenue | 19.300.125.339 | 549.299.512 | -- | 99.230.968 | (11.489.575) | 19.937.166.244 |
| Income from securities trading transactions | 18.774.938.364 | -- | -- | -- | -- | 18.774.938.364 |
| Income from brokerage | 369.322.100 | -- | -- | -- | -- | 369.322.100 |
| Other financial incomes | 43.164.248 | -- | -- | -- | (11.489.575) | 31.674.673 |
| Warrant income | 42.429.727 | -- | -- | -- | -- | 42.429.727 |
| Public offering commission income | 25.356.641 | -- | -- | -- | -- | 25.356.641 |
| Income from non-performing Loans | -- | 543.966.790 | -- | -- | -- | 543.966.790 |
| Corporate finance income | 24.588.256 | -- | -- | 99.230.968 | -- | 123.819.224 |
| Consulting income | -- | 5.332.722 | -- | -- | -- | 5.332.722 |
| Portfolio management incomes | 20.395.650 | -- | -- | -- | -- | 20.395.650 |
| Discounts from financial income (-) | (69.647) | -- | -- | -- | -- | (69.647) |
| Cost of financial sector activities | (18.633.161.342) | -- | -- | -- | -- | (18.633.161.342) |
| Cost of securities trading transactions (-) | (18.633.161.342) | -- | -- | -- | -- | (18.633.161.342) |
| Gross profit | 666.963.997 | 549.299.512 | -- | 99.230.968 | (11.489.575) | 1.304.004.902 |
| General administrative, marketing, selling and distribution expense | (441.423.561) | (323.328.808) | (1.076.519) | (172.799.876) | 15.621.121 | (923.007.643) |
| Other operating income/expenses, net | 1.713.170 | 5.919.820 | -- | 5.229.784 | (4.131.546) | 8.731.228 |
| Operating profit/(loss) | 227.253.606 | 231.890.524 | (1.076.519) | (68.339.124) | -- | 389.728.487 |
| Share of profit of investment accounted through equity method | -- | -- | 10.154.332 | (639.856) | -- | 9.514.476 |
| Income from operation activities | 21.612.827 | 14.477.754 | -- | 235.587.543 | -- | 271.678.124 |
| Expense from operation activities | (18.329.142) | (1.188.552) | -- | (67.734.852) | -- | (87.252.546) |
| Profit/(loss) before Financial expenses | 230.537.291 | 245.179.726 | 9.077.813 | 98.873.711 | -- | 583.668.541 |
| Financial income | 472.531.480 | 22.612.901 | 291.869 | 86.284.225 | (22.204.766) | 559.515.709 |
| Financial expenses | (419.002.777) | (55.475.442) | (1.723.035) | (13.889.638) | 22.204.766 | (467.886.126) |
| Monetary gain/loss | (133.288.020) | (167.683.965) | 2.361.380 | (257.623.667) | -- | (556.234.272) |
| Profit before tax | 150.777.974 | 44.633.220 | 10.008.027 | (86.355.369) | -- | 119.063.852 |
| Tax expense | (76.233.746) | (24.253.249) | -- | (29.662.479) | -- | (130.149.474) |
| Deferred tax income/(expense) | (6.813.808) | (7.528.135) | -- | 1.964.528 | -- | (12.377.415) |
| Net profit | 67.730.420 | 12.851.836 | 10.008.027 | (114.053.320) | -- | (23.463.037) |
| Other comprehensive income/(expense) | (6.150.108) | (53.812.402) | -- | 26.427.785 | -- | (33.534.725) |
| Total comprehensive income/(expense) | 61.580.312 | (40.960.566) | 10.008.027 | (87.625.535) | -- | (56.997.762) |
| Operating segment assets (31 December 2022) | 1.198.311.002 | 678.768.795 | 28.341.563 | 1.264.925.940 | (138.418.599) | 3.031.928.701 |
| Operating segment liabilities (31 December 2022) | 843.503.162 | 364.649.037 | 14.262.306 | 187.557.610 | (46.785.016) | 1.363.187.099 |

(*) As of December 31, 2023, it consists of 5.474.295 TL in intra-group financial consultancy income/expenses and 1.931.871 TL in intra-group interest income/expenses. (2022: It consisted of 11.489.575 TL in intra-group financial consultancy income/expenses and 22.204.766 TL in intra-group interest income/expenses).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

4 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a) Balances with related parties

| | 31 December 2023 | 31 December 2022 |
|--|---------------------|---------------------|
| Financial investments | | |
| Financial assets at fair value through profit or loss (*) | | |
| - ÜNLÜ Portföy İkinci İstatistik Arbitraj Serbest Fon ⁽¹⁾ | 9.642.708 | 10.439.525 |
| - ÜNLÜ Portföy Ar-Ge Girişim Sermayesi Yatırım Fonu ⁽¹⁾ | 3.048.691 | 3.298.353 |
| - ÜNLÜ Portföy Birinci Girişim Sermayesi Yatırım Fonu ⁽¹⁾ | 2.403.269 | 2.087.416 |
| - ÜNLÜ Portföy Para Piyasası (TL) Fonu ⁽¹⁾ | -- | 61.039.913 |
| Total | 15.094.668 | 76.865.207 |
| Receivables | | |
| Trade receivables (Note 8) | | |
| Receivables from ÜNLÜ Portfolio Investment Funds ⁽¹⁾ | 8.079.344 | 11.916.142 |
| Total | 8.079.344 | 11.916.142 |

⁽¹⁾ These are the investment funds of which the partner of the Group is the founder.

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

4 BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

a) Balances with related parties (Continued)

| | 31 December 2023 | 31 December 2022 |
|--|-------------------|-------------------|
| Other receivables (Note 9) | | |
| - Receivables from personnel | 59.585 | 848.475 |
| -Receivables from related parties | -- | 210.474 |
| Total | 59.585 | 1.058.949 |
| Short term other payables (Note 9, 10) | | |
| - Payables to personnel within the scope of benefits | 60.084.072 | 62.994.081 |
| - Borsa İstanbul A.Ş. ^{(1) (*)} | 3.868.797 | 5.041.839 |
| - Other payables to personnel | -- | 141.091 |
| - Other payables to related parties | 82.812 | 78.862 |
| Total | 64.035.681 | 68.255.873 |

⁽¹⁾ These are the investment funds of which the partner of the Group is the founder.

^(*) The balance is composed of policy and contract expense reflections.

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

4 BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

b) Transactions with related parties

| | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
|--|------------------------------------|------------------------------------|
| Income from related parties | | |
| Service income (Commission income) (*) | | |
| Service Revenues from ÜNLÜ Portfolio Investment Funds ⁽¹⁾ | 33.459.531 | 38.864.983 |
| Ünlü LT Investments Limited Partnership | (3.741.000) | (4.896.332) |
| Total | 29.718.531 | 33.968.651 |
| Income from investments accounted through equity method | | |
| - ÜNLÜ LT Investments Limited Partnership ⁽³⁾ | 1.891.839 | 10.154.332 |
| - 212 Limited ⁽²⁾ | (359.203) | (639.856) |
| Total | 1.532.636 | 9.514.476 |

(1) These are the investment funds of which the partner of the Group is the manager.

(2) Group's subsidiary

(3) It is the subsidiary of the group's partner.

(*) It consists of fund management fee income.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

4 BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

b) Transactions with related parties (Continued)

| | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
|--|---------------------------------|---------------------------------|
| Expenses to related parties | | |
| General administrative expenses (Note 23) | | |
| - Şebnem Kalyoncuoğlu Ünlü ⁽¹⁾ | 830.732 | 614.433 |
| Total | 830.732 | 614.433 |

⁽¹⁾ She is a member of the board of directors of the group.

c) Salaries and other benefits paid to Board of Directors and top management:

Top management consists of general manager, vice general managers, directors and other top management members. For the year ended 31 December 2023, the total amount of salary and other benefits provided to the top management by the Group is TL 271.113.854 (1 January - 31 December 2022: TL 253.269.524).

5 CASH AND CASH EQUIVALENTS

| | 31 December 2023 | 31 December 2022 |
|---|--------------------|--------------------|
| Cash | -- | 13.032 |
| Cash at banks | 864.934.899 | 422.567.294 |
| - Demand deposit | 79.644.603 | 143.189.034 |
| - Time deposit | 785.290.296 | 279.378.260 |
| Futures and options market guarantees | 519.683 | 12.798.599 |
| Receivables from money market funds | 3.218.024 | -- |
| Receivables from reverse repurchase agreements ⁽¹⁾ | -- | 376.533 |
| Total | 868.672.606 | 435.755.458 |

⁽¹⁾ As of 31 December 2023, there are no receivables from reverse repo transactions. (As of 31 December 2022, the maturity of reverse repurchase agreements amounting to TL 376.533 is less than one month and the average interest rate of reverse repurchase agreements is 10,30%).

(2) The maturity dates of receivables from the stock exchange money market are January 2024 and June 2024, with interest rates ranging between 42,30% and 50,00%.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

5 CASH AND CASH EQUIVALENTS (Continued)

Cash and cash equivalents of the Group are shown in cash flow statements in 31 December 2022 and 2021 by deducing interest accruals and customer deposits:

| | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
|---------------------------|---------------------------------|---------------------------------|
| Cash and cash equivalents | 868.672.606 | 435.755.458 |
| Interest accruals (-) | (1.060.764) | (279.135) |
| Restricted deposit (-) | (4.156.951) | (220.356) |
| Total | 863.454.891 | 435.255.967 |

As of 31 December 2023 and 2022, the interest rates and maturity of the time deposits are as follows

| Currency | Original amount | 31 December 2023 | |
|--------------|-----------------|--------------------|-------------------|
| | | Amount (TL) | Interest rate (%) |
| TL | 755.647.794 | 755.647.794 | 39,00-48,00 |
| USD | 1.006.940 | 29.642.502 | 2,50-4,00 |
| Total | | 785.290.296 | |

| Currency | Original amount | 31 December 2022 | |
|--------------|-----------------|--------------------|-------------------|
| | | Amount (TL) | Interest rate (%) |
| TL | 265.847.426 | 265.847.426 | 6,50-32,00 |
| USD | 723.640 | 13.530.834 | 1,10-4,00 |
| Total | | 279.378.260 | |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

6 FINANCIAL INVESTMENTS

Short term financial investments

| | 31 December 2023 | 31 December 2022 |
|---|---------------------|---------------------|
| Financial assets at fair value through profit or loss | 375.047.154 | 751.667.515 |
| Financial assets at fair value through other comprehensive income | 84.309.074 | 80.529.513 |
| Total | 459.356.228 | 832.197.028 |

As of 31 December 2023 and 2022, financial assets at fair value through profit or loss are as follows:

| 31 December 2023 | | | |
|---------------------------------|-------------|--------------------|-------------------|
| | Nominal | Fair value | Interest rate (%) |
| Investment funds | -- | 120.438.239 | -- |
| Fx protected deposit | -- | 89.800.107 | 35% |
| Eurobond TL | -- | 57.490.165 | -- |
| Eurobond USD | \$1.492.000 | 44.804.634 | 4,83-6,39% |
| Private sector corporate bonds | 22.422.537 | 21.385.491 | 1,24-24,31% |
| Private lease-backed securities | 19.388.273 | 20.389.859 | 2,39-24,31% |
| Asset backed securities | 11.933.486 | 11.105.954 | 20,78-36,71% |
| Shares | -- | 9.414.389 | -- |
| Government bonds | 200.000 | 218.316 | 24,9% - 25,17% |
| Total | | 375.047.154 | |
| 31 December 2022 | | | |
| | Nominal | Fair value | Interest rate (%) |
| Eurobond TL | 240.566.151 | 396.387.868 | 3,25-25,00% |
| Fx protected securities | -- | 167.697.537 | 15,00% |
| Investment funds | -- | 111.262.673 | -- |
| Eurobond USD | \$1.176.279 | 35.934.355 | 3,25-7,38% |
| Bank bonds | 5.000.000 | 11.717.258 | 13,43-13,59% |
| Asset backed securities | 6.000.000 | 10.311.305 | 29,54-39,42% |
| Shares | -- | 8.485.372 | -- |
| Private sector bonds | 4.123.227 | 6.599.218 | 1,00-33,12% |
| Government bonds | 2.000.000 | 3.271.929 | 17,79-18,33% |
| Total | | 751.667.515 | |

ÜNLÜ YATIRIM HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

6 FINANCIAL INVESTMENTS (Continued)

Short term financial investments (Continued)

As of 31 December 2023 and 2022, securities given as collateral are as follows (Note 18):

| | 31 December 2023 | | 31 December 2022 | |
|------------------|------------------|-------------------|------------------|-------------------|
| | Nominal value | Fair value | Nominal value | Fair value |
| Eurobonds | \$600.000 | 18.142.822 | \$651.000 | 19.698.802 |
| Government bonds | -- | -- | 2.000.000 | 3.271.929 |
| Total | | 18.142.822 | | 22.970.731 |

As of 31 December 2023 and 2022, details of financial assets at fair value through other comprehensive income are as follows:

| | 31 December 2023 | | 31 December 2022 | |
|--|------------------|-------------------|------------------|-------------------|
| | Share (%) | Share amount (TL) | Share (%) | Share amount (TL) |
| 212 Capital Partners I Coöperatief U.A. ⁽¹⁾ | 3,31 | 84.309.074 | 3,31 | 80.529.513 |
| Total | | 84.309.074 | | 80.529.513 |

⁽¹⁾ As of 31 December 2023, 212 Capital Partners I Coöperatief UA, one of the shares that the Company classified as financial assets with a fair value difference of 3,31% reflected on other comprehensive income, will be subject to increase in the future periods, the total commitment amount for all shareholders It is 30.200.000 USD. 212 Capital Partners I Coöperatief U.A. has made commitment payments on different dates until 2021 and ÜNLÜ Yatırım Holding A.Ş. participated in these payments with a total of USD 1.000.000 from January 2011 to December 31, 2023 (31 December 2022: Ünlü Yatırım Holding A.Ş. participated in these payments with a total of USD 1.000.000 from January 2011 to December 31, 2022) (Note 18).

