



Annual Report 2020

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RECOGNIZING VALUE WITH AN EXPERTISE BUILT OVER 25 YEARS

We have become Turkey's leading investment services and asset management group, with the accomplished growth strategies we pursued since the day of our inception.

Through the course of our growth trajectory, we recognized the value of our sector, clients, employees and stakeholders; and we sustain our march forward, driven by ambitious and valuable goals.

With the legacy of a quarter of a century of diligent work, adding value to our clients, society and employees, we chart our journey to the future with innovative ideas.



Recognizes the value of investment

Investment is the past, the present and the future. Each investment bears a unique story, meaning, and purpose. It should be tended and nurtured with care. At ÜNLÜ & Co, we start out by knowing our investors well; we understand them thoroughly, hence offer tailored solutions for each investment. Our approach is exemplified by our activities at DAHA Investment Advisory & Brokerage Services.



Recognizes the value of common sense

While rendering our organizational structure and business model leaner, more agile and efficient, we accumulated a global “know-how” borne of collaborations and strategic partnerships with globally active investment institutions. This legacy is transformed into a fertile future by our expert staff, comprised of the best in the sector.



Recognizes the value of the future

With digitalization at the heart of technological innovation, the world is moving towards a different future. We step up our technological investments to further expedite our operational processes, as the adage “time is money” gains evermore relevance. We act with the responsibility of playing the lead role in the development of capital markets.



Recognizes the value of experience

For 25 years, whilst expanding our teams with young talent, we have produced genuine financial solutions to our customers with our seasoned managers. We continue to build on the experience of our competent teams, and bring exciting projects to fruition.



Recognizes the value of entrepreneurship

Since our establishment, we aim to promote the vision and culture of entrepreneurship, while giving back to society in different areas. At its fifth year, more than 100 women are graduating from ÜNLÜ & Co Women Entrepreneurs Academy, our initiative guiding women in their entrepreneurial business pursuits.



Recognizes the value of assets

We manage our clients' assets with our extensive know-how, providing them with a variety of investment alternatives. Our Alternative Investment and ÜNLÜ Asset Management teams continue to deliver excellent service, with various options suited to our clients' needs.

A MARKET TRAILBLAZER

Sustaining its market leadership with USD 16.4 billion in M&A transaction volume since its establishment, ÜNLÜ & Co boasts 22% market share in capital market transactions, along with USD 3 billion in block sales and private placements.

Robust 2020 Figures

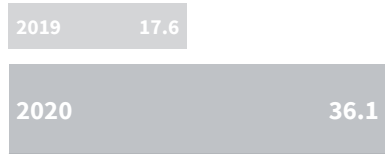
Assets Under Management
(TL Billion)

100.0%
INCREASE ↑



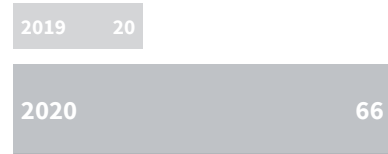
DAHA Total Turnover
(TL Million)

105%
INCREASE ↑



Total Comprehensive Income
(TL Million)

230%
INCREASE ↑



İSTANBUL Varlık Total
Unpaid Principal Balance
(TL Billion)

2.9%
INCREASE ↑



Total Employees
(People)

11.1%
INCREASE ↑

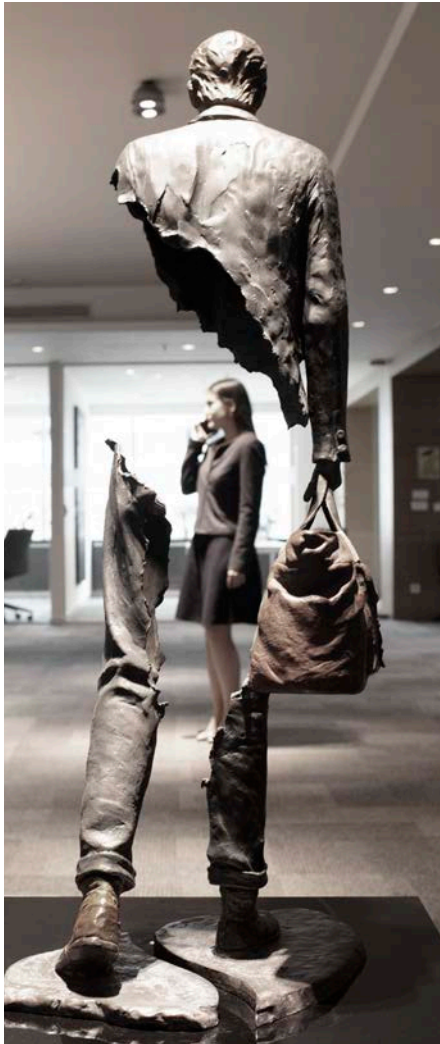


İSTANBUL Varlık
Total Customers
(Thousand People)

2.1%
INCREASE ↑



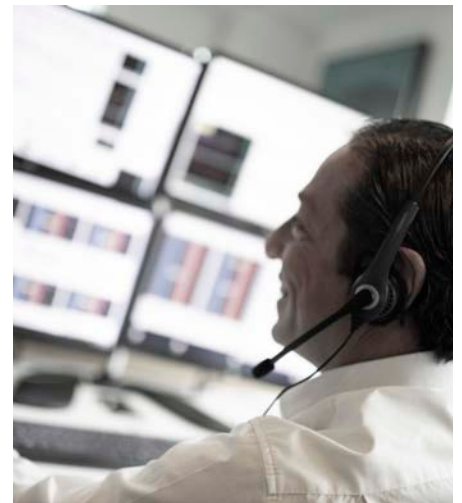
Major Developments in 2020



TSPB 2020
Leader of Mergers
and Acquisitions

**Business
Vision
Awards 2020**
Best Research
Team - Turkey

**ACQ5 Global
Awards 2020**
Turkey-Investment
Bank of the Year



TSPB 2020
Social Value
Project



**ARC Awards
2020**
Photograph
Category - Golden
Award

CORPORATE PROFILE

A visionary spirit, sturdy financial structure, and successful organic and inorganic growth strategies pursued since inception have been instrumental in ÜNLÜ & Co's becoming Turkey's leading investment services and asset management group.

450+
Employees

A leading financial advisory inspiring trust through its experience

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

- Investment Advisory,
- Capital Markets Advisory,
- Investment Advisory and Brokerage Services,
- Non-Performing Loans (NPL) Management,
- Alternative Investments,
- Fund & 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 Turkey's leading investment services and asset management group.

