



**TRUST
ACROSS
BORDERS**

Contents

ABOUT ÜNLÜ & Co*

| | |
|----|--|
| 12 | Robust Figures in 2023 |
| 13 | Major Developments in 2023 |
| 14 | Corporate Profile |
| 15 | Our Shareholding Structure |
| 16 | Products, Services and Solutions |
| 19 | Our Vision, Mission, Strategy and Values |
| 20 | Key Financial Indicators |
| 21 | ÜNLÜ & Co's Awards |
| 22 | Milestones |
| 26 | 2023 at a Glance |
| 28 | Investor Relations |
| 30 | Message from the Chairman and CEO |
| 34 | ÜNLÜ Yatırım Holding Board of Directors |
| 38 | Executive Board |

OPERATIONS IN 2023

| | |
|----|--|
| 40 | Investment Services |
| 50 | Asset and Fund Management Services |
| 54 | Operations and Technology Services |
| 56 | Corporate Communications and Marketing |
| 62 | Human Resources |

CORPORATE GOVERNANCE

| | |
|----|---|
| 66 | Corporate Governance |
| 66 | Corporate Governance Approach |
| 66 | Board Structure |
| 68 | Independence Statements of Board Members |
| 70 | Organizational Chart |
| 71 | Committees Reporting to the Board of Directors |
| 72 | Relations with Shareholders and Investor Relations |
| 73 | Sustainability |
| 76 | Legal Disclosures |
| 82 | Corporate Governance Principles Compliance Statement |
| 84 | Statement of Compliance with Sustainability Principles |
| 85 | Credit Rating |
| 86 | Corporate Policies |
| 86 | Donation Policy |
| 86 | Remuneration Policy |
| 88 | Dividend Distribution Policy |
| 88 | Profit Distribution Offer |
| 89 | General Assembly Meetings |
| 89 | Agenda of the Annual General Meeting |
| 90 | Internal Systems |
| 92 | Auditor's Report on Early Risk Detection System and Committee |

FINANCIAL INFORMATION

| | |
|----|--|
| 93 | Independent Auditor's Report on the Annual Report of the Board of Directors' |
| 95 | Statement of Responsibility of BoD Regarding the Annual Report |
| 96 | Statement of Responsibility of BoD Regarding the Financial Statements |
| 97 | Consolidated Financial Statements as of December 31, 2023 and Independent Auditor's Report |

In accordance with TAS 29, the consolidated financial statements and prior periods' financial information have been restated to reflect changes in the general purchasing power of the Turkish Lira and are now presented in terms of the purchasing power of the Turkish Lira at the reporting date. Unless otherwise stated, all figures in the Annual Report are restated figures in accordance with TAS 29, as noted in the independent audit report.

*Ünlü Yatırım Holding A.Ş. will be referred to as the "Company" and ÜNLÜ Yatırım Holding A.Ş. and its subsidiaries will hereafter be referred to as the "Group" and/or "ÜNLÜ&Co".



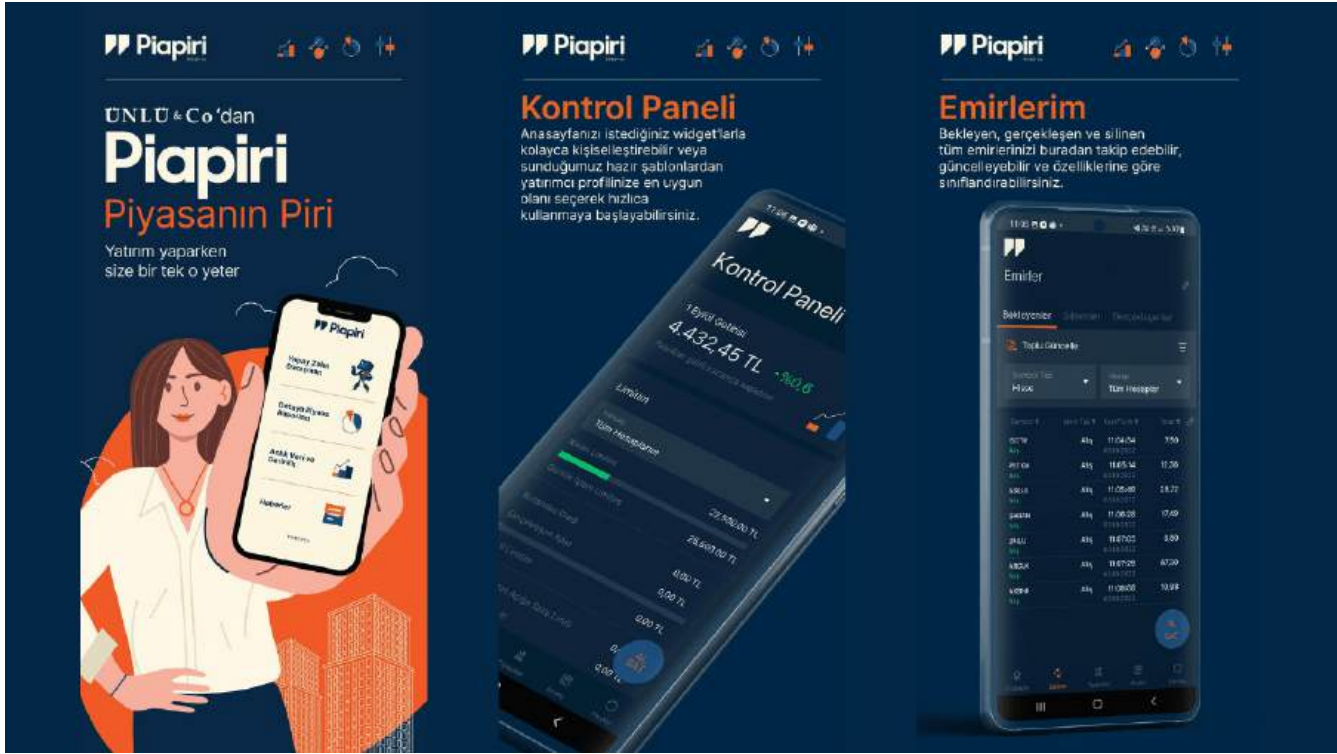
ÜNLÜ: CREATING VALUE FOR MORE INVESTORS

Since 1996, we have been dedicated to providing the best services to corporate and individual investors. We are expanding our reach with our trust-focused service approach, reaching more investors every day.

We continuously renew ourselves by adapting to contemporary needs. We are now opening the doors to a new future with our recent digital transformation investments.

We launched our “fintech” initiative, Piapiri, to fill a significant gap in strengthening capital markets and increasing the number of investors. We set a record in brokerage transactions and successfully conducted the ebebek IPO, reaching approximately 4 million investors. On our ÜNLÜ THE CLUB YouTube channel, we provide individual investors with updates on sector developments and new products. We promote financial literacy with content developed by our expert teams. Our journey as a solution provider continues to flourish, reaching out to an ever-expanding audience.

Piapiri: A breath of fresh air in the investment ecosystem



At ÜNLÜ & Co, we have taken on significant responsibilities for the development of finance and capital markets in Türkiye for 28 years. We have pioneered numerous forward-thinking strategies, transforming our accumulated expertise into innovative practices within our industry. Piapiri, our fintech initiative launched in 2022, has ushered in a new era in the investment world with a focus on speed, quality, and reliability.

We developed Piapiri with the vision of democratizing investment and providing a seamless, personalized experience to customers at every touchpoint by leveraging digitalization. As we continue to expand the range of services offered in our application, we have made user experience-oriented improvements based on customer feedback. Our main goal at Piapiri is to become a comprehensive provider of investment products in the Turkish capital markets. Our next step is to develop it into a financial "superapp" that includes not only investment products but also all financial solutions and products.

Additionally, through Piapiri, we continue to reach our existing and potential customers with an effective communication strategy, quickly conveying our messages to the investment ecosystem. We have launched impactful campaigns, such as our collaborations with Galatasaray, one of the country's most established clubs, and Hepsiburada, one of Türkiye's leading e-commerce platforms. Piapiri earned the prestigious Golden Compass Public Relations Award in its debut year, a testament to the rapid and robust connection it forged with investors.

What Does Piapiri Offer to Investors?



Create customized watchlists and view real-time stock market, futures and options, warrants, investment funds, and exchange rate, free of charge.



Access comprehensive details of TEFAS funds, and compare them based on fund performance, management fees, and sizes.



Personalize your homepage according to your investor profile using a variety of modules and create your own control panel. Arrange tabs and columns within the app to easily access the areas you use the most.



Configure news or price alerts for the investment products that you are interested in, and receive immediate notifications when news pertaining to the product is released or when the product price reaches your desired level.



Embark on your investment journey swiftly with the Model Portfolio, a bespoke portfolio of stocks created and continuously updated by our expert ÜNLÜ & Co team of analysts. Stay up to date with developments about the Model Portfolio.



Utilize the robotic signals feature to take advantage of the trading opportunities as they arise during the day.



Experience the cutting-edge DALL-E 2 artificial intelligence firsthand, which elevates the user experience and is available at no cost. Effortlessly craft the visuals you envision by inputting Turkish text into the 1,000-character input box provided by the 'Create Photos with Artificial Intelligence' feature.

Cumulative views for video content on the
ÜNLÜ THE CLUB YouTube channel

393,240



Building trust across **various digital platforms**

ÜNLÜ THE CLUB offers a wealth of market insights, offering the latest data essential for today's diverse investor profiles. The ÜNLÜ THE CLUB YouTube channel disseminates innovative products for individual investors, up-to-the-minute market analyses, financial news, and opportunities for women entrepreneurs, significantly contributing to the improvement of financial literacy.



Fostering trust **with** **groundbreaking** **investment** **innovations**

Our fintech venture, Piapiri, extends our reach within the financial ecosystem, aligning with our strategies for digitalization and broader engagement.

Piapiri provides investors with real-time access to complimentary stock market insights and a tailored, state-of-the-art investment experience featuring diverse offerings like investment portfolios and algorithmic trading signals. We bolster our investors' knowledge and support financial literacy by supplying essential daily and weekly sector updates.







Establishing trust through leadership in IPOs

In our Mergers and Acquisitions (M&A) advisory role, we have embarked on a path to enduring success, facilitating 130 deals valued at USD 18.3 billion thus far. Within this realm, we are at the forefront of orchestrating substantial and successful IPOs. In 2022, we successfully managed the IPO of Hitit Bilgisayar Hizmetleri A.Ş., the leading technology exporter in Türkiye. In 2023, the ebebek IPO, another IPO spearheaded by us, stood out as a milestone transaction due to its magnitude, the significant public interest it garnered, and its outreach to numerous investors. ebebek's public offering received an allocation amount 7.7 times greater than the initial offering from approximately 4 million investors.



ebebek @

Number of participants in
ebebek's IPO

~ 4 million

Trust fostered through our support for women entrepreneurs

At ÜNLÜ & Co, we prioritize women, entrepreneurship, and education in our corporate social responsibility endeavors, distinguishing ourselves with impactful project support within these realms. Through the Women Entrepreneurs Academy, which we launched back in 2016, we have provided training to 100 women entrepreneurs over the past five years. A joint initiative with the Turkish Entrepreneurship Foundation (GİRVAK) launched in 2023, the Women Entrepreneurs Academy aims to support and nourish the ecosystem of women entrepreneurs, especially in the fields of technology and software.



Achieved outcomes of the project

Support provided to over **150** women entrepreneurs



Robust Figures in 2023

PERCENTAGE OF FEMALE EMPLOYEES
WITHIN ÜNLÜ & Co GROUP

53%

PERCENTAGE OF WOMEN ON
THE BOARD OF DIRECTORS

50%

CUSTOMER ASSETS
UNDER MANAGEMENT (TL BILLION)

73% Increase

| | |
|------|------|
| 2022 | 17.5 |
| 2023 | 30.2 |

İSTANBUL VARLIK TOTAL UNPAID PRINCIPAL BALANCE
(TL BILLION)

5% Increase

| | |
|------|-----|
| 2022 | 4.2 |
| 2023 | 4.4 |

TOTAL TURNOVER
(TL BILLION)

25% Increase

| | |
|------|------|
| 2022 | 19.9 |
| 2023 | 24.9 |

OPERATING PROFIT BEFORE FINANCIAL EXPENSES
(TL MILLION)

17% Increase

| | |
|------|-------|
| 2022 | 583.6 |
| 2023 | 680.6 |

PRE-TAX PROFIT
(TL MILLION)

33% Increase

| | |
|------|-------|
| 2022 | 119.0 |
| 2023 | 157.8 |

Major Developments in 2023

EMEA FINANCE ACHIEVEMENT AWARDS

- Best M&A House - Central and Eastern Europe
- Best M&A Deal - DeFacto-EBRD - Central and Eastern Europe
- Best IPO - Hitit Bilgisayar Hizmetleri - Central and Eastern Europe

EMEA FINANCE EUROPE BANKING AWARDS

- Corporate Social Responsibility - Europe
- Best Investment Bank
- Best M&A House
- Best Debt House

EUROMONEY MARKET LEADERS

- Investment Banking - Türkiye Market Leader
- Corporate Social Responsibility Category - Noteworthy

ÜNLÜ & Co CREDIT RATING

- 'AA+'

MERGERS AND ACQUISITIONS CONSULTING

- Sale of Korsini to MCC
- Gat Foods IBBL's acquisition of Tunay Gıda

ebebek IPO RECEIVES RECORD INTEREST

- More than 3.9 million investors
- Demand 7.7 times the allocation amount
- An IPO size of TL 1.86 billion

Piapiri WINS GOLDEN COMPASS AWARD

- Golden Compass Public Relations Awards Financial Services and Investor Relations Category

SPECIAL AWARD FOR WOMEN-EMPOWERED BOARD OF DIRECTORS

- Women-Empowered Boards of Directors in Newly Publicly Listed Companies Award

ÜNLÜ & Co WOMEN TECHNOLOGY ENTREPRENEURS ACADEMY

- A 13-month training initiative commenced with 81 teams applying
- Provision of psychosocial support sessions, inspirational speeches, networking events, as well as horizontal and vertical mentoring

About ÜNLÜ & Co

Corporate Profile

ÜNLÜ & Co consistently expands its client base comprising both corporate and individual investors, delivering services and product diversity at global standards.

TÜRKİYE'S LEADING INVESTMENT SERVICES AND ASSET MANAGEMENT GROUP

Established as an independent financial advisory company in 1996, ÜNLÜ & Co provides value added services and solutions concerning;

- Corporate Finance Advisory,
- Capital Markets Advisory,
- Investment Advisory and Brokerage Services,
- Non-Performing Loans (NPL) Management,
- Alternative Investments,
- Fund and Portfolio Management

all under a single roof, to domestic and foreign individual investors, as well as to corporates, backed by a professional team and strong technological infrastructure. A visionary spirit, sturdy financial structure, and successful organic and inorganic growth strategies pursued since inception have been instrumental in ÜNLÜ & Co's becoming Türkiye's leading investment services and asset management group.

With full-fledged investment services and product diversity, ÜNLÜ & Co continuously expands its client portfolio comprised of corporates and qualified individual investors, to whom it provides world-class services. ÜNLÜ & Co's 500+ strong expert staff is guided by its philosophy that places client interests and satisfaction at the core of all its endeavors.

ÜNLÜ & Co is listed on Borsa Istanbul following the Company's IPO in 2021.

A BUSINESS MODEL STANDING OUT FROM THE COMPETITION

ÜNLÜ & Co has developed global "know-how" in investment services, thanks to the long-running collaboration and strategic partnerships it has forged with investment companies active on a global scale.

Expanding its global sphere of influence through subsidiaries and affiliates established in the world's most prominent financial centers, ÜNLÜ & Co is able to keep abreast of changes in foreign investor profile and investment trends.

Closely monitoring the Turkish economy and Turkish companies operating in various sectors, ÜNLÜ & Co effectively blends its global know-how with its experience in local markets, hence implementing a business model placing efficiency at the forefront in all service areas. All of these qualities set ÜNLÜ & Co apart from competition and reinforce its position as a reliable business partner.

RESPECTED IN THE INTERNATIONAL ARENA

A crucial success in advisory services in the realm of mergers and acquisitions, IPOs, and privatizations, built on nearly 28 years of experience, and solid partnerships forged between institutional clients and global fund sources have earned a well-warranted reputation to ÜNLÜ & Co in local and international markets.

Foreign companies, portfolio managers, and fund organizations looking to invest in Turkish capital markets and Turkish companies choose ÜNLÜ & Co, which boasts extensive experience across all sectors within the scope of financial advisory services in Türkiye.

Established in

1996



A CORPORATE CULTURE FOCUSED ON SUSTAINABLE GROWTH

Entrepreneurial, leader, one team, engaged, socially conscious, client-centric are values that are deeply ingrained in ÜNLÜ & Co's corporate culture and the defining elements of a corporate success story of 28 years. These components of success, reflected with a shared conviction to all areas of the service cycle by the leaders and employees of ÜNLÜ & Co, pave the way for a solid corporate culture. They are also the linchpins of sustainable growth and success.

A SERVICE CONCEPT COMMITTED TO LEGAL COMPLIANCE AND ETHICAL RULES

Guided by a contemporary investment advisory approach, ÜNLÜ & Co unconditionally upholds high moral values in investor relations and in markets where it operates. ÜNLÜ & Co employees adopt an honest and consistent service approach towards customers and pay great attention to the development and implementation of a work discipline that respects applicable legal regulations and is in line with the corporate culture.

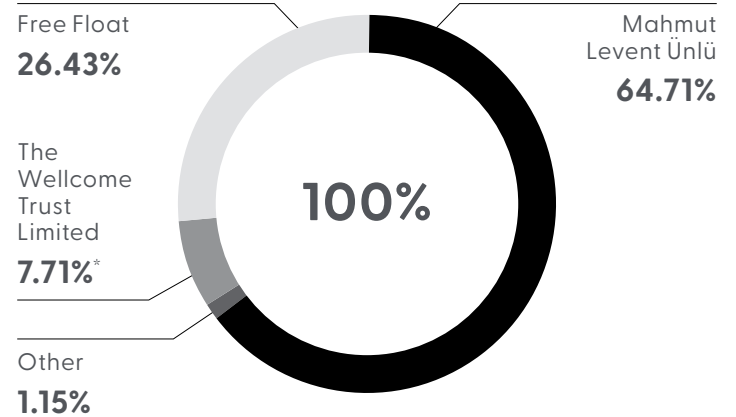
PIONEERING DEVELOPMENT IN CAPITAL MARKETS

Since its inception as an independent financial advisory, ÜNLÜ & Co has completed a host of highly successful transactions with its unique financial solutions developed based on the needs of its clients. ÜNLÜ & Co boasts a proven track record of creating high-value-added for its customers with customized investment advice and tailored financial products, while also playing an active role in the deepening of the Turkish capital markets.

STRONG STEPS TOWARDS GLOBALIZATION

ÜNLÜ & Co resolutely maintains its leadership in the Turkish market and takes concrete steps to extend its initiative to the international sphere. In addition to domestic offices, ÜNLÜ & Co provides services abroad through its subsidiaries in New York and London.

Our Shareholding Structure



*As of 01.02.2024, there are no shares held in partnership.

Products, Services and Solutions

Local and international companies, asset managers, and fund organizations looking to invest in Turkish capital markets and companies prefer ÜNLÜ & Co.

INVESTMENT SERVICES

Corporate Finance Advisory

Mergers and acquisitions

Privatization consulting

Initial and secondary public offerings

Debt Capital Markets Advisory

Foreign and local currency bond issuance

CLN, Eurobonds, private placement, convertible bonds, asset-backed securities

Debt Advisory

Acquisition and project finance

Structured subordinated loans

Financial restructuring

CAPITAL MARKETS

Corporate brokerage services

Domestic and international stock market placements

Block sales / Secondary public offering

Fixed-income instruments

Research

Treasury

UNLU Securities Inc. (USA)

UNLU Securities UK Limited

Number of employees

500+

DAHA INVESTMENT ADVISORY AND BROKERAGE SERVICES

Tailored investment advisory services across organized and over-the-counter markets

Brokerage services encompassing BIST stock, futures, and options markets (VIOP) transactions

Structured debt instruments offering bespoke investment strategies

Brokerage services facilitating over-the-counter derivatives trading

Offering hedging strategies grounded in effective balance sheet management to corporate investors

Brokerage services for Leveraged Foreign Exchange (FX) and Contracts for Difference (CFD) trading

Brokerage services for foreign stock exchanges, covering stock and futures contracts

Brokerage services for managing commodity risk (hedge) on the LME (London Metal Exchange)

Brokerage services for trading government bonds, treasury bills, corporate bonds, asset-backed securities, and Eurobonds

Brokerage services for repo transactions

Portfolio brokerage services

IPO brokerage services

ASSET MANAGEMENT SERVICES

Non-Performing Loans (NPL) Management

Portfolio investments

Restructuring

Fund and Portfolio Management

Mutual Funds

Real Estate Investment Funds

Venture Capital Investment Funds

Alternative Investments

212 Capital-Technology Fund I

Alternative Investments Fund



**Unrivaled leader in the
Turkish market**



Our Vision

To become the leading investment services and asset management group in the region.

Our Mission

Infused with an entrepreneurial ethos and fortified by our local market expertise, we tirelessly strive to expand our company and deliver value to our clients.

Our Strategy

To realize our objectives and ensure sustainable success, we continuously refine our corporate practices and management strategies to uphold our market-leading position.

Our Values

Entrepreneurial

Openly shares ideas and boldly brings them into fruition

Leader

Spearheads innovation with knowledge, experience and poise

One Team

Moves with a unified purpose towards a common goal

Committed

Values relationships and upholds sustainability

Socially Conscious

Creating, innovating, and taking responsibility for society's well-being

Client-centric

Dedicated to adding value and delivering the best solution to the client

Key Financial Indicators

TOTAL ASSETS (TL MILLION)

2,703

2023

TOTAL SHAREHOLDER'S EQUITY (TL MILLION)

1,566

2023

PRE-TAX PROFIT (TL MILLION)

158

2023

NET PROFIT FOR THE PERIOD (TL MILLION)

36

2023

ÜNLÜ & Co's Awards

ÜNLÜ & Co was recognized as the Best M&A House in Central and Eastern Europe at the EMEA Finance-Achievement Awards.

EMEA FINANCE-ACHIEVEMENT AWARDS

- Best M&A House- Central and Eastern Europe
- Best M&A Deal - DeFacto-EBRD- Central and Eastern Europe
- Best IPO - Hitit Bilgisayar Hizmetleri- Central and Eastern Europe

EMEA FINANCE-EUROPE BANKING AWARD

- Corporate Social Responsibility - Europe
- Best Investment Bank
- Best M&A House
- Best Debt House

EUROMONEY MARKET LEADERS-2023

- Investment Banking-Türkiye Market Leader
- Corporate Social Responsibility Category- Noteworthy

CAPITAL MAGAZINE-"11TH" "FEMALE EMPLOYEE-FRIENDLY COMPANIES SURVEY"

- "100 Female Executive-Friendly Companies" list-ÜNLÜ & Co

GOLDEN COMPASS PUBLIC RELATIONS AWARDS

- Financial Services and Investor Relations-Piapiri

30% CLUB- "10TH WOMEN DIRECTORS CONFERENCE"

- Women-Empowered Boards of Directors in Newly Publicly Listed Companies Award

5TH DIGITAL CEO AND LEADERS SUMMIT

- 10 Women Executives Who Inspire and Add Value

GOLD LEADER AWARDS

Türkiye's 50 Most Admired CHROs

Milestones

ÜNLÜ & Co has been a key player in the capital markets for 28 years.

1996

- Dundas Ünlü was established in Istanbul as an independent mergers & acquisitions advisory company.
- Dundas Ünlü started out by providing advisory services to international investors looking to invest in the Turkish market. Dundas Ünlü, a trailblazer in mergers and acquisitions, significantly advanced the sector and established itself as a leading financial institution.

2002

- Having acquired Işıklar Menkul, a local brokerage house, Dundas Ünlü ventured into investment services and entered Equity Capital Markets. With this acquisition, the Company added to its portfolio an array of investment products and services addressing the needs of different clients.

2003/2004

- Dundas Ünlü started offering asset management services and set up a Non-Performing Loan (NPL) Unit.
- This period was highlighted by a deluge of new ventures. A fixed income unit was established in 2003, followed by an asset management unit in 2004, and an equity fund (“DUA”) as well as a fixed-income fund (“DUB”) in 2004. As a result of these undertakings, Dundas Ünlü not only expanded the scope of the products and services it offered, but also became the firm of choice for clients with investment financing needs.

2005

- A milestone was reached when Dundas Ünlü teamed up with the US-based investment bank Lehman Brothers.
- As part of its institutionalization goals, the Group welcomed Tahincioğlu Holding as a shareholder, marking another major milestone.
- The Institutional Equity Sales Unit was launched to provide comprehensive equity and capital market services. Through its consistent success, the unit became a leader among Turkish firms in international equity placements.