Long term financial investments

| | 31 December 2023 | 31 December 2022 |
|--|------------------|------------------|
| Financial assets at fair value through other Comprehensive income | | |
| Shares certificate not listed on the stock market | 1.517.254 | 2.500.024 |
| -Borsa İstanbul A.Ş. ("BİST") ⁽¹⁾ | 1.517.254 | 2.500.024 |
| Total | 1.517.254 | 2.500.024 |

⁽¹⁾ The shares are not subject to valuation since the price has not been announced by Borsa İstanbul AŞ in the current period.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

7 INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

Investments in associates

| | 31 December 2023 | 31 December 2022 |
|--|-------------------|-------------------|
| ÜNLÜ LT ⁽¹⁾ | 14.398.426 | 26.544.945 |
| 212 Limited (Cayman Island) ⁽²⁾ | 356.935 | 722.892 |
| Total | 14.755.361 | 27.267.837 |

⁽¹⁾ As of 31 December 2023, TAIL's commitment amount in ÜNLÜ LT Investments Limited Partnership, which is classified as investments valued with the equity method in TAIL's financials, is USD 6.000.000 (2022: USD 6.000.000) corresponding to 4,76% (2022: 4,76%) of total commitments. TAIL has made total payments of USD 5.166.666 as of 31 December 2023 (2022: USD 5.166.666) (Note 18).

⁽²⁾ As of December 31, 2023 It is an investment classified as investments valued by equity method, in which the Group has a share of 32,50% (2022: 32,50%)

| Associates | Main activity | 31 December 2023 Share % | 31 December 2022 Share % |
|-------------|----------------|-----------------------------|-----------------------------|
| ÜNLÜ LT | Private equity | 4,76 | 4,76 |
| 212 Limited | Private equity | 32,50 | 32,50 |

Summary of the financial information on ÜNLÜ LT is provided below:

| | 31 December 2023 | 31 December 2022 |
|---|---------------------------------|---------------------------------|
| Financial investments | 298.900.660 | 553.140.018 |
| Cash and cash equivalents | 4.584.072 | 5.926.839 |
| Trade and other receivables | 43.137 | -- |
| Trade and other payables(-) | (1.039.938) | (1.399.932) |
| Net assets | 302.487.931 | 557.666.925 |
| Share in net assets of the associate | 14.398.426 | 26.544.945 |
| Total share of the Company in the net assets of the subsidiaries | 14.398.426 | 26.544.945 |
| | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
| Beginning of the period | 26.544.945 | 24.910.205 |
| Increase/(decrease) in value of financial assets | 1.891.839 | 10.154.332 |
| Monetary gain/(loss) | (14.038.358) | (8.519.592) |
| Net income/(loss) for the period | 14.398.426 | 26.544.945 |

ÜNLÜ YATIRIM HOLDİNG A.Ş.

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

8 TRADE RECEIVABLES AND PAYABLES

| | 31 December 2023 | 31 December 2022 |
|---|--------------------|--------------------|
| Short term trade receivables | | |
| Receivables from customers on credit ⁽²⁾ | 358.796.218 | 657.764.564 |
| Receivables form customer | 81.749.639 | 49.224.172 |
| Overdue receivables ⁽¹⁾ | 63.074.053 | 104.811.755 |
| Receivables on consultancy services | 34.033.554 | 21.685.268 |
| <i>Receivables on consultancy services</i> ⁽³⁾ | <i>34.033.554</i> | <i>21.685.268</i> |
| Receivables from leveraged buy and sell transactions | 33.265 | 10.131.172 |
| Trade receivables due from related parties (Note 4) | 8.079.344 | 11.916.142 |
| Other | 2.404.447 | 11.373 |
| Total | 548.170.520 | 855.544.446 |
| Long term trade receivables | | |
| Overdue receivables ⁽¹⁾ | 198.129.593 | 265.650.732 |
| Total | 198.129.593 | 265.650.732 |

⁽¹⁾ The Group, reflects the non-performing loans and receivables purchased by Istanbul Varlık to its financial statements with the values of expected collection estimates discounted by effective interest method. The Group reflects these purchased loans and receivables to the consolidated financial statements with the discounted values of expected collection estimates using the effective interest method. Book value of non-performing loans is TL 261.203.646 (December 31, 2022: 370.462.487) as of December 31, 2023 In accordance with TFRS 9, there is no impairment occurring after the purchase Group loan portfolio amounting to a total of 4.389.184.000 TL from banks and finance companies in Turkey has purchased by paying 419.737.000 TL (December 31, 2022: loan portfolio in the amount of 4.160.346.000 amount purchased by paying 368.137.000 TL (historical amount)).

⁽²⁾ As of 31 December 2023, the interest rate applied by the Group to loans extended to its customers is between 66,65% and 92,15% (31 December 2022: 10,26% - 45,26%). As of 31 December 2023, the Group has received guarantees from its customers with a fair value of TL 884.887.765 (31 December 2022: TL 1.185.505.123) for the loans granted.

⁽³⁾ As of 31 December 2023, a portion of TL 34.033.554 consists of consultancy services that the Group has completed in 2023 and fulfilled its performance obligations in accordance with TFRS 15, but has not yet been invoiced. (31 December 2022: TL 21.685.268)

| | 31 December 2023 | 31 December 2022 |
|----------------------------------|-------------------|-------------------|
| Short term trade payables | | |
| Miscellaneous payables (*) | 27.788.305 | 9.599.614 |
| Expense accruals (**) | 2.845.082 | 4.178.102 |
| Other trade payables | 3.624.876 | 5.692.449 |
| Total | 34.258.263 | 19.470.165 |

(*)Miscellaneous payables arise from the Group's debts as a result of its commercial activities with other companies.

(**)Expense accruals account consists of fund management fee refunds and other expense accruals.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

9 OTHER RECEIVABLES AND PAYABLES

| | 31 December 2023 | 31 December 2022 |
|--|---------------------|---------------------|
| Short term other receivables | | |
| Stock guarantee given to Takasbank | 68.357.120 | 89.023.092 |
| Takasbank debt instruments and money market cash collaterals | 54.443.156 | 35.432.472 |
| Guarantees given to Interactive Brokers LLC and IG Markets LTD | 21.692.615 | 18.543.315 |
| Other deposits and guarantees given | 21.006.313 | 31.148.958 |
| Guarantees given to derivatives market | 19.837.874 | 27.679.113 |
| Other receivables due from related parties (Note 4) | 59.585 | 1.058.949 |
| Other | 1.885.433 | 1.624.126 |
| Total | 187.282.096 | 204.510.025 |

| | 31 December 2023 | 31 December 2022 |
|--|---------------------|---------------------|
| Other short term payables | | |
| Other payables to suppliers(*) | 30.378.701 | 20.455.647 |
| Taxes and funds payables | 17.877.629 | 18.444.264 |
| Other payables to related parties (Note 4) | 3.951.609 | 5.261.792 |
| Other | 2.149.974 | 1.610.701 |
| Total | 54.357.913 | 45.772.404 |

(*)Other payables to vendors result from the Group's other non-core payables with other entities.

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

10 PAYABLES WITHIN THE SCOPE OF EMPLOYEE BENEFITS

| | 31 December 2023 | 31 December 2022 |
|---|--------------------|--------------------|
| Payables within the scope of employee benefits | | |
| Due to personnel (Note 4) | 60.084.072 | 62.994.081 |
| Taxes and funds payables | 44.222.511 | 45.513.215 |
| Social security premiums payable | 15.399.080 | 12.463.819 |
| Total | 119.705.663 | 120.971.115 |

11 PREPAID EXPENSES

| | 31 December 2023 | 31 December 2022 |
|------------------------------------|-------------------|-------------------|
| Short term prepaid expenses | | |
| Prepaid expenses ⁽¹⁾ | 26.346.333 | 19.185.900 |
| Advances given | 1.107.046 | 2.926.405 |
| Total | 27.453.379 | 22.112.305 |

⁽¹⁾ Prepaid expenses consist of future health insurance, data processing and data publication expenses.

12 OTHER ASSETS AND LIABILITIES

| | 31 December 2023 | 31 December 2022 |
|-----------------------------|------------------|------------------|
| Other current assets | | |
| Deferred VAT | 3.357.640 | 66.815 |
| Deposits given | 2.748.442 | 4.637.196 |
| Other | 3.781 | -- |
| Total | 6.109.863 | 4.704.011 |

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

13 ASSETS HELD FOR SALE AND DISPOSAL GROUPS

| | 31 December 2023 | 31 December 2022 |
|-------------------------------------|------------------|------------------|
| Assets held for sale ⁽¹⁾ | 2.451.734 | 469.334 |
| Total | 2.451.734 | 469.334 |

⁽¹⁾ TL 2.451.734 of assets held for sale consists of the vehicles and real estates acquired during the collection of loans by İstanbul Varlık (31 December 2022: TL 469.334).

Movement of assets held for sale and disposal groups is as follows:

| | 31 December 2023 | 31 December 2022 |
|---|---------------------|---------------------|
| Assets held for sale and disposal groups | | |
| Beginning of the period | 469.334 | 1.680.141 |
| Purchases during the period | 1.978.333 | -- |
| Sales made during the period ⁽¹⁾ | (383.106) | (427.162) |
| Monetary gain/(loss) | 387.173 | (783.645) |
| Total | 2.451.734 | 469.334 |

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

14 SHORT AND LONG-TERM LIABILITIES AND LEASING PAYABLES

| | 31 December 2023 | 31 December 2022 |
|--|--------------------|--------------------|
| Short term liabilities | | |
| Payables to Stock Exchange Money Market ⁽¹⁾ | 501.770.000 | 247.294.804 |
| Bank loans | 146.851.660 | 511.811.321 |
| Issued securities | 98.582.463 | 140.929.291 |
| Leasing payables | 947.988 | 7.148.342 |
| Leveraged trading transactions reserve collateral | 506.810 | 12.798.600 |
| Other | 78.433 | -- |
| Total | 748.737.354 | 919.982.358 |
| Short portion of long term liabilities | | |
| Bank loans | 27.938.910 | 37.349.990 |
| Total | 27.938.910 | 37.349.990 |
| Long term liabilities | | |
| Bank loans | 7.248.077 | 43.455.142 |
| Leasing payables | -- | 1.853.526 |
| Total | 7.248.077 | 45.308.668 |

(1) As of 31 December 2023, the maturity of debts to the Exchange Money Market is less than one month and the interest rate is 43,05% (31 December 2022: 10,00%).