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

With full-fledged domestic investment services and product variety, ÜNLÜ & Co continuously expands its client portfolio comprised of corporates and qualified individual investors, to whom it provides world class services. ÜNLÜ & Co's more than 450 expert staff is guided by its philosophy that places client interests and satisfaction at the core of all its endeavours.

A preferred business partner

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 centres, ÜNLÜ & Co is able to keep abreast of changes in foreign investor profile and investment trends.

Closely monitoring the Turkish economy and Turkish companies active in various sectors, ÜNLÜ & Co effectively blends its global know-how with its experience in local markets, hence implementing an efficient business model in all its 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 resounding success in advisory services in the realm of mergers and acquisitions, IPOs and privatizations, built on long 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.

In the scope of financial advisory services in Turkey, ÜNLÜ & Co boasts extensive experience across all sectors, and is the preferred partner of foreign companies, portfolio managers and fund organizations looking to invest in Turkish capital markets and Turkish companies.

**A corporate culture focused on sustainable growth**

Engaged, entrepreneurial, leader, one team, socially conscious, client-centric are values that are deeply ingrained in ÜNLÜ & Co's corporate culture and the defining elements of a 25-year corporate success story. These success constituents, 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.

Service committed to legal compliance and ethical values

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 embrace an honest and consistent service approach to their clients, and pay utmost attention to developing and implementing a business discipline that respects the legal regulations in force and adheres to 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. While creating high added value for its clients through its personalized investment advice and its financial products based on client needs, it also plays a central role in the deepening of Turkish capital markets.

Expanding its operational reach

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 representative office in New York, as well as its London office.

PRODUCTS, SERVICES AND SOLUTIONS

ÜNLÜ & Co resolutely maintains its leadership in the Turkish market and takes concrete steps to extend its initiative to the international sphere.

INVESTMENT SERVICES

INVESTMENT ADVISORY

Corporate Finance Advisory

- Mergers & Acquisitions
- Privatization advisory
- Initial/Secondary public offerings

Debt Capital Markets Advisory

- Foreign and local currency bond issuance
- CLN, Eurobonds, private placement, convertible bonds, asset backed securities
- Syndicated loans

Debt Advisory

- Acquisition and project finance
- Structured equity like financing
- Financial restructuring

CAPITAL MARKETS

- Institutional sales
 - Equity placement
 - Block sales
 - Fixed-income instruments
- Research
- Treasury
- UNLU Securities Inc. (USA)
- UNLU Securities UK Limited

DAHA INVESTMENT ADVISORY AND BROKERAGE SERVICES

- Customized investment advisory in organized and over-the-counter markets
- Brokerage of equities (Istanbul Stock Exchange), and derivatives (VIOP)
- Structured debt instruments that offer personalized investment strategies
- Fixed-income, principal-protected, real estate, Eurobonds or stock- mutual funds
- Brokerage services for the trading of over-the-counter derivatives
- Brokerage in trading at foreign exchange and CFD markets
- Brokerage for equities and derivatives trading in global markets
- Brokerage in trading of government bonds, treasury bills, private sector bonds and Eurobonds
- Portfolio management services
- Corporate risk management (hedging) advisory
- Public offerings brokerage

**ASSET MANAGEMENT SERVICES****Non-Performing Loans (NPL) Management**

- Portfolio Investments
- İSTANBUL Varlık
- Restructuring
- NPL Management

Alternative Investments

- Private Equity Fund
- Alternative Investment Fund

212 Capital-Technology Fund

- Internet, mobile, e-commerce venture capital
- Turkey's pioneering technology-focused equity fund

Fund and Portfolio Management

- Mutual funds
- Hedge funds
- Real estate investment funds
- Discretionary portfolio management

KEY FINANCIAL INDICATORS

Maintaining its successful financial performance in 2020, ÜNLÜ & Co increased its shareholders' equity by 17.6% to TL 245 million.

ÜNLÜ Yatırım Holding A.Ş.

Shareholders' Equity
(TL Million)

17.6%
INCREASE ↑



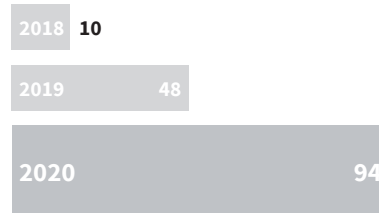
Total Comprehensive Income
(TL Million)

230%
INCREASE ↑

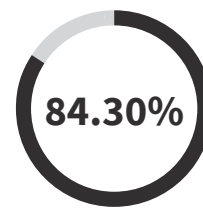


Operating Profit before
Financial Expenses
(TL Million)

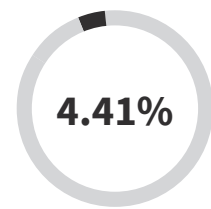
108%
INCREASE ↑



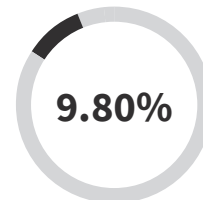
Capital Structure



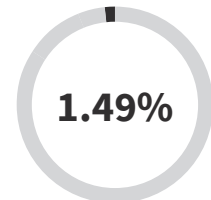
Mahmut L. Ünlü



Standard Bank
Group Ltd.



The Wellcome
Trust Ltd.



Employees

ÜNLÜ & Co's Awards

ACQ5 Global Awards - 2020

"Turkey-Investment Bank of the Year"

Sardis Awards - 2020

"Positive Social Impact - Social Gender Equality / ÜNLÜ & Co Women Entrepreneurs Academy / Silver Sardis"

Turkish Capital Markets Association (TSPB) Fifth Capital Markets Awards - 2020

"Leader of Mergers and Acquisitions"

Turkish Capital Markets Association (TSPB) Fifth Capital Markets Awards - 2020

"Social Value Project (ÜNLÜ & Co Women Entrepreneurs Academy)"

ARC Awards (Annual Report Competition) 2020

"Photograph Category - Golden Award"
"Traditional Annual Report - Silver Award"
"Chairman's Letter - Silver Award"

Business Vision Awards 2020

"Best Research Team - Turkey"

Bonds & Loans - 2020

"Structured Bond Deal of the Year Nominee - ÜNLÜ Menkul Hasat Asset Finance Fund/Tarfin Tarım A.Ş."
"Project Finance Deal of the Year Nominee - Unifree Duty Free A.Ş. Third Airport Project"

Istanbul Marketing Awards 2020

Annual Report Design Second Prize with "Success at a Glance" Annual Report

Euromoney Excellence - 2019

"Turkey's Best Investment Bank"