2006/2007

- The Company expanded into the alternative investments business line with the launch of the DU Private Equity Fund.
- The same year saw the establishment of DUF DAS, an adjunct to the Company’s NPL unit and a ground-breaking service provider in the corporate collections business line.
- In 2007, the Company brokered the first corporate bond issue in Türkiye in the last decade.
- The same year, South Africa-based Standard Bank became a strategic shareholder in the Company by acquiring the majority of shares previously held by Alasdair Dundas and Tahincioğlu Holding.
- With this change in the shareholding structure, the Company underwent reorganization as well. Having expanded its global network and diversified its debt financing products, the Group rebranded as Standard Ünlü. The alliance with Standard Bank propelled Standard Ünlü to become Türkiye’s leading investment services and asset management group.
- ÜNLÜ Portföy Yönetimi A.Ş. (ÜNLÜ Asset Management) was established.

2009

- Standard Varlık and PLATO Finansal Danışmanlık Servisleri A.Ş. were established.
- PLATO Finansal Danışmanlık Servisleri A.Ş. started its operations to provide collection management services to retail and micro SME NPL portfolios.

2011

- Founded in 2009, Standard Varlık was acquired from Standard Bank and renamed İSTANBUL Varlık.
- 212 Capital Partners was established to provide venture capital to Türkiye’s technology, internet and communication companies during their start-up phase. 212, founded in collaboration with Türkiye’s top tech companies, investors, and executives, began supporting ventures in software, social gaming, e-commerce, mobile, social media, and cloud computing.

ÜNLÜ Menkul Değerler successfully led and completed ebebek's IPO in 2023.

2012/2013

- In October 2012, ÜNLÜ Finansal Yatırımlar A.Ş.'s acquisition of 67% of Standard Ünlü's shares established the company's new structure.
- İSTANBUL Varlık grew its assets by 40% in two years through strengthened relationships with banks.

2014

- While retaining its leadership in Türkiye, ÜNLÜ & Co expanded into regional investment services. The Singapore office was established. Concrete steps were taken for expanding into the Middle East and the broader region.
- During this period, ÜNLÜ & Co achieved leadership in M&As with a transaction volume of USD 3.7 billion and facilitated the largest foreign acquisition in Türkiye.
- In 2014, ÜNLÜ & Co led brokerage houses with a 24% market share, executing the largest corporate bond issuance in debt capital markets with a trading volume of TL 805 million.
- Advisory services began for the ÜNLÜ Long-Term Investment fund, which invests across diverse asset classes.
- ÜNLÜ Portföy experienced explosive growth in 2014, expanding by 474.8% to become the fastest-growing asset management company.

2015

- The joint venture with Standard Bank underwent a restructuring.
- The brand name ÜNLÜ Finansal Yatırımlar A.Ş., which unites the Group companies under one roof, was revised to ÜNLÜ Yatırım Holding A.Ş. (ÜNLÜ & Co).
- ÜNLÜ & Co expanded its offerings by establishing the Private Brokerage and Financial Advisory Department to provide qualified individual investors with premium capital market products and services.

2016

- The Wellcome Trust, one of the world's largest trusts, became a 9.9% shareholder in ÜNLÜ & Co. Having strengthened its capital structure through this partnership, ÜNLÜ & Co created resources for its regional investments. After receiving its brokerage license, UNLU Securities Inc. Was launched in New York. UNLU Securities Inc. started its investment service operations as the only Turkish brokerage house in the United States.
- New fund organizations and structured debt instruments were issued as the product range continued to expand.

2017

- ÜNLÜ & Co offered its experience and know-how in financial advisory to qualified individual investors with "DAHA".
- UTrade's online platforms, tailored for DAHA Investment Advisory and Brokerage Services, empowered investors to execute domestic and international capital market transactions securely, quickly, and easily.
- ÜNLÜ The Club YouTube channel was launched, complete with next generation products for individual investors, the latest sector analyses, finance agenda, and self-development opportunities for women entrepreneurs.
- ÜNLÜ & Co's subsidiary ÜNLÜ Asset Management First Real Estate Investment Fund invested a total of TL 45 million in the Nidapark Küçükyalı project, launched by Tahincioğlu under the guarantee of Emlak Konut REIT.

2018

- ÜNLÜ & Co acted as joint global coordinator in the USD 538 million public offering of ŞOK Marketler, one of the biggest public offering transactions of the last decade.
- ÜNLÜ & Co issued Türkiye's first convertible bond deal.
- ÜNLÜ & Co issued Türkiye's first agricultural income-based asset-backed securities (ABS).

Milestones

ÜNLÜ & Co launched the Women Entrepreneurs Academy in collaboration with the Turkish Entrepreneurship Foundation (GİRVAK) in 2023.

2019

- ÜNLÜ & Co has taken a strong step to expand its service network and resource opportunities on an international scale by opening an office in London. The Group received FCA approval in London under the name UNLU Securities UK Limited, and started to provide services in the field of debt financing consultancy to bring together global funds and Turkish companies.

2021

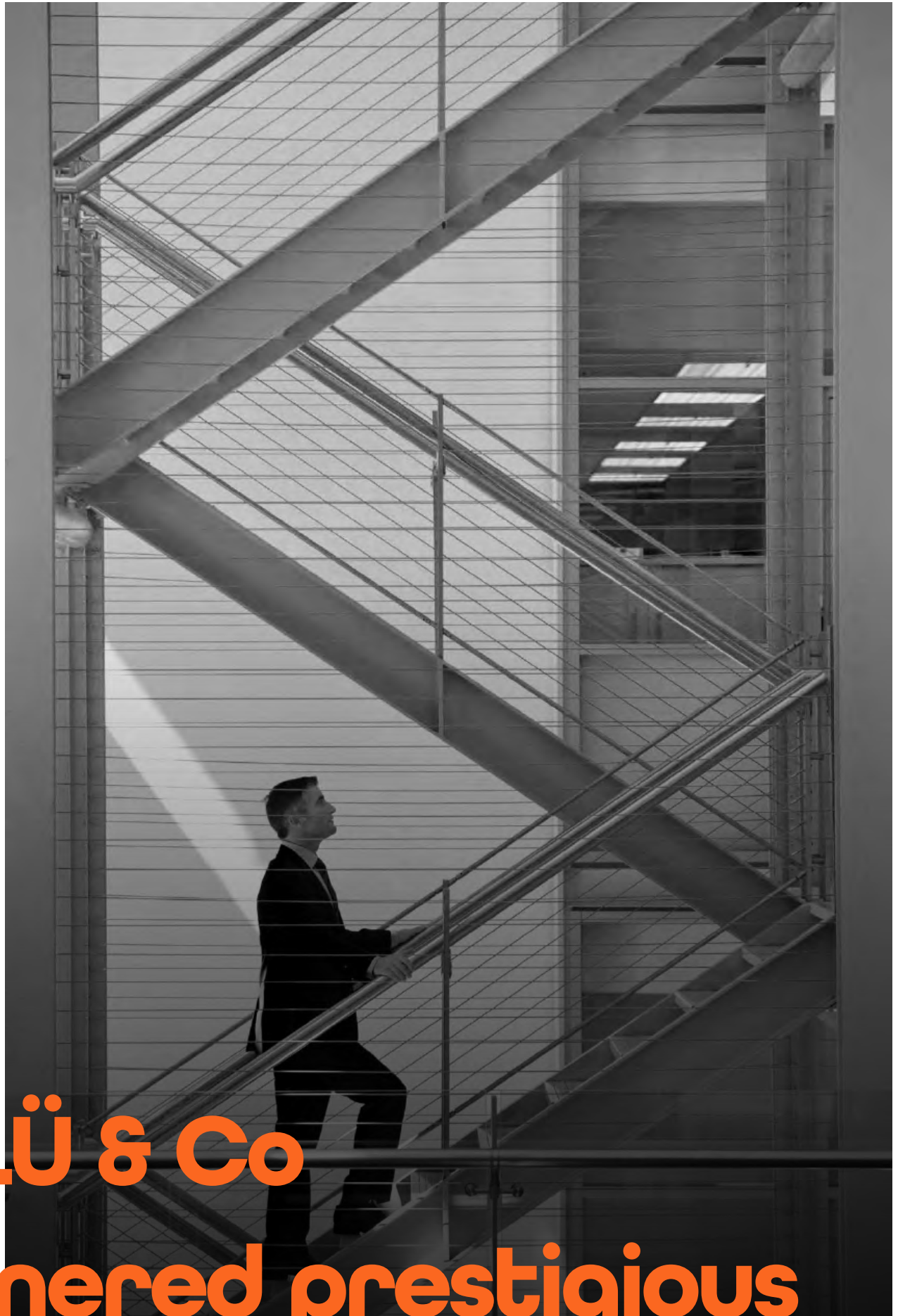
- Following successful completion of the IPO process, ÜNLÜ & Co made its debut on Borsa Istanbul.
- ÜNLÜ Menkul Değerler was appointed as market maker for the equity-linked warrants to be issued by Goldman Sachs International on Borsa Istanbul.

2022

- As part of the Company's strategy of digitalization and expansion to a wider base, Piapiri, a new fintech venture was introduced to investors.
- As the consortium leader, ÜNLÜ & Co successfully completed the initial public offering of Hitit Bilgisayar Hizmetleri A.Ş.
- Goldman Sachs, the sole international player in the Turkish warrants market, issued 168 new warrants based on 21 underlying assets in collaboration with ÜNLÜ Menkul Değerler as the market maker, in a gong-ringing ceremony held at Borsa Istanbul on June 21, 2022.
- ÜNLÜ & Co entered into a collaboration with Phellos Financial Consultancy, a London-based, technology-driven management consulting firm, to provide consultancy services in the technology sector.
- ÜNLÜ Teknoloji ve Yazılım Hizmetleri A.Ş. was established with the mission of making the solutions that investors and the sector need for financial products and services, more accessible.

2023

- ÜNLÜ & Co secured three prestigious awards at the EMEA Finance Achievement Awards 2022, notably the "Best M&A House in Central and Eastern Europe."
- ÜNLÜ Menkul Değerler successfully led and completed the IPO of ebebek.
- Piapiri was honored with an award in the Financial Services and Investor Relations category at the 21st Golden Compass Public Relations Awards.
- ÜNLÜ & Co launched the Women Entrepreneurs Academy in collaboration with the Turkish Entrepreneurship Foundation (GİRVAK).
- ÜNLÜ & Co achieved the "Türkiye Market Leader" ranking in Investment Banking and received the "Noteworthy" distinction in Corporate Social Responsibility in Euromoney Magazine's "Market Leaders" report.



ÜNLÜ & Co
garnered prestigious
awards in 2023

2023 at a Glance

ÜNLÜ & Co TAKES HOME 3 AWARDS FROM EMEA FINANCE

ÜNLÜ & Co's 2023 achievements solidified its position as an industry leader

ÜNLÜ & Co clinched three distinct awards at the 2022 Achievement Awards held in London by EMEA Finance, a leading financial magazine in the European, Middle Eastern, and African markets. Not only did the Company secure the prestigious title of Best M&A House in Central and Eastern Europe, but their advisory role in the DeFacto-EBRD transaction also earned them the esteemed Central and Eastern Europe's Best Mergers and Acquisitions Award. Moreover, the successful IPO of Hitit Bilgisayar Hizmetleri, spearheaded by ÜNLÜ & Co, garnered them the accolade of Best IPO in Central and Eastern Europe.

ÜNLÜ & CO MADE ITS MARK AT THE EUROPE BANKING AWARDS WITH ITS COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY.

ÜNLÜ & Co was awarded four prestigious accolades

ÜNLÜ & Co received four notable awards at the 2022 Europe Banking Awards, hosted by EMEA Finance, a prominent financial publication across European, Middle Eastern, and African markets. The Company was recognized with the European Corporate Social Responsibility award, along with recognition as the Best Investment Bank, Best M&A House, and Best Debt House.

ÜNLÜ & Co RECOGNIZED AS A MARKET LEADER

ÜNLÜ & Co receives prestigious recognition from Euromoney

ÜNLÜ & Co earned the "Türkiye Market Leader" title in Investment Banking and "Noteworthy" recognition in Corporate Social Responsibility in Euromoney Magazine's "Market Leaders" ranking, a leading global capital markets publication.

ÜNLÜ & Co ONCE AGAIN SECURES AN 'AA+' RATING

ÜNLÜ & Co maintains its commitment to sustainable development

ÜNLÜ & Co continues to hold its long-term national credit rating of "AA+," indicating an exceptionally high level of credit quality, as affirmed by the International Rating Agency Japan Credit Rating (JCR) Eurasia.

JCR Eurasia's official statement outlines the reasons behind ÜNLÜ & Co's success in maintaining its credit rating. These include the "significant improvement in revenue and profit generation which was witnessed during the 2022 fiscal year and which is projected to continue into the 2023 financial results, a consistent and recurring income stream facilitated by well-positioned Group companies, a satisfactory equity base supported by internal equity creation capacity despite the decrease in equity levels within the fiscal year 2022, robust liquidity metrics, driven by high-quality asset growth, financial flexibility through a diversified funding structure, including successful bond issuances, prestigious partnership structure and the long-established relationships with both domestic and foreign individual and corporate customers, as well as the strong adherence to corporate governance."

SALE OF KORSINI TO MCC COMPLETED

ÜNLÜ & Co continues its successful track record in the mergers and acquisitions market

The sale of 100% shares of Korsini Saf Ambalaj San. ve Tic. A.Ş., a leading global manufacturer of IML (in-mold labeling) and subsidiary of Actera Group's Koroza Ambalaj San. ve Tic. A.Ş., to MCC Verstraete N.V., a subsidiary of the US-based Multi-Color Corporation, has been finalized. ÜNLÜ & Co served as the sell-side financial advisor for this transaction.

GAT FOODS IBBL'S ACQUISITION OF TUNAY GIDA COMPLETED

ÜNLÜ & Co advised on another significant sale

ÜNLÜ & Co served as the buy-side financial advisor in the acquisition of a majority stake in Tunay Gıda Sanayi ve Ticaret A.Ş., a prominent organic fruit juice concentrate and fruit puree producer, by Gat Foods-International Beer Breweries Ltd, a global player in the same industry.

ebebek IPO RECEIVES RECORD INTEREST

ÜNLÜ Menkul Değerler successfully led the completion of the ebebek IPO.

Operating through 220 stores across 64 provinces in Türkiye, in addition to its online platform bebek.com, ebebek garnered demand on August 29, 31, and September 1. With effective leadership from ÜNLÜ Menkul Değerler (ÜNLÜ & Co), the Company concluded its IPO, capturing substantial subscriber numbers.

The ebebek IPO, priced at TL 46.50, was oversubscribed by 7.7 times, attracting over 3.9 million investors and reaching an offering size of TL 1.86 billion. Based on the outcomes of the IPO, individual investors acquired 48% of the shares, domestic institutional investors secured 25%, company employees purchased 2%, and foreign institutional investors obtained the remaining 25%.

CARREFOURSA LEASE CERTIFICATE ISSUANCE DRAWS STRONG INTEREST

ÜNLÜ Menkul Değerler continues to excel

ÜNLÜ Menkul Değerler successfully facilitated the sale of lease certificates issued by Kalkınma Yatırım Varlık Kiralama A.Ş. for CarrefourSA Sabancı Trade Center. Due to overwhelming demand, the initial TL 100 million lease certificate issuance was expanded to the full TL 250 million limit.

Piapiri FINTECH INITIATIVE WINS GOLDEN COMPASS AWARD

Piapiri celebrates first year with prestigious award

Piapiri, ÜNLÜ & Co's fintech initiative launched last October, marked its first anniversary by receiving the Golden Compass award. Piapiri won the Financial Services and Investor Relations category at the 21st Golden Compass Public Relations Awards, Türkiye's first and only public relations award program organized by the Turkish Public Relations Association (TÜHİD).

Piapiri CAMPAIGNS

Hepsiburada Collaboration

As part of a partnership with Hepsiburada in the first half of 2023, the first 1,000 users to download the Piapiri app and open an investment account received a TL 200 voucher for use on Hepsiburada's website and mobile app.

Galatasaray F.C. Cooperation

In the second half of 2023, Piapiri launched the "Tactics for the Stock Market are Clear: Piapiri!" campaign, targeting the shared interests of stock market investors and sports fans. The campaign featured stadium events and promotional activities during matches. The campaign offered the first 1,905 users to open an investment account through the Piapiri mobile app a TL 500 digital code for use in the GS Store.

ÜNLÜ & Co WOMEN TECHNOLOGY ENTREPRENEURS ACADEMY

Women Technology Entrepreneurs Academy was launched

In 2023, ÜNLÜ & Co partnered with the Turkish Entrepreneurship Foundation (GİRVAK) to launch the Women Technology Entrepreneurs Academy, a training program designed to support and empower women entrepreneurs in technology and software. The ÜNLÜ & Co Women Technology Entrepreneurs Academy Program offers a total of 13 months of training. A total of 81 teams and 324 individuals applied for the program, and 15 teams selected from across Türkiye have been granted the opportunity to commence their training. Among the projects applying to the program, there are business ideas spanning various fields such as artificial intelligence, bioplastic production, healthcare, clean energy, education, and sustainability.

Investor Relations

In 2023, in line with ÜNLÜ & Co's goals, the Investor Relations Department led the charge in taking important steps on "Compliance with Corporate Governance Principles" and "Environmental, Social, and Governance (ESG)." Throughout the year, the Company consistently created value and fostered transparent, ongoing communication with investors, analysts, and stakeholders through the events it participated and the webinars and interviews it held.

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INVESTOR RELATIONS DEPARTMENT

Established in accordance with Article 11 of the CMB's Corporate Governance Communiqué No. II-17.1 following ÜNLÜ & Co's public offering in June 2021, the Investor Relations Department facilitates communication between ÜNLÜ & Co and investors, coordinates with all Group units, and reports to the CFO.

Aligned with Corporate Governance Principles, the Investor Relations Department Manager is a member of the Corporate Governance Committee, actively contributing to ensuring adherence to these principles.

The Investor Relations Department prioritizes transparency, reliability, and effective communication to build strong relationships with investors. It communicates the Company's strategic goals and performance to its investors with transparency and accountability.

The Investor Relations Department focuses on facilitating effective communication between the Board of Directors and shareholders, ensuring shareholders can exercise their rights. In line with the Capital Market legislation, issues such as making material event disclosures, preparing periodic investor presentation to inform the investors, and updating Investor Relations section of the Company's website are among the responsibilities of the Investor Relations Department.

To provide investors with timely and accurate information, the Investor Relations section of the Company's website was kept updated constantly throughout 2023. All Turkish content was also translated into English to ensure accessibility for foreign investors.

The Investor Relations Department addressed numerous inquiries from institutional and individual investors, as well as equity analysts, throughout the year through in-person meetings, phone calls, and emails. Additionally, the Company hosted four well-attended webinars throughout the year, providing investors and analysts with detailed insights into its quarterly financial results.

Operating in compliance with Capital Markets regulations and corporate governance principles, the Investor Relations Department aims to foster a strong communication network with investors, making them true partners in the Company's success.

In 2023, ÜNLÜ & Co joined the Turkish Investor Relations Society (TÜYİD), the national investor relations network, as a corporate member. In 2023, the Investor Relations Department participated in TÜYİD-organized events. Additionally, ÜNLÜ & Co's Chairman and CEO, Mahmut L. ÜNLÜ, participated as a panelist in the "CEO Perspective" session at the "TÜYİD Investor Relations Summit," themed "Transforming Trends in Investor Relations."

SUSTAINABILITY

ÜNLÜ & Co accelerated its sustainability efforts in 2023, started developing Environmental, Social, and Governance (ESG) strategies to strengthen corporate culture and fulfill its responsibilities and also appointed advisors for its ESG strategy and sustainability reporting in the last quarter of 2023.



JCR Eurasia Rating reaffirmed ÜNLÜ Yatırım Holding's Long-term National Corporate Credit Rating as 'AA+ (tr)' in its report dated August 28, 2023.

Beyond coordinating internal sustainability activities, the Investor Relations Department has taken on a key role in effectively adopting and integrating sustainability principles into the Company's financial strategy.

ÜNLÜ & Co demonstrates a strong commitment to sustainability principles, with the Investor Relations Department actively contributing to sustainability initiatives.

ÜNLÜ YATIRIM HOLDİNG A.Ş. SHARES

ÜNLÜ Yatırım Holding A.Ş. went public on Borsa Istanbul in June 2021. As of December 31, 2023, its market capitalization reached TL 2.77 billion (USD 94 million), which was TL 1.74 billion (USD 93.3 million) on December 31, 2022. On the same date, the Company's free float stood at 34.15%, with TL 944 million in publicly traded shares. In 2023, ÜNLÜ Yatırım Holding A.Ş. shares (UNLU) traded on Borsa Istanbul with an average daily volume of TL 37.8 million (USD 1.5 million). Throughout 2023, UNLU shares were traded for a total of TL 9.4 billion, establishing the share as one of the most liquid shares among peers.

Initially traded on the Borsa Istanbul (BIST) Stars Market in early 2023, UNLU shares transitioned to the Main Market between October 2nd and December 31st, 2023, following changes to equity market criteria by resolutions of Borsa Istanbul A.Ş. Board of Directors (September 14, 2023) and the Capital Markets Board (September 20, 2023). The stock is also listed on the BIST ALL, BIST ALL-100, BIST FINANCIAL, BIST HOLDING AND INVESTMENT, BIST ISTANBUL, BIST BUYBACK, and BIST 500 indices.

In 2023, UNLU stock performed positively. A brokerage house's research department, which had previously published reports on the stock, included it in its model portfolio in the first quarter, then increased the target price, and removed it from the model portfolio in the third quarter following strong second-quarter financial results, before increasing the target price again in the last quarter of the year. As a reminder, among the 551 stocks listed on the BIST, only 109 companies are covered by at least one analyst, and

just 79 companies are covered by at least two analysts. UNLU has become a followed stock on the BIST due to its strong performance, robust corporate governance, and investor interest. Current research reports on the stock indicate a high upside potential, highlighting the Company's 2023 performance and ongoing operational profitability trends.

JCR Eurasia Rating reaffirmed ÜNLÜ Yatırım Holding's Long-term National Corporate Credit Rating as 'AA+ (tr)' in its report dated August 28, 2023.

2023 saw heightened geopolitical risks, macroeconomic uncertainties, and increased global volatility. This led to a significant outflow of international funds from emerging market equities due to the unavoidable rise in global inflation and interest rates. Despite this adverse trend, foreign investors maintained their relative interest in UNLU shares.

SHARE BUYBACK PROGRAM

In 2023, ÜNLÜ & Co's Board of Directors announced three share buyback programs, each lasting three months, on February 15, May 16, and October 16. The first program was launched in February following the devastating earthquake in Türkiye. These share buyback programs aim to bolster UNLU's share price and mitigate potential losses in adverse market conditions.

The share buybacks resulted in the buyback of 2,280,000 shares in 2023, with a total allocation of TL 31,436,116 (indexed amount as of December 31, 2023, per IAS 29) from the Company's shareholders' equity.

About ÜNLÜ & Co

Message from the Chairman and CEO

I am proud that ÜNLÜ & Co, with its forward-thinking vision and strong stakeholder synergy, has achieved remarkable success in the sector.



Net profit (TL Million)

36

Dear Stakeholders,

Globally, 2023 was characterized by inflation concerns, escalating uncertainties, and growth challenges. The first half of the year saw a continuation of aggressive interest rate hikes and a further tightening of financial conditions. With inflation beginning to subside, central banks started to carefully assess the impact of their policies before making adjustments to support economic growth.

Recent data indicates a reduced risk of recession; however, we are entering a period of slower growth due to the delayed effects of higher interest rates. The International Monetary Fund (IMF) forecasts also point to an anticipated economic slowdown. The global growth rate, which was 3.5% last year, is projected to decrease to 3% in 2023. The average global growth rate of 3.8% between 2000 and 2019 underscores the current slowdown.

In money markets, we experienced an exceptional year, with the 10-year US bond yield exceeding 5%, reflecting tight monetary policies. While this initially raised concerns about equity potential, growing expectations of interest rate cuts in 2024 have shifted the outlook for equity markets to a more positive trajectory. Additionally, the ongoing Russia-Ukraine war and escalating Israeli-Palestinian conflict could dampen the renewed global risk appetite.

THE TURKISH ECONOMY IS UNDERGOING REBALANCING

In 2023, the centennial of our Republic, Türkiye faced challenges that further reduced predictability, including a devastating earthquake with immense loss of life, elections, and regional conflict.

Inflation, with its direct impact on purchasing power, was the most pressing economic concern throughout the year. The first five months of 2023 saw the continuation of quantitative easing policies. However, the new post-election economic administration launched a set of policies focusing on combating inflation and the current account deficit. The policy interest rate rose from 8.5% in May to 42.5% in December, accompanied by a simplification of macroprudential policies. Following the policy rate hike to 45%, the Central Bank is expected to maintain a hold for a period before initiating a rate cut cycle. While achieving price stability requires time and sustained effort, it is crucial for the public, private sector, and other economic stakeholders to maintain a unified commitment.

The Turkish economy exhibited positive growth differentiation in 2023. While the first three quarters saw a 4.7% growth rate, the rebalancing process and slowing global activity led to a deceleration of loan growth in the final quarter, exerting pressure on the overall growth trend.

Notably, Standard & Poor (S&P), an international credit rating agency, revised Türkiye's credit rating outlook from stable to positive towards the end of the year. The improved macroeconomic outlook and risk premium suggest a potential rating upgrade next year. A permanently positive investment climate requires an economic approach based on rational principles, sustainable development, and increased predictability.