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

14 SHORT AND LONG-TERM LIABILITIES AND LEASING PAYABLES (Continued)

The details of the loans are as follows:

| 31 December 2023 | | | |
|-------------------|-----------------|--------------------|-------------------|
| Currency of loans | Original amount | Amount (TL) | Interest rate (%) |
| TL | 182.038.647 | 182.038.647 | 13,44-27,60 |
| Total | | 182.038.647 | |

| 31 December 2022 | | | |
|-------------------|-----------------|--------------------|-------------------|
| Currency of loans | Original amount | Amount (TL) | Interest rate (%) |
| TL | 592.616.453 | 592.616.453 | 13,44-27,60 |
| Total | | 592.616.453 | |

Repayment due dates of the loans are as follows:

| | 31 December 2023 | 31 December 2022 |
|---------------------|--------------------|--------------------|
| Within 1 year | 174.790.570 | 549.161.311 |
| Within 1-2 years | 5.998.077 | 23.582.969 |
| Within 2-3 years | 1.250.000 | 9.431.711 |
| Within 3-4 years | -- | 6.834.725 |
| Longer than 4 years | -- | 3.605.737 |
| Total | 182.038.647 | 592.616.453 |

Movement tables of loans are as follows:

| | 2023 | 2022 |
|---|--------------------|--------------------|
| As of 1 January | 592.616.453 | 337.962.514 |
| Additions received during the period | 24.593.490.045 | 105.880.373.093 |
| Principal and interest paid during the period | (24.908.932.560) | (105.114.933.605) |
| Monetary gain | (95.135.291) | (510.785.549) |
| 31 December | 182.038.647 | 592.616.453 |

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

14 SHORT AND LONG-TERM LIABILITIES AND LEASING PAYABLES (Continued)

The details of leasing payables are as follows:

| | 31 December 2023 | 31 December 2022 |
|-------------------------|------------------|------------------|
| Leasing payables | | |
| Less than 1 year | 947.988 | 7.148.342 |
| 1-3 years | -- | 1.853.526 |
| Total | 947.988 | 9.001.868 |

The movement table of leasing payables is as follows;

| | 2023 | 2022 |
|---|----------------|------------------|
| 1 January | 9.001.867 | 22.855.227 |
| Additions | 296.184 | 3.704.866 |
| Interest expenses | 2.755.213 | 5.297.072 |
| Foreign exchange difference (profit) / loss | -- | (264.198) |
| Payments related to leases | (7.520.092) | (14.635.021) |
| Monetary gain | (3.585.184) | (7.956.079) |
| 31 December | 947.988 | 9.001.867 |

The average borrowing cost used by the Group in TFRS 16 calculations is the highest 27,31% and the lowest 19,60% for TL, the highest is 0,80% and the lowest is 0,75% for the GBP.

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15 PROPERTY AND EQUIPMENT

| 31 December 2023 | Office equipment | Vehicles | Furniture and fixtures | Other tangible asset | Special costs | Total |
|--------------------------------|-------------------|-------------------|------------------------|----------------------|------------------|-------------------|
| Net book value, 1 January 2023 | 16.388.291 | 21.618.551 | 11.750.324 | 2.635.070 | 2.025.517 | 54.417.753 |
| Additions | 14.494.857 | 4.958.059 | 2.371.997 | -- | 8.342.186 | 30.167.099 |
| Disposals (net) | (1.842.792) | -- | (605.077) | -- | (2.472.005) | (4.919.874) |
| Depreciation charge | (10.454.187) | (5.480.476) | (4.356.458) | (62.985) | (3.130.267) | (23.484.373) |
| Net book value | 18.586.169 | 21.096.134 | 9.160.786 | 2.572.085 | 4.765.431 | 56.180.605 |
| Cost | 39.482.314 | 32.034.415 | 27.654.051 | 3.137.910 | 13.908.994 | 116.217.684 |
| Accumulated depreciation | (20.896.145) | (10.938.281) | (18.493.265) | (565.825) | (9.143.563) | (60.037.079) |
| Net book value | 18.586.169 | 21.096.134 | 9.160.786 | 2.572.085 | 4.765.431 | 56.180.605 |
| 31 December 2022 | Office equipment | Vehicles | Furniture and fixtures | Other tangible asset | Special costs | Total |
| Net book value, 1 January 2022 | 13.248.487 | 18.030.656 | 7.209.829 | 2.697.828 | 3.334.050 | 44.520.850 |
| Additions | 8.539.957 | 8.098.972 | 7.657.194 | -- | -- | 24.296.123 |
| Disposals (net) | -- | -- | -- | -- | -- | -- |
| Depreciation charge | (5.400.153) | (4.511.077) | (3.116.699) | (62.758) | (1.308.533) | (14.399.220) |
| Net book value | 16.388.291 | 21.618.551 | 11.750.324 | 2.635.070 | 2.025.517 | 54.417.753 |
| Cost | 61.199.601 | 27.076.356 | 26.261.912 | 3.137.910 | 8.983.543 | 126.659.322 |
| Accumulated depreciation | (44.811.310) | (5.457.805) | (14.511.588) | (502.840) | (6.958.026) | (72.241.569) |
| Net book value | 16.388.291 | 21.618.551 | 11.750.324 | 2.635.070 | 2.025.517 | 54.417.753 |

As of 31 December 2023, the Group has pledges on vehicles amounting to TL 6.190.000 (31 December 2022: TL 8.565.000-historical amount).

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16 INTANGIBLE ASSETS

A. OTHER INTANGIBLE ASSETS

| | 1 January 2023 | Additions | Disposals | 31 December 2023 |
|--|-------------------|------------------|------------------|-------------------|
| Cost | 122.265.289 | 15.677.814 | (57.892.181) | 80.050.922 |
| Accumulated amortization | (86.596.304) | (24.923.626) | 57.681.040 | (53.838.890) |
| Advance payment for intangible assets (**) | -- | 18.586.683 | -- | 18.586.683 |
| Net book value (*) | 35.668.985 | 9.340.871 | (211.141) | 44.798.715 |

| | 1 January 2022 | Additions | Disposals | 31 December 2022 |
|---------------------------|-------------------|------------------|-----------|-------------------|
| Cost | 103.062.837 | 20.246.024 | -- | 122.265.289 |
| Accumulated amortization | (73.866.110) | (12.730.194) | -- | (86.596.304) |
| Net book value (*) | 29.196.727 | 7.515.830 | -- | 35.668.985 |

(*) Intangible assets consist of computer software, program licenses and other rights

(**) It consists of advances given for the computer software that the Group creates within the business..

As at 31 December 2023 and 2022, the Group does not have any internally generated intangible assets.

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16 INTANGIBLE ASSETS (Continued)

B. GOODWILL

Goodwill in accounting is an intangible asset that arises when a buyer acquires an existing business. Goodwill represents assets that are not separately identifiable. Under TFRS, goodwill is never amortized, because it is considered to have an indefinite useful life. Instead, management is responsible for valuing goodwill every year and to determine if an impairment is required. Impairment provisions in goodwill are not canceled. Gains or losses resulting from the disposal of the business also include the book value of the goodwill associated with the business sold.

- i. The transfer of ÜNLÜ Menkul Değerler A.Ş.'s 142.216.490 units of shares of a total of 179.399.700 units of shares with a value of 1 (one) kurus each, that constitutes 53% of the Company, that is owned by Standard Bank London Holdings Limited on 2012, and 59.033.300 units of shares which constitute 22% of the Company with a value of 1 (one) kurus each owned by Mahmut Levent Ünlü, to ÜNLÜ Yatırım Holding A.Ş. (formerly known as "ÜNLÜ Finansal Yatırımlar A.Ş.") 94,51% of whose shares are owned by Mahmut Levent Ünlü, via the share transfer agreement dated 10 April 2012 was approved by CMB on 29 August 2012.

The Company became controlling shareholder by buying 268.333.000 units of shares of ÜNLÜ Menkul which constitutes 53% of ÜNLÜ Menkul's total nominal value of 142.216.490 shares, from Standard Bank London Holdings as of 30 October 2012.

- ii. As of 1 November 2012, the Company purchased 100% of UNLU Alternative Asset Management that constitutes 6.686 units of shares by acquiring 3.615 units of shares that constitutes 67% from Standard Bank PLC, 2.199 units of shares that constitute 22% from Mahmut Levent Ünlü, and remaining 1.115 units of shares that constitute 11% from three different shareholders.
- iii. As of 24 August 2015, ÜNLÜ Yatırım Holding A.Ş. acquired 250.000.000 shares of ÜNLÜ Menkul each having 1 Kurus ("Kr") nominal value to TL 2.500.000 which constitute of 25% the Company from Standard Bank Group Limited through a share transfer agreement and owned the whole of ÜNLÜ Menkul.

The acquisition transaction is accounted in consolidated financial statements by purchasing method in accordance with TFRS 3 Business Combinations Standard. As a result of the related recognition, goodwill amounting to TL 255.582.259 was recognized in the consolidated financial statements.

The Group applies an impairment test to the assets recorded as goodwill items on each 31 December. The impairment test is based on a 7-year TRY based projection between 1 January 2024 and 31 December 2031. As of December 31, 2023, the Group has reviewed its valuation methods, analyzed future revenue expectations, and subjected the total goodwill balance to an impairment test using the discounted cash flow method. As a result, no impairment was identified (December 31, 2022: No impairment was identified).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

17 RIGHTS OF USE ASSETS

The movement table of the Group's right of use assets as of December 31, 2022 and 2021 is as follows:

| 31 December 2023 | Buildings | Vehicles | Total |
|--|---------------------|--------------------|---------------------|
| Cost | | | |
| 1 January 2023 | 54.246.584 | 8.060.719 | 62.307.303 |
| Additions | 227.151 | -- | 227.151 |
| Disposals | | | |
| Closing | 54.473.735 | 8.060.719 | 62.534.454 |
| Accumulated depreciations | | | |
| 1 January 2023 | (40.314.669) | (7.483.281) | (47.797.950) |
| Period depreciation | (12.205.535) | (225.199) | (12.430.734) |
| Disposals | | | |
| Closing | (52.520.204) | (7.708.480) | (60.228.684) |
| Net book value as of 31 December 2023 | 1.953.531 | 352.239 | 2.305.770 |
| 31 December 2022 | Buildings | Vehicles | Total |
| Cost | | | |
| 1 January 2022 | 51.570.643 | 7.726.875 | 59.297.518 |
| Additions | 2.675.941 | 333.844 | 3.009.785 |
| Disposals | -- | -- | -- |
| Closing | 54.246.584 | 8.060.719 | 62.307.303 |
| Accumulated depreciations | | | |
| 1 January 2022 | (26.974.302) | (6.808.428) | (33.782.730) |
| Period depreciation | (13.340.367) | (674.853) | (14.015.220) |
| Disposals | - | - | - |
| Closing | (40.314.669) | (7.483.281) | (47.797.950) |
| Net book value as of 31 December 2022 | 13.931.915 | 577.438 | 14.509.353 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

18 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

(i) Short term provisions

| | 31 December 2023 | 31 December 2022 |
|--|------------------|------------------|
| Provisions for lawsuits ⁽¹⁾ | 1.927.182 | 2.469.562 |
| Total | 1.927.182 | 2.469.562 |

⁽¹⁾ As of 31 December 2023, the provision amounting to TL 1.927.182 (31 December 2022: TL 2.469.562) was set aside for 100% of possible future liabilities regarding the reemployment and other lawsuits filed against the Group.