Bonds & Loans - 2019

"IPO/Equity Capital Markets Deal of the Year"

Global M&A Atlas Awards - 2019

"M&A Deal of the Year in Emerging Markets"
"Emerging Markets Leadership Success Award - (Mahmut L. Ünlü)"

Turkish Capital Markets Association (TSPB) Fourth Capital Markets Awards - 2019

"Leader of Mergers and Acquisitions"
"Most Innovative Capital Markets Project"

Turkish Capital Markets Association (TSPB) Third Capital Markets Awards - 2018

"Leader of Mergers and Acquisitions"

Global M&A Atlas Awards - 2018

"Global Infrastructure Deal of the Year in Emerging Markets"
"Investment Banker of the Year in Emerging Markets" (İbrahim Romano)

ARC Awards (Annual Report Competition) - 2018

Our Annual Report 2017 received the Gold prize in the categories "Non-Traditional Annual Reports," "Best Illustrations" and "Printing & Production" as well as the Grand prize in the categories "Non-Traditional Annual Reports" and "Best Illustration."

Euromoney - 2016

"Turkey's Best Investment Bank"

ACQ5 Magazine Awards - 2016

"Investment Bank of the Year"

Mergermarket - 2015

"Turkey's Best Financial Advisory of the Year"

Euromoney - 2015

"Advisory Best M&A House"

Deal Makers Global Awards - 2015

"Best Debt Financing Advisor of the Year"

AI International Finance Awards - 2015

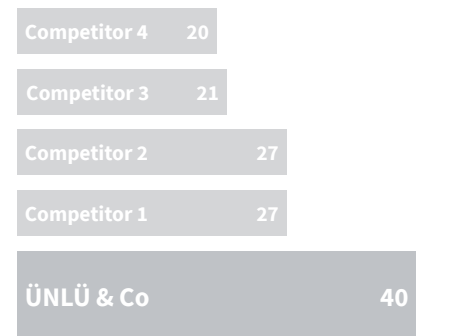
"Independent Financial Advisory of the Year & Best MENA Expert"
"Investment Bank of the Year"

Business Worldwide M&A Awards - 2015

"Best Independent M&A Advisory Company"
"Investment Bank of the Year"

ÜNLÜ & Co's Pioneering Position

Number of Transactions in Mergers and Acquisitions*

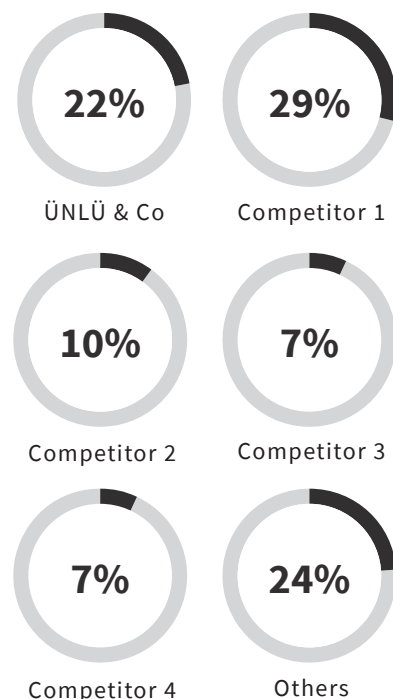


Source: Mergermarket

* Includes transactions above USD 30 million in value, completed within 2010-January 15, 2021

Capital Markets Transactions

ÜNLÜ & Co Group ranks second in capital market transactions, which include public offerings, secondary public offerings and accelerated book building between 2010 and 2020, with a 22% market share excluding privatizations and a transaction amount of USD 3 billion.*



Source: Bloomberg

*Excluding privatization transactions

OUR VISION, MISSION AND STRATEGY



Our Vision

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

Our Mission

To work diligently towards achieving our vision with entrepreneurial spirit and expertise of local markets, and to grow the business while adding value and profit to our clients' businesses

Our Strategy

To keep our leading position in the market, achieve our goals, and ensure durable success by improving our corporate principles and management approach

OUR VALUES

**Committed**

Values relationships and upholds sustainability

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

Socially Conscious

Produces, thinks and assumes responsibility for society

Client-Centric

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

MILESTONES

1996

- Dundas Ünlü commences operations as a small and exclusive mergers & acquisitions advisory firm.
- Founded in Istanbul as Dundas Ünlü at its inception, the Company started out by providing advisory services to international investors wishing to invest in the Turkish market. Positioning itself in financial markets as a leading provider of M&A advisory services, Dundas Ünlü contributed significantly to the growth and development of this market in Turkey.

2002

- Having acquired a local brokerage house, Dundas Ünlü ventures into investment services. Dundas Ünlü entered Equity Capital Markets when, in 2002, it acquired Işıklar Menkul, a small brokerage house. With this acquisition, the Company added to its portfolio an array of investment products and services addressing the needs of different clients.

2003

- Dundas Ünlü begins providing asset management services and sets up an in-house non-performing loan 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 by the launch of an equity fund (called "DUA") and a fixed-income fund (called "DUB") in 2005. As a result of these undertakings, Dundas Ünlü not only expanded the scope of the products and services it offered but also became the first stop for clients to consult (advise) for their investment financing needs.

2005

- The product and service line-up continues to expand with new launches.
- A milestone was reached when Dundas Ünlü teamed up with the US-based investment bank Lehman Brothers.

- Another important step in the direction of becoming more institutional was taken when Tahincioğlu Holding acquired a stake in the Company.
- By setting up an institutional sales unit, Dundas Ünlü began providing clients with equity sales and capital market services. This unit's successful performance positioned Dundas Ünlü as the leader among the top brokers servicing international institutional clients in Turkey.

2006/2007

- The Company expands into the alternative investments business line with the launch of the SU Private Equity Fund. It also enters into a strategic partnership with South-Africa based Standard Bank.
- The same year saw the establishment of DUFDAS, an adjunct to the Company's NPL unit and a ground-breaking service provider in the corporate collections business line.
- In 2007, the Company underwrote the first private-sector corporate bond issue that had been initiated in Turkey in nearly a decade.
- The same year, South Africa-based Standard Bank became a shareholder in the Company by acquiring the majority of shares previously belonging to Alasdair Dundas and Tahincioğlu Holding.
- With this change in the shareholder structure, the Company underwent reorganization as well. The Company's name was changed to Standard Ünlü while the arrival of a new shareholder gave the Company access to an extensive global financial services network and the ability to diversify its debt-financing products. This consolidation of strengths transformed Standard Ünlü into Turkey's leading provider of investment services and asset management products and services.
- ÜNLÜ Portföy Yönetimi A.Ş. was established.