INVESTOR INTEREST IN EQUITY MARKETS IS ON THE RISE

The Turkish capital markets experienced a highly active year in 2023. Despite increased interest in debt instruments and a rise in the number of transactions, M&A activity slowed due to the relative stagnation in the global economy.

2023 saw a continued acceleration in IPOs, with over 50 companies initiating trading on Borsa Istanbul. This growth was accompanied by a record increase in domestic investors, surpassing 8 million. In 2022, the BIST-100 index soared nearly 200% in nominal terms and 80% in real terms. Despite a strong showing, particularly in the second half of 2023, the exceptional performance of the previous year was not replicated.

The sector remained focused on improving technological capabilities, rapidly adapting to change, and fostering inclusion through innovative products and services and personalized experiences.

OUR 2023 PERFORMANCE WAS UNDERPINNED BY STRONG PROFITABILITY

Amidst fluctuating global and local conditions I briefly explained above, ÜNLÜ & Co, with its forward-looking vision and strong stakeholder collaboration, has once again achieved notable success in the sector. In 2023, our dedication to advancing financial markets once again yielded strong business results.

We achieved significant growth in 2023, increasing turnover by 25% year-on-year to TL 24.9 billion, and pre-tax profit by 33% to TL 158 million. A net profit of TL 36 million further demonstrated the sustainability of our financial performance.

As of December 31, 2023, the market value of our Company stood at TL 2.77 billion (USD 94 million). Our free float rate reached 34% during the same period.

Our effective financial strategies are continually reinforced by robust management practices. JCR Eurasia affirmed our long-term national credit rating as "AA+" in 2023, signifying very high credit quality and our ongoing commitment to creating value for all stakeholders.

About ÜNLÜ & Co

Message from the Chairman and CEO

Leveraging 28 years of capital markets experience, we strive to deliver optimal returns for investors of all risk profiles.

OUR COMPREHENSIVE, EXPERT-DRIVEN CORPORATE FINANCE SERVICES SET US APART IN THE MARKET

Since our inception, we have dedicated ourselves to deepening the Turkish capital markets and delivering optimal experiences and returns for our individual and corporate investors. IPOs play a vital role in expanding our investment ecosystem. Driven by our mission to facilitate optimal financing conditions for companies seeking institutionalization and connect investors with promising opportunities, we achieved a significant milestone in 2023, further solidifying our position as a key player in the sector. The ebebek IPO, which we spearheaded as consortium leader, became a landmark success in our corporate history, achieving 7.7 times oversubscription.

ÜNLÜ & Co excels with our team of sector-specialized professionals and extensive M&A expertise. Our continued success in this area further bolsters our position as the top choice for financial and strategic partners seeking to invest in Türkiye. We solidified our leadership in international direct investments in 2023 by advising on the sales of Korsini, a global leader in in-mold labeling, to MCC, and Tunay Gıda, a long-established Turkish food and beverage manufacturer, to Gat Foods - IBBL.

We maintained an active role in the debt instruments and issuances market throughout the year. Through ÜNLÜ Menkul Değerler, we facilitated the lease certificate issuance that connected CarrefourSA with a broad range of qualified investors, successfully completing another capital market transaction at the upper limit.

OUR GOAL IS TO EXCEED INVESTOR EXPECTATIONS

Since 2017, our DAHA brand has provided individual investors with personalized, boutique-style retail brokerage and financial advisory services. Our Research team, consistently recognized with prestigious awards, provides investors with expert financial guidance for achieving high returns and prioritize building lasting, client-focused relationships through exceptional service. DAHA has significantly contributed to market development, achieving a 130% increase in its customer base over the past year. Within the same year, we channeled TL 24.6 billion in assets through this platform.

We are in an era where digitalization is transforming and expanding financial markets, making capital markets accessible to all. Today's investors demand the ability to invest in both domestic and global markets, across various asset classes, conveniently and affordably. In 2022, we launched Piapiri, combining our commitment to financial inclusion with innovative business models to meet the evolving needs of consumers in the expanding investment landscape. In 2023, we continued improving Piapiri, our app designed to transform digitalization into a seamless experience, prioritizing speed, convenience, and diverse transaction options. Our goal is to establish Piapiri as a comprehensive financial "superapp," distinguished by its personalized transactions and services.

ÜNLÜ & Co market capitalization (TL Billion)

2.77

We continuously enrich the Piapiri experience while executing impactful and targeted marketing initiatives through proactive communication in relevant channels. Partnerships with Galatasaray, a long-standing sports club, and Hepsiburada, Türkiye's leading e-commerce platform, helped Piapiri reach a broader audience.

WE REMAIN FOCUSED ON ACHIEVING SUSTAINABLE SUCCESS ACROSS ALL OUR BUSINESS LINES

Leveraging 28 years of capital markets experience, we strive to deliver optimal returns for investors of all risk profiles. By year-end, ÜNLÜ Portföy expanded its diverse investment universe to 23 funds, managing a total of TL 5.3 billion in assets. By closely monitoring market trends and developments, we aim to be our investors' most valuable partner in achieving their financial goals

We continue to diversify our asset management solutions through sustainable and innovative strategies. Istanbul Varlık, our subsidiary specializing in non-performing loan management, expanded its investment portfolio to 39. With a USD 132 million investment and a USD 1.3 billion portfolio, our company aims to further bolster financial stability in the future.

WE CONSIDER SOCIAL DEVELOPMENT A CORE RESPONSIBILITY

ÜNLÜ & Co consistently expands its support for impactful social investment programs addressing critical issues. Notably, we have developed initiatives to empower women by providing access to financial and intellectual resources, enabling them to grow their businesses, contribute to the economy, and thrive in the future. In 2016, through the ÜNLÜ & Co Women Entrepreneurs Academy, we empowered 100 women entrepreneurs with essential knowledge and skills for economic success. In partnership with the Turkish Entrepreneurship Foundation (GİRVAK), we launched the ÜNLÜ & Co Women Technology Entrepreneurs Academy in 2022 to empower women to reach their full potential in the tech industry. The Academy welcomed its first cohort in 2023, offering tailored training programs designed specifically for women tech entrepreneurs.

Throughout 2023, we engaged with young people through various platforms to enhance our employer brand visibility. We were the main sponsor of Istanbul University Business Club's event, the silver sponsor of Bahçeşehir University Career and Development Club's event, and participated in Boğaziçi University's Career Days (P&R Days).

WE MADE SIGNIFICANT STRIDES TO FORMALIZE AND IMPROVE OUR SUSTAINABILITY EFFORTS

Recent global challenges and potential future crises necessitate the development of multifaceted strategies that enable us to approach the future with a fresh perspective. Amidst rapid geopolitical, environmental, and technological shifts, we made significant progress in 2023 towards establishing sustainability as a core benchmark for our performance. Guided by our corporate vision, we accelerated our efforts to develop a comprehensive sustainability strategy and roadmap that impacts our entire value chain, as well as to establish a cohesive organizational structure. Moving forward, our priority is to evaluate all processes and activities, both current and future, through a sustainability lens, ensuring this perspective is integrated throughout our organization.

OUR ACHIEVEMENTS HAVE ELEVATED OUR BRAND TO INTERNATIONAL RECOGNITION

Our tailored investor solutions and strong global partnerships improve our brand's reputation both domestically and internationally, leading to significant recognition from prestigious organizations.

Our commitment to creating value for the economy, sector, and stakeholders was recognized with three prestigious awards at the 2023 EMEA Finance Achievement Awards. The EMEA Finance Banking Awards acknowledged our leadership in investment and our contributions to society. Our corporate social responsibility efforts were also recognized by Euromoney Market Leaders-2023. Throughout the year, our efforts to empower women in the economy and the accomplishments of our inspiring female executives were acknowledged with numerous awards. Piapiri marked its first anniversary by winning an award in the Financial Services and Investor Relations category at the Golden Compass Public Relations Awards.

At ÜNLÜ & Co, we conclude this centennial year of our Republic with a strong performance and achievements that inspire optimism for the future. We remain committed to supporting our customers and contributing to the Turkish economy and capital markets with innovative products and services in 2024 and beyond.

The trust we have built with our stakeholders, particularly our valued customers, and the dedication of our employees are the foundation of our successes. I extend my heartfelt gratitude to all our stakeholders for their continued support.

Kind regards,

Mahmut L. ÜNLÜ
Chairman and CEO

ÜNLÜ Yatırım Holding Board of Directors



MAHMUT L. ÜNLÜ **CHAIRMAN AND CEO**

Mahmut L. Ünlü graduated from the Mechanical Engineering Department of Georgia Institute of Technology in 1989 and received an MBA degree from Rice University, Houston in 1991. Mr. Ünlü began his banking career at İktisat Bank and later served as Assistant General Manager of Yatırım Bank from 1992 to 1995. In 1996, Mahmut L. Ünlü founded Dundas Ünlü. In 2007, a strategic partnership with Standard Bank led to the Company's renaming as "Standard Ünlü," with Mr. Ünlü assuming the role of Vice Chair and CEO. During this time, Mr. Ünlü also served on Standard Bank's international Board of Directors. In 2012, he acquired the majority of Standard Bank's shares in the Company, restructuring the partnership and renaming it ÜNLÜ & Co. Mahmut L. Ünlü currently holds the positions of Chair and CEO at ÜNLÜ & Co. Additionally, Mahmut L. Ünlü chairs the TRICON committee within TAİK.



CAN ÜNALAN **DEPUTY CHAIR**

Can Ünalán graduated from the Business Administration Department of İstanbul University in 1985, majoring in finance and received an MBA degree from Marmara University in 1986. Mr. Ünalán started his banking career in İşbank Audit Department in 1986 and then joined ABN AMRO Bank between 1993 and 2006, holding various positions ranging from CRO (Chief Risk Officer), COO (Chief Operations Officer) to CEO & Board Member. From 2006, Mr. Ünalán served as Managing Director of Garanti Bank's Corporate and Commercial Risk Unit on behalf of GE Capital Global Banking, also acting as GE's representative on the Credit Committee. Prior to joining ÜNLÜ & Co, he was CEO of Mubadala GE Capital in Türkiye and served as General Manager of ÜNLÜ Menkul Değerler from 2013 to 2019.



ŞEBNEM KALYONCUOĞLU ÜNLÜ

BOARD MEMBER

Şebnem Kalyoncuoğlu Ünlü graduated from Boğaziçi University with a degree in Business Administration in 1995 and then earned a master's degree in international accounting and finance from the London School of Economics in 1996. Ünlü started her career at ABN AMRO Bank in Türkiye, and served as Assistant Manager in the Structured Finance Unit of the Bank between 1996 and 1999. Joining Credit Suisse London in 1999, Ünlü assumed a role in charge of Türkiye within the Emerging Markets Division. She served as Country Manager and Head of Investment Banking for Türkiye at Credit Suisse London until 2006. Subsequently, Ünlü worked as Alkhair Capital Türkiye's CEO. Ünlü continues to serve as an Executive Director on the Board of Directors of ÜNLÜ & Co. As a member of TÜSİAD, YPO, KAGIDER, and the Entrepreneurship Foundation's Board of Trustees, Ünlü oversees all ÜNLÜ & Co corporate social responsibility projects, notably the "ÜNLÜ & Co Women Technology Entrepreneurs Academy," which fosters Türkiye's entrepreneurial ecosystem and empowers women in business.



İBRAHİM ROMANO

BOARD MEMBER

İbrahim Romano graduated from Boğaziçi University, Department of Economics in 1992, and received his Master's degree from Istanbul University, Department of International Relations, in 1993. He worked as Assistant Manager at Yatırım Bank between 1994 and 1996, and as Manager at Dundas Ünlü from 1996 until 2002. Mr. Romano was later appointed Director of the Corporate Finance Department at Standard ÜNLÜ. He currently serves as Managing Director of the Corporate Finance Department at ÜNLÜ & Co. Mr. Romano is also a member of the Executive Committee, responsible for Investment Services Advisory, and continues to serve as a member of ÜNLÜ & Co's Board of Directors. İbrahim Romano is also an Independent Board Member at Borusan Mannesmann Boru Sanayi ve Ticaret A.Ş.

About ÜNLÜ & Co

ÜNLÜ Yatırım Holding Board of Directors



ÖZLEM YEŞİLDERE

INDEPENDENT BOARD MEMBER

Özlem Yeşildere graduated from Boğaziçi University, Industrial Engineering. After completing a master's degree in Business Economics at the University of Manchester Institute of Science and Technology, Yeşildere worked at Procter & Gamble for 17 years. She previously served as the Regional Chief Financial Officer for Philips Middle East and Türkiye, as well as Vice Chair of the Board of Directors in Türkiye. In 2014, Yeşildere spearheaded a comprehensive transformation as CEO of Mobiliz Information Communication Technologies. From 2017 to 2019, she was Assistant General Manager of Finance and Strategy at Koton Mağazacılık. Since December 2019, Yeşildere has been the Assistant General Manager of Finance and Digital Transformation at Mey Diageo. Özlem Yeşildere is also Chair of the Board of Directors for YenidenBiz Association, dedicated to increasing women's participation in the workforce.



YILDIZ GÜNAY

INDEPENDENT BOARD MEMBER

Yıldız Günay holds a bachelor's degree in Industrial Engineering (1989) and a master's degree in Economics (1992) from Boğaziçi University. She began her career at Citibank's Treasury Department in 1990, progressing to Treasury Marketing Unit Manager after handling commercial responsibilities for various asset classes. Joining Cargill in 1995, she became Executive Vice President, overseeing financial trading units, corporate treasury, and financial operations. Cargill - Black River Asset Management subsequently established its Türkiye office in 2004. She served as General Manager and Board Member of Cargill Türkiye, with responsibilities eventually expanding to include Central Asia and Africa. Ms. Günay served as the General Manager of Turkish Educational Foundation (TEV) between September 2012 and August 2021, where she pioneered the institutionalization and digitalization of the Foundation, in addition to revving up its asset management capabilities.



Deputy Chair

CAN ÜNALAN

1

Board Member

**ŞEBNEM
KALYONCUOĞLU ÜNLÜ**

2

Chairman

MAHMUT L. ÜNLÜ

3

Independent Board Member

ÖZLEM YEŞİLDERE

4

Board Member

İBRAHİM ROMANO

5

Independent Board Member

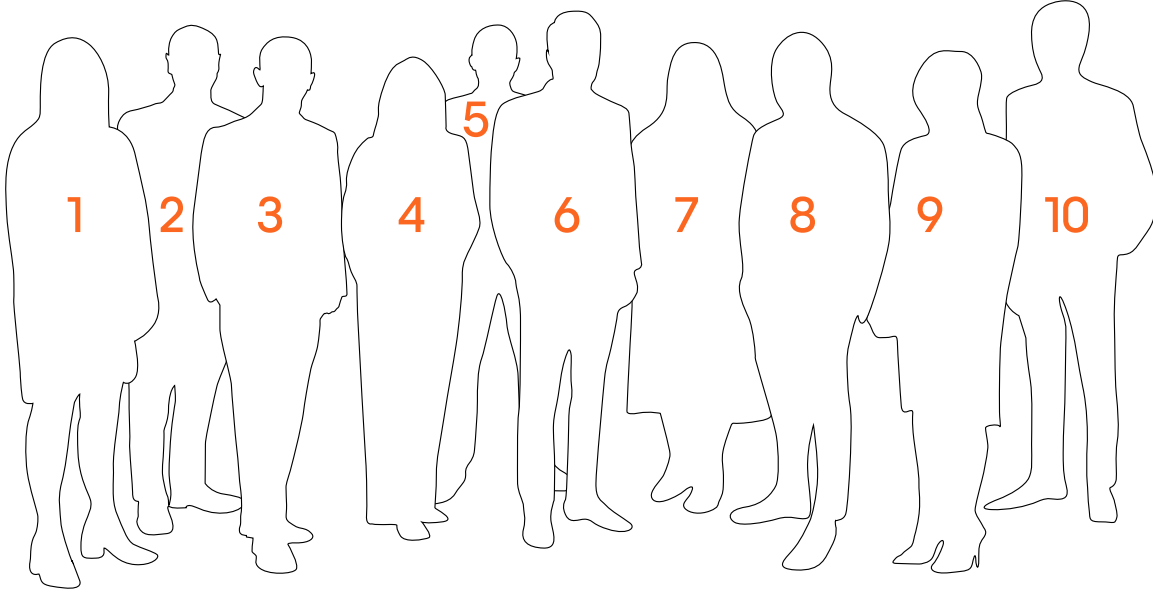
YILDIZ GÜNAY

6

About ÜNLÜ & Co

Executive Board





Finance & Investor Relations

GÜLDEN AKDEMİR

1

Alternative Investments and Portfolio Management

UTKU ÖZAY

2

Corporate Sales

TUNÇ YILDIRIM

3

Human Resources & Corporate Communications and Marketing

ELİF ÖZER

4

Investment Services

İBRAHİM ROMANO

5

Chairman and CEO

MAHMUT L. ÜNLÜ

6

Corporate Finance

SİMGE ÜNDÜZ

7

Treasury

UYGAR AKSOY

8

DAHA Investment Advisory and Brokerage Services/
Technology and Operational Services

GAMZE AKGÜNEY

9

Non-Performing Loans

SELÇUK TUNCALI

10

Operations in 2023

Investment Services

By the end of 2023, ÜNLÜ & Co Group had successfully completed 130 mergers and acquisitions over its 28-year history, maintaining a balanced client portfolio in both buy-side and sell-side advisory services.



Total M&A
transactions

130

CORPORATE FINANCE ADVISORY

The Corporate Finance Advisory Department, instrumental in ÜNLÜ & Co's strong brand reputation in Türkiye, has successfully completed numerous transactions, providing tailored, high-value-added financial solutions to meet corporate needs. The Corporate Finance Advisory Department offers the following services:

- Mergers and acquisitions consulting
- Initial and secondary public offerings
- Finance advisory for technology startups
- Privatization consulting

DEBT ADVISORY

- Acquisition and project finance
- Structured subordinated loans
- Financial restructuring

Türkiye's leading M&A advisor

By the end of 2023, ÜNLÜ & Co Group had successfully completed 130 mergers and acquisitions with a total value in excess of USD 18 billion over its 28-year history, maintaining a balanced client portfolio in both buy-side and sell-side advisory services.

Our team of top corporate finance professionals in Türkiye, boasting extensive cross-sector experience, crafts financial solutions tailored to clients' specific needs, while adhering to global ethical standards.

ÜNLÜ & Co furthered its market reputation with successful transactions in 2023, playing a pivotal role in fostering strategic partnerships between Türkiye's leading industrial enterprises and service providers with prominent international groups.

Optimal financing solutions for every market condition

ÜNLÜ & Co provides expert advisory and brokerage services to local companies throughout their initial and secondary public offerings. The Company closely follows Türkiye's leading companies, striving to develop the most suitable solutions for their financing needs under any circumstance.

ÜNLÜ & Co's deep understanding of the local market and dedicated work ethic have positioned it as a competitive player alongside global investment banks. ÜNLÜ & Co's value-added-oriented business model has earned the Company a strong reputation and trust among companies based in Türkiye.

INVESTMENT SERVICES

CAPITAL MARKETS

- Corporate brokerage services
- Domestic and international stock market placements
- Block sales / Secondary public offering
- Fixed-income instruments
- Research
- Treasury

DAHA INVESTMENT ADVISORY AND BROKERAGE SERVICES

- Tailored investment advisory services across organized and over-the-counter markets
- Brokerage services encompassing BIST stock, futures, and options markets (VIOP) transactions
- Structured debt instruments offering bespoke investment strategies
- Brokerage services facilitating over-the-counter derivatives trading
- Offering hedging strategies grounded in effective balance sheet management to corporate investors
- Brokerage services for Leveraged Foreign Exchange (FX) and Contracts for Difference (CFD) trading
- Brokerage services for foreign stock exchanges, covering stock and futures contracts
- Brokerage services for managing commodity risk (hedge) on the LME (London Metal Exchange)
- Brokerage services for trading government bonds, treasury bills, corporate bonds, asset-backed securities, and Eurobonds
- Brokerage services for repo transactions
- Portfolio brokerage services
- IPO brokerage services

Investment Services

ÜNLÜ & Co consistently improves its competence and credibility in corporate finance, demonstrating its value not only in Türkiye but also through its international achievements.

Our awards inspire us to continually strive for excellence

In 2023, the Company was awarded “Best M&A House,” “Best M&A Transaction - DeFacto - EBRD,” and “Best IPO - Hitit Bilgisayar Hizmetleri” in Central and Eastern Europe at the EMEA Finance Achievement Awards. Furthermore, the Bank received the “Corporate Social Responsibility - Europe,” “Best Investment Bank,” “Best M&A House,” and “Best Debt House” awards at the EMEA Finance Europe Banking Awards. ÜNLÜ & Co also received the “Türkiye Market Leader” award for Investment Banking and the “Noteworthy” award for Corporate Social Responsibility at the Euromoney Market Leaders Awards this year.

ÜNLÜ & Co’s extensive cross-sector experience and service capabilities, on par with global investment banks, make it the preferred advisor for high-value strategic transactions among Türkiye’s leading groups and families.

ÜNLÜ & Co leads Türkiye in the number of M&A transactions*, having completed deals involving diverse investor groups from around the world.

2010-2023 YEAR-END TOTAL NUMBER OF TRANSACTIONS

| | |
|---------------|----|
| ÜNLÜ & Co | 71 |
| Competitor #1 | 67 |
| Competitor #2 | 58 |
| Competitor #3 | 51 |
| Competitor #4 | 29 |

2010-2023 YEAR-END TOTAL VALUE OF TRANSACTIONS (USD BILLION)

| | |
|---------------|------|
| Competitor #5 | 10.7 |
| ÜNLÜ & Co | 13.0 |
| Competitor #6 | 9.9 |
| Competitor #7 | 9.8 |
| Competitor #8 | 6.8 |

* Source: Mergermarket 01.01.2010 - 31.12.2023

Excludes computer services, computer software, energy, financial services, government privatizations, internet/e-commerce, utilities, and real estate. Audit companies are excluded from the ranking.

2023 Türkiye Mergers and Acquisitions Market Outlook

In 2023, 216 mergers and acquisitions were announced in Türkiye. Advisors were used in 20 of these transactions that fell within ÜNLÜ & Co's target market. The total disclosed transaction value of 74 of these transactions is approximately USD 4.6 billion.

2023 Transactions Advised by ÜNLÜ & Co Corporate Finance Department

The ÜNLÜ & Co Corporate Finance Department advised on three successful, high-profile transactions in 2023.

ÜNLÜ & Co acts as the sell-side advisor in the sale of Korsini to MCC

ÜNLÜ & Co acted as the sell-side financial advisor for the finalized sale of 100% of the shares of Korsini Saf Ambalaj San. Ve Tic. A.Ş., a global leader in IML (in-mold labeling) and subsidiary of Korozo Group (an Actera Group investment), to MCC Verstraete N.V, a subsidiary of the US-based Multi-Color Corporation.

ÜNLÜ & Co advises on the sale of Tunay Gıda to Gat Foods-IBBL

ÜNLÜ & Co served as the buy-side financial advisor in the acquisition of a majority stake in Tunay Gıda Sanayi ve Ticaret A.Ş., a prominent organic fruit juice concentrate and fruit puree producer, by Gat Foods-International Beer Breweries Ltd, a global player in the same industry.

ÜNLÜ & Co advises on the agreement for the sale of Tat Gıda to Memişoğlu Tarım

ÜNLÜ & Co served as the sell-side financial advisor to Koç Holding in the sale of a 49% stake in Tat Gıda Sanayi A.Ş. ("Tat Gıda"), which is one of Türkiye's largest food companies and leading brands, producing tomato paste, tomato products, sauces, canned food, pickles, and ready-made meals, to Memişoğlu Tarım Ürünleri Ticaret Limited Şirketi ("Memişoğlu Tarım").

SUCCESSFUL IPO TRANSACTIONS

In 2023, a year of record-breaking IPOs in number and size, ÜNLÜ & Co distinguished itself with the landmark ebebek transaction. Operating 220 stores in 64 provinces across Türkiye and the e-bebek.com website, ebebek successfully completed its IPO, attracting record investor interest. Led by ÜNLÜ Menkul Değerler A.Ş. on August 29, 31, and September 1, the ebebek IPO, priced at TL 46.50, was oversubscribed 7.7 times by over 3.9 million investors, with a total IPO size of TL 1.86 billion. Based on the outcomes of the IPO, individual investors acquired 48% of the shares, domestic institutional investors secured 25%, company employees purchased 2%, and foreign institutional investors obtained the remaining 25%.

DEBT CAPITAL MARKETS AND ADVISORY

The ÜNLÜ & Co Debt Capital Markets and Advisory Department is dedicated to providing clients with structured solutions to meet their financing needs, offering alternative sources of funding. It operates in two primary areas: advisory and brokerage services for securities issuances in debt capital markets.

The Department offers an extensive range of financial advisory services to its clients. These services include;

- project finance,
- acquisition finance,
- structured subordinated loans (mezzanine loans),
- financial restructuring,

and structuring, adjusting and obtaining all forms of debt financing, and restructuring of existing debt.

A Bridge Between Global Funding Sources and Clients

A key differentiator for ÜNLÜ & Co in the sector is its independence from partnership relationships with banks and other financial institutions operating in Türkiye. ÜNLÜ & Co maintains an impartial stance toward all domestic and foreign financing sources, avoiding conflicts of interest. This enables ÜNLÜ & Co to pursue a service approach that prioritizes its clients' interests, ensuring they secure financing under the most favorable conditions and costs, consistently meeting their expectations.