Provision for lawsuits movement for the period ended 31 December 2023 and 2022 is as follows:

| | 31 December 2023 | 31 December 2022 |
|-----------------------------------|------------------|------------------|
| Provision for lawsuits | | |
| Beginning of the period | 2.469.562 | 4.806.587 |
| Reversal provision for the period | -- | (548.104) |
| Provision for the period | 403.881 | -- |
| Monetary gain | (946.261) | (1.788.921) |
| End of the period | 1.927.182 | 2.469.562 |

(ii) Assets kept on behalf of customers

| | 31 December 2023 | 31 December 2022 |
|--|------------------|------------------|
| Investment funds | 3.610.729.841 | 4.967.014.047 |
| Common stocks | 3.125.561.051 | 3.037.122.770 |
| Eurobond | 1.459.105.000 | 2.576.056.054 |
| Private sector corporate bond, treasury bills and government bonds | 126.020.000 | 502.693.249 |
| Warrant | 842.102 | 2.440.167 |
| Structured debt instruments | -- | 102.983 |

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

18 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

(iii) Letter of guarantees given

The breakdown of the guarantees, pledges, mortgages and sureties ("TRIK") given by the Group as of December 31, 2023 and 2022 are as follows in original currencies:

| 31 December 2023 | | | |
|--|----------------------|------------------|----------------------|
| | TL Equivalent | USD | TL |
| A. The total amount of GPMs given on behalf of their own legal entity | 1.110.993.700 | -- | 1.110.993.700 |
| B. The total amount of GPMs that are given in favor of the partnerships included in the scope of full consolidation | 21.470.738 | 729.350 | -- |
| C. The total amount of GPMs given by third parties for borrowing purposes for the purpose of carrying out their ordinary commercial activities | 37.939.000 | -- | 37.939.000 |
| D. The total amount of other GPMs given | -- | -- | -- |
| i) The total amount of GPMs that the main partner has given | -- | -- | -- |
| ii) The total amount of GPMs for which other group companies not included in the scope of items B and C have given | -- | -- | -- |
| iii) The total amount of TRIs that the 3rd person who does not fall within the scope of C article | -- | -- | -- |
| Total | 1.170.403.438 | 729.350 | 1.148.932.700 |
| 31 December 2022 | | | |
| | TL Equivalent | USD | TL |
| A. The total amount of GPMs given on behalf of their own legal entity | 367.013.958 | 500.000 | 351.609.090 |
| B. The total amount of GPMs that are given in favor of the partnerships included in the scope of full consolidation | 16.018.399 | 729.350 | -- |
| C. The total amount of GPMs given by third parties for borrowing purposes for the purpose of carrying out their ordinary commercial activities | 62.515.582 | -- | 62.515.582 |
| D. The total amount of other GPMs given | -- | -- | -- |
| i) The total amount of GPMs that the main partner has given | -- | -- | -- |
| ii) The total amount of GPMs for which other group companies not included in the scope of items B and C have given | -- | -- | -- |
| iii) The total amount of TRIs that the 3rd person who does not fall within the scope of C article | -- | -- | -- |
| Total | 445.547.939 | 1.229.350 | 414.124.672 |

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18 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

(iv) Contingent liabilities

As of 31 December 2023, the total commitment amount for all shareholders of ÜNLÜ LT Investments Limited Partnership, one of the shares of the Company's subsidiary TAIL, which is classified as investments valued by the equity method with a share ratio of 4,76% (2022: 4,76%) 6.000.000 USD (2022: 6.000.000 USD) and as of 2023, 5.166.666 USD of this has been paid (2022: 5.166.666 USD) (Note 7).

As of December 31, 2023, Ünlü Yatırım Holding has made a total payment of 163.381 Euros towards the committed amount of 300.000 Euros for 500 Startups Istanbul Fund II Cooperatief U.A., an investment recognized at fair value through profit or loss in accordance with TFRS 9, with the payment of 163.381 Euros made on May 15, 2023 (Note 7).

As of December 31, 2023, Ünlü Yatırım Holding has made a total payment of 116.743 Euros towards the committed amount of 250.000 Euros for 212 Regional Fund II, an investment recognized at fair value through profit or loss in accordance with TFRS 9, with a payment of 11.250 Euros made on April 11, 2023 (2022: 105.493 Euros). The total committed amount for the 212 II - A SERIES OF 212 I, LLC investment by Ünlü Yatırım Holding, 100.000 USD, was paid on December 17, 2020 (2022: 100.000 USD) (Note 7).

As of December 31, 2023, Ünlü Yatırım Holding has made a total payment of 357.331 Euros towards the committed amount of 500.000 Euros for Revo Capital Fund II B.V., an investment recognized at fair value through profit or loss in accordance with TFRS 9, with a payment of 113.932 Euros made during the year 2023 (2022: 243.399 Euros) (Note 7).

19 CONTINGENCIES AND COMMITMENTS

Explanations regarding derivatives

| 31 December 2023 | | | | |
|------------------------------|------------------|----------|---------------------|----------------|
| Contract definition | Maturity | Position | Number of contracts | Nominal value |
| O_GARANE0124C58.00 (SHORT) | 31 January 2024 | Short | 1.200 | 120.000 |
| Net position | | | | 120.000 |
| 31 December 2022 | | | | |
| Contract definition | Maturity | Position | Number of contracts | Nominal value |
| O_USDTRYKE0223C19650 (SHORT) | 28 February 2023 | Short | 500 | 500.000 |
| Net position | | | | 500.000 |

20 PROVISION FOR EMPLOYEE BENEFITS

| | 31 December 2023 | 31 December 2022 |
|---|-------------------|-------------------|
| Short term employee benefits | | |
| Bonus provision | 4.486.622 | 11.273.501 |
| Unused vacation provision | 25.330.954 | 19.330.767 |
| Total | 29.817.576 | 30.604.268 |
| Long term employee benefits | | |
| Provision for employment termination benefits | 3.872.193 | 7.870.243 |
| Total | 3.872.193 | 7.870.243 |

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20 PROVISION FOR EMPLOYEE BENEFITS (Continued)

Provisions for employment termination benefits

The provision for employment termination benefits is reserved in line with the explanations below. Under the Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). 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 arising from the retirement of employees. The present value of the Group's probable liability is calculated using the assumptions in the following table.

| | 31 December 2023 | 31 December 2022 |
|---|-------------------------|-------------------------|
| Discount rate (%) | 3,39 | 2,53 |
| Turnover rate to estimate the probability of retirement (%) | 65,84 | 69,97 |

The basic assumption is that the determined value for every working year increases proportional to inflation. Using this assumption, the existing discount ratio shows the real ratio, unaffected by inflation. Therefore, the maximum amount of employment termination benefits of the Group is determined every six months and is calculated using the maximum amount of TL 35.058 which is valid since 31 December 2023 (31 December 2022: TL 19.982).

Movements in the bonus provision for the year ended 31 December 2023 and 2022 are as follows:

| | 31 December 2023 | 31 December 2022 |
|-------------------------------|-------------------------|-------------------------|
| Beginning of the period | 11.273.501 | 335.863 |
| Provision during the period | 4.486.622 | 13.536.538 |
| Payment during the period (-) | (3.608.333) | (245.501) |
| Monetary gain | (7.665.168) | (2.353.399) |
| End of the period | 4.486.622 | 11.273.501 |

Movements in the provision for unused vacation for the year ended 31 December 2023 and 2022 are as follows:

| | 31 December 2023 | 31 December 2022 |
|-----------------------------|-------------------------|-------------------------|
| Beginning of the period | 19.330.767 | 14.357.145 |
| Provision during the period | 17.785.323 | 14.392.205 |
| Usage during the period (-) | (3.211.185) | (1.675.440) |
| Monetary gain | (8.573.951) | (7.743.143) |
| End of the period | 25.330.954 | 19.330.767 |

Movements in the provision for employment termination benefits for the year ended 31 December 2023 and 2022 are as follows:

| | 31 December 2023 | 31 December 2022 |
|---------------------------------------|-------------------------|-------------------------|
| Beginning of the period | 7.870.243 | 6.412.618 |
| Service cost | 963.502 | 2.178.070 |
| Interest cost | 1.269.008 | 1.296.447 |
| Actuarial gain/(loss) | 3.869.122 | 4.446.356 |
| Payment during the period (-) | (11.244.535) | (2.276.421) |
| Service cost from previous period (*) | 2.405.923 | -- |
| Monetary gain | (1.261.070) | (4.186.827) |
| End of the period | 3.872.193 | 7.870.243 |

⁽¹⁾ It is the impact of the retirement age regulation, which became law on March 3, 2023, on the severance pay obligation.

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21 SHAREHOLDERS' EQUITY

Share capital

As of 31 December 2023 and 2022, share capital structure of the parent Company is as follows:

| Namee of the Shareholder | Group | 31 December 2023 | | | 31 December 2022 | |
|--|-------|----------------------|---------------|-------|----------------------|---------------|
| | | Amount (TL) | Share (%) | Group | Amount (TL) | Share (%) |
| Mahmut Levent Ünlü | A | 55.092.337 | 31,48 | A | 55.092.337 | 31,48 |
| Mahmut Levent Ünlü | B | 58.143.258 | 33,23 | B | 58.143.258 | 33,23 |
| The Wellcome Trust Ltd. as Trustee of the Wellcome Trust | B | 13.498.188 | 7,71 | B | 13.498.188 | 7,71 |
| Others | B | 48.266.217 | 27,58 | B | 48.266.217 | 27,58 |
| Total | | 175.000.000 | 100,00 | | 175.000.000 | 100,00 |
| Capital adjustment differences | | 907.444.676 | | | 907.444.676 | |
| Total | | 1.082.444.676 | | | 1.082.444.676 | |

Emission premiums amounting to TL 746.795.151 have been added to the share issue premiums as a result of the transactions the Company has achieved during the public offering process. Transaction costs amounting to TL 32.050.637 arising from the public offering process transactions have been deducted, and the net effect of the increase due to share-based transactions is TL 714.744.514.

With the decision of the Ordinary General Assembly dated 4 September 2012, the capital of ÜNLÜ Yatırım Holding A.Ş. (formerly known as "ÜNLÜ Finansal Yatırımlar A.Ş.") was raised to TL 32.000.000 from TL 50.000. Capital increase had been fully covered by Mahmut Levent Ünlü. This capital increase decision had been registered on 11 September 2012 and published on Trade Registry Gazette numbered 8154 dated 17 September 2012.

As a result of the Ordinary General Assembly meeting held on 23 May 2014, the paid-in capital of the Company was increased from TL 32.000.000 to TL 32.153.606, and Article 6 of the Company's Articles of Association was changed. This capital increase was made by issuing shares at a premium, Mahmut Levent Ünlü and Kamil Attila Köksal waived their pre-emptive rights. This capital increase decision had been registered on 3 June 2014 and published on Trade Registry Gazette numbered 8586 dated 9 June 2014.

As a result of the Ordinary General Assembly meeting held on 29 September 2015, the paid-in capital of the Company was increased from TL 32.153.606 to TL 32.182.966 and Article 6 of the Company's Articles of Association was changed. This capital increase was made by issuing shares at a premium, and Mahmut Levent Ünlü, İbrahim Romano, Tahir Selçuk Tuncalı, Kamil Attila Köksal, Kağan Çevik, Tunç Yıldırım, Mehmet Batur Özyar, Vedat Mizrahi and Mehmet Sezgin waived their pre-emptive rights. This capital increase decision had been registered on 30 September 2015 and published on Trade Registry Gazette numbered 8918 dated 5 October 2015.

As a result of the Ordinary General Assembly meeting held on 20 October 2015, the paid-in capital of the Company was increased from TL 32.182.966 to TL 33.858.378 and Article 6 of the Company's Articles of Association was changed. Excess of TL 1.675.412 increased in capital total amount of TL 22.732.588 was added to the statutory reserves as share premium. In this capital increase, all current shareholders of the Company waived their pre-emptive rights, and all of the increase amount was paid by Standard Bank Group Ltd. This capital increase decision had been registered on 21 October 2015 and published on Trade Registry Gazette numbered 8934 dated 27 October 2015.

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

21 SHAREHOLDERS' EQUITY (Continued)

As a result of the Extraordinary General Assembly held on 12 February 2016, the paid-in capital of the Company increased from TL 33.858.378 to TL 37.578.666 and the 6th article of the Company's Articles of Association which is related with capital was changed. All of the capital increase is paid by The Wellcome Trust Limited as Trustee of the Wellcome Trust. The portion pledged by The Wellcome Trust Limited as Trustee of the Wellcome Trust and exceed TL 3.720.288 of the capital amounting to TL 48.455.772 is paid in cash and fully by The Wellcome Trust Limited as Trustee of the Wellcome Trust has been added to the legal reserves as a stock premium.

The shareholders of the company Standard Bank Group Limited, Mahmut Levent Ünlü, Kagan Çevik, Tunç Yıldırım, Mehmet Batur Özyar, Simge Ündüz, Can Ünalın, İbrahim Romano, Tahir Selçuk Tuncalı, Vedat Mizrahi, Hakan Ansen, Mehmet Sait Sezgin, Demet Kargın and Kamil Attila Köksal were not included in the capital increase by giving up their privileged rights. This capital increase decision had been registered on 17 February 2016 and published on Trade Registry Gazette numbered 9017 dated 23 February 2016.

As a result of the Ordinary General Assembly meeting of 2015 held on 29 June 2016, the Company's paid-in capital was increased from TL 37.578.666 to TL 37.663.341 and the article 6 of the Company's Articles of Association was amended. This capital increase decision had been registered on 13 July 2016 and published on Trade Registry Gazette numbered 9118 dated 19 July 2016.

As a result of the Ordinary General Assembly meeting of 2016 held on December 19, 2017, the Company's paid-in capital was increased from TL 37.663.341 to TL 37.960.531 and the article 6 of the Company's Articles of Association was amended. This capital increase decision had been registered on 20 December 2017 and published on Trade Registry Gazette numbered 9481 dated 26 December 2017.