2009

- Standart Varlık and PLATO Finansal Danışmanlık Servisleri A.Ş. are set up.
- With PLATO Finansal Danışmanlık Servisleri A.Ş., a financial advisory services provider launched in 2009, the Company began providing collections management services for retail and SME NPL portfolios.

2011

- Standard Varlık, founded in 2009, was acquired by the Group and renamed İSTANBUL Varlık.
- The same year also saw the establishment of 212 Capital Partners, a firm set up to provide early-stage venture capital to technology, internet and communication companies in Turkey. A joint venture in which some of the country's leading technology companies, investors and managers took part, 212 Capital Partners began supplying financial support to start-ups seeking to enter vertical markets in software, social gaming, e-commerce, mobile apps, social media and cloud computing.

2012/2013

- The Group is renamed ÜNLÜ & Co and MENA Finans commences operations.
- In October 2012, ÜNLÜ & Co (ÜNLÜ Finansal Yatırımlar A.Ş.) acquired a 67% stake in Standard Ünlü. With this change in its majority shareholder, the company also underwent restructuring.
- Later the same year, MENA Finans was set up and began serving investors in keeping with the Group's regional expansion plans.
- Following its acquisition by the Group, İSTANBUL Varlık, formerly Standard Varlık, achieved a 40% growth rate in its assets in two years by improving relationships with banks.

2014

- While maintaining its leading position in Turkey, ÜNLÜ & Co took steps toward providing regional investment services. The Singapore office was established. Concrete steps were taken towards the opening and regional expansion in the Middle East.
- During this period, ÜNLÜ & Co rose to the top of Turkey's M&A league table with USD 3.7 billion worth of M&A deals, while intermediating the largest foreign company acquisition ever in Turkey.
- In debt capital markets and advisory, ÜNLÜ & Co underwrote the country's biggest private-sector corporate bond issue, totalling TL 805 million and captured a 24% market share. ÜNLÜ & Co's performance in 2014 elevated it to first place among Turkey's brokerage houses.
- The ÜNLÜ Long-Term Investment Fund, which invests in various asset classes, was launched.
- ÜNLÜ Asset Management's 474.8% rate of year-on growth made it the fastest-growing portfolio management company in Turkey in 2014.

2015

- The Group's business partnership with Standard Bank was also restructured.
- 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 established Private Brokerage and Financial Advisory Department to provide top quality Capital Markets products and services to qualified individual investors, thus extending its service area.

MILESTONES

2016

- The Wellcome Trust, one of the world's largest trust funds, 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 gaining its brokerage licence, UNLU Securities Inc. was launched in New York. UNLU Securities Inc. started its investment services 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 has started to utilize its experience and know-how with institutional clients to serve the qualified individual investors via "DAHA."
- Over the UTrade online platforms specially designed for DAHA Investment Advisory and Brokerage Services, investors now have the opportunity to perform transactions in domestic and foreign capital markets in a reliable, swift and practical fashion.
- ÜNLÜ THE CLUB YouTube channel is now on air, complete with next generation products for individual investors, the latest sector analyses, finance agenda, and self-development opportunities for women entrepreneurs.
- ÜNLÜ & Co provided advisory services to mergers and acquisitions with a total nominal value of USD 1.7 billion.
- ÜNLÜ & Co's affiliate ÜNLÜ Asset Management First Real Estate Investment Fund invested a total of TL 45 million in the Nidapark Küçükyalı project, created by Tahincioğlu under the guarantee of Emlak Konut REIT.

2018

- ÜNLÜ & Co acted as a joint global coordinator in the public offering of ŞOK Marketler, one of the biggest public offerings of the last 10 years at a value of USD 538 million.
- ÜNLÜ & Co issued Turkey's first convertible bond deal.
- ÜNLÜ & Co provided advisory services for IC İbrahim Çeçen Investment Holding A.Ş. and its group companies' transfer of shares in Antalya Airport to TAV Airports Holding.
- ÜNLÜ & Co issued Turkey's first agricultural income-based asset-backed securities.
- ÜNLÜ & Co completed the necessary infrastructure and license applications for its London office.

2019

- ÜNLÜ & Co provided advisory services to shareholders of Betek Boya A.Ş. in their 99.8% stake sale to Nippon Paint.
- ÜNLÜ & Co provided advisory services to shareholders of Ekin Kimya A.Ş. in their 100% stake sale to Azelis.
- ÜNLÜ & Co provided advisory services to Eczacıbaşı Holding in its 49.6% stake sale of Kaynak Tekniği Sanayi ve Ticaret A.Ş. to Lincoln Electric.
- ÜNLÜ & Co provided advisory services to Tarfin Tarım A.Ş. in its Asset Backed Security issuance.
- ÜNLÜ & Co has taken a significant leap forward towards its international aspirations by opening a new office in London, the heart of the global financial sector. Following New York, ÜNLÜ & Co received permission in the UK and commenced operations through its new office in London. UNLU Securities UK Limited aims to expand the Group's services and funding alternatives.

**2020**

- ÜNLÜ & Co provided advisory services to Tat Gıda, a Koç Group company, on its sale of SEK brand and assets in the dairy business to CLA Süt ve Süt Ürünleri.
- ÜNLÜ & Co provided exclusive financial advisory services to Yıldız Holding and Gözde Girişim on the sale of Kümaş Manyezit, an affiliate of Yıldız Holding and Gözde Girişim, to Erdemir, an OYAK Group company.
- ÜNLÜ & Co also advised International Paper, main shareholder of corrugated cardboard giant Olmuksan, on the sale of its 90.38% Olmuksan stake to Mondi Corrugated BV.

2020 AT A GLANCE

ÜNLÜ & Co added another award to its trophy cabinet, having received “Turkey - Investment Bank of the Year” title at ACQ5 Global Awards, which is being held since 2006 with the participation of sector professionals.

ÜNLÜ & Co advised Tat Gıda on the sale of SEK

ÜNLÜ & Co Solidifies its Financial Advisory Leadership

Tat Gıda, a Koç Group company, signed a contract to sell SEK brand and its assets in the dairy business unit to CLA Süt ve Süt Ürünleri. ÜNLÜ & Co acted as financial advisor to Tat Gıda in the framework of the transaction worth TL 240 million in value.

Deal inked for 90.38% stake sale of the Corrugated Board Giant.