Serving as a conduit between its corporate clients and global funding sources, ÜNLÜ & Co has facilitated over USD 10 billion in debt financing for its clients from various sources since its inception.

With a focus on meeting the diverse capital needs of its clients through financial restructuring, ÜNLÜ & Co is expanding its network of Private Debt Finance funds and providing resources to Turkish companies through ÜNLÜ Securities UK Limited.

CarrefourSA Sukuk Issuance Realized

In 2023, ÜNLÜ Menkul Değerler successfully facilitated the sale of lease certificates, where Kalkınma Yatırım Varlık Kiralama A.Ş. acted as the issuer and CarrefourSA Sabancı Trade Center was the fund user. Due to overwhelming demand for the issued certificates, the issuance ceiling of TL 250 million was fully utilized. The debt instrument was sold to qualified domestic investors as defined by the CMB's regulations on investment institutions, with a maturity set at 179 days.

Operations in 2023

Investment Services

ÜNLÜ & Co provides advisory and brokerage services for initial public offerings, secondary public offerings, block sales, and capital increases on Borsa Istanbul.

INSTITUTIONAL SALES

ÜNLÜ & Co Institutional Sales Department facilitates transactions for domestic and international institutional investors looking to invest in the Turkish capital markets. Through its internationally recognized services, the Department is expanding its client base to include US, European, and Asian securities investment funds, hedge funds, pension funds, and sovereign wealth funds, with a focus on emerging markets.

In Türkiye, the Department targets pension funds, family offices, and insurance companies, offering an increasingly diversified product portfolio. Collaborating with the research team, the Institutional Sales Department provides clients with comprehensive securities analysis and investment recommendations, while also contributing to the development of their market strategies in alignment with macroeconomic and political trends. Comprising a team of six professionals, the Department distinguishes itself from competitors through its team members, who each has an average of nearly 20 years of experience.

In 2023, the Institutional Sales team continued to organize investor meetings (roadshows), connecting senior management of Turkish companies with both international and domestic institutional investors. Additionally, it continued to successfully serve its clients by collaborating seamlessly with the Research Department.

Block Sales and Public Offerings

ÜNLÜ & Co provides advisory and brokerage services for initial public offerings, secondary public offerings, block sales, and capital increases on Borsa Istanbul. Our teams closely monitor Türkiye's leading companies, striving to identify the most suitable financing solutions for these companies in alignment with favorable market conditions, ensuring the successful completion of transactions.



Number of companies monitored
by the Research Department

48

RESEARCH

The ÜNLÜ & Co Research Department produces reports based on objective analysis and accurate market information to assist domestic and foreign investors in making informed investment decisions. The reports prepared by the department's expert staff offer up-to-date information and investment ideas on sectors and companies in Türkiye, considering national and global political and economic developments.

We guide those who seek to understand the markets and shape their investments with comprehensive and insightful content.

The ÜNLÜ & Co Research Department simplifies complex economic and market data, ensuring investors receive timely and accurate information through thematic reports that meet international standards.

With a dynamic perspective, ÜNLÜ & Co's reporting approach focuses on identifying and reporting the investment opportunities presented by companies.

The Research Department, staffed with experienced analysts, covered 16 sectors and 48 companies in 2023. Throughout the year, the Research Department monitored 48 companies, which represented 74% of the total market capitalization of the BIST 100 Index, preparing reports based on independent analyses of stocks and providing investors with buy and sell recommendations.

All reports from the Research Department, including stock analyses, sector analyses, and economic analyses, are published in both English and Turkish after a rigorous compliance check. Reports prepared to high international standards are electronically disseminated to both foreign and domestic investors.

The Research Department aims to provide investors with innovative investment ideas and accurate recommendations through robust analysis, delivering rich, high-quality reports and publications.

Fast and effective flow of information

Model Portfolio

This report highlights the most popular companies in the stock market.

Sector and Company Reports

These reports offer investment advice and detailed analysis on the 16 sectors covered and the companies operating within them.

Macroeconomic Data

This report analyzes monthly macroeconomic data and provides predictions regarding these metrics.

Company News

This is a daily bulletin presenting economic and political developments, alongside current company and sector news, with commentary from the Research Department.

In 2023, the Research Department published approximately 70 reports, excluding daily bulletins.

The ÜNLÜ & Co Research Department contributes to investor meetings (roadshows) organized for international institutional investors with its analyses and presentations, and, together with the Institutional Sales Department, arranges high-level meetings for institutional fund managers visiting from abroad to meet with publicly traded companies they follow.

Investment Services

The Treasury continues to develop innovative products in coordination with other Group departments, particularly DAHA and Institutional Sales.

TREASURY

The Treasury Department strives to develop products that meet departmental needs by effectively managing the Group's balance sheet.

The main duties of the ÜNLÜ & Co Treasury Department include:

- Effective asset/liability management in line with company strategies,
- Identifying alternative investment and funding channels by monitoring markets and macroeconomic indicators,
- Developing new products,
- Optimizing risks and costs,
- Managing relationships with banks and other financial institutions,
- Ensuring compliance with internal obligations.

The Treasury Department leverages ÜNLÜ & Co's extensive experience in financial markets to access various investment resources. With an effective capital management approach, the Department invests in a wide range of capital market instruments, particularly Turkish assets, aligning with the Group's market perspective and balance sheet composition. The main products we are actively engaged in include;

- Government bonds, Treasury bills, Corporate Bonds, Finance Bills, Sukuk, ABS and Eurobonds,
- Repo/reverse repo and money markets,
- Futures contracts,
- Foreign currency transactions,
- OTC derivatives (forwards, futures, options and swaps),
- Structured debt instruments,
- Stocks and stock indices,
- Commodities

The Treasury continues to develop innovative products in coordination with other Group departments, particularly DAHA and Institutional Sales. The fast decision-making processes and rapid access to information facilitated by ÜNLÜ & Co's horizontal organization boost the Department's effectiveness, enabling it to differentiate itself in its field and stand out from its peers. The strong relationships that ÜNLÜ & Co has established with numerous business partners, both domestically and internationally, are a key factor that improves the Treasury Department's investment options and price discovery capabilities.

ÜNLÜ Menkul Değerler A.Ş. operates as an Investment Institution and Market Maker for Warrants and Certificates issued by Goldman Sachs, in accordance with the agreement signed with Goldman Sachs International. Within this framework, the Treasury Department manages the issuance application processes for warrants and ensures that Warrants and Certificates are publicly offered on Borsa Istanbul A.Ş. Structured Products and Funds Market, adhering to the exchange's sales method. Additionally, the department is responsible for ensuring the uninterrupted transmission of quotations for warrants, providing after-sales support to investors, and managing relations with regulators.

UNLU SECURITIES INC.

UNLU Securities Inc., established by ÜNLÜ & Co to serve investors in the United States, was authorized by FINRA (Financial Industry Regulatory Authority) in 2016. Based in New York, the Company provides services to US-based institutional investors across all business lines.

UNLU Securities Inc. plays a pivotal role in the Turkish capital markets, given that a significant portion of foreign institutional investors holding publicly traded equities on Borsa Istanbul are US funds. This office ensures active engagement between institutional sales, research, and capital markets departments with US investors, thereby providing significant opportunities.

UNLU SECURITIES UK LIMITED

UNLU Securities UK Limited was established in 2018 to expand ÜNLÜ & Co's network of services and resources on an international scale. In 2019, UNLU Securities obtained an operating license from the Financial Conduct Authority, the UK's financial services regulator and supervisor, enabling it to operate in the core businesses of Debt Finance, Capital Markets, and Corporate Finance Advisory.

Following its establishment, London-based UNLU Securities UK Limited initially focused on debt financing, aligning with ÜNLÜ & Co's strategic priorities. The Company also aims to establish a distribution network of alternative investors to meet the diverse capital needs of ÜNLÜ & Co's clients.

The Alternative Asset Management industry, including Private Market investors focusing on various strategies, has experienced significant growth over the past decade. Industry growth is expected to be constrained in 2024 due to high interest rates and limited global economic expansion. However, strong institutional investor interest persists in the long term, mitigating such market fluctuations.

The Private Debt Financing funds within the Alternative Assets sector managed USD 1.3 trillion in assets as of June 2022, with projections reaching USD 2.8 trillion by 2028. The ongoing growth of the global asset management market creates diverse opportunities across various investment segments. UNLU Securities UK Limited capitalizes on this favorable landscape to address the diverse capital needs of its clients, positioning itself as a comprehensive distribution platform, and aims to improve its service capacity and depth in alignment with ÜNLÜ & Co's vision of becoming a world-class service provider.

DAHA INVESTMENT ADVISORY AND BROKERAGE SERVICES

In 2017, ÜNLÜ & Co launched the DAHA Investment Advisory and Brokerage Services Department to offer financial advisory and capital markets brokerage services to both individual and institutional investors. DAHA takes a holistic approach to evaluating the financial needs of its investors in investment advisory. It provides tailored investment recommendations by assessing the risk profiles, goals, income-expenditure balances, and asset statuses of qualified investors.

DAHA Investment Advisory and Brokerage Services offers the following services:

- Tailored investment advisory services across organized and over-the-counter markets
- Brokerage services encompassing BIST stock, futures, and options markets (VIOP) transactions
- Structured debt instruments offering bespoke investment strategies
- Brokerage services facilitating over-the-counter derivatives trading
- Offering hedging strategies grounded in effective balance sheet management to corporate investors
- Brokerage services for Leveraged Foreign Exchange (FX) and Contracts for Difference (CFD) trading
- Brokerage services for foreign stock exchanges, covering stock and futures contracts
- Brokerage services for managing commodity risk (hedge) on the LME (London Metal Exchange)
- Brokerage services for trading government bonds, treasury bills, corporate bonds, asset-backed securities, and Eurobonds
- Brokerage services for repo transactions
- Portfolio brokerage services
- IPO brokerage services

Besides its Head Office, DAHA extends its services through branches in Istanbul-Bağdat Street, Ankara, Izmir, and Antalya. In the past year, DAHA expanded its client base by 130%, while increasing assets under management by 67%.

As part of ÜNLÜ & Co's digital transformation strategy, the fintech venture Piapiri was introduced in the last quarter of 2022. Piapiri, developed for investors, has greatly simplified investment processes with its intuitive interface, comprehensive sectoral research reports, and accessible investment tools. Piapiri establishes a strong digital ecosystem with investment baskets, automated trading signals, and expert-prepared reports, standing out for its customizable interface and user-friendliness.

Rate of increase in the number of DAHA customers in 2023

130%

Investment Services

Users can easily participate in IPOs via Piapiri and receive detailed information about relevant IPOs through Piapiri's social media channels and push notifications.

Piapiri provides instant, free access to stock, VİOP, warrant, mutual fund, and exchange/parity data on a single screen. It also provides comprehensive information on TEFAS funds. Simply "Create an Account" to enjoy quick access to various investment options such as Model Portfolios, Robotic Baskets, and Fund Baskets with Piapiri. All the users need to do is to download the app and create an account.

Piapiri in 2023:

IPOs

In 2023, Piapiri enabled its users to access all IPO opportunities in the Turkish market. This process was executed through demand collection and market purchases. Users can easily participate in IPOs via Piapiri and receive detailed information about relevant IPOs through Piapiri's social media channels and push notifications.

Eurobond Investments

Piapiri democratized Eurobond investment in 2023. By removing the high entry barrier, users can now invest in Eurobonds with a minimum of USD 1,000. The benefits of Eurobond investments, such as high liquidity, foreign currency returns, portfolio diversification, hedging against exchange rate risk, and varied maturity options, have been extended to a broader investor base through Piapiri's innovative approach.

Financial Literacy

To promote financial literacy, Piapiri offered free technical analysis training to every customer who opened an investment account. These training sessions, organized in three parts, provide investors with comprehensive guidance to better understand the instruments they will be trading and improve their financial knowledge. Additionally, a daily stock market bulletin, sector and market news, and detailed research reports are available to all users who download the application. Furthermore, comprehensive articles on financial terms are regularly shared through the blog posts on the website.



Artificial Intelligence DALL-E 2 Integration

Piapiri offers its users DALL-E 2, an AI-based image generation tool developed by OpenAI. This program can generate high-resolution creative images in seconds based on text prompts. Users can generate their own images using the “Generate Photo with AI” option in the Profile section of the app.

“Self-Service” Approach

In 2023, functions such as Reconciliation, Internal Transfer, Returns, Target Setting, and similar features were added to the application, allowing users to easily manage all their needs through Piapiri.

DAHA Research Services

Within the scope of DAHA Financial Advisory Services provided by the Research Department, individual and institutional investors - with different risk and return preferences - are offered services on stock markets, as well as on financial instruments such as parities, fixed-income securities, international stocks and gold, with short-, medium- and long-term perspectives, helping them manage their assets in a way most suited to their needs.

The reports prepared in Turkish for domestic capital markets and periodically shared with investors include the following:

ÜNLÜ & Co'mment: This clear, concise daily bulletin published each morning covers current developments in domestic and foreign markets, potential market impacts, product-based recommendations, and selected stock information.

U-Alert: A short note covering market monitoring and information notes, sector notes, macro analysis, and outstanding shares and strategy suggestions.

Investment Baskets: A monthly investment basket report is published regularly. Investment strategies in TL and foreign currency, including Balanced-Dynamic-Attack investment baskets created in accordance with different risk appetites are shared with customers.

U-Tech: Considering market dynamics, this product includes ÜNLÜ & Co's recommendations on the Borsa Istanbul and Derivatives Exchange that are attractive in the short term and in accordance with the Company's trade strategies. The positions offered by U-Tech are continuously monitored and information is provided via e-mail in case of possible profit taking or stop-loss.

Foreign Markets Today: In this daily bulletin published in the mornings, possible market ramifications of major current developments abroad and stock information are provided in a short, clear, and understandable format.

U-Call: U-Call, which is prepared without being tied to a certain period, includes trade suggestions for the stocks that stand out technically in foreign markets. These suggestions are constantly monitored and our investors are informed of any potential profit sales or stop-loss by e-mail.

Under the leadership of the Research Department, monthly webinars are organized for individual and institutional investors. Current market developments and market expectations are posted on a daily basis via the Piapiri app.

Weekly Dividend Table: Weekly posts are made containing information about the relevant payments of the companies that will pay dividends in the US markets.

DAHA Corporate and Treasury Solutions

The DAHA Corporate and Treasury Solutions Department, established to serve our corporate clients, provides customized product design and pricing services to over 400 companies, addressing both the asset and liability sides of the balance sheet. The department also offers various treasury solutions tailored to changing market conditions and the specific needs of our clients.

Foreign Markets - UTrade International and UTradeFX

With its experienced teams and modern online platforms, DAHA Investment Advisory and Brokerage Services provides brokerage services to investors in domestic and foreign capital markets. Through UTrade International, ÜNLÜ & Co's platform providing access to international markets, investors are able to follow numerous stock exchanges across the globe, and engage in trading of stocks and futures contracts safely and easily.

Under the UTradeFX brand, investors are granted 24/5 access to the Forex markets and the ability to trade different currency pairs and contracts for difference (CFD) on a leveraged basis via the MetaTrader5-based electronic trading platform.

DAHA Marketing

The DAHA Marketing Department was established to standardize products and services and to develop marketing strategies tailored to customer segments. It aims to deliver superior service to investors by focusing on their experiences and needs. Additionally, DAHA monitors sectoral developments and innovations for brand management and formulates action plans to support sales.

Operations in 2023

Asset and Fund Management Services

Currently, İSTANBUL Varlık effectively manages 39 NPL portfolios in total, consisting of retail, SME, and corporate loans.

NON-PERFORMING LOANS (NPL) MANAGEMENT

- Portfolio Investments
- Restructuring

FUND AND PORTFOLIO MANAGEMENT

- Mutual Funds
- Real Estate Investment Funds
- Venture Capital Investment Funds

ALTERNATIVE INVESTMENTS

- 212 Capital-Technology Fund I
- Alternative Investments Fund

NON-PERFORMING LOANS MANAGEMENT

ÜNLÜ & Co furthers its efforts to generate value for the Non-Performing Loans (NPL) market, in which it has been active since 2003. The Company executes its NPL investments through its subsidiary İSTANBUL Varlık, which has quickly become one of Türkiye's leading asset management companies.

For 21 years, ÜNLÜ & Co has anchored its NPL market activities on efficiency, flexibility, and trust. With a robust team of nearly 275 people and substantial capital, ÜNLÜ & Co delivers prompt, innovative, and effective solutions in receivables management.

By continuously improving its collection performance through effective NPL portfolio management, ÜNLÜ & Co helps reintegrate its clients into the economy with a personalized and constructive approach.

İSTANBUL VARLIK

İSTANBUL Varlık, leveraging the synergy from ÜNLÜ & Co, offers effective solutions with a deep understanding of local conditions. Following the 2008 crisis, İSTANBUL Varlık improved its retail and micro-SME NPL management capacity to address the rise in retail NPLs.

İSTANBUL Varlık has invested over USD 130 million since its inception and currently manages a total of 39 NPL portfolios, comprising retail, SME, and corporate loans.

ÜNLÜ ASSET MANAGEMENT

ÜNLÜ Asset Management, renowned for its qualified asset management services provided to both institutional and individual investors through its experienced and specialized team, is one of Türkiye's leading asset management companies, distinguished by its extensive product range and investment management expertise.

Portfolio management delivering high-value-added and stable returns

Aligning with ÜNLÜ & Co's strategic objectives, ÜNLÜ Asset Management continues to advance its fund activities with increasing momentum, specifically targeting both individual and institutional investors. The Company aims to offer portfolio management services designed to generate high-value-added and stable returns, tailored to investors' risk-return preferences.

In this context, the Company enriches assets by providing stable returns to investors through a variety of funds, including alternative deposit funds, equity funds, debt securities funds, hedge funds, arbitrage funds, gold funds, venture capital investment funds, real estate investment funds, and special funds.



Total number of Funds managed by ÜNLÜ Asset Management

23

In 2023, ÜNLÜ Asset Management expanded its product range to meet investor needs by establishing new funds in addition to its existing ones. While offering numerous asset management options to investors, the Company also increased the size of the funds it manages. In 2023, the total number of funds managed by ÜNLÜ Asset Management reached 23, with a combined fund size of TL 5.3 billion.

In 2023, ÜNLÜ Asset Management launched the Eleventh Hedge Fund (UP2), which aims to generate capital gains in Turkish Lira (TL) and enhance portfolio value by investing in various investment instruments, financial transactions, contracts, and securities. The Company has provided a unique fund management service to its investors with its actively and professionally managed range of fund products.

Investment options for every risk profile

ÜNLÜ Asset Management offers investors the opportunity to invest in various asset classes according to specific risk criteria through funds with a multi-asset strategy, short-term money market funds that serve as alternatives to deposits, and arbitrage funds. These funds are designed for investors with low and medium risk profiles who typically prefer deposits and similar traditional instruments. Through these options, investors aim to achieve returns exceeding those of deposits.

Among the financial asset classes managed by ÜNLÜ Asset Management are funds targeting high returns in the medium and long term for investors with a high risk profile. These funds capitalize on opportunities within financial asset classes and provide high returns in TL and foreign currency, primarily by holding domestic and international equity positions.

ÜNLÜ Asset Management seeks to leverage global interest rate cycles and reflect price developments in the global gold markets to its investors. ÜNLÜ Asset Management invests in gold and gold-based money and capital market instruments, gold-based deposit and participation accounts, and exchange-traded fund participation shares designed to track gold-based indices.

ALTERNATIVE INVESTMENTS (ÜNLÜ ALTERNATIVES)

ÜNLÜ Alternative Asset Management (UAAM) was established in 2007 to provide advisory services to funds dedicated to investing exclusively in Türkiye. Starting from its inception, UAAM provided advisory services to both private equity funds and those focusing on a more diversified investment portfolio. As part of the restructuring within ÜNLÜ & Co, it was decided to liquidate UAAM in November 2023, considering that ÜNLÜ Securities UK, another group company, also operates in the UK.

Fund 1 (Private Equity), established in 2006 in partnership with domestic and foreign investors, invested over USD 100 million. By the end of 2020, Fund 1 had successfully exited all its investments and completed a successful liquidation.

Established in 2014, the Alternative Investment Fund targets long-term investments in shares of public or private companies, non-performing loans, infrastructure, and real estate asset classes. Having invested approximately USD 110 million since its inception, the fund continued to achieve successful sales transactions in 2023.

Several factors have been favorable for the advancement of the internet and technology in Türkiye. Demographic data (high youth population, interests), high internet and mobile usage rates, a developing internet and e-commerce ecosystem, strong consumer habits both online and offline, and other factors combine to make Türkiye increasingly attractive.

ÜNLÜ & Co became a founding partner of 212 Ltd, which advises 212 Capital Partners I, a venture capital fund provider supporting the startup phase of Türkiye's leading technology and internet companies.

212 Capital Partners remains one of the largest funds supporting startups in vertical markets such as software, social gaming, e-commerce, mobile, social media, and cloud computing.

Operations in 2023

Asset and Fund Management Services

ÜNLÜ Portföy offers TL and FX denominated funds that predominantly hold domestic and international equity positions, aiming for high returns.

| Investment Instrument Type | Investment Instrument Name | Investment Strategy |
|-------------------------------------|--|---|
| Variable Funds | ÜNLÜ Asset Management First Variable Fund (SUA) | SUA Fund is designed as an alternative to deposits for low-risk appetite investors with medium-to-long-term investment horizons. It aims to generate a consistent positive return, providing an income that is meaningfully above that of deposits. The Fund is traded on TEFAS. |
| | ÜNLÜ Asset Management Second Variable Fund (SUB) | The SUB Fund is a Dynamic Variable fund targeting high TL returns in the medium and long term, with risk and volatility above deposits. The Fund is traded on TEFAS. |
| | ÜNLÜ Asset Management Third Variable Fund (SUC) | The SUC Fund is an actively managed fund investing in both domestic and international markets with a high return objective. Its goal is to provide returns above deposits in the medium and long term through strategic asset allocation. The Fund is traded on TEFAS. |
| Equity Fund (Equity Intensive Fund) | ÜNLÜ Asset Management Equity (TL) Fund (UPH) | The UPH Fund offers a high-yield and relatively high-volatility investment alternative for investors looking to invest in the Turkish equity market for the long term. The Fund is traded on TEFAS. |
| Money Market Fund | ÜNLÜ Asset Management Money Market (TL) Fund (UPP) | The UPP Fund is designed to offer investors consistent returns and daily liquidity, with a strategy focused on managing low risk. The Fund is traded on TEFAS. |
| Foreign Exchange Funds | ÜNLÜ Asset Management Fourth Hedge (FX) Fund (UPD) | The Fund reports prices in both TL and USD. This Fund is ideal for investors looking for an alternative to deposits for their foreign currency savings. The Fund can be sold to individuals and institutions classified as "qualified investors" by the CMB. The Fund is traded on TEFAS. |
| Precious Metals Fund | ÜNLÜ Asset Management Gold Fund (UP1) | In line with its investment strategy, at least 80% of the Fund's total value is continually invested in gold and gold-based money and capital market instruments traded on the stock exchange, gold-based deposit and participation accounts, and exchange-traded fund shares that track gold-based indices. The Fund is traded on TEFAS. |

| | | |
|----------------------------------|---|---|
| | ÜNLÜ Asset Management Absolute Return Hedge Fund (USY) | This Fund is suitable for qualified investors who want to invest in foreign currency-denominated assets and prefer global market investments, seeking medium- to long-term returns. The Fund is traded on TEFAS. |
| | ÜNLÜ Asset Management Ninth Hedge Fund (UYH) | In line with the investment forecast, the Fund aims to provide equity gains in TL and increase its portfolio value by investing in capital market instruments, other investment instruments deemed appropriate by the Board, financial transactions and contracts and securities. |
| | ÜNLÜ Asset Management Tenth Hedge Fund (ULH) | This Fund carries out investments by synthesizing Global Macroeconomic Analysis, National Market Analysis and Company Analysis with the "Risk Algorithm" method in Global Markets. |
| Hedge Funds | ÜNLÜ Asset Management Eleventh Hedge (TL) Fund (UP2) | Based on its investment projections, the Fund aims to provide returns higher than deposits by investing in Turkish Lira (TL)-denominated capital market instruments. The Fund is traded on TEFAS. |
| | ÜNLÜ Asset Management Second Statistical Arbitrage Hedge Fund (UZY) | The Fund aims to capitalize on market price discrepancies using technological infrastructure (algorithm), achieving this by taking simultaneous long and short positions in assets with price mismatches. |
| | ÜNLÜ Asset Management Statistical Arbitrage Hedge Fund (UJA) | Aiming to exploit price mismatches in the market for yield maximization using technological infrastructure (algorithm), the Fund takes simultaneous long and short positions in assets with price mismatches. The Fund is traded on TEFAS. |
| Discretionary Funds | 5 funds | These funds are established for a single institution, individual, or family, tailored to the investor's specific risk and return expectations. |
| Real Estate Investment Funds | ÜNLÜ Asset Management First Real Estate Investment Fund (UPG) | Investing in real estate projects promising lucrative returns, the Fund offers an attractive return opportunity to investors wishing to invest in the real estate sector. |
| | ÜNLÜ Asset Management Second Real Estate Investment Fund (UG2) | This real estate investment fund targets lucrative returns for qualified investors seeking long-term investments in office real estate projects. |
| Venture Capital Investment Funds | ÜNLÜ Asset Management First Venture Capital Investment Fund (UJG) | This venture capital investment fund is designed for qualified investors who wish to make long-term investments in unlisted venture capital companies with high growth potential. |
| | ÜNLÜ Asset Management İdacapital Venture Capital Fund (ULI) | This venture capital investment fund is intended for qualified investors who want to make impact investments in early-stage, technology-based companies with innovative business models based in Türkiye and in need of capital. |
| | ÜNLÜ Asset Management R&D Venture Capital Fund (UAR) | This venture capital investment fund is established for qualified investors looking to make long-term investments in Turkish start-up companies with high growth potential. |

Operations and Technology Services

ÜNLÜ & Co has bolstered its digital service offerings, improving both the variety and quality of digital solutions available to clients.