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21 SHAREHOLDERS' EQUITY (Continued)

As a result of the Ordinary General Assembly meeting of 2017 held on December 25, 2018, the Company's paid-in capital was increased from TL 37.960.531 to TL 137.730.842 and the article 6 of the Company's Articles of Association was amended. This capital increase decision has been registered on 27 December 2018 and published on Trade Registry Gazette numbered 9737 dated 3 January 2019. The entire amount of the increase is comprised of the freely available internal resources in the financial statements of the Company, the funds allowed by the legislation to be added to the capital, and the extraordinary reserves.

Within the public offering plans, ÜNLÜ Yatırım Holding A.Ş. applied to the Capital Markets Board for the Public Offering Prospectus on March 12, 2021, with the permission of the Capital Markets Board dated 27.05.2021 and numbered E-29833736-105.01.01.01-6608, as a result of the IPO, which was carried out with the "Fixed Price Bookbuilding" method between 31.05.2021 and 01.06.2021, capital at a price of TL 6.90 each. A total of 45.533.009 Group "B" shares were sold, of which 37.269.158 shares were offered to the public through the sale of shareholders, and 8.263.851 shares were offered to the public through the sale of partner Mahmut Levent Ünlü.

Group "B" shares offered to the public Borsa İstanbul A.Ş. It started to be traded on "Star Market" on 07.06.2021.

Mahmut Levent Ünlü who is the one of the shareholder of the company, Ünlü Yatırım Holding A.Ş. as a result of the price stability transactions related to the stocks, between 07/06/2021 and 06/07/2021, the company made purchases with a total nominal amount of TL 5.395.000 at a price range of TL 4.78 – 6.90. With this transaction, Ünlü Yatırım Holding A.Ş. share in the capital has reached 64,70% as of 06.07.2021.

Tahir Selçuk Tuncalı who is the one of the shareholders of the company, Ünlü Yatırım Holding A.Ş. regarding their shares; He has made purchases with a total nominal amount of 100.000 TL from the price range of TL 4.83 – 4.87. As a result of this transaction, his share in Ünlü Yatırım Holding A.Ş. has reached 0,25% as of 09.09.2021.

One of the shareholders of the company, Simge Ündüz, Ünlü Yatırım Holding A.Ş. regarding their shares; It has made purchases with a total nominal amount of 81.250 TL from the price range of TL 5.15 – 6.03. As a result of this transaction, its share in Ünlü Yatırım Holding A.Ş. has reached 0,24% as of 30.12.2021.

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

21 SHAREHOLDERS' EQUITY (Continued)

Repurchased shares

In case the shares recorded as capital are bought back, the purchase price including the amount of the costs associated with the repurchase after deducting the tax effect is recognized as a decrease in equities.

The fair value of the repurchased shares is TL 49.652.802 as of the statement of financial position (31 December 2022: TL 18.216.686).

Other comprehensive income

Due to on TAS 19 standard, the Group has actuarial loss amounting to TL 6.219.999 (31 December 2022: TL 3.382.674 actuarial gain) of net tax comes from employee termination benefit provision.

Currency translation profit amounting to net TL 18.341.412 (31 December 2022: TL 18.517.573 currency translation profit) which is booked to "Currency translation differences" under shareholders' equity is due to exchange of equity items of the subsidiaries subject to consolidation with period-end closing exchange rates and profit and loss items with annual average exchange rates.

As of 31 December 2023 and 2022, the movement table for foreign currency translation differences is as follows:

| | 2023 | 2022 |
|--|---------------------|-------------------|
| 1 January | 18.517.573 | 70.309.993 |
| Foreign currency translation differences | (36.858.985) | (51.792.420) |
| 31 December | (18.341.412) | 18.517.573 |

As of 31 December 2023 and 2022, the movement table of the difference in revaluation gains of financial assets at fair value through other comprehensive income is as follows:

| | 2023 | 2022 |
|----------------------|-------------------|-------------------|
| 1 January | 24.412.121 | 2.771.752 |
| Value increases, net | 1.515.979 | 21.640.369 |
| 31 December | 25.928.100 | 24.412.121 |

Accumulated Losses from previous years

According to the Tax Procedure Law and the relevant Communiqué published in the Official Gazette dated December 30, 2023, numbered 32415 (2nd repetition), the balance sheet dated December 31, 2023, prepared in accordance with the Tax Procedure Law, has been adjusted using the Producer Price Indices (PPI) published by the Turkish Statistical Institute within the scope of inflation accounting application. The accompanying consolidated financial statements, however, have been subjected to inflation adjustment using the Consumer Price Indices (CPI) published by the Turkish Statistical Institute in accordance with IAS 29, and consequently, the amounts for the current and previous reporting periods are expressed in terms of the purchasing power as of December 31, 2023. Due to the use of different indices in the inflation accounting application of the Tax Procedure Law and IAS 29, and the adjustment of amounts from previous reporting periods to the purchasing power as of December 31, 2023 in the IAS 29 application, differences have arisen between the amounts included in the balance sheet prepared according to the Tax Procedure Law and the amounts included in the financial statements prepared according to IAS/IFRS in the items "Capital Adjustment Differences" and "Restricted Reserves Appropriated from Profit."

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

21 SHAREHOLDERS' EQUITY (Continued)

These differences have been reflected in the item "Retained Earnings or Accumulated Losses" in the TMS/TFRS financial statements, and the details of these differences are provided below.

| | 31 December 2023 | | | | |
|------------------------------------|--------------------------------|----------------|--------------------|--|------------------------|
| | Capital Adjustment Differences | Share premiums | Repurchased shares | Restricted Reserves Appropriated from Profit | Extraordinary reserves |
| According to IAS/TFRS | 907.444.676 | 714.744.514 | (49.652.802) | 139.564.640 | -- |
| According to the Tax Procedure Law | 1.195.474.056 | 884.546.476 | (56.498.880) | 209.200.930 | 1.373.473.628 |
| Difference* | (288.029.380) | (169.801.962) | 6.846.078 | (69.636.290) | (1.373.473.628) |

| | 31 December 2022 | | | | |
|------------------------------------|--------------------------------|----------------|--------------------|--|------------------------|
| | Capital Adjustment Differences | Share premiums | Repurchased shares | Restricted Reserves Appropriated from Profit | Extraordinary reserves |
| According to IAS/TFRS | 907.444.676 | 714.744.514 | (18.216.686) | 119.620.510 | -- |
| According to the Tax Procedure Law | -- | 210.450.971 | (4.020.977) | 18.079.010 | 166.512.234 |
| Difference | 907.444.676 | 504.293.543 | (14.195.709) | 101.541.500 | (166.512.234) |

* These differences have been reflected in the Group's Retained Earnings and Accumulated Losses item.

Capital adjustment differences have no use other than being added to the capital.

As of January 1, 2022, the amount of "Retained Earnings and (Accumulated Losses)" that was not adjusted for inflation was TL 156.380.989. After inflation adjustment under IAS 29, the amount of Retained Earnings and (Accumulated Losses) as of January 1, 2022, adjusted to the purchasing power as of December 31, 2023, is TL (192.825.236).

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

22 FINANCIAL SECTOR ACTIVITIES REVENUE AND COST

| | 1 January – 31 December 2023 | 1 January – 31 December 2022 |
|---|---------------------------------|---------------------------------|
| <i>Income from securities trading transactions</i> | 23.550.730.264 | 18.774.938.364 |
| Sales of eurobond | 22.924.042.522 | 17.978.973.641 |
| Sales of government bonds | 54.922.578 | 525.355.890 |
| Sales of investment fund | 446.023.707 | 37.275.809 |
| Sales of common stocks | 67.521.585 | 100.874.549 |
| Sales of financial bonds | 42.884.680 | 66.355.584 |
| Sales of private sector bonds | 15.335.192 | 66.102.891 |
| <i>Income from non performing loans ⁽¹⁾</i> | 553.798.112 | 543.966.790 |
| <i>Corporate finance income</i> | 94.939.962 | 123.819.224 |
| <i>Portfolio management income</i> | 29.718.531 | 20.395.650 |
| <i>Brokerage income</i> | 674.149.731 | 437.108.468 |
| Interest income from loans | 288.628.381 | 126.997.044 |
| Domestic stock sales brokerage commission | 157.222.689 | 105.647.928 |
| Foreign stock sales and brokerage commission | 71.834.139 | 70.738.554 |
| Warrant income | 73.797.145 | 42.429.727 |
| Commission on forward and future transactions | 37.812.356 | 57.802.846 |
| IPO brokerage commissions | 37.904.187 | 25.356.641 |
| Exchange transaction and custody commission | 4.910.079 | 2.902.739 |
| Profits from leveraged trading transactions | 2.040.755 | 5.232.989 |
| <i>Consulting income</i> | 3.775.731 | 5.332.722 |
| <i>Other financial income</i> | 54.351.392 | 31.674.673 |
| Foreign transaction income | 17.300.556 | 14.001.292 |
| Other service income | 37.050.836 | 17.673.381 |
| <i>Discounts from financial income (-)</i> | (1.010.352) | (69.647) |
| Financial service discounts (-) | (1.010.352) | (69.647) |
| Financial sector activities revenue | 24.960.453.371 | 19.937.166.244 |
| <i>Cost of securities trading transactions</i> | (23.442.297.965) | (18.633.161.342) |
| Cost of eurobond (-) | (22.844.227.313) | (17.841.563.841) |
| Cost of investment fund (-) | (421.506.905) | (37.274.157) |
| Cost of common stocks (-) | (63.583.535) | (100.294.294) |
| Cost of government bonds (-) | (54.764.041) | (521.588.884) |
| Cost of financial bonds (-) | (42.880.451) | (66.356.915) |
| Cost of private sector bonds (-) | (15.335.720) | (66.083.251) |
| Financial sector activities cost | (23.442.297.965) | (18.633.161.342) |
| Gross profit from financial sector activities | 1.518.155.406 | 1.304.004.902 |

⁽¹⁾ Income from non-performing receivables consists of the revenues of the Group's subsidiary, Istanbul Varlık, from the collections of non-performing receivables and the interest income calculated over the recorded book values of the loan portfolios using the effective interest rate adjusted according to the loan determined at the first purchase. The Group recognizes transaction costs that can be directly attributed to the acquisition of portfolios by deducting from the amount collected, as an revenue under the "Incomes from overdue receivables" item when the collection is realized. Financing expenses of loans used to finance these non-performing loans are shown in the financial expenses footnote (Note 26).

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

23 EXPENSES BY NATURE

| | 1 January – 31 December 2023 | 1 January – 31 December 2022 |
|--|---------------------------------|---------------------------------|
| Marketing, sales and distribution expenses | | |
| Marketing and distribution expenses | 61.623.602 | 57.842.782 |
| Advertisement and publicity expenses | 18.108.683 | 12.698.278 |
| Representation expenses | 5.219.338 | 5.613.149 |
| Total | 84.951.623 | 76.154.209 |
| General administrative expenses | | |
| Personnel expenses | 605.514.255 | 493.245.678 |
| Attorney, consultancy and audit expenses | 130.352.925 | 123.692.480 |
| Tax and sundry expenses | 94.137.624 | 86.991.331 |
| Depreciation and amortization expenses (Note 15, 16 ve 17) | 60.838.733 | 41.144.634 |
| Information technology expenses | 34.455.145 | 12.916.249 |
| Data line rental expense | 29.926.579 | 28.140.229 |
| Rent expenses | 17.104.403 | 4.962.824 |
| Office building administrative expenses | 11.923.686 | 8.270.937 |
| Travel expenses | 7.474.385 | 4.758.180 |
| Communication expenses | 5.041.421 | 6.267.354 |
| Vehicle expenses | 2.786.000 | 2.170.773 |
| Maintenance and repair expenses | 970.785 | 479.722 |
| Common area usage expenses | 966.797 | 1.315.999 |
| Dues and memberships | 920.543 | 955.344 |
| Other general administrative expenses | 41.795.368 | 31.541.700 |
| Total | 1.044.208.649 | 846.853.434 |

24 OTHER OPERATING INCOME AND EXPENSE

| | 1 January – 31 December 2023 | 1 January – 31 December 2022 |
|---|---------------------------------|---------------------------------|
| Other operating income | | |
| Sales of non-current assets held for sale | 1.794.276 | 1.208.098 |
| Fixed asset sales | 471.686 | 586.178 |
| Reversal of prior period provisions | -- | 2.144.819 |
| Social security premium grants | -- | 543.452 |
| Other service income | 4.623.240 | 5.425.995 |
| Total | 6.889.202 | 9.908.542 |
| Other operating expense | | |
| Tax base increase payments | 1.115.598 | 1.177.314 |
| Total | 1.115.598 | 1.177.314 |