ÜNLÜ & Co Advised the Sale of Olmuksan

An agreement was reached for the acquisition of Olmuksan’s shares corresponding to 90.38% of its total capital by Mondi Corrugated B.V. The sale transaction, carried out under the advisory of ÜNLÜ & Co, is expected to be completed in the first half of 2021.

ÜNLÜ & Co provided exclusive financial advisory services to Yıldız Holding and Gözde Girişim during the sale of Kümaş Manyezit, one of the major mining companies in Turkey.

ÜNLÜ & Co deemed worthy of “Turkey - Investment Bank of the Year” title for the fifth time by ACQ5 Global Awards

ÜNLÜ & Co Brand Continues to Grow in the Global Arena

ÜNLÜ & Co added another award to its trophy cabinet, having received “Turkey - Investment Bank of the Year” title at ACQ5 Global Awards, which is being held since 2006 with the participation of sector professionals. The fact that ÜNLÜ & Co, deemed worthy of this award in 2012, 2013, 2015 and 2016 as well, received it for the fifth time in 2020, serves as a clear testament of its recognition on the international platform.

ÜNLÜ & Co advised on the sale of Kümaş to Oyak Group.

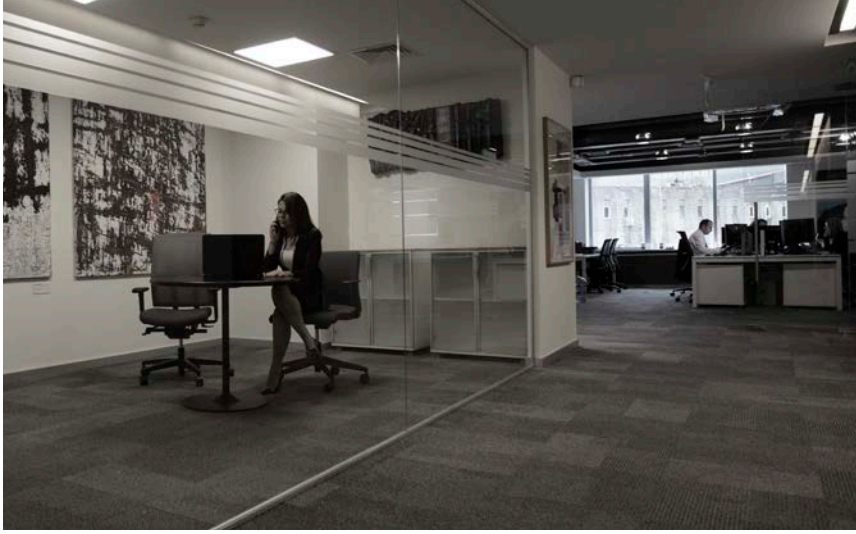
ÜNLÜ & Co Mark on Strategic Mining Investment

An agreement was reached for the sale of Kümaş Manyezit, a subsidiary of Yıldız Holding and Gözde Girişim, to Erdemir, an OYAK Group company, for a total consideration of USD 340 million. ÜNLÜ & Co provided exclusive financial advisory services to Yıldız Holding and Gözde Girişim during the sale of Kümaş Manyezit, a major mining company in Turkey.

ÜNLÜ & Co further consolidated its international success with the accolades it received at “Bonds & Loans Awards.”

Two More Major Acknowledgements from Bonds & Loans Awards

“Bonds & Loans Awards,” among the most prestigious prizes in capital markets and finance sector, were presented to their recipients in 2020. ÜNLÜ & Co won “Structured Bond Deal of the Year – Runner Up” award with the Asset Backed Securities issuance of Tarfin Tarım A.Ş. (“Tarfin”), for which it provided advisory services last year. ÜNLÜ & Co also received “Project Finance Deal of the Year - Third Prize” with the project finance transaction of Unifree Duty Free İşletmeciliği A.Ş. (“Unifree Duty Free”).



ÜNLÜ & Co received prestigious awards at the fifth TSPB Capital Markets Awards

ÜNLÜ & Co's Leadership Reiterated

In 2020, ÜNLÜ & Co was named "Merger and Acquisition Transactions Leader" in "Corporate Finance Transactions" category at the 5th Turkish Capital Markets Association Awards Ceremony. Moreover, ÜNLÜ & Co was deemed worthy of "Social Value Project-2019" award in "Special Award" category with "ÜNLÜ & Co Women Entrepreneurs Academy" project.

ÜNLÜ & Co Women Entrepreneurs Academy received the Silver Sardis

Support for Women Entrepreneurs Recognized with an Award

Sardis Awards, which aim to honour the most innovative projects as well as exceptional marketing achievements of banks, insurance companies, fintechs, other financial institutions and the agencies that support such institutions, was held for the second time in 2020. A total of 45 awards were presented at the Sardis Awards organized on the basis of 3 main areas, namely Innovation, Creativity and Social Impact, and 55 categories. With the Women Entrepreneurs Academy, which has been active for the past five years, ÜNLÜ & Co garnered the Silver award in "Gender Equality" category of "Social Impact" area at Sardis awards, where the best of the financial sector compete.

ÜNLÜ & Co received "Best Investment Research Team" Award at "BV 2020"

An Award to ÜNLÜ & Co from London

At the "BV 2020" awards, held by London-based Business Vision magazine, which was established to provide readers with useful information about the transformation and continuity of valid business ideas, ÜNLÜ & Co received the "Best Investment Research Team" award. Gaining recognition with the solutions it offers to investors, its expert research unit and the corporate social responsibility projects it has conducted, ÜNLÜ & Co was the only Turkish brand to receive an award in the competition.

ÜNLÜ & Co's 2019 Annual Report received three accolades at ARC Awards

2019 Annual Report recognized with three prizes at the prestigious ARC Awards

In 2020, the 34th annual ARC Awards was held with the participation of companies from more than 75 countries. ÜNLÜ & Co received three awards at the ARC Awards, widely regarded as the Oscars of annual reports, for its 2019 Annual Report. Recognized in "Photography," "Traditional Annual Report" and "Chairman's Letter" categories, ÜNLÜ & Co became the sole organization in its sector to receive awards in these three categories.

ÜNLÜ & Co's Management Trainee (MT) program "Future Finance Generation" garnered substantial interest

ÜNLÜ & Co Selected New Talents Online

On May 9, 2020, ÜNLÜ & Co launched its Management Trainee (MT) program "Future Finance Generation" online, to develop future finance professionals. The Finance Camp received around three thousand applications, out of which selected participants got to know the Company; demonstrated their potential through gamified measurement and assessment tools; and reinforced their career networks.