ÜNLÜ SOFTWARE AND TECHNOLOGY SERVICES

ÜNLÜ Yazılım ve Teknoloji Hizmetleri A.Ş. was founded at Bilişim Vadisi Vadi Istanbul Campus to drive ÜNLÜ & Co's technological vision and execute strategic projects. The Company has ventured into diverse areas, including domestic and international brokerage trading platforms, algorithmic trading, customer insights, and intelligent decision support systems.

The Company is dedicated to developing innovative products that improve customer experience, expand the product-service range, and grow ÜNLÜ & Co's customer base. The Company plans to launch its first mobile product in the first half of 2024.

INFORMATION TECHNOLOGIES AND R&D ACTIVITIES

In 2023, the focus of ÜNLÜ & Co's Information Technologies (IT) and R&D activities was on capacity and performance management, ensuring timely maintenance and support services to provide uninterrupted, reliable, and effective technological services to internal and external customers. Continuous restructuring and new investments in external services provided by Information Technologies (IT) resulted in a year-end outcome below the projected IT budget for 2023.

The increasing number of investors and transaction volume in the capital markets were managed with effective IT services, ensuring the seamless continuity of ÜNLÜ & Co's operations. With a revised the business continuity infrastructure, significant steps were taken towards providing uninterrupted service to customers during possible extraordinary situations. The Company's competitiveness was further strengthened through renewal investments in its IT infrastructure in 2023, factoring in future capacity and performance targets.

In 2023, technical investments in the infrastructure supporting institutional customers' order transmissions from International Order Collection Networks were initiated alongside projects with new service providers to ensure uninterrupted trading. To provide more flexible services to customers, virtualization infrastructure was implemented, increasing the capacity to host more customers.

Within the scope of Digital Transformation, ÜNLÜ & Co upgraded its remote customer acquisition platform to enable business units to offer more digital services to customers. The Company has bolstered its digital service offerings, improving both the variety and quality of digital solutions available to clients.

During the period, process automations continued to be developed, aiming for more efficient use of the workforce and increased engagement between departments.

OPERATION

In addition to routine operational activities, competitive services are provided with a commitment to high service quality, including:

- Achieving seamless execution of operational activities within the Investment Services portfolio,
- Efficiently managing the operational processes for institutional investors' transactions, exceeding sector averages through the Borsa Istanbul Wholesale Market,
- Actively supporting capital increases and partnership transactions for publicly traded companies,
- Continuously performing Market Making activities within Borsa Istanbul,
- Maintaining leadership in IPOs and ensuring the smooth execution of operational processes in consortium memberships.

**ÜNLÜ & Co upgraded its remote customer acquisition platform
to enable business units to offer more digital services to
customers.**

FINANCIAL AFFAIRS AND PROCUREMENT

The digital transformation of ÜNLÜ & Co's expense reporting processes not only ensures quick and accurate financial data processing but also fosters a culture of accountability guiding strategic decisions. By embracing digitalization, the accounting teams are empowered to focus on strategic initiatives, furthering ÜNLÜ & Co's vision of sustainable growth. To uphold corporate governance principles, a comprehensive project was initiated in 2023 to digitize expense reports and securely store them alongside executive approvals. This digitalization not only improves workforce efficiency but also reduces paper consumption, aligning with ÜNLÜ & Co's commitment to sustainability. Furthermore, the digital transformation positively impacts operational efficiency across various domains such as digital archiving and auditability.

In collaboration with the IT department, a pilot project commenced in 2023 to keep a record of the authorized and responsible teams receiving documents, mitigating document loss risks and safeguarding data integrity. The project, which aims to protect the rights of individuals during the collection, use and sharing of their data, is in the testing phase.

With a view to managing the financial account processes within the scope of Goldman Sachs warrant transactions market making authorization; all notifications were digitized through the "Goldman Ariba" system in order to track Commission, Borsa Istanbul, the Central Securities Depository & Trade Repository of Türkiye (MCK), Takasbank, CMB, Marketing collections. Solutions were implemented to address delays in collections.

A fixed asset management project was executed by partnering with an expert solution company to inventory the fixed assets of all group companies. Assets were made traceable through a digital platform in accordance with corporate governance and accountability principles.

ÜNLÜ & Co has embraced digital transformation as a strategic initiative to bolster operational efficiency, diminish environmental impact, and fulfill social responsibilities. The Company's newly established affiliate, dedicated to software and technology, meticulously manages tax, legal notifications, and accounting processes in alignment with sustainable digitalization principles. In line with this approach, the Company embraces an integrated strategy employing digital solutions in tax and legal proceedings. Through adept utilization of digital technologies, the new affiliate streamlines processes from tax filings to legal reporting, saving time and minimizing human errors effectively. Moreover, it actively contributes to environmental sustainability by reducing paper consumption through its engagement in e-transformation processes.



Corporate Communications and Marketing

The Corporate Communications and Marketing Department is responsible for reputation management and brand communication activities aligned with ÜNLÜ & Co's vision, mission, and values.

As a publicly traded entity, ÜNLÜ & Co prioritizes generating value for the Turkish economy and financial sector, alongside fostering its array of products and services through comprehensive internal and external communication initiatives. Corporate communication efforts, designed to support marketing strategies, aim at optimizing engagement with all stakeholders.

While ÜNLÜ & Co's growth is fueled by its relentless dedication and entrepreneurial spirit in local markets, the Corporate Communications and Marketing Department reinforces reputation management by sharing the value-added generated over long years through communication and marketing endeavors.

The Corporate Communication and Marketing Department operates across Press and Public Relations, Internal Communication, Event Management, Corporate Social Responsibility, Corporate Identity and Brand Management, Advertising, Promotion, and Digital Marketing.

ÜNLÜ & Co strives to solidify its standing as a pioneering entity in the industry, contributing assessments to the industry and sharing pertinent developments transparently with the public. Following this strategy, the insights and assessments of ÜNLÜ & Co's seasoned managers and senior leadership are consistently featured in both traditional and digital media channels throughout the year. All stakeholders are promptly and comprehensively briefed on Group activities, investment service transactions, awards received, and other significant

The Corporate Communications and Marketing Department ensures regular updates to all ÜNLÜ & Co employees concerning Company activities, partnerships, and ongoing projects.

Events organized for ÜNLÜ & Co employees and external stakeholders are meticulously tailored to reflect corporate culture and values, aligning with targeted strategies and business plans.

The Corporate Communications and Marketing Department is responsible for reputation management and brand communication activities aligned with ÜNLÜ & Co's vision, mission, and values.

The business units within the ÜNLÜ & Co Group effectively promote their products and services to the right target audience through the appropriate channels. The visual designs created for this purpose are showcased on ÜNLÜ & Co's communication platforms, including the website and social media channels. These designs are also utilized in advertising and promotional activities across various media, particularly in digital marketing, to help achieve strategic business objectives

Number of teams applying to ÜNLÜ & Co Women Technology
Entrepreneurs Academy Program

81

CORPORATE SOCIAL RESPONSIBILITY

ÜNLÜ & Co supports sustainable initiatives in three key areas—entrepreneurship, women empowerment in business and education—to create lasting impact and change.

Beyond corporate contributions and sponsorships for social responsibility projects, ÜNLÜ & Co employees actively engage by providing training and seminars, mentoring, and making personal contributions to raise social awareness.

ENTREPRENEURSHIP

ÜNLÜ & Co Women Technology Entrepreneurs Academy

ÜNLÜ & Co, a signatory of the Women’s Empowerment Principles established in partnership with the United Nations Global Compact and UN Women, continues to excel with its initiatives aimed at empowering women. Having provided training to 100 women entrepreneurs since the launch of the ÜNLÜ & Co Women Entrepreneurs Academy in 2016, ÜNLÜ & Co introduced another joint initiative with GİRVAK, the ÜNLÜ & Co Women Technology Entrepreneurs Academy, to support and nourish the ecosystem of women entrepreneurs, especially in the fields of technology and software. The Women Technology Entrepreneurs Academy began accepting applications in November 2022.

The ÜNLÜ & Co Women Technology Entrepreneurs Academy Program offers a total of 13 months of training. A total of 81 teams and 324 individuals applied for the program, and 15 teams selected from across Türkiye have been granted the opportunity to commence their training. Among the projects applying to the program, there are business ideas spanning various fields such as artificial intelligence, bioplastic production, healthcare, clean energy, education, and sustainability.

The teams that have qualified for the program had the opportunity to gain basic entrepreneurial skills through the bootcamp and to transform their ideas into business models. Special events organized for participants provided networking opportunities to build connections useful in their professional lives. The program included inspirational talks, mentorship, and online psychosocial support, aiming to equip participants with the encouragement and training needed for their entrepreneurial journeys.

In 2023, the program content for the six finalist teams included ecosystem meetings, psychosocial support sessions, mentoring, company valuation, branding, investor presentations, digital marketing, law, finance, and marketing-sales training.

Turkish Entrepreneurship Foundation (GİRVAK)

Founded by businesspeople and opinion leaders who understand the importance of entrepreneurship and believe it is the key to change, GİRVAK continues to work with the mission of fostering an entrepreneurial culture and removing obstacles to entrepreneurship, with the vision of accelerating Türkiye’s transformation into a developed country through entrepreneurship.

ÜNLÜ & Co Board Member Şebnem Kalyoncuoğlu Ünlü, a trustee of the Foundation, shares her experiences with young people and provides guidance at the GİRVAK FellowUp inspiration meetings. ÜNLÜ & Co and GİRVAK continue to support women entrepreneurs in technology and increase employment through the ÜNLÜ & Co Women Technology Entrepreneurs Academy.

www.girisimcilikvakfi.org

Endeavor

Endeavor, one of the leading organizations supporting rapidly growing entrepreneurs in emerging markets, was founded in New York in 1997 and established its presence in Türkiye in 2007. As a leading entrepreneurship network on a global scale, Endeavor pioneers the “Effective Entrepreneurship” movement across the world; and continues to identify and support entrepreneurs establishing ScaleUp companies. Operating in nearly 40 markets, Endeavor has more than 2,500 mentors and more than 1,600 enterprises in its global network. Among the 76 Turkish companies culled by Endeavor are successful enterprises such as Yemeksepeti, Insider, Gram Games, Peak Games, iyzi and Foriba. Endeavor Türkiye Initiatives have attracted USD 750 million in funds, and the exits reached USD 3.3 billion in total.

www.endeavor.org.tr

Women Entrepreneurs Association of Türkiye (KAGIDER)

The Women Entrepreneurs Association of Türkiye (KAGIDER) is a non-governmental organization that aims to empower women through entrepreneurship. The association aims to empower women not only economically, but also socially and politically. Since its inception, it has developed and executed projects with various stakeholders from the public sector, private sector, and civil society at local, national, and international levels. Aligning with its vision and mission, KAGIDER, with over 480 members, provides training and mentoring support to empower women entrepreneurs and advocates for strengthening women’s economic positions and ensuring equal opportunities for men and women.

www.kagider.org

www.geleceginkadinliderleri.org

Corporate Communications and Marketing

Since its inception, ÜNLÜ & Co has prioritized supporting women's participation in business at all levels within Group companies.

SUPPORTING WOMEN EMPOWERMENT

Since its inception, ÜNLÜ & Co has prioritized supporting women's participation in business at all levels within Group companies. ÜNLÜ & Co plans to continue supporting women in all areas and raising awareness on gender equality.

HeForShe

Launched in 2010 by "UN Global Compact and "UN Gender Equality and Women's Empowerment Unit," Women's Empowerment Principles are aimed at empowering women to take part in life, in all sectors and at all levels.

ÜNLÜ & Co believes that increased presence by women in economic life is imperative for sustainable growth and social welfare. Addressing women's issues and supporting women in all aspects of life rests at the core of ÜNLÜ & Co's corporate social responsibility approach. ÜNLÜ & Co has been among supporters of the "HeForShe" initiative, in the framework of UN Women's Empowerment Principles, since 2016.

United Nations Women's Empowerment Principles

As a signatory to the UN Women's Empowerment Principles, ÜNLÜ & Co has made seven key commitments:

- Establishing high-level corporate leadership for gender equality
- Treating all men and women fairly at the workplace, respecting human rights and principles of non-discrimination, and supporting these principles
- Ensuring the health, safety and well-being of all women and men
- Supporting women through education, courses, and professional development opportunities
- Implementing entrepreneurial development, supply chain and marketing methods that empower women
- Promoting equality through social initiatives and advocacy
- Measuring and publicly reporting on progress to achieve gender equality

Women on Board Association Türkiye

Established in January 2017, the Women on Board Association Türkiye (WBAT) aims to promote social development by increasing women's representation on boards of directors.

WBAT's mission is to promote the social and economic benefits of equal gender representation on boards of directors to all stakeholders and to empower women in leadership roles.

Since 2012, Mahmut L. Ünlü has contributed to the Women on Board of Directors Program as a mentor for five terms and continues to mentor his current mentee for the fifth term. Simge Ündüz, Gamze Akgüney, and Evnur Elif Özer are WBAT mentees who participated in the program during the 2nd, 4th, and 5th terms, respectively.

www.yonetimkurulundakadin.org

Esas Sosyal-First Chance with Şevket Sabancı's Vision Program

Launched as a solution to youth unemployment in Türkiye, the "First Chance with Şevket Sabancı's Vision Program" offers fresh graduates from public universities their first job opportunity, allowing them to gain experience by working full-time in non-governmental organizations (NGOs) for 12 months. The program, which supports university graduates who are often over-looked by employers, aims to raise awareness about equal opportunities, diversity, equality, and inclusion in youth employment. Esas Sosyal continues its initiatives aligned with the Sustainable Development Goals, focusing on "Quality Education," "Gender Equality," "Decent Work and Economic Growth," "Reducing Inequalities," and "Partnerships for the Goals." ÜNLÜ & Co has been supporting young people as a Corporate Supporter of the program since 2020, aiding their transition into their first work experience post-university graduation.

www.ilkfirsat.org

In celebration of the Republic's 100th anniversary, ÜNLÜ & Co launched the "1,000 Women for the Centennial of the Republic" project, aiming to support 1,000 women in resuming their careers after a hiatus, with the Company serving as a platinum value partner and receiving broad support from all its employees.

YenidenBiz Association

YenidenBiz was established at the end of 2013 as a platform to prepare educated and experienced women, who have taken a career break, to re-enter professional life and to support their return to the workforce. Since December 2014, it has operated as an association, facilitating the reintegration of more women into the business world. The association accelerates the re-employment process for women, enhancing their skills and increasing women's employment, thereby contributing to Türkiye's development.

In celebration of the Republic's 100th anniversary, ÜNLÜ & Co launched the "1,000 Women for the Centennial of the Republic" project, aiming to support 1,000 women in resuming their careers after a hiatus, with the Company serving as a platinum value partner and receiving broad support from all its employees.

<https://www.yenidenbiz.org/>



Corporate Communications and Marketing

Through the Women Entrepreneurs Academy launched in 2016, ÜNLÜ & Co has provided training to 100 women entrepreneurs over five years. In 2023, reflecting global digitalization trends, the project's focus shifted to technology, leading to the launch of the Women Technology Entrepreneurs Academy. This initiative aims to provide training support to women entrepreneurs, particularly in technology and software, expanding the ecosystem of qualified women in these fields.

EDUCATION

Koç University Anatolian Scholarship Program

Initiated by Koç University in 2011, the Anatolian Scholarship Program aims to provide quality education to successful students who face financial constraints, and it continues to grow with donor support.

ÜNLÜ & Co is a member of this program, which enables young people to receive quality education. A student who received scholarship support from the Group graduated successfully from Koç University in 2020 with a double major in Computer Engineering and Archaeology and History of Art. They are currently working at the Siemens Healthineers office in Germany while pursuing a master's degree in Informatics at the Technical University of Munich.

In 2020, ÜNLÜ & Co began supporting a new recipient of the Anatolian Scholarship. Our scholarship recipient, now in their third year at Koç University's Industrial Engineering Department, has successfully completed the English Preparatory Class.

anadolubursiyerleri.ku.edu.tr

Robert College Scholarship Program

The Robert College Scholarship Program provides life-long educational support to students with the backing of Robert College graduates and volunteers.

Since 2014, ÜNLÜ & Co has been committed to ensuring young people receive a quality education, nurturing them to become valuable contributors to society and their country. A "lifetime" scholarship has been dedicated in ÜNLÜ & Co's name.

webportal.robcol.k12.tr

The Duke of Edinburgh Fellowship Program

The Duke of Edinburgh's International Award Fellowship is a youth development program aimed at personal growth. The program equips young people with essential skills to help them stand out in society and the global community. Launched in 1987, the program boasts 400 active donors and members from 42 countries.

ÜNLÜ & Co has supported the Award Fellowship program since 2015. A "lifetime" scholarship has been dedicated in ÜNLÜ & Co's name.

intaward.org



**Consistent support
for education
remains strong**

Human Resources

Employing both experienced professionals and young talents in the fields of investment services and asset management, ÜNLÜ & Co had 510 employees as of year-end 2023.

ÜNLÜ & Co aims to create a fair and transparent work environment that supports the training and development of each employee, employs high-potential professionals with exceptional skills that can deliver high-value-added, and supports the training and development of each employee, while employing a qualified workforce. ÜNLÜ & Co attaches paramount importance to each new recruit's self-development efforts.

Innovative ideas and business models have emerged from Human Resources practices designed with diversity in mind, contributing to the Company's goals. These processes continuously evolve, adapting to contemporary conditions and requirements.

Embracing this ethos, ÜNLÜ & Co views the dissemination of its values, the cornerstone of the Company, as one of its primary objectives. This fosters a sense of belonging and unity, propelling all employees forward as a cohesive and resilient family.

The values ingrained within every member of the ÜNLÜ & Co family – "Entrepreneurial," "Pioneer," "One Team," "Committed," "Socially Conscious," and "Client-centric" – reflect the dynamic and evolving Company culture.

ÜNLÜ & Co's competencies, foundational to its corporate culture and aligned with its enduring values, dictate operational norms and serve as a roadmap for employee growth and development.

Key competencies expected in every ÜNLÜ & Co employee include:

- Active participation in building professional networks,
- Leadership in fostering development and change,
- Being client-centric,
- Achieving together,
- Being goal- and result-oriented,
- Agility and adaptability in management and decision-making processes.

ÜNLÜ & Co EMPLOYEE PROFILE

Employing both experienced professionals and young talents in the fields of investment services and asset management, ÜNLÜ & Co had 510 employees as of year-end 2023.

ÜNLÜ & Co's employee profile:

- 53% are women and 47% are men.
- The average age is 34.91.
- 78% have a bachelor's degree, while 22% have master's degrees and PhDs.

ÜNLÜ & Co centers all its human resources processes around equal opportunity, diversity and inclusion. Consequently, since its inception, the Company has prioritized gender equality in recruitment, promotion, training plans, and strategic positioning. The Company creates and supports platforms that empower women in the workplace.

The ratio of female employees in managerial and higher positions at ÜNLÜ & Co has reached 45%, solidifying the Company's leadership in this area.

DEVELOPMENTS IN 2023

Sustainable Development and Analytics

ÜNLÜ & Co has swiftly embraced innovations in the evolving business landscape. The goal is to stay abreast of technological advancements, promptly address changing business needs, and adapt each department and expert to these changes while integrating the younger generation into the business world.



ÜNLÜ & Co views creating a dynamic work environment that fosters continuous learning and development as one of its core responsibilities. In propelling the organization forward, a focus on innovative practices, projects, and technology-driven transformations is prioritized across various facets of Human Resources.

For sustained development and high performance, it is crucial for employees to feel that they are part of an open, fair, sensitive, and evolving company that listens to and supports them in all areas. Upholding transparency and inclusion, ÜNLÜ & Co recently conducted an exhaustive employee engagement survey, soliciting feedback from all personnel. The insights gleaned were meticulously analyzed, informing targeted action plans aimed at addressing identified areas for improvement.

As part of the “Predictive Analytics for Continuous Improvement” initiative, the Company designed and implemented dashboard systems and reports that provide data-driven insights based on the organizational structure, positions, and specified criteria. Leveraging data analytics to drive organizational agility and informed decision-making, ÜNLÜ & Co has witnessed a notable increase in operational awareness and agility.

Embracing the principle of “development for change, change for development,” the Human Resources Department plans and manages training programs based on the experience, position, and needs of employees, guided by feedback and expectations from managers.

The ÜNLÜ Digital Academy, a pivotal supporter of this development and transformation journey, offers a flexible learning platform that employees can access from anywhere, at any time, and on any device. The ÜNLÜ Digital Academy serves as a hub for continuous learning and development, offering a diverse array of training sessions and events tailored not only for ÜNLÜ & Co employees but also extending to their families, ensuring accessibility through remote platforms.

ÜNLÜ & Co’s development programs are designed to meet future needs and employee requirements, offering competency-based and customized training solutions.

Elevating employee training experiences, we leverage personalized learning tools, ranging from interactive classroom sessions to trending digital-style workshops integrated with gamification elements, fostering an engaging and dynamic learning environment.

The digital training portal provides a comprehensive catalog of training videos, an extensive library, and various types of training including leadership, development, competencies, and current information to cater to all employees’ interests and needs. Development processes are closely monitored using dashboards, enabling quick action based on the gathered data.

Achieving Together

Prioritizing the happiness of its employees, ÜNLÜ & Co curates a range of internal initiatives, underscoring its commitment to nurturing its human capital. Regular meetings are conducted to facilitate the adaptation of new hires and address any challenges they may encounter during the onboarding process. ÜNLÜ Bîmola activities are held periodically throughout the year to boost employee loyalty and maintain a profile of satisfied and happy employees. These activities aim to ensure employees feel supported by the Company, with a focus on empathy, high-level interaction, and personal connection.

Recognizing the importance of engaging with young professionals, the Human Resources team has supported coaching programs where managers from within the Company play an active role, collaborating with various institutions. Young professionals met monthly to receive guidance on adapting to business life and mentoring on areas for personal and professional improvement.

The hybrid working model, designed with a focus on efficiency and employee satisfaction, was implemented as the standard working arrangement. As part of this model, all employees had the option to work remotely for up to four days each month in 2023, based on their city of residence. Additionally, during the summer of 2023, employees were given the opportunity to work from any location for a period of two weeks.

Human Resources

In 2023, ÜNLÜ & Co attended lectures at leading universities, organized a finance education camp, and took part in on-campus events.

With the digitalization of processes, performance evaluation, survey management, and suggestion management activities were managed more efficiently and online, significantly boosting overall productivity.

First Career Steps

ÜNLÜ & Co Internship Program

The ÜNLÜ & Co Internship Program known as “Future Finance Generation” targeting recent graduates with bachelor’s and master’s degrees, was conducted online in 2023. Out of 1,850 applicants, 205 were sent the Gamified Personality Inventory, and 151 candidates were positively evaluated and invited to the digital talent camp held online. During this camp, candidates participated in a day full of activities including a speech by the Chairman of the Board, interviews with HR and relevant department managers, and informative presentations. Afterwards, students were given an online case study on a specific topic, and asked to prepare and present a digital presentation. An HR interview was held with candidates who had been shortlisted in the case study evaluation.

In April, 20 interns, who completed their education at Türkiye’s top universities, started at 10 different departments within the Company. After a two-month internship in their respective departments and the subsequent evaluation, 10 individuals were hired by ÜNLÜ & Co. The development of these new recruits was prioritized throughout the year, and they were also offered support in their academic studies.

In 2023, ÜNLÜ & Co attended lectures at leading universities, organized a finance education camp, and took part in on-campus events.

The first finance training camp within ÜNLÜ & Co was conducted digitally for applicants, where upper-level managers delivered a full day of sessions on the workings of financial markets and technical analysis. The aim was to support students in their career planning.

HUMAN RESOURCES IN 2024

MT & ST Program

With the motto Future Finance Generation, ÜNLÜ & Co has plans to create two programs, “Future Sales Trainee” and “Future Management Trainee,” for recent bachelor’s and master’s graduates considering a career in finance.

New graduates expected to join in April will undergo a six-week internship process in more than 10 departments. Those who successfully complete the internship will be eligible to work as MT or ST starting in September. Throughout the year, they will have the opportunity to develop through various training programs.

In response to the rapid advancement of technology and its disruptive impact, ÜNLÜ & Co plans to quickly integrate the use of artificial intelligence into human resources functions in 2024. The integration of AI, particularly in the recruitment process, aims to save time and costs with simplified candidate screening and enhance the candidate experience with quick and personalized responses.