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25 INCOMES AND EXPENSES FROM INVESTING ACTIVITIES

| | 1 January – 31 December 2023 | 1 January – 31 December 2022 |
|---|---------------------------------|---------------------------------|
| Income from investing activities | | |
| Profit on financial assets at fair value through profit or loss | 201.663.811 | 84.894.646 |
| Profit on sales of financial assets | 101.552.917 | 186.783.478 |
| Total | 303.216.728 | 271.678.124 |

| | 1 January – 31 December 2023 | 1 January – 31 December 2022 |
|---|---------------------------------|---------------------------------|
| Expense from investing activities | | |
| Loss on sales of financial assets | 12.115.112 | 68.923.405 |
| Loss on financial assets at fair value through profit or loss | 6.774.808 | 18.329.141 |
| Total | 18.889.920 | 87.252.546 |

26 FINANCIAL INCOMES AND EXPENSES

| | 1 January – 31 December 2023 | 1 January – 31 December 2022 |
|-------------------------------------|---------------------------------|---------------------------------|
| Foreign exchange gain | 179.219.048 | 148.757.792 |
| Interest income | 138.991.594 | 67.535.015 |
| Derivative market operations income | 76.621.122 | 337.899.890 |
| Dividend income | 1.376.047 | 733.744 |
| Other | 112.315 | 4.589.268 |
| Total | 396.320.126 | 559.515.709 |

| | 1 January – 31 December 2023 | 1 January – 31 December 2022 |
|---|---------------------------------|---------------------------------|
| Interest expenses paid to money markets | 126.221.101 | 28.843.583 |
| Interest expenses ⁽¹⁾ | 76.377.242 | 77.369.181 |
| Issued debt instruments interest expenses | 75.210.924 | 31.061.775 |
| Derivative market operations expense | 56.889.994 | 282.301.380 |
| Foreign exchange losses | 46.010.827 | 25.233.968 |
| Eurobond repo interest expense | 9.064.335 | -- |
| Other expenses | 16.391.166 | 23.076.239 |
| Total | 406.165.589 | 467.886.126 |

⁽¹⁾ Interest expenses include TL 67.388.289 (31 December 2022: TL 40.460.686) of borrowing interest expenses that are used for financing of receivables to be liquidated of the Company's direct subsidiary İstanbul Varlık.

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

27 TAX ASSETS AND LIABILITIES

The corporate profits are subject to a corporate tax rate of 25%. According to Law No. 7256, published in the Official Gazette dated 17.11.2020, which includes the restructuring of certain receivables and amendments to certain laws, the corporate tax rate applicable to the corporate profits of companies whose shares representing at least 20% of their capital are publicly offered for the first time on the Borsa Istanbul Stock Exchange will be reduced by two percentage points for a period of five fiscal years starting from the fiscal year in which the shares are first publicly offered. This rate applies to the taxable income of corporations, calculated by adding back non-deductible expenses under tax laws and applying exemptions (such as participation exemptions) and other deductions (such as investment incentives) to determine the taxable base. If profits are not distributed, no additional taxes are paid.

With the "Law Amending the Tax Procedure Law and the Corporate Tax Law", which was accepted on the agenda of the Turkish Grand National Assembly on January 20, 2022, the application of inflation accounting was postponed starting from the balance sheet dated December 31, 2023. The corporate tax rate is calculated on the total income of the companies after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed. In Turkey, withholding tax is not applied to dividends (profits) paid to limited taxpayers and institutions located in Turkey through a branch office or permanent representative. Dividend payments made to individuals and institutions outside of these categories are subject to a withholding tax rate of 10%. Addition of profits into capital is not considered profit distribution and is exempt from withholding tax.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods. In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Tax returns are required to be filled and delivered to the related tax office until the evening of the 25th of the fourth month following the balance sheet date. Tax returns are open for five years from the beginning of the year following the date of filing during which period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

| | 1 January – 31 December 2023 | 1 January – 31 December 2022 |
|------------------------------------|---|---|
| Current year tax expense | (151.235.576) | (130.149.474) |
| Prepaid tax (-) | 140.430.461 | 116.978.567 |
| Total tax (liability)/asset | (10.805.115) | (13.170.907) |

| | 1 January – 31 December 2023 | 1 January – 31 December 2022 |
|--------------------------|---|---|
| Current year tax expense | (151.235.576) | (130.149.474) |
| Deferred tax expense | 29.559.226 | (12.377.415) |
| Total tax expense | (121.676.350) | (142.526.889) |

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

27 TAX ASSETS AND LIABILITIES (Continued)

The breakdown of cumulative temporary differences and the related deferred tax assets and liabilities as of 31 December 2023 and 31 December 2022, calculated using the enacted tax rates, are as follows:

| | Temporary differences | | Deferred tax assets/(liabilities) | |
|--|-----------------------|----------------------|-----------------------------------|----------------------|
| | 31 December 2022 | 31 December 2021 | 31 December 2022 | 31 December 2021 |
| Provision for employment termination benefit and vacation pay liability | 35.906.674 | 32.497.540 | 10.061.890 | 7.818.484 |
| Lawsuit provision | 1.927.182 | 2.469.565 | 578.154 | 617.391 |
| Financial instruments valuation difference | 9.393.520 | 1.889.118 | 2.348.380 | 470.147 |
| Deferred tax allocated from financial losses | 33.138.910 | -- | 7.621.949 | -- |
| Other | 3.355.895 | 206.391 | 789.826 | 51.598 |
| Deferred tax assets | 83.722.181 | 37.062.614 | 21.400.199 | 8.957.620 |
| Loans and receivables valuation differences | (184.447.327) | (274.504.273) | (55.334.198) | (68.626.068) |
| Value increase in financial assets | (87.308.612) | (80.890.512) | (20.080.981) | (18.202.182) |
| Income accruals | (34.033.554) | (32.120.432) | (7.827.718) | (8.030.108) |
| Difference between tax base and carrying value of tangible and intangible assets | (10.151.347) | (49.382.098) | (4.679.941) | (11.763.621) |
| Liabilities from leasing transactions | (620.397) | 877.012 | (186.119) | 219.253 |
| Valuation differences in derivative instruments | (1.845.076) | (4.389.183) | (553.523) | (1.097.296) |
| Profit from investments activities | (261.261) | (712.266) | (60.090) | (163.821) |
| Other | (753.252) | (18.138.704) | (263.333) | (3.861.013) |
| Deferred tax liabilities | (319.420.826) | (459.260.456) | (88.985.903) | (111.524.856) |
| Net-off | (235.698.645) | (422.197.842) | (67.585.704) | (102.567.236) |
| Deferred tax assets | | | 13.221.746 | 1.528.906 |
| Deferred tax liabilities | | | 80.807.450 | 104.096.142 |

Movement of deferred tax assets and liabilities as of 31 December 2023 and 2022 is as follows:

| | 2023 | 2022 |
|--|---------------------|----------------------|
| Beginning of the period January,1 | (102.567.236) | (95.195.364) |
| Recognised in income statement | 29.559.226 | (12.377.415) |
| Recognised in other comprehensive income | 5.422.306 | 5.005.543 |
| End of the period December, 31 | (67.585.704) | (102.567.236) |

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27 TAX ASSETS AND LIABILITIES (Continued)

The reconciliation of current tax expense and profit for the period is as follows:

| | 31 December 2023 | 31 December 2022 |
|--|----------------------|----------------------|
| Profit before tax | 157.830.806 | 119.063.852 |
| Income tax at the applicable tax rate of 23%/22% | (36.301.085) | (25.003.409) |
| Current period tax losses on which no deferred tax is calculated | (4.389.933) | (5.722.821) |
| Non-deductible expenses | 61.298.259 | (22.249.482) |
| Effects of investments in tax exempt countries | (591.650) | 2.694.768 |
| Effects of inflation accounting | (141.910.238) | (92.612.570) |
| Other effects | 218.297 | 366.625 |
| Current year tax expense | (121.676.350) | (142.526.889) |

Deferred tax that is not recognised in the financial statements

As of 31 December 2023, deferred tax asset calculated on deductible financial losses is calculated on the condition that it is probable that financial losses will be utilized by obtaining sufficient taxable profit in the near future and it is probable that financial losses will be eliminated.

As of 31 December 2023, ÜNLÜ Securities Inc and ÜNLÜ Securities UK Ltd. subsidiary of the Company has TL 36.633.378 accumulated losses. As of 31 December 2023, ÜNLÜ Securities Inc and Ünlü Securities UK Ltd.'s tax losses carried forward and last deduction date is as follows:

| | Carry forward tax losses ⁽¹⁾ | Last deduction date |
|--------------|---|---------------------|
| 2019 | 3.571.067 | 31 December 2024 |
| 2020 | 3.420.647 | 31 December 2025 |
| 2021 | 5.348.496 | 31 December 2026 |
| 2022 | 9.660.059 | 31 December 2027 |
| 2023 | 14.633.109 | 31 December 2028 |
| Total | 36.633.378 | |

ÜNLÜ Menkul and its subsidiaries reviewed the business plan as of December 31, 2023 and estimated the risk of not being able to use the financial losses amounting to TL 36.633.378, which can be deducted in the coming years, and as of December 31, 2023, no deferred tax was calculated on the aforementioned accumulated financial losses with the precautionary principle (December 31, 2022: TL 22.000.269).

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28 EARNINGS PER SHARE

Earnings per share are calculated through division of net profit to weighted average number of shares:

| | 31 December 2023 | 31 December 2022 |
|--|------------------|------------------|
| 1. Profit from operations attributable to owners of the parent | 36.154.456 | (23.463.037) |
| 2. Weighted average number of ordinary shares in issue | 175.000.000 | 175.000.000 |
| 3. Earnings per share | 0,207 | (0,134) |

29 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

(i) *Information on credit risk*

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and the current economic environment.

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29 FINANCIAL RISK MANAGEMENT (Continued)

(i) Information on credit risk (continued)

| | Receivables | | | | | Financial investments ⁽²⁾ |
|---|-------------------|------------------------------|-------------------|--------------------|------------------------------|--------------------------------------|
| | Trade receivables | | Other receivables | | Bank deposits ⁽¹⁾ | |
| | Related parties | Other parties ⁽³⁾ | Related parties | Other parties | | |
| 31 December 2023 | | | | | | |
| Maximum credit risk exposure as of the financial statements date (A+B+C+D) | 8.079.344 | 738.220.769 | 59.585 | 187.222.511 | 868.672.605 | 365.632.765 |
| Maximum credit risk under guaranteed through net collateral, or etc. | | | | | | |
| A. Net carrying value of financial assets which are neither impaired nor overdue | 8.079.344 | 477.017.123 | 59.585 | 187.222.511 | 868.672.605 | 365.632.765 |
| B. Net carrying value of impaired assets collateralized portion of the net exposure | -- | 261.203.646 | -- | -- | -- | -- |
| C. Net book value of assets exposed to impairment loss | -- | -- | -- | -- | -- | -- |
| - Overdue (gross book value) | -- | -- | -- | -- | -- | -- |
| - Impairment loss (-) | -- | -- | -- | -- | -- | -- |
| - The part under guaranteed through net collateral, or etc. | -- | -- | -- | -- | -- | -- |
| - Not overdue (gross book value) | -- | -- | -- | -- | -- | -- |
| - Impairment loss (-) | -- | -- | -- | -- | -- | -- |
| - The part under guaranteed through net collateral, or etc. | -- | -- | -- | -- | -- | -- |
| D. Off-balance sheet items exposed to credit risk | -- | -- | -- | -- | -- | -- |
| | Receivables | | | | | |
| | Trade receivables | | Other receivables | | Bank deposits ⁽¹⁾ | Financial investments ⁽²⁾ |
| | Related parties | Other parties ⁽³⁾ | Related parties | Other parties | | |
| 31 December 2022 | | | | | | |
| Maximum credit risk exposure as of the financial statements date (A+B+C+D) | 11.916.142 | 1.109.279.036 | 1.058.949 | 203.451.078 | 435.742.426 | 743.182.143 |
| Maximum credit risk under guaranteed through net collateral, or etc. | -- | -- | -- | -- | -- | -- |
| A. Net carrying value of financial assets which are neither impaired nor overdue | 11.916.142 | 738.816.549 | 1.058.949 | 203.451.078 | 435.742.426 | 743.182.143 |
| B. Net carrying value of impaired assets collateralized portion of the net exposure | -- | 370.462.487 | -- | -- | -- | -- |
| C. Net book value of assets exposed to impairment loss | -- | -- | -- | -- | -- | -- |
| - Overdue (gross book value) | -- | -- | -- | -- | -- | -- |
| - Impairment loss (-) | -- | -- | -- | -- | -- | -- |
| - The part under guaranteed through net collateral, or etc. | -- | -- | -- | -- | -- | -- |
| - Not overdue (gross book value) | -- | -- | -- | -- | -- | -- |
| - Impairment loss (-) | -- | -- | -- | -- | -- | -- |
| - The part under guaranteed through net collateral, or etc. | -- | -- | -- | -- | -- | -- |
| D. Off-balance sheet items exposed to credit risk | -- | -- | -- | -- | -- | -- |

⁽¹⁾ Money market operations receivables, VIOP warrants, receivables from reverse repo contracts and Type B liquid funds are included.