LETTER FROM THE CHAIRMAN AND CEO

Owing to substantial monetary expansion, our economy largely offset the contraction of the prior period in the third quarter, when lockdowns were lifted.

4.6

TL Billion
Assets Under
Management

500

USD Million
Sell-Side
Advisory
Services

Dear Stakeholders,

We have left behind us a challenging year marked by a crisis of rare severity in modern economic history, a year that indisputably reshaped our future. Overshadowed by the spectre of Covid-19, the year 2020 witnessed stern social and economic measures. In coordination with central banks, governments struggled to keep their economies running throughout the year. Multi-pronged proactive measures including incentive packages, low interest rate policies, and expansionary steps provided a modicum of predictability amid an unforeseen crisis environment.

Global economy on the cusp of a recovery

The lockdowns in March and April that followed the alarming spread of the virus across the globe caused major disruptions to the global economy, as clearly evidenced by second quarter data. Economies, having experienced contractions of unprecedented magnitude in the first half of the year, started to recover amid a partial normalization in the third quarter. As optimism reasserted itself across markets, global risk appetite regained its footing. Although apprehensions caused by renewed increases in number of cases, new waves and mutations prompted bouts of selling pressure across markets, we bid farewell to 2020 with optimistic expectations for global markets. Indeed, almost all estimates of global contraction were tempered by the end of the year.

Underlying the optimism for 2021 are expectations that the inoculation drive, launched at the end of the year, will quickly gain impetus; and that amid sustained expansionary steps, capital mobility to developing economies will continue, alongside a strong base effect. On the other hand, new measures imposed to mitigate the

spread of the virus suggest that expectations of a return to pre-pandemic levels could be premature. Uncertainties related to certain key sectors, most notably tourism and aviation; public debt burdens; and major disruptions to employment markets may disillusion those aspiring for more than a sluggish recovery. In our view, the route to subjugating the pandemic lies in global community meeting decisively on a common ground of sustainability.

Expansionary policies replaced by monetary tightening in Turkey

The Turkish economy, whose recovery process had been gaining traction at the onset of 2020, suffered its share of the blows inflicted by the pandemic, in tandem with the global economy. Our combat with the pandemic started with comprehensive steps aimed at undergirding the economy, in parallel with the rest of the world. Owing to arrangements intended to revitalize credit flows, along with interest rate cuts and substantial monetary expansion on the back of liquidity steps; in the third quarter, which coincided with the lifting of lockdown restrictions, our economy managed to largely offset the contraction it underwent in the preceding period.

However, there were major side effects to this swift recovery. While measures intended to reinvigorate the economy exacerbated inflationary pressures, the uptrend in inflation raised question marks on the real return of the TL. Added on top of a mounting dollarization trend and historic dips in the TL were increased risk perceptions on the part of foreign investors; capital outflows; and a major drop in official reserves. Alongside the trade deficit triggered by low interest rates and loan expansion, dwindling tourism revenues put pressure on the current balance. In this period, our stock market indices plumbed historic lows.



**“An unwavering enthusiasm,
dedication and commitment
infuse all our endeavors.”**

LETTER FROM THE CHAIRMAN AND CEO

As ÜNLÜ & Co, in 2020 we continued to fortify our brand value and market presence with our well-established corporate values and innovative business models.

245

TL Million
Shareholders' Equity

The change in the economy administration introduced in November amounted to a paradigm shift. Tightening and simplification steps by the Central Bank were the defining measures of this period, described as an era of normalization in economic policies. With the return to conventional monetary policies, the TL started to gain ground, while Turkey's risk premium rapidly retreated, providing some relief to markets.

The past year proved a rather volatile one for Turkish stock markets as well. The BIST-100 Index was negatively differentiated from its emerging peers, mainly as a result of sales by non-residents. Amid growing interest on the part of domestic investors, foreign investors' share in Borsa Istanbul declined to 48%. The Index, which had touched a low of 819 points at the outbreak of the pandemic in March, broke record after record following the economy administration revision in November and a concomitant change in rhetoric, to close the year at 1,476.72. Provided that steps to underpin the positive perceptions created in the waning months of 2020 continue to be taken, with timely decisions in the realm of structural and strategic reforms, we would expect investor interest in TL assets to increase in the period ahead.

fraught with pitfalls and uncertainty, we remained committed to our responsibility of supporting Turkey's sustainable growth trajectory, and produced successful outcomes.

By the end of the year, we increased our total assets by 24.8% to TL 603 million, and assets under management by 100% to TL 4.6 billion. Our operating revenues rose 66.4% to TL 56 million, while our shareholders' equity increased by 17.6%, reaching TL 245 million. As of the end of 2020, transactions we managed since 2010 topped USD 10.6 billion in value.

Maintaining our leading position in mergers and acquisitions in 2020, we continue to advise on major transactions that reinforce our leadership. As the financial advisor of Tat Gıda, a Koç Group company, we successfully concluded the sale of SEK, a leading brand in milk and dairy products business, to Çallı Gıda, at the beginning of 2021. The financial advisory services we provided to Yıldız Holding and Gözde Girişim in the sale of Kümaş Manyezit to Oyak Group, and to International Paper in the sale of Olmuksan to Mondi Corrugated B.V. were other transactions to showcase our competencies. These series of transactions presage an active period in terms of mergers and acquisitions ahead of us. As firm believers of Turkey's potential, we will continue to provide ever-growing support to the national economy.

As of year-end 2020, we raised our assets by 25% to TL 603 million and our operating income by 66.4% to TL 56 million.

ÜNLÜ & Co building on its track record of success with growing vigour

As ÜNLÜ & Co, in 2020 we continued to fortify our brand value and market presence, both at home and abroad, with our well-established corporate values and innovative business models. Even in current times

As a company pioneering the development of investment services and the growth of our field of activity in Turkey for 25 years, we have been deemed worthy of numerous awards by reputable organizations both from Turkey and abroad. We received major awards attesting to the value we added to our investors and our country in 2020 as well.



10.6

USD Billion
Volume of
Transactions
Intermediated
since 2010

We were recognized in 2020 as “Turkey - Investment Bank of The Year” at ACQ5 Global Awards, an accolade of particular significance in that, all award winners are nominated by sector constituents themselves. The fact that we were deemed worthy of this prestigious award by the readers of an independent magazine for the fifth time was a particular source of pride for us. At Bonds & Loans Awards 2020, we garnered the runner-up award in “Structured Bond Deal of the Year” category, and third prize in “Project Finance Deal of the Year” category.