The Development Center program, designed exclusively for managers and higher positions, aims to increase individual awareness and guide personal development based on Company competencies. The program will feature personalized development plans based on employee and manager feedback.

The goal is to drive the development of employees by prioritizing digital adaptation in parallel with skill sets for their existing competencies. As part of the “Future-Ready Employees” concept, ÜNLÜ & Co plans to continue its series of technology webinars to steer the change within the organization. These series, tailor-made for ÜNLÜ & Co employees, will feature technology trends, daily use cases of technology, the use of next-gen digital tools, and various disciplines.



Total Training Hours

130

Training Hours per Person

12

Employees

510

Average Age

34.9

Women

53%

Bachelor's Degree

78%

Master's or Doctorate Degree

22%

Corporate Governance

CORPORATE GOVERNANCE APPROACH

ÜNLÜ & Co shapes its corporate governance approach around transparency, accountability, and business ethics. ÜNLÜ Yatırım Holding A.Ş. ("the Company") adopts an effective governance approach to create a sustainable business structure with its stakeholders. The management of the Company guides the Company's vision with a strong leadership while protecting stakeholder interests and focusing on creating long-term sustainable value. The Company takes into account its societal responsibilities while taking strategic decisions, which contributes to its strong performance in corporate social responsibility. By optimizing business processes within these core values and meeting stakeholder expectations, the Company aims to maximize corporate governance standards.

The Company, which appointed advisors for its sustainability reporting and ESG (Environmental, Social, and Governance) strategy in the last quarter of 2023, strengthens its short, medium, and long-term goals for a sustainable future and governance structure. During this process, the Company aims to shape its strategic goals according to the global sustainability context and improve its operations within the framework of emerging and evolving sustainability trends.

BOARD STRUCTURE

Structure and Activities of the Board of Directors

| Board Member | Position Executive/ Non-Executive/Independent Member |
|--------------------------|--|
| Mahmut Levent Ünlü | Chairman of the Board - CEO - Executive |
| Can Ünalın | Vice Chairman of the Board - Non-Executive |
| Şebnem Kalyoncuoğlu Ünlü | Board Member - Non-Executive |
| İbrahim Romano | Board Member - Executive |
| Özlem Yeşildere | Board Member - Non-Executive - Independent |
| Mine Yıldız Günay | Board Member - Non-Executive - Independent |

As per the provisions of the Corporate Governance Communiqué, the duties of the Nomination Committee are performed by the Corporate Governance Committee. Ms. Özlem Yeşildere and Ms. Mine Yıldız Günay were elected as Independent Board members at the Ordinary General Assembly of our Company held on 10.08.2021. The Board of Directors convened 27 times in 2023 and a total of 41 resolutions were taken during these meetings. Members largely participated in the meetings. Meetings are convened as necessary for Company business, and the Board meets accordingly.

Number, Structure, and Independence of Committees Established under the Board of Directors

| Audit Committee Members | Role - Qualifications (Executive/ Non-Executive/Independent Member) |
|-------------------------|---|
| Özlem Yeşildere | Committee Chair - Independent Member |
| Mine Yıldız Günay | Committee Member - Independent Member |

| Corporate Governance Committee Members | Role - Qualifications (Executive/ Non-Executive/Independent Member) |
|--|---|
| Mine Yıldız Günay | Committee Chair - Independent Member |
| Özlem Yeşildere | Committee Member - Independent Member |
| (*) Mustafa Sönmez | Committee Member - Executive Member |

(*) As per Article 11 of the Corporate Governance Communiqué No. II-17.1 of the Capital Markets Board, the Head of the Investor Relations Department has been appointed to the Corporate Governance Committee.

| Early Detection of Risk Committee Members | Role - Qualifications (Executive/ Non-Executive/Independent Member) |
|--|--|
| Mine Yıldız Günay | Committee Chair - Independent Member |
| Özlem Yeşildere | Committee Member - Independent Member |
| Can Ünalın | Committee Member - Non-Executive Member |

Duties and Working Principles of the Board Committees

The duties and working principles of the Board Committees are published on the Public Disclosure Platform and the "Investor Relations" section of the Company's website, www.unluco.com.

Information on Duties Performed by Board Members and Executives

In compliance with the Corporate Governance Communiqué, the Company is listed in the Second Group according to the list published by the Capital Markets Board for 2023. Our Company has two Independent Board Members. Due to the obligation that committee chairs must be independent board members, Ms. Mine Yıldız Günay chairs the Corporate Governance Committee and the Early Detection of Risk Committee, while Ms. Özlem Yeşildere chairs the Audit Committee.

Information on Duties Performed Outside the Company by Board Members and Executives

| Board Members | Positions Held Outside the Company as of 31.12.2023 |
|----------------------|---|
| İbrahim Romano | Independent Board Member at Borusan Mannesmann Boru Sanayi ve Ticaret A.Ş. |
| Özlem Yeşildere | Finance and Digital Transformation Director at Mey İçki Sanayi ve Ticaret A.Ş., Chairman of the Board at YenidenBiz Association |

Financial Rights Provided to Board Members and Executives

In accordance with Capital Markets Board regulations, the Company's "Remuneration Policy," which includes all rights, benefits, and payments provided to Board members and executives, and the criteria used to determine these, was adopted by the Board of Directors with resolution no. 2021/38 on 13.07.2021 and announced on the Company's corporate website, and subsequently presented as a separate agenda item at the Ordinary General Assembly Meeting for the 2020 fiscal period on 10.08.2021, allowing shareholders to express their opinions.

Payments made to Board members and executives are disclosed collectively to the public in the financial statement footnotes, in line with general practices.

The Company does not engage in transactions that would create a conflict of interest, such as lending to or providing credit to Board members and executives, or providing guarantees for their benefit.

Corporate Governance

INDEPENDENCE STATEMENTS OF BOARD MEMBERS

ÜNLÜ YATIRIM HOLDİNG A.Ş. BOARD MEMBER INDEPENDENCE STATEMENT

I hereby accept and declare that:

- There has been no employment relationship in the past five years in which I, my spouse, or my relatives by blood or marriage up to the second degree have held a managerial position with significant duties and responsibilities, owned individually or jointly more than 5% of the capital or voting rights or privileged shares, or established a significant commercial relationship with Ünlü Yatırım Holding A.Ş. (the Company) or its subsidiaries where the Company exercises control or has significant influence, or with the shareholders who hold control or have significant influence over the Company, and with legal entities under their control,
- Within the last five years, I have not worked as a partner (holding 5% or more), in a managerial position involving significant duties and responsibilities, or as a board member in companies that provided significant services or products to the Company, particularly those that audit (including tax audits, legal audits, and internal audits), rate, and advise the Company, or in companies from which the Company significantly purchased or sold products or services during the periods of purchase or sale,
- I have the professional education, knowledge, and experience to duly perform the duties I will undertake as an independent board member,
- As of my nomination date and throughout my term if elected, I do not and will not work full-time at public institutions and organizations (excluding university faculty membership in compliance with applicable regulations),
- I am considered a resident in Türkiye according to the Income Tax Law No. 193 dated 31.12.1960,
- I can make positive contributions to the Company's activities, maintain my impartiality in conflicts of interest between the Company and its shareholders, make decisions freely by considering the rights of the stakeholders, and that I possess strong ethical standards, professional reputation, and experience,
- I will allocate sufficient time to remain abreast of the Company's operations and fully perform the requirements of my duties,
- I have not served as a board member for more than six years within the last ten years at the Company's Board of Directors,
- I have not served as an independent board member in more than three companies controlled by the Company or by the shareholders who control the Company, and in more than five publicly traded companies in total,
- I have not been registered and announced as a representative on behalf of a legal entity elected as a board member, and
- If any situation arises that nullifies my independence, I will immediately inform the Company's Board of Directors and resign from my position.

MİNE YILDIZ GÜNAY

ÜNLÜ YATIRIM HOLDİNG A.Ş. BOARD MEMBER INDEPENDENCE STATEMENT

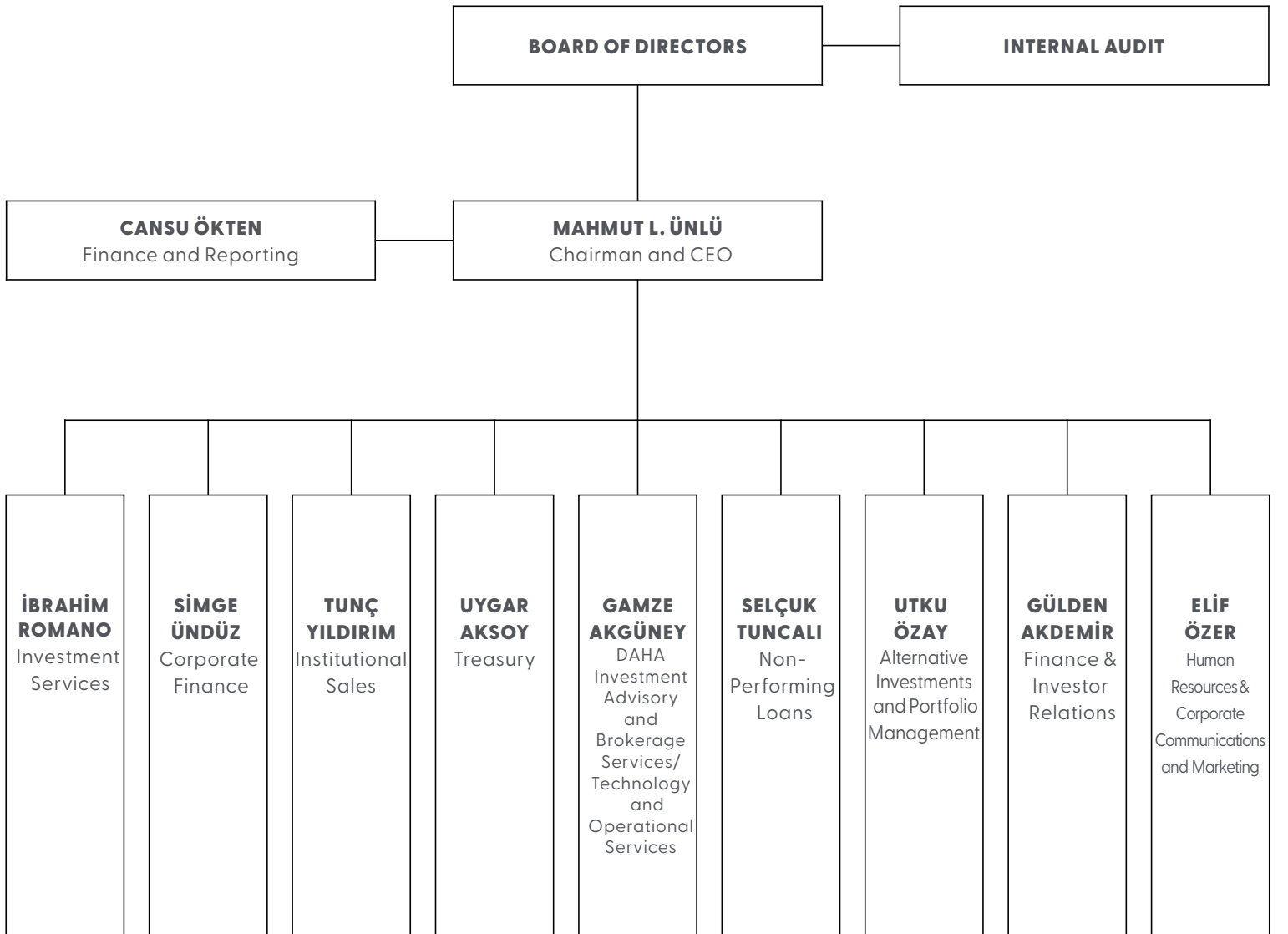
I hereby accept and declare that:

- There has been no employment relationship in the past five years in which I, my spouse, or my relatives by blood or marriage up to the second degree have held a managerial position with significant duties and responsibilities, owned individually or jointly more than 5% of the capital or voting rights or privileged shares, or established a significant commercial relationship with Ünlü Yatırım Holding A.Ş. (the Company) or its subsidiaries where the Company exercises control or has significant influence, or with the shareholders who hold control or have significant influence over the Company, and with legal entities under their control,
- Within the last five years, I have not worked as a partner (holding 5% or more), in a managerial position involving significant duties and responsibilities, or as a board member in companies that provided significant services or products to the Company, particularly those that audit (including tax audits, legal audits, and internal audits), rate, and advise the Company, or in companies from which the Company significantly purchased or sold products or services during the periods of purchase or sale,
- I have the professional education, knowledge, and experience to duly perform the duties I will undertake as an independent board member,
- As of my nomination date and throughout my term if elected, I do not and will not work full-time at public institutions and organizations (excluding university faculty membership in compliance with applicable regulations),
- I am considered a resident in Türkiye according to the Income Tax Law No. 193 dated 31.12.1960,
- I can make positive contributions to the Company's activities, maintain my impartiality in conflicts of interest between the Company and its shareholders, make decisions freely by considering the rights of the stakeholders, and that I possess strong ethical standards, professional reputation, and experience,
- I will allocate sufficient time to keep abreast of the Company's operations and fully perform the requirements of my duties,
- I have not served as a board member for more than six years within the last ten years at the Company's Board of Directors,
- I have not served as an independent board member in more than three companies controlled by the Company or by the shareholders who control the Company, and in more than five publicly traded companies in total,
- I have not been registered and announced as a representative on behalf of a legal entity elected as a board member, and
- If any situation arises that nullifies my independence, I will immediately inform the Company's Board of Directors and resign from my position.

ÖZLEM YEŞİLDERE

Corporate Governance

ORGANIZATIONAL CHART



COMMITTEES REPORTING TO THE BOARD OF DIRECTORS

In order to ensure the Board of Directors' effective fulfillment of duties and responsibilities in accordance with the Corporate Governance Communiqué No. II-17.1 covering compliance with the Capital Markets Law No. 6362, the Company has established the "Audit Committee," "Early Detection of Risk Committee," and "Corporate Governance Committee." Additionally, in compliance with the relevant articles of the communiqué, the Company has not formed the "Nomination Committee" and "Remuneration Committee" separately, delegating their duties to the Corporate Governance Committee instead.

The areas of responsibility, working principles, and composition of these committees, which operate under the Board of Directors, have been determined by Board Resolutions and disclosed on the Public Disclosure Platform (KAP) in accordance with the communiqué.

The organizational structure, chairpersons, and members of these committees are as follows:

- Care has been taken to ensure that the Chief Executive Officer of the Company does not serve on these committees.
- In 2023, all Committees under the Board of Directors fulfilled their duties and responsibilities in line with Corporate Governance Principles and their own working principles.
- These committees convened in accordance with their respective schedules.
- The committees sought input from Company executives when necessary.
- Each of the three committees regularly presented evaluation reports to the Board of Directors regarding their activities throughout the year. The Board of Directors is of the opinion that the expected benefits from the Committees under the Board of Directors have been realized, and the committees have operated effectively.
- The activities of the Audit Committee, Early Detection of Risk Committee, and Corporate Governance Committee operating under the Board of Directors are detailed below.

Working Principles and Activities of the Audit Committee

The working principles of the Audit Committee are available on the Company's website under the Investor Relations section.

The information about the Committee's activities is summarized below:

The Audit Committee oversees the compliance of the Company's accounting and reporting systems with applicable laws and regulations, the disclosure of financial information, the operation and effectiveness of independent audit and internal control systems.

The Committee convenes at least four times a year, with a minimum of once every three months.

The Committee records the results of its meetings in minutes and presents them to the Board of Directors.

By the resolution of the Board of Directors dated 10.08.2021, it was decided that the Audit Committee would consist of two independent Board members, with Ms. Özlem Yeşildere as committee chair and Ms. Mine Yıldız Günay as committee member.

In 2023, the Audit Committee convened a meeting to evaluate audit-related activities, primarily focusing on compliance with tax regulations, and passed four resolutions, providing its written opinions to the Board of Directors regarding the selection of an independent auditor, the accuracy of the annual and interim financial reports to be disclosed, and their compliance with the accounting principles followed by the Company.

Working Principles and Activities of the Corporate Governance Committee

The working principles of the Corporate Governance Committee are available on the Company's website under the Investor Relations section.

The Corporate Governance Committee evaluates whether corporate governance principles are applied in the Company, identifies reasons if they are not applied, detects conflicts of interest arising from non-compliance, and provides recommendations to the Board of Directors to improve corporate governance practices. It also oversees the activities of the investor relations department.

The committee convened six times in 2023.

It consists of three members. The committee is chaired by Independent Board Member Ms. Mine Yıldız Günay, with Independent Board Member, Ms. Özlem Yeşildere, and Head of the Investor Relations Department, Mr. Mustafa Sönmez, serving as members.

In 2023, the Corporate Governance Committee:

- Evaluated the Company's corporate governance practices and Compliance Report on Corporate Governance Principles, and provided recommendations to the Board of Directors on taking necessary actions,
- Evaluated the issue of obtaining an independent Corporate Governance Rating service for compliance with Corporate Governance Principles,
- Provided information to the Board of Directors about the activities of the Investor Relations Department,
- Received briefing from the Human Resources Directorate regarding the remuneration of Board members and senior executives, as well as benefits provided to these executives,
- Provided assessments regarding obtaining external consultancy services for determining the Company's sustainability strategy and preparing a sustainability report, and provided its recommendations and suggestions to the Board of Directors.

Corporate Governance

Working Principles and Activities of the Early Detection of Risk Committee

The working principles of the Early Detection of Risk Committee are available on the Company's website under the Investor Relations section.

Established by the resolution of the Board of Directors dated 10.08.2021, it was decided that this committee would consist of three members, with Independent Board Member Ms. Mine Yıldız Günay as committee chair and Ms. Özlem Yeşildere and Mr. Can Ünalın as committee members. The Company's CFO is also permanently invited to the committee's meetings.

The Early Detection of Risk Committee is responsible for the early identification of risks that could endanger the Company's existence, development, and continuity, taking necessary measures concerning identified risks, managing said risks, and reviewing risk management systems at least once a year.

In 2023, the Early Detection of Risk Committee:

- Held six meetings to identify, evaluate, and calculate the impact and probability of strategic, operational, financial, legal, and other risks that could threaten the Company's existence, development, and continuity; to ensure that these risks are managed and reported in accordance with the Company's corporate risk-taking profile; to implement necessary measures concerning identified risks; to integrate these risks in decision-making mechanisms; and to establish and integrate effective internal control systems.
- Conducted activities to evaluate the Company's information security policy and the measures that can be taken in this regard.
- Presented its work on these topics to the Board of Directors, providing recommendations and suggestions.

In the report prepared by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (EY) on April 18, 2024, it was concluded that the Early Detection of Risk System and Committee of ÜNLÜ Yatırım Holding A.Ş. are adequate in all significant aspects within the framework of Article 378 of the Turkish Commercial Code.

RELATIONS WITH SHAREHOLDERS AND INVESTOR RELATIONS

Information regarding relations with shareholders and investor relations is provided under the "Investor Relations" section of this report.

Sustainability

To transparently present our progress in sustainability with a forward-looking vision to our stakeholders, we have included a sustainability section in our annual report for the first time.

In 2015, the United Nations General Assembly adopted 17 Sustainable Development Goals (SDGs) to be achieved by 2030. These goals, prepared based on the principle of inclusiveness, encompass solutions to contemporary global issues such as eradicating poverty, protecting the planet, and combating social inequalities. As ÜNLÜ & Co, we recognize that business investments, technologies, practices, and innovative and fair ways of conducting business play a critical role in successfully achieving these goals.

As actions to shape the future of our planet become increasingly critical, we believe that the foundations for a livable world must be laid today. In 2023, we completed a year in which we decided to fulfill the requirements of the evolving and developing sustainability context in our business lines where we conduct our operations. In this context, in the last quarter of 2023, we included global sustainability trends among our focal areas, aiming to create added value in areas such as combating the climate crisis, increasing social welfare, and sustainable corporate governance. We have started to develop our sustainability strategy by placing ESG (Environmental, Social, and Governance) issues on our agenda to start the sustainability journey of our holding company and its subsidiaries, build our corporate culture on solid foundations, and fulfill our responsibilities. With the roadmap we will determine, we are revisiting our operations with determination in light of our vision of building a more sustainable world for future generations. Regular monitoring and reporting of our sustainability efforts to our stakeholders support the transparent communication developed by our company in its process of achieving sustainability goals.

Environmental

As part of our environmental strategy, which we started working on at the end of 2023, we prioritize reducing the impacts arising from our operational processes. We continue our efforts diligently to minimize the environmental impacts arising from our daily activities to combat climate change. In particular, we design strategies to reduce the negative environmental impacts arising from our operations and activities in waste and resource management.

Social

On the societal level, we establish industry-guiding footprints inspired by trends in inclusiveness, equality, and diversity to become pioneers in the areas where we operate and progress towards the future with a holistic vision. Therefore, as a company, we do not limit our focal point to our fields of activity; instead, we adopt the principle of inclusiveness, taking into account issues that are becoming widespread challenges across the globe. In particular, we prioritize goals to enhance societal welfare and ensure gender equality under the categories of corporate social responsibility, diversity, equality, and inclusiveness. To prevent any form of discrimination based on religion, language, race, or ethnic origin, we aim to set an example for our stakeholders and competitors with steps towards an equitable and fair business world. Additionally, to contribute to the social and economic sustainability of financial literacy, we create value and awareness for society through supportive content shared on various platforms, especially our digital channels. With information on new products, current industry developments, and content tailored for women entrepreneurs, we aim to reach large audiences and enhance financial awareness.

Sustainability

Our emphasis on digitalization and innovation offers us the opportunity to improve our business processes through technological advances, while our investments in technology enable us to make our operations and service delivery capabilities more efficient and effective.

Governance

Our strategy aims to develop corporate working principles and our management approach to maintain our leading position in the market and ensure sustainable success. The values that support this strategy act as a catalyst in ÜNLÜ & Co's business models on our journey to sustainable success. Our strong and dynamic governance structure, one of our most valuable assets, continued to enhance our prestigious brand identity in a sustainable manner with a growing success trajectory in 2023. We will integrate innovative investment decisions into our ways of doing business, shaped within the framework of ÜNLÜ & Co's values and growth strategies, adopting a responsible investment approach. In this context, as of 2024, we will develop governance approaches that will optimize our social and environmental impacts in parallel with our financial goals.

Among ÜNLÜ & Co's priority governance issues, determined in accordance with our corporate governance principles, are digitalization and innovation, customer experience and satisfaction, business ethics and compliance, responsible asset management, information security, and cybersecurity. Our emphasis on digitalization and innovation offers us the opportunity to improve our business processes through technological advances, while our investments in technology enable us to make our operations and service delivery capabilities more efficient and effective. As we steer our company towards sustainability-focused business models, we proactively approach the responsibilities brought by being a publicly traded institution, adhering to corporate governance principles. By focusing on customer experience and satisfaction, we strive to understand our customers' needs and create value for them. With our customer-centric approach, we succeeded in maintaining a high level of customer satisfaction by improving our service quality in 2023. We will continue to improve our processes, guided by the principles of sustainability and the feedback from our customers.

With our social-financial hybrid approach, we prioritize societal and environmental values alongside sustainable economic performance.



Legal Disclosures

Capital and shareholding structure

The Company's shares are divided into groups A and B. A total of 55,092,337 Group A shares are privileged, all of which belong to Mahmut L. ÜNLÜ.

Each Group A share entitles the holder to 5 votes at the General Assembly, while each Group B share entitles the holder to 1 vote.

The voting rights of our shareholders, including holders of privileged shares, are presented in the table below:

| Shareholder | Share in Capital (TRY) | Share in Capital (%) | Voting Rights (%) |
|---|------------------------|----------------------|-------------------|
| MAHMUT LEVENT ÜNLÜ | 113,235,595 | 64.71 | 84.38 |
| THE WELLCOME TRUST LIMITED AS THE TRUSTEE OF THE WELLCOME TRUST | 13,498,188 | 7.71 | 3.41 |
| OTHER | 48,266,217 | 27.58 | 12.21 |
| TOTAL | 175,000,000 | 100 | 100 |

Information on significant changes in the shares of subsidiaries in the financial fixed assets of the Company in 2023

In determining control power, direct or indirect, current and convertible voting rights are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date control is established until it ceases.

The table below shows all direct and indirect subsidiaries and other companies included in the consolidation as of 31.12.2023 and 31.12.2022, along with their share ratios:

ULTIMATE SHARE

| Company Name | Country | Functional Currency | Main Sector and | December 31, 2023 | December 31, 2022 |
|--|-------------|---------------------|-------------------------|-------------------|-------------------|
| Subsidiaries | | | | | |
| ÜNLÜ Menkul Değerler A.Ş. (“ÜNLÜ Menkul”) ⁽¹⁾ | Türkiye | TRY | Brokerage services | 100.00% | 100.00% |
| ÜNLÜ Portföy Yönetimi A.Ş. (“ÜNLÜ Menkul”) ⁽¹⁾ | Türkiye | TRY | Portfolio management | 100.00% | 100.00% |
| İstanbul Varlık Yönetim A.Ş. (“İstanbul Varlık”) | Türkiye | TRY | Asset management | 100.00% | 100.00% |
| ÜNLÜ Securities Inc. (“ÜNLÜ Securities US”) ⁽¹⁾ | USA | 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”) | Isle of Man | USD | Financial advisory | - | 100.00% |
| Turkish Alternative Investments Limited (“TAIL”) ⁽²⁾ | Guernsey | TRY | Investment company | 100.00% | 100.00% |
| Ünlü Portföy Dokuzuncu Serbest (TL) Fon | Türkiye | TRY | Fund | 97.00% | 95.00% |
| ÜNLÜ Yazılım ve Teknoloji Hizmetleri A.Ş. (“ÜNLÜ Yazılım”) | Türkiye | TRY | Software and technology | 100.00% | 100.00% |

SUBSIDIARIES VALUED BY EQUITY METHOD

| | | | | | |
|--|----------------|-----|-----------------|-------|-------|
| ÜNLÜ LT Investments Limited Partnership (“ÜNLÜ LT”) ⁽²⁾ | Guernsey | TRY | Venture capital | 4.76% | 4.76% |
| 212 Limited (Cayman Island) | Cayman Islands | USD | Venture capital | 32.5% | 32.5% |

⁽¹⁾ ÜNLÜ Menkul holds 100% shares in ÜNLÜ Securities Inc. and ÜNLÜ Securities UK Limited.