⁽²⁾ Share certificates are not included.

⁽³⁾ Consist of non-performing loan receivables

For the purpose of the table above, collaterals and other guarantees which increase the collectability of the financial asset are not taken into account.

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29 FINANCIAL RISK MANAGEMENT (Continued)

(ii) Information on liquidity risk

Liquidity risk is the inability of the Group to match the net funding requirements with sufficient liquidity. A decrease in funding sources mainly due to market instability or a decrease in credit risk results in liquidity risk. The Group manages the liquidity risk by maintaining sufficient cash and other liquid assets in order to fund the current and prospective debt requirements.

As at 31 December 2023, the Group have TL 12.759.848 receivables from derivative instruments and 10.914.772 payables from derivative instruments (31 December 2022: TL 17.134.762 receivables from derivative instruments and TL 12.745.579 payables from derivative instruments). The following table presents the cash flows payable by the Group under other financial liabilities according to their remaining contractual maturities as of 31 December 2023 and 31 December 2022:

| 31 December 2023 | Carrying value | Up to 1 month | 1 to 3 months | 3 months to 1 year | 1 year to 5 years | Total contractual cash outflows |
|---------------------------------|----------------------|--------------------|--------------------|--------------------|-------------------|---------------------------------|
| Financial liabilities | 782.976.353 | 752.731.619 | 6.126.531 | 41.775.786 | 9.958.566 | 810.592.502 |
| Leasing payables | 947.988 | 225.023 | 504.694 | 867.099 | 92.400 | 1.689.216 |
| Trade payables | 34.258.263 | -- | 34.258.263 | -- | -- | 34.258.263 |
| Payables from employee benefits | 119.705.663 | 119.705.663 | -- | -- | -- | 119.705.663 |
| Other payables | 54.357.913 | 54.357.913 | -- | -- | -- | 54.357.913 |
| Other liabilities | 15.671.091 | -- | 15.671.091 | -- | -- | 15.671.091 |
| Total | 1.007.917.271 | 927.020.218 | 56.560.579 | 42.642.885 | 10.050.966 | 1.036.274.648 |
| Derivative cash inflows | 12.759.848 | 1.421.699.499 | 504.543.450 | -- | -- | 1.926.242.949 |
| Derivative cash outflows | (10.914.772) | (1.420.972.615) | (504.039.030) | -- | -- | (1.925.011.645) |
| Total | 1.009.762.347 | 927.747.102 | 57.064.999 | 42.642.885 | 10.050.966 | 1.037.505.952 |
| 31 December 2022 | Carrying value | Up to 1 month | 1 to 3 months | 3 months to 1 year | 1 year to 5 years | Total contractual cash outflows |
| Financial liabilities | 993.639.148 | 556.175.528 | 187.409.234 | 269.911.219 | 39.958.972 | 1.053.454.953 |
| Leasing payables | 9.001.868 | 423.471 | 1.281.119 | 6.472.147 | 2.288.421 | 10.465.158 |
| Trade payables | 19.470.165 | -- | 19.470.165 | -- | -- | 19.470.165 |
| Payables from employee benefits | 120.971.115 | 120.971.115 | -- | -- | -- | 120.971.115 |
| Other payables | 45.772.488 | 45.772.488 | -- | -- | -- | 45.772.488 |
| Other liabilities | 15.505.283 | -- | 15.505.283 | -- | -- | 15.505.283 |
| Total | 1.204.360.067 | 723.342.602 | 223.665.801 | 276.383.366 | 42.247.393 | 1.265.639.162 |
| Derivative cash inflows | 17.134.762 | 3.283.488.282 | 534.522.223 | 31.929.062 | -- | 3.849.939.567 |
| Derivative cash outflows | (12.745.579) | (3.294.194.539) | (533.135.836) | (31.534.444) | -- | (3.858.864.819) |
| Total | 1.208.749.250 | 712.636.345 | 225.052.188 | 276.777.984 | 42.247.393 | 1.256.713.910 |

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29 FINANCIAL RISK MANAGEMENT (Continued)

(iii) Information on market risk

Foreign currency risk

Assets and liabilities denominated in foreign currency held by the Group as at 31 December 2023 and 31 December 2022 in original currency and total TL equivalents are as follows:

| | 31 December 2023 | | | |
|---|-------------------------------------|------------------|---------------|-----------------|
| | TL equivalent (functional currency) | USD | Euro | Other |
| 1. Trade receivables | 513.999 | 4.742 | -- | 10.000 |
| 2a. Monetary financial assets | 199.370.884 | 6.496.870 | 60.149 | 163.793 |
| 2b. Non-monetary financial assets | -- | -- | -- | -- |
| 3. Other | 58.694.027 | 1.948.205 | 29.017 | 10.608 |
| 4. CURRENT ASSETS | 258.578.910 | 8.449.817 | 89.166 | 184.401 |
| 5. Trade receivables | -- | -- | -- | -- |
| 6a. Monetary financial assets | -- | -- | -- | -- |
| 6b. Non-monetary financial assets | -- | -- | -- | -- |
| 7. Other | -- | -- | -- | -- |
| 8. NON-CURRENT ASSETS | -- | -- | -- | -- |
| 9. TOTAL ASSETS | 258.578.910 | 8.449.817 | 89.166 | 184.401 |
| 10. Trade payables | (5.146.398) | (143.752) | -- | (23.456) |
| 11. Financial Liabilities | -- | -- | -- | -- |
| 12a. Other Monetary Liabilities | (3.420.547) | (58.783) | -- | (45.139) |
| 12b. Other Non-monetary Liabilities | -- | -- | -- | -- |
| 13. SHORT TERM LIABILITIES | (8.566.945) | (202.535) | -- | (68.595) |
| 14. Trade payables | -- | -- | -- | -- |
| 15. Financial Liabilities | -- | -- | -- | -- |
| 16a. Other Monetary Liabilities | -- | -- | -- | -- |
| 16b. Other Non-monetary Liabilities | -- | -- | -- | -- |
| 17. LONG TERM LIABILITIES | -- | -- | -- | -- |
| 18. TOTAL LIABILITIES | (8.566.945) | (202.535) | -- | (68.595) |
| 19. Off-balance sheet derivative instruments net position (19a-19b) | (2.163) | (110) | 33 | -- |
| 19a. Derivative assets | 1.167.871.579 | 31.768.679 | 7.142.493 | -- |
| 19b. Derivative liabilities | (1.167.873.742) | (31.768.789) | (7.142.460) | -- |
| 20. Net foreign currency position | (8.569.108) | (202.645) | 33 | (68.595) |
| 21. Net foreign currency position of monetary items position (1+2a+5+6a-10-11-12a-14-15-16a) | 250.009.802 | 8.247.172 | 89.199 | 115.806 |
| 22. Financial instruments used for currency hedging total fair value | -- | -- | -- | -- |
| 23. Amount of hedged portion of foreign currency assets | -- | -- | -- | -- |
| 24. Amount of hedged portion of foreign currency liabilities | -- | -- | -- | -- |

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29 FINANCIAL RISK MANAGEMENT (Continued)

(iii) Information on market risk (Continued)

Foreign currency risk (Continued)

| | 31 December 2022 | | | |
|--|-------------------------------------|--------------------|--------------------|------------------|
| | TL equivalent (functional currency) | USD | Euro | Other |
| 1. Trade receivables | 1.700.639 | 37.741 | 5.093 | 10.000 |
| 2a. Monetary financial assets | 127.635.100 | 3.691.273 | 183.944 | 212.270 |
| 2b. Non-monetary financial assets | -- | -- | -- | -- |
| 3. Other | 112.424.524 | 3.618.800 | 22.821 | 4.875 |
| 4. CURRENT ASSETS | 241.760.263 | 7.347.814 | 211.858 | 227.145 |
| 5. Trade receivables | -- | -- | -- | -- |
| 6a. Monetary financial assets | -- | -- | -- | -- |
| 6b. Non-monetary financial assets | -- | -- | -- | -- |
| 7. Other | -- | -- | -- | -- |
| 8. NON-CURRENT ASSETS | -- | -- | -- | -- |
| 9. TOTAL ASSETS | 241.760.263 | 7.347.814 | 211.858 | 227.145 |
| 10. Trade payables | (25.075.883) | (517.333) | (155.709) | (108.548) |
| 11. Financial Liabilities | -- | -- | -- | -- |
| 12a. Other Monetary Liabilities | (5.039.936) | (112.983) | -- | (42.070) |
| 12b. Other Non-monetary Liabilities | -- | -- | -- | -- |
| 13. SHORT TERM LIABILITIES | (30.115.819) | (630.316) | (155.709) | (150.618) |
| 14. Trade payables | -- | -- | -- | -- |
| 15. Financial Liabilities | -- | -- | -- | -- |
| 16a. Other Monetary Liabilities | -- | -- | -- | -- |
| 16b. Other Non-monetary Liabilities | -- | -- | -- | -- |
| 17. LONG TERM LIABILITIES | -- | -- | -- | -- |
| 18. TOTAL LIABILITIES | (30.115.819) | (630.316) | (155.709) | (150.618) |
| 19. Off-balance sheet derivative instruments net position (19a-19b) | (151.288.571) | (2.512.339) | (2.249.319) | -- |
| 19a. Derivative assets | 1.879.558.887 | 56.468.035 | 4.155.347 | 89.100 |
| 19b. Derivative liabilities | (2.030.847.458) | (58.980.374) | (6.404.666) | (89.100) |
| 20. Net foreign currency position | (181.404.388) | (3.142.655) | (2.405.028) | (150.618) |
| 21. Net foreign currency position of monetary items position (1+2a+5+6a-10-11-12a-14-15-16a) | 60.355.875 | 4.205.159 | (2.193.170) | 76.527 |
| 22. Financial instruments used for currency hedging total fair value | -- | -- | -- | -- |
| 23. Amount of hedged portion of foreign currency assets | -- | -- | -- | -- |
| 24. Amount of hedged portion of foreign currency liabilities | -- | -- | -- | -- |

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29 FINANCIAL RISK MANAGEMENT (Continued)

(iii) Information on market risk (Continued)

Foreign currency risk (Continued)

Foreign currency sensitivity analysis

| | Profit/loss | | Shareholders' equity | |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | Appreciation of foreign currency | Depreciation of foreign currency | Appreciation of foreign currency | Depreciation of foreign currency |
| 31 December 2023 | | | | |
| 10% change in USD foreign currency rate | | | | |
| 1. USD net asset/(liability) | 24.278.187 | (24.278.187) | 24.278.187 | (24.278.187) |
| 2. Hedged portion against USD risk (-) | -- | -- | -- | -- |
| 3. Net effect of USD (1+2) | 24.278.187 | (24.278.187) | 24.278.187 | (24.278.187) |
| 10% change in EUR foreign currency rate | | | | |
| 4. EUR net asset/(liability) | 290.556 | (290.556) | 290.556 | (290.556) |
| 5. Hedged portion against EUR risk (-) | -- | -- | -- | -- |
| 6. Net effect of EUR (4+5) | 290.556 | (290.556) | 290.556 | (290.556) |
| 10% change in other foreign currency rate | | | | |
| 7. Other net asset/(liability) | 433.597 | (433.597) | 433.597 | (433.597) |
| 8. Hedged portion against other risk (-) | -- | -- | -- | -- |
| 9. Net effect of other (7+8) | 433.597 | (433.597) | 433.597 | (433.597) |
| TOTAL (3+6+9) | 25.002.340 | (25.002.340) | 25.002.340 | (25.002.340) |

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29 FINANCIAL RISK MANAGEMENT (Continued)

(iii) Information on market risk (Continued)

Foreign currency risk (Continued)

| | Profit/loss | | Shareholders' equity | |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | Appreciation of foreign currency | Depreciation of foreign currency | Appreciation of foreign currency | Depreciation of foreign currency |
| 31 December 2022 | | | | |
| 10% change in USD foreign currency rate | | | | |
| 1. USD net asset/(liability) | 12.955.983 | (12.955.983) | 12.955.983 | (12.955.983) |
| 2. Hedged portion against USD risk (-) | -- | -- | -- | -- |
| 3. Net effect of USD (1+2) | 12.955.983 | (12.955.983) | 12.955.983 | (12.955.983) |
| 10% change in EUR foreign currency rate | | | | |
| 4. EUR net asset/(liability) | (7.203.973) | 7.203.973 | (7.203.973) | 7.203.973 |
| 5. Hedged portion against EUR risk (-) | -- | -- | -- | -- |
| 6. Net effect of EUR (4+5) | (7.203.973) | 7.203.973 | (7.203.973) | 7.203.973 |
| 10% change in other foreign currency rate | | | | |
| 7- Other net asset/(liability) | 283.579 | (283.579) | 283.579 | (283.579) |
| 8- Hedged portion against other risk (-) | -- | -- | -- | -- |
| 9- Net effect of other (7+8) | 283.579 | (283.579) | 283.579 | (283.579) |
| TOTAL (3+6+9) | 6.035.589 | (6.035.589) | 6.035.589 | (6.035.589) |

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29 FINANCIAL RISK MANAGEMENT (Continued)

(iii) Information on market risk (Continued)

Interest rate risk

According to the daily market conditions, the Group invests its cash as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, reverse repurchase agreements, or bank deposits.