36.1

TL Million
Total DAHA
Turnover

Again in 2020, we made our mark at TSPB Golden Bull Awards, one of the most prestigious awards in Turkish capital markets, having been acknowledged once again as “Merger and Acquisition Transactions Leader” in “Corporate Finance Transactions” category.

Our expert team, definitely comprised of the best professionals in the sector, lies at the heart of our success. With its insightful reports, our Research Department is one of the key elements of our drive to create value for our clients. At the “BV 2020” awards held by the London-based Business Vision

magazine, the Department was awarded the “Best Investment Research Team” accolade, a tribute to its distinguishable products in the realm of research.

Firmly set on a steady growth trajectory backed by experience and an entrepreneurial spirit, we continue to guide the business world not only with our economic outputs but also social efforts, and take initiative to build a common future. We believe supporting women’s participation in business life and entrepreneurship in developing economies such as Turkey bears tremendous potential. With ÜNLÜ & Co Women Entrepreneurs Academy, we encourage women to participate in business life and continuously increase our contribution to their development in the field of entrepreneurship. In recognition of the Academy’s efforts, we were presented with the “Social Value Project” distinction at TSPB Capital Markets Awards; and the “Silver Sardis” accolade at Sardis Awards.

We will continue to advance our competitive power

The past year reminded us once again, with bitter experiences, of the importance of being ready for change and different scenarios. While the Covid-19 pandemic profoundly altered the ways businesses are conducted, digitalization gained vertiginous momentum. As ÜNLÜ & Co, we will identify our areas of development in line with the requirements of the “new normal”; and will continue to transform our business models on the axes of sustainability, digitalization, corporate values and client expectations. As always, we will continue to work tirelessly in 2021 to grow the ÜNLÜ & Co brand and carry it to the future.

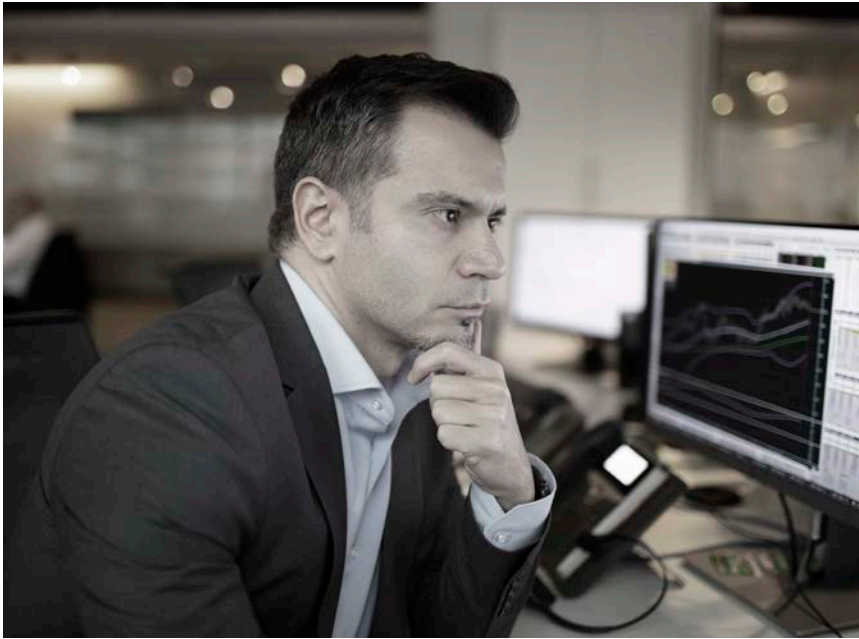
I would like to take this opportunity to extend my sincere gratitude on behalf of our Board of Directors and myself to our dynamic team, who embrace their work with passion, and thanks to whom we have concluded a year of exceptional hardships with extraordinary success; and to our clients and business partners, whose unwavering support bolstered our efforts.

Yours respectfully,

Mahmut L. ÜNLÜ
Chairman and CEO

MARKETS OVERVIEW - 2020 HIGHLIGHTS AND FUTURE OUTLOOK

The Central Bank increased the 1-week repo rate to 17.0% in December, to alleviate the pressure on the TL.



for markets. The notable improvement in the outlook of Turkish markets manifested as of the second week of November is foreseen to continue in the near future.

Markets still harbour some doubt as to the continuity of the government's prevailing market-friendly stance. In recent years, it has been observed that now and again Turkey has proved unable to sustain strong growth predicated on loan expansion, resulting in an uneven growth trajectory. Furthermore, given the government's efforts to beef up foreign exchange reserves, an endeavour that would succeed only by attracting foreign investors and prompting local investors to switch to the TL, it behoves the administration to sustain its current stance, which it most likely will.

This year, the most important challenges facing Turkish markets will be to engineer a soft landing in the economy without impairing financial stability; to restrain inflation and subsequently drive it to single-digit levels; and to reverse the negative trend in external balances. For the attainment of these goals, monetary policy should maintain at least its current tightness for an extended period, while the backing of political will behind this policy framework remains imperative.

A number of setbacks notwithstanding, Turkey is expected to close 2020 with positive growth. Following the 0.8% growth in GDP enabled by low interest rates and loan support in 2020, we estimate 4.0% growth for 2021 driven by the base effect, with risks tilted to the upside owing to a potentially strong tourism sector. The fact that both industrial production and GDP climbed to historic highs in the third quarter of 2020 bodes well for growth dynamics in 2021, even if the recent deceleration in loan growth persists. Restrictions to rein in the recent escalation in new Covid-19 cases,

4.0%

Turkey's Economic
Growth Forecast for
2021

2020 proved a challenging year for Turkey and the world at large. Defying optimistic expectations held early in the year, the emergence of a novel coronavirus in China and its subsequent dispersion to the entire world plunged the global economy and Turkey into an economic turmoil of rare severity. On top of the economic problems caused by the pandemic, other key sources of volatility in financial markets were the ultra-loose monetary policy implemented in Turkey; the rapid erosion in the Central Bank's foreign exchange reserves; and persisting foreign policy concerns, and consequent threats of sanction levelled by the EU and the US against Turkey. As a result of these developments, both the TL and Turkish stock market indices plummeted to historic lows versus developing peers. However, following a sudden reshuffle in the economy administration in the waning days of 2020, the market-friendly approach and commitment to price stability evinced by the new administration proved a turning point

14.6%

Inflation Rate in
2020

which propelled Turkey to higher slots on a global scale, appear to be among principal downside risk factors in terms of economic activity.