⁽²⁾ TAIL owns 4.76% of ÜNLÜ LT (as of 31 December 2022: 4.76%).

⁽³⁾ On November 27, 2023, ÜNLÜ Alternative Asset Management Limited commenced liquidation by the resolution of its Board of Directors, and a liquidator was appointed.

⁽⁴⁾ Fund established by ÜNLÜ Portföy Yönetimi A.Ş.

Legal Disclosures

Extraordinary General Assembly Meetings Held During the Year

No Extraordinary General Assembly Meeting was held in 2023.

Organizational Changes During the Year

The current organizational structure of ÜNLÜ Yatırım Holding A.Ş. is presented on the relevant page of the annual report. The organizational changes in 2023 are as follows:

Gülden Akdemir has been appointed as the Executive Committee Member Managing Director responsible for the Finance and Investor Relations departments.

Information on the Prohibition of Transactions and Competition for Senior Executives

No member of the Board of Directors has engaged in any transactions in violation of the prohibition of transactions with the Company, either on their own behalf or on behalf of others. No member of the Board of Directors has engaged in any transactions in violation of the competition prohibition.

Subsidiary Report

As per Article 199 of the Turkish Commercial Code No. 6102, the Board of Directors of ÜNLÜ Yatırım Holding A.Ş. is required to prepare a report within the first 3 months of the fiscal year on the Company's relationships with its controlling shareholder and its subsidiaries during the previous fiscal year, and include the conclusion of this report in the annual report.

In the report dated 18.04.2024, prepared by the Board of Directors of ÜNLÜ Yatırım Holding A.Ş., it is stated: "In all transactions carried out by ÜNLÜ Yatırım Holding A.Ş. with its controlling shareholder and the subsidiaries of the controlling shareholder in 2023, an appropriate consideration was provided in each transaction according to the known conditions and circumstances at the time the transaction was carried out or the measure was taken or avoided, and there were no measures taken or avoided that could harm the Company, and thus there were no transactions or measures requiring balancing."

Information on Shares Acquired by the Company

In 2023, the Board of Directors of the Company announced three share buyback programs, each with a duration of 3 months, on 15.02.2023, 16.05.2023, and 16.10.2023, respectively.

On 15.02.2023, the Board of Directors decided to allocate a maximum of 5,000,000 shares for buyback with a fund of up to TRY 35,000,000 from internal resources, with a program duration of up to 3 months.

On 16.05.2023, the Board of Directors decided that the share buyback program would be valid for a maximum of 3 months, with a maximum fund allocation of TRY 35,000,000 and a maximum of 4,000,000 shares.

On 16.10.2023: The Board of Directors decided that the share buyback program would be valid for a maximum of 3 months, with a maximum fund allocation of TRY 50,000,000 and a maximum of 3,000,000 shares, to be financed from the Company's equity.

The table below shows the shares acquired during the share buyback programs in 2023:

| BUYBACK PERIOD | QUANTITY | AVERAGE PRICE | AMOUNT | PERCENTAGE OF CAPITAL |
|-------------------------|-----------|---------------|----------------|-----------------------|
| 16.10.2023 - 16.01.2024 | 880,000 | 16.8203 | 14,801,892.53 | 0.5029% |
| 16.05.2023 - 16.08.2023 | 150,000 | 7.5470 | 1,132,050.00 | 0.0857% |
| 15.02.2023 - 15.05.2023 | 1,250,000 | 8.1581 | 10,197,573.25 | 0.7143% |
| Total | 2,280,000 | 11.4612 | 26,131,515.78* | 1.3029% |

* As of 31.12.2023, the total amount adjusted for TAS 29 is TRY 31,436,116.

Information on Lawsuits Filed Against the Company that Could Affect the Company's Financial Position and Operations, and Their Potential Outcomes

There are no lawsuits filed against the Company that could affect its financial situation and operations, including those related to environmental, social, and corporate governance issues.

Information on Administrative or Judicial Sanctions Imposed on the Company or its Management

There are no administrative or judicial sanctions imposed on the Company or its management due to violations of regulations.

Information on Legislative Changes that Could Significantly Affect Company Activities

In 2023, there were significant legislative changes affecting the investment services, fund management, and asset management sectors in which the Company operates indirectly:

- 05.01.2023: CML - Electronic Exam Centers were opened in provinces other than Istanbul, and from 2023 onwards, licensing exams will only be held in electronic exam centers, not on paper.
- 14.01.2023: Ministry of Treasury and Finance - Amendments to the Regulation on Measures to Prevent Laundering of Proceeds of Crime and Financing of Terrorism (Decision No: 6702): Monetary thresholds for transactions requiring identity verification were updated, effective from 01.02.2023.
- 06.02.2023: CMB Bulletin - General Announcement - Board Decision on Short Selling and Collateral Requirements: Concerning BIST equity markets, the following provisional amendments have been made, effective from 06.02.2023:
 - i. Short selling has been banned, and investors and investment firms will be notified that the ban includes positions opened without pressing the short sell button and closed within the same day.
 - ii. Collateral requirements have been implemented for shares sold by investors.
 - iii. Sales of securities held by investors can only be made through the investment firms holding those securities.
 - iv. Responsibility for compliance monitoring rests with investment firms.
- 14.02.2023: CMB Bulletin - Principle Decision No. 9/177 of the Board - New principles for share buybacks by publicly traded companies were announced.
- 05.04.2023 and 11.08.2023: MASAK - Amendments to the Regulation on Measures to Prevent Laundering of Proceeds of Crime and Financing of Terrorism (Decision No: 7037) and MASAK General Communiqué (Serial No.19): Changes were made to allow remote identity verification for real person traders and legal entities registered in the Trade Registry.

Legal Disclosures

- 28.08.2023: CMB - An announcement was made on the periods for independent audit of information systems for intermediary institutions under Communiqué No. III-62.2 on Independent Audit of Information Systems.
- In the announcement made by the Board Decision Body of the Capital Markets Board dated 28.12.2023 and numbered 81/1820 regarding the Implementation of Inflation Accounting, it is stated: "In the announcement made by the Public Oversight, Accounting and Auditing Standards Authority on 23.11.2023, it has been publicly announced that companies applying the Turkish Financial Reporting Standards must present their financial statements for annual reporting periods ending on or after 31.12.2023, adjusted for inflation effects in accordance with the relevant accounting principles in the Turkish Accounting Standard 29 "Financial Reporting in Hyperinflationary Economies" (TMS 29), and that regulatory and supervisory bodies authorized in their respective fields may set different transition dates for the application of TMS 29." In this context:
 - a) Starting from the annual financial reports for the periods ending 31.12.2023, issuers and capital market institutions subject to our financial reporting regulations and applying the Turkish Accounting/Financial Reporting Standards must apply inflation accounting by implementing the provisions of TMS 29,
 - b) Capital market institutions with special accounting periods and issuers must apply inflation accounting by implementing the provisions of TMS 29 starting from the annual financial reports for the first accounting period ending after 31.12.2023,
 - c) The reporting deadlines specified in the Communiqué II-14.1 "Principles of Financial Reporting in Capital Markets" and the Communiqué II.14.2 "Principles of Financial Reporting for Investment Funds" will be extended by 10 weeks for the annual financial reports in which TMS 29 will be applied for the first time, and by 6 weeks for the first two interim financial reports prepared after the first annual financial reports to which inflation accounting will be applied for those with financial periods ending on 31.03.2024 and 30.06.2024, and for those with special accounting periods.
- The Turkish Sustainability Reporting Standards and the scope of application of the Turkish Sustainability Standards were published in the Official Gazette dated 29.12.2023 and numbered 32414 (1.M). With the aforementioned regulation, the scope of application for institutions, organizations, and enterprises specified to prepare sustainability reports based on the Turkish Sustainability Reporting Standards has been determined.

In addition to these significant changes, the Company, as a publicly traded company on Borsa Istanbul, is also subject to the Capital Markets Law and the relevant regulations of the Capital Markets Board.

Information on Conflicts of Interest with Institutions Providing Services Such as Investment Consultancy and Rating and Measures Taken by the Company to Prevent These Conflicts

There have been no issues that could lead to a conflict of interest between the Company and the institutions from which it receives services such as investment consultancy and rating.

Information on Reciprocal Shareholdings Exceeding 5% Direct Participation in the Capital

There are no reciprocal shareholding relationships.

Information on Amendments to the Articles of Association Made During the Fiscal Year

There were no amendments to the Company's articles of association in 2023.

The current version of our articles of association can be found on our corporate website at https://www.unluco.com/assets/unlu_co/upload/files/Ek_1_Esas_Sozlesme-1398.pdf and on the Public Disclosure Platform.

Assessment under Article 376 of the Turkish Commercial Code

It has been assessed whether the Company's capital is uncovered under Article 376 of the Turkish Commercial Code: It was determined that the Company's issued capital is TRY 175,000,000 as of December 31, 2023, and it was understood that the Company's equity attributable to the parent, amounting to TRY 1,566,494,701 as of the same date, adequately protects the Company's assets. It has been concluded that the Company's debt structure in relation to its equity is conducive to the continuation of its operations in a healthy manner.

Developments After the End of the Fiscal Year

With the Board of Directors' resolution dated 29.12.2023 and numbered 116, one of the Company's subsidiaries, ÜNLÜ Portföy Yönetimi A.Ş., decided to increase its capital from TRY 40,000,000 to TRY 44,000,000 with a paidin capital increase of TRY 4,000,000 within the registered capital ceiling of TRY 50,000,000 determined for the years 2023-2027. For this purpose, ÜNLÜ Yatırım Holding A.Ş., as the sole owner, provided a capital advance of TRY 4,000,000 on 29.12.2023, and after obtaining the necessary permissions, the amendment to the articles of association was approved at the Extraordinary General Assembly held on 14.02.2024. The General Assembly decision was registered on 20.02.2024, and published in the Trade Registry Gazette dated 20.02.2024 and numbered 11026.

The Company plans a conditional capital increase ("Capital Increase") for its employees to acquire shares of the Company under the Employee Stock Option Plan ("Plan"). The Company aims to enable employees meeting the conditions under the Plan to take part in the capital increase. In accordance with the Board of Directors resolution dated 12.03.2024, the Company applied to the Capital Markets Board for the Capital Increase to ensure that employees can exercise their stock option rights under the Plan.

Pursuant to Article 27 of the Capital Markets Board's (VII-128.1) "Share Communiqué," titled "Obligation to Prepare Information Form for Shareholders of Companies with Shares Traded on the Stock Exchange," Mahmut Levent Ünlü applied to the Capital Markets Board for the approval of the "Share Sale Information Form," involving the conversion and sale of up to TRY 52,748,258 nominal value (corresponding to 30.14% of the Company's capital) of the TRY 58,143,258 nominal value B Group shares owned by Ünlü Yatırım Holding A.Ş., in which he has a 64.71% stake, without losing control over the Company.

With the Board of Directors' resolution dated 04.04.2024, and numbered 2024/04, the Company decided to establish a subsidiary named "ÜNLÜ Bilgi Teknolojileri ve Bilişim Anonim Şirketi" to engage in activities such as e-commerce, electronic marketplace, financial technology, digital data and assets, and any other software development activities related to digital networks, including but not limited to intangible assets that can be created and stored virtually using distributed ledger technology or similar technologies, and distributed through digital networks to represent value or rights.

Information on Private and Public Audits Conducted in 2023

No private or public audits were conducted at ÜNLÜ Yatırım Holding A.Ş. in 2023.

Information on Donations and Aids

The total amount of donations made by the Company in 2023 was TRY 7,279,560. (The amount not subject to inflation adjustment was TRY 6,066,300.)

Corporate Governance Principles Compliance Statement

With the Capital Markets Board (CMB) decision dated 10.01.2019 and numbered 2/49, the format that companies required to prepare a Corporate Governance Compliance Report within the scope of CMB Communiqué II-17.1 should adhere to was redefined. Accordingly, our Company's Corporate Governance Compliance Reporting for the period 01.01.2023 - 31.12.2023 was prepared as the "Corporate Governance Compliance Report (URF)" and the "Corporate Governance Information Form (KYBF)" according to this format. These reports were approved by our Board of Directors and published on the Public Disclosure Platform. The relevant disclosures for 2023 can be accessed via the links <https://www.kap.org.tr/tr/Bildirim/1281929> and <https://www.kap.org.tr/tr/Bildirim/1281932> and from our Company's website.

Our Company complied with the mandatory Corporate Governance Principles set by the CMB in 2023 and continued to work diligently on the implementation of non-mandatory principles throughout the year.

The following actions and measures were taken in 2023 regarding compliance with the Corporate Governance Principles:

Regarding Principle 1.3.10: Details of all donations made were included as a separate agenda item in the General Assembly agenda.

Regarding Principle 3.2.1: To comply with Corporate Governance Principles and strengthen our Company's corporate governance approach with a participatory management philosophy, an internal regulation was prepared regarding employee participation in Company management.

Regarding Principle 4.2.3: Although our subsidiaries have internal control systems as required by the relevant regulations, our Company took steps in 2023 to establish the necessary internal control system.

Regarding Principles 4.4.2 and 4.4.5: An internal regulation was prepared on the functioning of the Board of Directors and how Board meetings will be held.

Regarding Principle 4.4.7: To comply with Corporate Governance Principles and strengthen our Company's corporate governance approach, an internal regulation was prepared regarding the duties of Board members within and outside the Company.

The following are the non-mandatory Corporate Governance Principles which have not been fully complied with as of 31.12.2023. These non-compliances have not led to any conflicts of interest among stakeholders:

Regarding Principle 1.3.11: Announcements of general assembly meetings comply with legal regulations, and there is no additional invitation procedure. Stakeholders may attend general assembly meetings without taking the floor by notifying in advance.

Regarding Principle 1.4.2: As stated in the "Legal Disclosures" section of the annual report, our articles of association include provisions on privileged voting rights. Given that this privilege existed at the time of the Company's initial public offering and does not significantly affect the representation of publicly held shares in management, no changes are planned.

Regarding Principle 1.5.2: Minority rights are not granted to shareholders with less than one-twentieth of the capital in our articles of association; however, in parallel with general practices, rights are awarded within the framework of general provisions in legal regulations on minority shareholders. No requests have been received from investors on this matter, and no changes are planned in the near future.

Regarding Principle 1.7.1: Article 7 of our articles of association regulates the transfer of shares. While restrictions are placed on the transfer of group A shares that are not traded, there are no provisions that impede the free transfer of publicly traded group B shares. These restrictions pertain to non-public privileged shares, and no changes are planned in the future.

Regarding Principle 3.3.5: Significant decisions affecting employees (such as performance and compensation) are communicated to employees. However, our Company employees are not members of any union.

Regarding Principle 3.4.1: While customer satisfaction measurements are made by subsidiaries for the services they provide, the Holding itself, as it does not render any services to individuals, does not measure customer satisfaction. Our Company operates with a commitment to unconditional customer satisfaction for each client.

Regarding Principle 4.2.5: The roles of Chairman of the Board and CEO (General Manager) are held by the same person, due to his extensive experience and know-how in the Company's fields of operation.

Regarding Principle 4.5.5: Due to the requirement for committee chairs to be independent members, the necessity for all members of the audit committee to be independent members, the prohibition on the CEO/general manager serving on committees, and the expertise and experience of our Board members, some Board members are assigned to multiple committees. Given the efficient functioning of the current committee structure, facilitated by the contributions of the knowledge and experience of the Board members, no changes are anticipated in the near future.

Regarding Principle 4.6.1: The Board of Directors' annual report includes explanations on whether previously set targets were achieved. There is no separate performance evaluation. The current practice has not caused any issues and it is planned to be reviewed in the future.

Regarding Principle 4.6.5: The remuneration and other benefits provided to Board members and executives with administrative responsibilities are disclosed to the public via the annual report. Payments are disclosed collectively, in line with general practices.

Statement of Compliance with Sustainability Principles

Our Company endeavors to ensure compliance with the fundamental principles specified in the Sustainability Principles Compliance Framework of the CMB while conducting its sustainability activities. We closely follow the best practices in this field and aim to align our efforts with the widely accepted best practices to the highest extent.

The activities carried out in the field of sustainability primarily aim to comply with the principles outlined in the non-mandatory “Sustainability Principles Compliance Framework,” which was prepared by the CMB under the “comply or explain” principle.

To contribute to the goal of creating sustainable value, our company has accelerated its sustainability efforts to evaluate the Environmental, Social, and Governance (ESG) impacts of its activities and to comply with the standards in this area, aiming for maximum compliance with principles that have not yet been fully adhered to.

Detailed information about our Company’s sustainability activities is provided under the “Sustainability” section of this report.

The report showing our Company’s compliance status with the Sustainability Principles Compliance Framework for the 2023 fiscal year has been published on the Public Disclosure Platform, and can be accessed via the link below.

Sustainability Principles Compliance Report: <https://www.kap.org.tr/tr/Bildirim/1281933>

The Sustainability Principles Compliance Report also includes explanations regarding the voluntary sustainability principles announced by the Capital Markets Board and that have not yet been fully complied with as of 31.12.2023. Efforts to comply with these principles are ongoing, and there is no significant impact on environmental and social risk management due to the lack of full compliance with these principles.

Credit Rating

ÜNLÜ Yatırım Holding A.Ş. was evaluated by JCR Eurasia with a report completed on August 28, 2023.

This report highlighted the following points about the Company:

- Remarkable improvement in revenue and profit generation capacity observed in the fiscal year 2022 and expected to continue in 2023,
- Consistent and recurring revenue flow through well-positioned Group companies,
- A satisfactory equity base supported by internal equity generation capacity, despite a decrease in the equity-to-total assets ratio in the fiscal year 2022,
- Strong liquidity metrics supported by high-quality asset growth,
- Financial flexibility provided by a funding structure that is diversified through bond issuances,
- Reputable shareholder structure and established relationships with domestic and international individual and institutional clients,
- High compliance with corporate governance as an institution subject to the Capital Markets Law.

In addition, the report also addressed:

- The vulnerability of emerging markets in terms of risk appetite related to potential economic and geopolitical risks,
- The relatively high sensitivity of NPL sector to regulatory requirements,
- The short-term borrowing profile parallel to the sector,
- Limited access to financing due to restrictive financial conditions domestically and the slowing global growth indicated by commodity prices and trade volumes as a result of severe monetary tightening.

Overall, considering the aforementioned points, the Long-Term National Rating of “Ünlü Yatırım Holding A.Ş.” was confirmed as “AA+ (tr)” with the following ratings:

| | |
|---|--------------------------------------|
| Long-Term National Corporate Credit Rating | : AA+ (tr) / (Stable Outlook) |
| Short-Term National Corporate Credit Rating | : J1+ (tr) / (Stable Outlook) |
| Long-Term International Foreign Currency Corporate Credit Rating | : BB / (Negative Outlook) |
| Long-Term International Local Currency Corporate Credit Rating | : BB / (Negative Outlook) |

Corporate Policies

ÜNLÜ & Co maintains its corporate governance approach on a sustainable basis by upholding transparency, accountability, and commitment to ethical values at the highest level. Guided by these core principles, the Company aims to strengthen its policy formulation and implementation processes through open communication with internal and external stakeholders. ÜNLÜ & Co's corporate governance policies are shaped in accordance with the Company's values and aim to offer a more transparent and ethical operation to stakeholders.

ÜNLÜ & Co remunerates its employees in a fair and competitive manner. The Company's Remuneration Policy aims to reward individuals who contribute to the Company's performance while also establishing a structure of equality.

ÜNLÜ & Co operates with a sense of social responsibility and ensures that its donation policy focuses on ethics and the needs of society. The company aims to create added value for society through donations in areas essential for sustainable prosperity.

ÜNLÜ & Co's Remuneration and Donation Policies, shaped in line with the Company's values and commitments, emphasize the Company's dedication to its social and economic responsibilities.

DONATION POLICY

Our Company is authorized to make donations as stipulated in its articles of association.

As part of its corporate social responsibility efforts, the Company may make donations and provide aid within the limits determined by the General Assembly and without disrupting its business activities, on condition that such activities do not contravene the Capital Markets Law's regulations on concealed profit transfer, necessary special disclosures are made, and the donations made during the year are presented to the shareholders' information at the General Assembly.

It is essential to ensure that the distributable profit resulting from the Company's activities is maximized to protect shareholders' rights, and donations and aid that deviate from this principle are avoided. Donations may not exceed the upper limit determined by the General Assembly, and donations made within an accounting period are added to the net distributable profit base for the relevant accounting period.

Donations and aids can be made in cash and/or in-kind.

The Board of Directors is responsible for the implementation, development, and monitoring of the donation policy.

Shareholders are informed about any changes to the policy at the General Assembly meetings held in the relevant accounting period.

REMUNERATION POLICY

The Remuneration Policy defines the remuneration system and practices for our Board members and senior executives with administrative responsibilities, as per the regulations of the Capital Markets Board.

The remuneration of Board members and senior executives takes into account the sector in which the Company operates, macroeconomic data, market wages, the Company's size, and its long-term goals. Recommendations are made to the Board of Directors within the framework of research and studies conducted by the Corporate Governance Committee.

I. Board Members

An annual Board membership fee is paid to our Company's Board members in an amount determined by the General Assembly each year.

When determining the compensation levels of Board members, considerations include whether they are executive members, the responsibility they undertake in the decision-making process, the required level of knowledge, skills, competence, experience, the time they dedicate, the costs they incur, and comparisons with compensation levels of Board members in similar companies within the sector.

In compensating independent Board members, care is taken to ensure that the compensation is at a level that maintains their independence. Stock options, performance-based payment plans, profit-sharing payments are not made, and independent Board members are not provided with loans or credits. Expenses incurred by Board members in connection with their contributions to the Company (such as transportation, phone, insurance, etc.) may be covered by the Company.

II. Senior Executives and Employees

Senior executives and employees of our Company are paid a salary determined by the Remuneration Evaluation Committee and approved by the Board of Directors each January.

The criteria for determining the “Senior Executives and Employees Compensation Policy” include structure and competitive conditions of the sector in which the Company operates, wage surveys, ongoing activities, the number of locations, the level of knowledge required for activities, and the number of employees.

Our Company rewards the impact of employees’ individual performance on company performance. Based on performance evaluations conducted at the end of the year according to the targets set at the beginning of each accounting period, performance bonuses are paid to eligible employees based on their grades and titles, the Company’s performance for that year, and their individual performance.

The wages of senior executives and employees are determined considering the knowledge, skills, competence, experience, cost incurred, scope of responsibility, and problem-solving skills required from their role within the framework of the Company’s business diversity and volume. Thus, the Company ensures fair and competitive compensation of its employees.

The compensation and other benefits provided to our Senior Executives and employees are presented below.

- Salary: 12 monthly salaries per year
- Bonus: Performance bonus
- Training: Provided to support the professional and personal development of employees.
- Benefits:
 - o Food - Shopping - Fuel (chosen by employees.)
 - o Private health insurance
 - o Leaves:
 - Annual Paid Leave
 - Marriage Leave
 - Maternity Leave
 - Relocation Leave
 - Bereavement Leave
 - Administrative Leave
- Facilities provided to employees as required by their duties:
 - o Car Allocation (only for Board members)
 - o Mobile Phone and Bill Payment
 - o Fuel Allowance

All elements of compensation are personal and confidential. Only the employee, their managers, and the Human Resources Department have knowledge of the specific details of compensation. It is essential for the employee to exercise utmost care regarding confidentiality and not share this information with third parties or other Company employees.

The total amounts determined according to the above principles and paid to Senior Executives and Board members during the year are disclosed to the shareholders at the subsequent General Assembly meeting in accordance with the relevant legal provisions and are publicly announced via financial reports.

The Human Resources Department and the Board of Directors are responsible for the implementation, development, and monitoring of the Remuneration Policy. All questions regarding the application principles and procedures of this policy should be directed to the Human Resources Department.

Corporate Policies

DIVIDEND DISTRIBUTION POLICY

Our Company's "Dividend Distribution Policy" is determined in accordance with the provisions of the Turkish Commercial Code, Capital Markets legislation, Tax legislation, and other relevant legal regulations, as well as the provisions of our Company's articles of association, based on the proposal of the Board of Directors and the decision made at the General Assembly.