Interest rate profile

| | 31 December 2023 | 31 December 2022 |
|--|------------------|------------------|
| Fixed rate financial instruments | | |
| Financial assets | | |
| Financial assets at fair value through profit or loss | | |
| Eurobonds | 102.294.799 | 432.322.223 |
| Fx-protected deposit | 89.800.107 | 167.697.537 |
| Bank Bond | -- | 11.717.258 |
| Government bonds | 218.316 | 3.271.929 |
| Private sector bonds | 41.775.351 | 6.599.218 |
| Asset backed securities | 11.105.954 | 10.311.305 |
| Time deposits and receivables from reverse repurchase agreements | 789.028.003 | 292.553.392 |
| Financial liabilities | | |
| Financial liabilities | 182.117.080 | 592.616.453 |
| Lease obligations | 947.988 | 9.001.867 |
| Issued securities | 98.582.463 | 140.929.291 |
| Payables to money markets | 501.770.000 | 247.294.805 |

The profit before tax of the Group from the financial asset valuation will decrease by TL 2.475.870 (31 December 2022: TL 2.616.949) and increase by TL 2.475.870 (31 December 2022: TL 2.616.949) in the case of 100 basis point decrease/increase in TL market interest rates with all other factors remaining constant as of 31 December 2023.

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29 FINANCIAL RISK MANAGEMENT (Continued)

(iii) Information on market risk (Continued)

Price risk

Stock price risk; is the risk that the market value of stocks will decrease as a result of the change in the stock index levels and the value of the relevant stock.

The effect of the changes in fair values (provided that all other variables are constant) on the profit / (loss) of the Group (tax effect) as a result of a possible 10% depreciation of stocks and mutual funds traded in BIST and measured with their market values. except) as follows:

| | 31 December 2023 | 31 December 2022 |
|---|------------------|------------------|
| | Income Statement | Income Statement |
| Financial assets at fair value through profit or loss | 6.842.172 | 7.734.494 |
| Total, net | 6.842.172 | 7.734.494 |

(iv) Capital risk management

The Group manages the capital with decreasing investment risk to the lowest level with portfolio diversification. The Group's main objective is to add value to each partner and trying to increase and protect the value of the portfolio. In order to provide this value-added, the Company invests in high-yield securities and other financial instruments, monitors financial markets and institutions, developments related to the partnership and takes the necessary measures related to portfolio management.

The Group aims to increase its profit by using the balance of debt and equity in the most efficient way while trying to ensure the continuity of its activities in capital management.

The company monitors the capital using the ratio of net financial debt / total equity. Net financial debt is calculated by deducting the total of financial debts (including long and short term financial debts) from cash and cash equivalents. This ratio is calculated by dividing the net financial debt by the total equity in the balance sheet.

| | 31 December 2023 | 31 December 2022 |
|---|---------------------|--------------------|
| Total liabilities | 782.976.353 | 993.639.148 |
| Liabilities from leasing transactions | 947.988 | 9.001.868 |
| Minus: Cash and Cash equivalents (Note 5) | (868.672.605) | (435.755.458) |
| Net financial liability | (84.748.264) | 566.885.558 |
| Total equity | 1.566.494.701 | 1.668.741.602 |
| Net financial liability / equity ratio | (0,05) | 0,34 |

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30 DERIVATIVE INSTRUMENTS

As of 31 December 2023 and 31 December 2022 details of derivative instruments are follows:

| | 31 December 2023 | |
|--------------------|-------------------|---------------------|
| | Assets | Liabilities |
| Option operations | 643.480 | (643.480) |
| Swap operations | 4.865.419 | (61.751) |
| Forward operations | 7.250.949 | (10.209.541) |
| Warrant operations | -- | -- |
| Total | 12.759.848 | (10.914.772) |

| | 31 December 2022 | |
|--------------------|-------------------|---------------------|
| | Assets | Liabilities |
| Option operations | 830.357 | (741.692) |
| Warrant operations | -- | (698.064) |
| Swap operations | 1.132.876 | (835.003) |
| Forward operations | 15.171.529 | (10.470.820) |
| Total | 17.134.762 | (12.745.579) |

31 FINANCIAL INSTRUMENTS

Fair value of the financial instruments

Despite of the obligatory sale and the close-out, the fair value describes the amount of the financial instrument for its purchase and sell, to the consent process of related sides. Under this circumstance, the quoted market price reflects the fair value, most appropriately.

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market Exchange.

Despite of the financial lease receivables and borrowings, the fair values of short-term assets and liabilities have been estimated close to their book values since the impact of the discount is irrelevant for the fair value.

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31 FINANCIAL INSTRUMENTS (Continued)

Fair value of the financial instruments (Continued)

The fair values and carrying values of financial assets and liabilities of the Group are as follows:

| | 31 December 2023 | |
|----------------------------------|------------------|---------------|
| | Carrying value | Fair value |
| Financial assets | | |
| Banks | 868.672.606 | 868.672.606 |
| Trade receivables (*) | 746.300.113 | 692.041.113 |
| Financial investments | 460.873.482 | 460.873.482 |
| Other receivables | 187.282.096 | 187.282.096 |
| Financial liabilities | | |
| Financial liabilities (*) (**) | 782.976.353 | 779.550.551 |
| Payables from lease transactions | 947.988 | 947.988 |
| | | |
| | 31 December 2022 | |
| | Carrying value | Fair value |
| Financial assets | | |
| Banks | 435.755.458 | 435.755.458 |
| Trade receivables (*) | 1.121.195.178 | 1.093.038.781 |
| Financial investments | 834.697.052 | 834.697.052 |
| Other receivables | 204.510.025 | 204.510.025 |
| Financial liabilities | | |
| Financial liabilities (*) (**) | 993.639.148 | 999.622.195 |
| Payables from lease transactions | 9.001.868 | 8.731.640 |

(*)The risk premium was taken into account as 6% in the fair value calculation of the trade receivables account, and the risk premium as 2% in the fair value calculation of the financial liabilities account (31 December 2022: 6% in the fair value calculation of the trade receivables account, the risk premium as 2% in the fair value calculation of the financial liabilities account). The Group calculated the fair values by discounting the undiscounted estimated cash flows by including the risk premiums stated above on the market interest rates.

(**) Debts and leveraged trading transactions collateral obligations are not included in the Stock Exchange Money Market.

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31 FINANCIAL INSTRUMENTS (Continued)

Fair value of the financial instruments (Continued)

Fair value hierarchy

The fair values of financial asset and liabilities have been determined as follows:

- First level: Financial assets and liabilities are valued at the stock exchange price in an active market for exactly the same assets and liabilities.
- Second level: Financial assets and liabilities are valued with the inputs used to determine a directly or indirectly observable price other than the stock market price of the relevant asset or liability mentioned in Level 1.
- Third level: Financial assets and liabilities are valued with inputs that cannot be based on data observable in the market and used to determine the fair value of the asset or liability.

| 31 December 2023 | Level 1 | Level 2 | Level 3 | Total |
|--|----------------|----------------|----------------|----------------------|
| Financial assets at fair value through profit or loss | 130.070.944 | 244.976.210 | -- | 375.047.154 |
| Financial assets at fair value through other comprehensive income ⁽¹⁾ | -- | 85.826.328 | -- | 85.826.328 |
| Financial assets measured at amortized cost | -- | -- | 692.041.113 | 692.041.113 |
| Financial liabilities | -- | -- | 779.550.551 | 779.550.551 |
| Derivative instruments | -- | 1.845.076 | -- | 1.845.076 |
| 31 December 2022 | Level 1 | Level 2 | Level 3 | Total |
| Financial assets at fair value through profit or loss | 138.064.521 | 613.602.994 | -- | 751.667.515 |
| Financial assets at fair value through other comprehensive income ⁽¹⁾ | -- | 83.029.098 | -- | 83.029.098 |
| Financial assets measured at amortized cost | -- | -- | 1.093.038.781 | 1.093.038.781 |
| Financial liabilities | -- | -- | 999.622.195 | 999.622.195 |
| Derivative instruments | -- | 4.389.183 | -- | 4.389.183 |

⁽¹⁾ BIST shares classified by the Group as financial assets at fair value through other comprehensive income are valued based on the bid price declared by BIST and are shown in Level 2. In addition, 212 Capital Partners is classified in Level 2.

32 FEES RELATED TO SERVICES RECEIVED FROM INDEPENDENT AUDITOR

In accordance with the decision of POA dated 26.03.2021, the fees for the reporting period regarding the services received from the independent auditor or independent audit firm are given in the table below. The fees for services rendered to the Company's subsidiaries and jointly controlled partnerships, as well as to the Parent Company, are included in the fees stated as VAT excluded;

| | 31 December 2023 | 31 December 2022 |
|---|-------------------------|-------------------------|
| Independent audit fee for the reporting period | 10.003.499 | 7.265.213 |
| Other assurance services and other non-audit fees | 78.234 | 90.625 |
| Total | 10.081.733 | 7.355.838 |

ÜNLÜ YATIRIM HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 and 2022

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of December 31, 2023.)

33 SUBSEQUENT EVENTS

By the decision of the Board of Directors of Ünlü Portföy Yönetimi A.Ş., a subsidiary of the Company, dated December 29, 2023, and numbered 116, it was decided to increase the company's capital from TL 40.000.000 to TL 44.000.000 by a paid-in capital increase of TL 4.000.000 TL within the registered capital ceiling of TL 50.000.000 determined for the years 2023-2027. For this purpose, a capital advance of TL 4.000.000 was deposited by ÜNLÜ Yatırım Holding A.Ş., the sole owner of the Company, on December 29, 2023. Following the necessary approvals, the amendment of the articles of association was approved at the Extraordinary General Assembly held on February 14, 2024. The General Assembly decision was registered on February 20, 2024, and published in the Trade Registry Gazette numbered 11026 on February 20, 2024.

The Company plans a conditional capital increase ("Capital Increase") to enable employees to acquire the Company's shares under the Employee Stock Option Plan ("Plan"). The aim is for employees who meet the conditions under the Plan to participate in the capital increase. Accordingly, based on the Board of Directors' decision dated March 12, 2024, the Company has applied to the Capital Markets Board for the Capital Increase to allow employees to exercise their stock option rights under the Plan.

In accordance with Article 27 of the Capital Markets Board's (VII-128.1) Communiqué on Shares, titled "Obligation to Prepare an Information Form for Shareholders of Companies Whose Shares are Traded on the Stock Exchange," Mahmut Levent Ünlü, holding a 64,71% share in Ünlü Yatırım Holding A.Ş., has applied to the Capital Markets Board for the approval of a "Share Sale Information Form" to convert and sell all or part of the B Group shares with a nominal value of TL 58.143.258 (corresponding to 30,14% of the Company's capital, up to a nominal value of TL 52.748.258) owned by Ünlü Yatırım Holding A.Ş. into shares traded on the stock exchange without losing control of the Company.

By the Board of Directors' decision dated April 4, 2024, and numbered 2024/04, it was decided to establish a subsidiary named "Ünlü Bilgi Teknolojileri ve Bilişim Anonim Şirketi" to engage in activities such as e-commerce, electronic marketplace, and financial technology, as well as the creation, storage, and distribution of digital data and assets, and intangible assets that can be created and stored virtually using distributed ledger technology or similar technologies, including but not limited to all kinds of information technology, data processing, mobile applications, electronic marketplaces, and operating system software development.