The Company aims to distribute up to 25% of its distributable net profit in cash and/or shares. The implementation of this policy is dependent on the Company's financial position, other fund needs related to planned investments, sector conditions, and the economic environment. The dividend ratio is reviewed annually by the Board of Directors, considering national and global economic conditions, the Company's medium and long-term growth and investment strategies, and cash requirements.

The Board of Directors makes separate decisions for each fiscal period regarding dividends, and these dividend distribution proposals are announced to the public in accordance with regulations and published on the Company's website. The General Assembly can accept or reject the proposal. Dividends are distributed equally to all existing shares as of the distribution date, regardless of their issuance and acquisition dates.

Dividend distribution starts on the date determined by the General Assembly or by the Board of Directors if authorized by the General Assembly, no later than the end of the year in which the General Assembly meeting is held.

The Company may consider distributing interim dividends or paying dividends in equal or different installments in accordance with the provisions of the current legislation.

PROFIT DISTRIBUTION OFFER

At the Board of Directors meeting held on 31.03.2023, it was decided to submit for the approval of the shareholders at the 2022 Ordinary General Assembly Meeting the proposal to distribute a gross dividend of TRY 50,000,000.00 (fifty million Turkish Liras) in accordance with the Company's articles of association and dividend distribution policy. This corresponds to a gross dividend of TRY 0.2857 (net: TRY 0.2571) per share with a nominal value of TRY 1, to be paid in cash to the shareholders on 02.05.2023, as per the attached dividend distribution proposal table for the relevant fiscal period. This dividend distribution decision was approved at the Ordinary General Assembly Meeting held on 27.04.2023 for the 2022 fiscal period.

General Assembly Meetings

The Company's 2022 Ordinary General Assembly Meeting was held on 27.04.2023 at the Company's office located at Ahi Evran Caddesi No: 6 42 Maslak Plaza Ofis: 3 Kat: 2 Daire: 59 Sarıyer/ISTANBUL, in accordance with applicable legislation, the articles of association, and other internal Company regulations. Physical participation was allowed alongside electronic participation via the Electronic General Assembly System (EGKS). The invitation for the 2022 Ordinary General Assembly Meeting was made in accordance with the legal timeframe, at least three weeks before the meeting date, by notifying the meeting date, place, and agenda in the Turkish Trade Registry Gazette, the Electronic General Assembly System of the Central Registry Agency (MKK), the Public Disclosure Platform (KAP), and on the Company's website (www.unluco.com). Together with the General Assembly meeting announcement, the General Assembly Information Document, prepared in accordance with mandatory Article 1.3.1 of the Corporate Governance Principles, was published on the KAP, the Company's website, and the MKK's Electronic General Assembly System, along with the notifications and disclosures required by legislation.

No Extraordinary General Assembly Meeting was held In 2023.

AGENDA OF THE ANNUAL GENERAL MEETING

The Ordinary General Assembly Meeting for the 2023 fiscal year will be held on a date to be determined within 2024, and the agenda of the General Assembly has not yet been determined. Necessary announcements regarding the Ordinary General Assembly Meeting will be made in accordance with the relevant legislation.

Internal Systems

The primary operational focus of ÜNLÜ & Co involves engaging in different sectors through its subsidiaries and affiliates, making investments in these sectors and business lines, forming collaborations and partnerships, assisting these subsidiaries, and managing these subsidiaries. Therefore, the Company is indirectly subject to various regulations of different authorities supervising different sectors. Accordingly, Internal Systems organizations have been established and activated at the subsidiary level within the ÜNLÜ & Co Group in compliance with the relevant regulations.

The Internal Systems within the ÜNLÜ & Co Group consist of the Internal Audit, Internal Control, Compliance, and Risk Management organizations. These units carry out necessary measurement, evaluation, and reporting activities under the ultimate responsibility of the Company's Board of Directors.

RISK MANAGEMENT AT ÜNLÜ & Co GROUP

ÜNLÜ & Co's risk management approach involves identifying, measuring, evaluating, monitoring, and mitigating all risks that the Company and its subsidiaries might be exposed to through their activities, by working independently from the executive units.

Fundamentally, the Risk Management Department conducts proactive control and management activities aimed at market, credit, liquidity, and operational risk categories, taking measures related to reducing, managing, or completely avoiding these risks.

Within the Group, the responsibility for informing about these risks and, if necessary, taking measures to mitigate them lies with the Risk Management Unit, while the responsibility and accountability for taking these risks are within the initiative of the executive business lines. ÜNLÜ & Co Group aims to ensure that the business lines and subsidiaries understand their internal risks, reduce these risks in parallel with the Group's risk tolerance, and thereby consider return and profitability plans together with the risks taken in corporate and commercial decisions.

In the context of Internal Systems, the responsibilities of the Company's Board of Directors are defined as outlining the risks to be taken in line with ÜNLÜ & Co Group's risk appetite, determining the risk limits of ÜNLÜ & Co, ensuring the monitoring and control of these limits, and taking necessary actions through the executive and/or board committees established to achieve these goals. In this framework, in line with the Capital Markets Board's Corporate Governance Communiqué (II-17.1), the Early Detection of Risk Committee has been established by the Board of Directors to identify strategic, operational, financial, and all other risks that may endanger the Company's existence, development, and continuity, and to implement necessary measures and solutions for managing these risks. The Risk Management Department makes significant contributions to the activities of the Early Detection of Risk Committee through systematic and regular work throughout the year.

INTERNAL AUDIT AT ÜNLÜ & Co GROUP

The Internal Audit Unit of ÜNLÜ & Co operates independently, reporting directly to the Board of Directors. The Internal Audit Unit conducts independent and objective consultancy and assurance activities to ensure that the activities of the Group companies are conducted effectively and efficiently in compliance with relevant regulations and the Group's management strategies, goals, and policies.

The Internal Audit Unit of ÜNLÜ & Co carries out periodic audits, reviews/investigations, and consultancy activities throughout the year to evaluate the effectiveness and efficiency of the Group's internal control system, risk management, internal control, and governance processes, and to ensure that the Group's activities are conducted in line with management strategies and objectives. By doing so, the Internal Audit Unit supports and assists in achieving the Group's strategic goals.

All audits are conducted within the framework of the annual audit program and are documented in reports. Annual audit programs are presented to the Board of Directors and/or the Board Member responsible for Internal Control, authorized by the Board of Directors.

Ongoing audit findings are followed up with periodic efforts to address them. The Board of Directors is periodically informed about the audit activities and results conducted by the Internal Audit Unit.

ESTABLISHMENT OF INTERNAL AUDIT UNIT AND INTERNAL CONTROL SYSTEM WITHIN THE HOLDING

After the Company's public offering in 2021, it included several actions in its strategic plan to elevate its corporate governance compliance level to the best practices.

In this context, the Company incorporated the Internal Audit Unit within the Holding to ensure the establishment of an internal control system in line with the Corporate Governance Principles published by the Capital Markets Board. The ÜNLÜ & Co Internal Audit Unit coordinates internal control and inspection activities across the entire Group, ensures compliance of these activities, and reports these activities to the Company's Board of Directors.

INTERNAL CONTROL AT ÜNLÜ & Co GROUP

The purpose of ÜNLÜ & Co's Internal Control system is to ensure that all business and operations, including those of the Group's non-centralized organizations, are conducted regularly, efficiently, and effectively in accordance with management strategy and policies, within the framework of legislation and rules. The integrity and reliability of the accounting and record-keeping system, the timely and accurate availability of information in the data system, and the prevention of errors, fraud, and irregularities are ensured through internal control mechanisms. The internal control unit oversees and monitors the implementation of policies and procedures related to the internal control system. Identified issues are shared with senior management, and action plans are developed and followed up.

COMPLIANCE AT ÜNLÜ & Co GROUP

The management and monitoring of compliance risk, defined as the risk of facing legal sanctions, financial loss, or reputational damage due to non-compliance with applicable laws, regulations, codes of conduct, and good practice standards, is carried out under the guidance of the Compliance Department.

The Compliance Department develops policies related to compliance risks that ÜNLÜ & Co Group companies may face, regularly reviews and updates these policies in line with changes in legislation, activities, and market conditions, and ensures their implementation.

ÜNLÜ & Co, within its risk-based approach, regularly examines all business areas and high compliance risks it is exposed to and takes necessary measures within the Group based on the results.

While conducting compliance activities, ÜNLÜ & Co strives to act fairly and honestly by considering the interests of its clients and the integrity of the market, establishing an organizational structure to prevent potential conflicts of interest, and taking necessary administrative measures.

The Compliance Department also fulfills ÜNLÜ & Co Group's obligations regarding the prevention of money laundering and the financing of terrorism, regularly reporting the control and risk monitoring results within this scope to the Board of Directors.

ÜNLÜ & Co Group employees are required to follow the Regulatory Compliance Guide, reflecting all of ÜNLÜ & Co's policies, along with ethical principles and codes of conduct, while performing their duties. Within the Group, face-to-face and online training sessions or seminars are organized in areas that regulate our activities.

Legislative changes that could affect the activities of Group companies are monitored by the Compliance Unit, and relevant persons are informed through an internal bulletin.

The primary operational focus of ÜNLÜ Yatırım Holding A.Ş. involves engaging in different sectors through its subsidiaries and affiliates, making investments in these sectors and business lines, forming collaborations and partnerships, assisting these subsidiaries, and managing these subsidiaries. As a result, the Company, through its subsidiaries, is indirectly subject to various regulations of numerous institutions that regulate and supervise the financial sectors.

Financial Information



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(Convenience translation of a report originally issued in Turkish)**AUDITOR'S REPORT ON EARLY RISK DETECTION SYSTEM AND COMMITTEE TO THE BOARD OF DIRECTORS OF ÜNLÜ YATIRIM, HOLDING A.Ş.**

We have audited the early risk detection system and committee established by ÜNLÜ Yatırım Holding Anonim Şirketi.

RESPONSIBILITY OF THE BOARD OF DIRECTORS

Under subparagraph 1 of Article 378 of the Turkish Commercial Code ("TCC") No. 6102, the Board of Directors is required to form an expert committee, and to run and develop the necessary system for early identification of causes that jeopardize the existence, development, and continuity of the company; applying the necessary measures and remedies in this regard; and managing the related risks.

RESPONSIBILITY OF THE INDEPENDENT AUDIT FIRM

Our responsibility is to reach a conclusion, based on our audit, on the early risk detection system and committee. Our audit was conducted in accordance with TCC and "Principles on Independent Auditor's Report on the Early Risk Detection System and Committee" issued by the Public Oversight, Accounting and Auditing Standards Authority. Those Principles require us to identify whether the company established the early risk detection system and committee or not; and if established, require us to assess whether or not the system and committee are functioning within the framework of Article 378 of TCC. The pertinence of the remedies with respect to risks suggested by the early risk detection committee and the applications implemented by the management in response to risks are not within the scope of our audit.

INFORMATION EARLY RISK DETECTION SYSTEM AND COMMITTEE

The Company established an early risk detection system and a committee. The committee consists of 3 members. Within the January 1 - December 31, 2023 period, the Committee submitted to the Board of Directors the reports it prepared for early detection of factors that endanger the existence and development of the Company; implementation of necessary measures and remedies thereto; and risk management.

CONCLUSION

Based on our audit, it has been concluded that the early risk detection system and committee of ÜNLÜ Yatırım Holding Anonim Şirketi are sufficient, in all significant aspects, in accordance with Article 378 of TCC.

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

Emre Çelik SMMM
Partner

18 Nisan 2024, İstanbul



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(Convenience translation of a report originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the General Assembly of ÜNLÜ Yatırım Holding Anonim Şirketi

1) Opinion

We have audited the annual report of ÜNLÜ Yatırım Holding Anonim Şirketi ("the Company") and its subsidiaries ("the Group") for the period of January 1- December 31, 2023.

In our opinion, the consolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited full set consolidated financial statements and the information we obtained during the audit.

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 Annual Report* 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 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) Our Auditor's Opinion on the Full Set Consolidated Financial Statements

We have expressed an unqualified opinion in our auditor's report dated April 18, 2024 on the full set consolidated financial statements of the Group for the period of January 1- December 31, 2023.

4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC") and the provisions of the Communiqué II-14.1 on the Principles of Financial Reporting In Capital Markets ("the Communiqué") of the Capital Market Board ("CMB"), the management of the Group is responsible for the following items:

- a) Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- b) Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.
- c) The annual report also includes the matters below:
 - Subsequent events occurred after the end of the fiscal year which have significance,
 - The research and development activities of the Group,
 - Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.



(Convenience translation of a report originally issued in Turkish)

5) Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communiqué, on whether the consolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS and the standards on auditing as issued by the Capital Markets Board of Turkey. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated financial statements.

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

May 6, 2024
İstanbul, Türkiye



**STATEMENT OF RESPONSIBILITY OF BOD REGARDING THE
ANNUAL REPORT**

RESOLUTION DATE: 06.05.2024
RESOLUTION NUMBER: 2024 / 08

**STATEMENT OF RESPONSIBILITY OF THE BOARD OF DIRECTORS REGARDING THE
ANNUAL REPORT OF 2022 PREPARED IN ACCORDANCE WITH ARTICLE 9 OF THE
SECOND PART OF CAPITAL MARKETS BOARD'S COMMUNIQUÉ ON PRINCIPLES OF
FINANCIAL REPORTING IN CAPITAL MARKETS**

The Annual Report for the fiscal year ending 31 December 2023, prepared in accordance with the Communiqué No. II-14.1 on Principles of Financial Reporting in Capital Markets issued by the Capital Markets Board (CMB) and the Turkish Commercial Code, has been approved by our Company's Board of Directors and the Audit Committee. The Annual Report, which includes independently audited financial statements prepared in compliance with Turkish Accounting Standards/Turkish Financial Reporting Standards (TAS/TFRS) and the formats determined by the CMB, also contains the Corporate Governance Compliance Report (URF), the Corporate Governance Information Form (KYBF), and the Sustainability Principles Compliance Report in accordance with the Communiqué No. II-17.1 on Corporate Governance by the CMB.

-We hereby accept and acknowledge that:

-Based on the information that we have within the scope of our duties and responsibilities, the Annual Report together with the consolidated financial statements does not contain any inaccuracy in all material respects and is free of omissions that may be regarded as misleading as of the issue date,

-Based on the information that we have within the scope of our duties and responsibilities, Financial Statements prepared in accordance with the Communiqué present fairly the assets, liabilities, financial position, profit and loss, the progress and the performance of the business and financial status of the Company as well as of the companies included in the scope of consolidation together with the material risks and uncertainties.

Regards,

ÜN LÜ YATIRIM HOLDİNG A.Ş.

Özlem YEŞİLDERE
Audit Committee Chair

Gül den AKDEMİR
Managing Director of Financial and
Administrative Affairs

Mine Yıldız GÜNAY
Audit Committee Member

Can ÜNALAN
Deputy Chairman of the Board of Directors

ÜN LÜ Yatırım Holding A.Ş.

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STATEMENT OF RESPONSIBILITY OF BOD REGARDING THE
FINANCIAL STATEMENTS

RESOLUTION DATE: 18.04.2024

RESOLUTION NUMBER: 2024 / 06

STATEMENT OF RESPONSIBILITY OF THE BOARD OF DIRECTORS REGARDING THE APPROVAL
OF THE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH ARTICLE 9 OF THE
SECOND PART OF CAPITAL MARKETS BOARD'S COMMUNIQUÉ ON PRINCIPLES OF FINANCIAL
REPORTING IN CAPITAL MARKETS

The consolidated financial statements for 01.01.2023 - 31.12.2023 prepared in accordance with the Communiqué No: II. 14.1 on Principles of Financial Reporting in Capital Markets ("Communiqué") by the Capital Markets Board ("CMB") and in line with the formats determined by the Turkish Accounting Standards / Turkish Financial Reporting Standards ("TAS/IFRS") and the CMB approved by our Company's Board of Directors and the Audit Committee is enclosed.

We hereby accept and acknowledge that:

1. The consolidated financial statements for 31.12.2023 have been reviewed by us;
2. Based on the information that we have within the scope of our duties and responsibilities, the consolidated financial statements does not contain any inaccuracy in all material respects and is free of omissions that may be regarded as misleading as of the issue date;
3. Based on the information that we have within the scope of our duties and responsibilities, the consolidated financial statements prepared in line with the applicable financial reporting standards present fairly the assets, liabilities, financial position and profit and loss and the financial status of the Company as well as of the companies included in the scope of consolidation together with the material risks and uncertainties and we are responsible for this statement.

Regards,

ÜNLÜ YATIRIM HOLDİNG A.Ş.

Özlem YEŞİLDERE
Audit Committee Chair

Gülden AKDEMİR
Managing Director of Financial and
Administrative Affairs

Mine Yıldız GÜNAY
Audit Committee Member

Can ÜNALAN
Deputy Chairman of the Board of Directors

ÜNLÜ Yatırım Holding A.Ş.

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ÜNLÜ YATIRIM HOLDİNG A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023
WITH INDEPENDENT AUDITORS' REPORT THERON

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

Financial Information



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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.



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

| 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. |



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

| Key audit matter | How our audit addressed the key audit matter |
|---|--|
| Application of the hyperinflationary accounting | |
| <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.



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

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.



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

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

| CONTENTS | PAGE | |
|--|---|---------|
| CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) | 104-105 | |
| CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME | 106 | |
| CONSOLIDATED STATEMENT OF CHANGES IN EQUITY | 107 | |
| CONSOLIDATED STATEMENT OF CASH FLOWS | 108 | |
| NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS | 109-183 | |
| NOTE 1 | ORGANISATION AND NATURE OF OPERATIONS OF THE COMPANY AND GROUP | 109-111 |
| NOTE 2 | BASIS OF PRESENTATION OF FINANCIAL STATEMENTS | 112-134 |
| NOTE 3 | SEGMENT REPORTING | 134-136 |
| NOTE 4 | BALANCES AND TRANSACTIONS WITH RELATED PARTIES | 137-140 |
| NOTE 5 | CASH AND CASH EQUIVALENTS | 140-141 |
| NOTE 6 | FINANCIAL INVESTMENTS | 142-143 |
| NOTE 7 | INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD | 144 |
| NOTE 8 | TRADE RECEIVABLES AND PAYABLES | 145 |
| NOTE 9 | OTHER RECEIVABLES AND PAYABLES | 146 |
| NOTE 10 | PAYABLES WITHIN THE SCOPE OF EMPLOYEE BENEFITS | 147 |
| NOTE 11 | PREPAID EXPENSES | 147 |
| NOTE 12 | OTHER ASSETS AND LIABILITIES | 147 |
| NOTE 13 | ASSETS HELD FOR SALE AND DISPOSAL GROUPS | 148 |
| NOTE 14 | FINANCIAL LIABILITIES AND LEASING PAYABLES | 149-151 |
| NOTE 15 | PROPERTY AND EQUIPMENT | 152 |
| NOTE 16 | INTANGIBLE ASSETS | 153-154 |
| NOTE 17 | RIGHTS OF USE ASSETS | 155 |
| NOTE 18 | PROVISIONS, CONTINGENT ASSETS AND LIABILITIES | 156-158 |
| NOTE 19 | CONTINGENCIES AND COMMITMENTS | 158 |
| NOTE 20 | PROVISION FOR EMPLOYEE BENEFITS | 158-159 |
| NOTE 21 | SHAREHOLDERS' EQUITY | 160-164 |
| NOTE 22 | FINANCIAL SECTOR ACTIVITIES REVENUE AND COST | 165 |
| NOTE 23 | EXPENSES BY NATURE | 166 |
| NOTE 24 | OTHER OPERATING INCOME AND EXPENSE | 166 |
| NOTE 25 | INCOME AND EXPENSE FROM INVESTING ACTIVITIES | 167 |
| NOTE 26 | FINANCIAL INCOME AND EXPENSES | 167 |
| NOTE 27 | TAX ASSETS AND LIABILITIES | 168-170 |
| NOTE 28 | EARNINGS PER SHARE | 171 |
| NOTE 29 | FINANCIAL RISK MANAGEMENT | 171-179 |
| NOTE 30 | DERIVATIVE INSTRUMENTS | 180 |
| NOTE 31 | FINANCIAL INSTRUMENTS FEES RELATED TO SERVICES RECEIVED FROM INDEPENDENT | 180-182 |
| NOTE 32 | AUDITOR | 182 |
| NOTE 33 | SUBSEQUENT EVENTS | 183 |

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.)

| | | Audited | Audited |
|--|-------|----------------------|----------------------|
| | Notes | 31 December 2023 | 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.)

| | | 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.)

| Note | Audited attributable to owners of the parent | | | | | | | | | | | Total | |
|--|--|--------------------------|--------------------|---------------------|---|---|---|---|----------------------------------|---------------------|----------------------|-----------|---------------------------|
| | 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 | Other accumulated comprehensive income not to be classified in profit or loss | Other accumulated comprehensive income to be classified in profit or loss | Currency translation differences | Restricted reserves | Retained earnings | | Net income for the period |
| 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 | -- | -- | -- | -- | -- | -- | -- | 5,742,590 | (5,742,590) | -- | -- | -- | -- |
| Net income for the period | -- | -- | -- | -- | -- | -- | -- | -- | -- | (23,463,037) | (23,463,037) | 16,067 | (23,446,970) |
| Total comprehensive income | -- | -- | -- | -- | (3,382,674) | 21,640,369 | (51,792,420) | -- | -- | -- | (23,463,037) | -- | (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 | -- | -- | -- | -- | -- | -- | -- | 19,944,130 | (43,407,167) | 23,463,037 | 36,154,456 | -- | 36,154,456 |
| Net income for the period | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Increase due to share-based transactions | -- | -- | -- | (31,436,116) | -- | -- | -- | -- | -- | -- | -- | -- | (31,436,116) |
| Total comprehensive income | -- | -- | -- | -- | (2,837,325) | 1,515,979 | (36,858,985) | -- | -- | -- | -- | -- | (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 kurus 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 İstanbul 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 İstanbul Varlık. DU Finansal Danışmanlık Hizmetleri A.Ş., which is registered with the registry number 586635 in the İstanbul 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.

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

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.

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)

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.

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)

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.

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)*

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

IFRS 17 - The new Standard for insurance contracts

POA issued IFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 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 IFRS 16 - Lease Liability in a Sale and Leaseback

In January 2023, POA issued amendments to IFRS 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 IFRS 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 IFRS 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 IFRS 16. The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

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)*

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 Portfolio | %100,00 | %100,00 |
| ÜNLÜ Portföy Yönetimi A.Ş. ("ÜNLÜ Portföy") | Turkey | TRY | 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 Investment company | -- | %100,00 |
| Turkish Alternative Investments Limited ("TAIL") ⁽²⁾ | Guernsey | TRY | 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 Cayman Island | TRY | Venture capital | 4,76% | 4,76% |
| 212 Limited (Cayman Island) | 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 |

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)

(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.

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)

(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.

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)

(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.

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 (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.

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 (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.

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)

(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.

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)

(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.

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)

(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:

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

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)

(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:

- Fixed payments,
- 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.
- Amounts expected to be paid by the Group under residual value commitments
- the use price of this option and, if the Group is reasonably certain that it will use the
- finances 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:

- increase the carrying amount to reflect the interest on the lease obligation; and
- 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 |

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)

(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.

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)

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.

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)

(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).

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)

(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.

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.)

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 |

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.)

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).

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.)

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.

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.)

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.

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.)

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.

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.)

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%.

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.)

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

| 31 December 2023 | | | |
|------------------|-----------------|--------------------|-------------------|
| Currency | Original amount | 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 | |

| 31 December 2022 | | | |
|------------------|-----------------|--------------------|-------------------|
| Currency | Original amount | 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 | |

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

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.

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.)

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.

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.)

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.

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.)

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 |
| 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.

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.)

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 |

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.)

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 |

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.)

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%).

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.)

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 |

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.)

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.

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.)

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).

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.)

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.

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.)

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).

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.)

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 |

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.)

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 |

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.)

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 |

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.)

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 |

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.)

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.

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.)

21 SHAREHOLDERS' EQUITY

Share capital

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

| Name of the Shareholder | Group | 31 December 2023 | | Group | 31 December 2022 | |
|--|-------|----------------------|---------------|-------|----------------------|---------------|
| | | Amount (TL) | Share (%) | | 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.

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.)

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 Kargin 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.

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.)

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.

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.)

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."

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.)

21 SHAREHOLDERS' EQUITY (Continued)

These differences have been reflected in the item "Retained Earnings or Accumulated Losses" in the TMS/IFRS 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/IFRS | 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/IFRS | 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).

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.)

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).

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.)

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 |

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.)

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.

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.)

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) |

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.)

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) |

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.)

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).

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.)

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.

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.)

29 FINANCIAL RISK MANAGEMENT (Continued)

(i) Information on credit risk (continued)

| | Receivables | | | | | |
|---|-------------------|------------------------------|-------------------|--------------------|------------------------------|--------------------------------------|
| | Trade receivables | | Other receivables | | Bank deposits ⁽¹⁾ | Financial investments ⁽²⁾ |
| 31 December 2023 | Related parties | Other parties ⁽³⁾ | Related parties | Other parties | | |
| 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⁾ |
| 31 December 2022 | Related parties | Other parties ⁽³⁾ | Related parties | Other parties | | |
| 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.

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.)

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 |

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.)

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 | -- | -- | -- | -- |

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.)

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 | -- | -- | -- | -- |

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.)

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) |

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.)

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) |

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.)

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.

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.)

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 |

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.)

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.

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.)

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.

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.)

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.