We expect inflation, which closed 2020 at 14.6%, above the CBRT's year-end forecast of 12.1%, to trend somewhat higher in the early months of 2021 towards the 15.0-16.0% range, driven by an unfavourable base effect; and subsequently edge back to end the year within the 11.0-12.0% range, barring a new currency shock.

With exports, tourism and transportation having failed to accompany the domestic demand-fuelled rapid recovery in 2020 on account of the pandemic, we expect the mounting current deficit in 2020 to close the year at about USD 36 billion. While expecting gold imports, which had boosted the deficit notably in 2020, to diminish this year, we anticipate somewhat stable energy imports versus last year. Consequently, the extent of the recovery in tourism and transportation revenues this year will be decisive in terms of the magnitude of a potential recovery in the current balance. Based on our judgment that the USD c.20 billion loss in net tourism revenues last year will not be entirely compensated for, we estimate a current deficit realization of USD c.25 billion. The fragile course of global growth and the possibility that services sector, led by tourism, may continue to lose ground in case of a delay in treatments for Covid-19, warrant caution in terms of the role of foreign demand as well. On the other hand, the fact that real exchange rates point to a much more competitive Turkish Lira versus prior periods, should have a restraining effect on the current deficit.

On the budget balance front, the budget deficit to national income ratio, which ended 2020 better than the NEP projection of 4.9% - on account of deferred tax collections made in the waning months of the year, and the contribution of indirect taxes, which benefited from domestic demand - should be elevated at around 4.5% in 2021, due to deceleration in domestic demand and reduced one-off income.

The Central Bank's decision at the December meeting to hike the 1-week repo rate to 17% served to alleviate the pressure on the TL. The Central Bank's message that the current policy tightness would be maintained until a permanent fall in inflation was achieved, suggests that inflation realizations, inflation expectations, the path of the TL, and developments related to the risk premium will be decisive for new resolutions. On the other hand, should inflation trend in line with our expectations, we may observe policy rate cuts of up to 350 basis points in the second half of the year.

Challenges loom in 2021, though seemingly not insurmountable

Persisting foreign exchange demand by local private investors, the rapid increase in new Covid-19 cases, and the recent jump in inflation appear as challenges facing the economy administration in the short term. On the other hand, geopolitical developments such as sanction decisions on Turkey by the EU due to the Eastern Mediterranean dispute, and by the US on account of S-400 missiles, tend to cast a pall on the outlook and undermine valuations on financial markets. However, as in economic policy, we expect a more conciliatory and rational approach to govern foreign policy in 2021, and hence challenges to be overcome without much damage to markets.

BIST poised for a solid performance in 2021

Borsa İstanbul, which has been underperforming its emerging peers for a number of years, looks set for a robust showing in 2021. Along with concrete steps by the government to prop up the TL, we may observe stability in the currency and a re-rating of the market. Moreover, a supportive backdrop for emerging markets on a global scale; low foreign ownership of Turkish shares; an incipient economic recovery, hence reduced asset quality risk from banks' perspective; and expectations of elevated tourism revenues, bode well for a possible re-rating of Turkish assets in 2021. With tourism sector one of the linchpins of its economy, Turkey stands out as one of the principal beneficiaries of vaccination drives gaining momentum.

INVESTMENT SERVICES

The Corporate Finance team consists of 19 professionals who are the best in the sector. They shape financial solutions best suited to the needs and interests of their clients within the framework of global ethical standards.





INVESTMENT ADVISORY

Corporate Finance Advisory

- Mergers & Acquisitions
- Privatization advisory
- Initial/Secondary public offerings

Debt Capital Markets

- Foreign and local currency bond issuance
- CLN, Eurobonds, private placement, convertible bonds
- Syndicated loans

Debt Advisory

- Acquisition and project finance
- Structured equity like financing
- Financial restructuring

CAPITAL MARKETS

- Institutional sales
- Equity placements
- Block sales
- Fixed-income instruments
- Research
- Treasury

DAHA INVESTMENT ADVISORY AND BROKERAGE SERVICES

- Customized investment advisory in organized and over-the-counter markets
- Brokerage of equities (Istanbul Stock Exchange), and derivatives (VIOP)
- Structured debt instruments that offer personalized investment strategies
- Fixed-income, principal-protected, real estate, Eurobonds or stock- mutual funds
- Brokerage services for trading of over-the-counter derivatives
- Brokerage in trading on foreign exchange and CFD markets
- Brokerage for equities and derivatives trading on global markets
- Brokerage in trading of government bonds, treasury bills, private sector bonds and Eurobonds
- Portfolio management services
- Corporate risk management (hedging) advisory
- Public offerings brokerage

INVESTMENT SERVICES

ÜNLÜ & Co plays a crucial role in bringing together Turkey's leading industrial organizations, service providers and manufacturers with globally prominent groups, paving the way for strategic partnerships.

121

Mergers & Acquisitions

Investment Advisory

Corporate Finance Advisory

ÜNLÜ & Co Corporate Finance Advisory team aims to provide high value-added financial solutions designed to meet the requirements of its clients, and has produced countless resounding success stories in its field. Being one of the main business lines, it makes a crucial contribution to the branding of the Group in Turkey. Corporate Finance Advisory services include:

- Mergers & Acquisitions
- Privatization advisory
- Initial/Secondary public offerings

Market leader in corporate finance and advisory services market

Since its establishment in 1996, ÜNLÜ & Co facilitated 121 successful merger and acquisition transactions as at 2020.

In mergers and acquisitions, the team has experience in a range of sectors in Turkey, and enjoys a balanced client portfolio thanks to its buy- and sell-side advisory services.

The Corporate Finance team consists of 19 professionals who are the best in the sector. They shape financial solutions best suited to the needs and interests of their clients within the framework of global ethical standards.

Since its establishment, ÜNLÜ & Co has built and developed its reputation in the market through its success. The Company has played an important role in bringing together Turkey's leading industrial organizations, service providers and manufacturers with leading international groups, and helping them develop strategic partnerships.

An approach centered on enhancing our country's investment environment

ÜNLÜ & Co offers advisory services to large international investors for their initial and secondary public offering processes. The Department closely follows Turkey's leading companies, and in line with market conditions, provides the most appropriate solutions to address their financing needs.

While competing with investment banks operating on a global scale, ÜNLÜ & Co is essentially a local company, hence focuses exclusively on firms established in Turkey.

Thanks to its competence, keen grasp of local market conditions, and dedication to work, ÜNLÜ & Co creates value for its clients, and has earned the well-deserved trust and respect of Turkey's largest corporations.

Achievements recognized with awards

The outstanding success of ÜNLÜ & Co Corporate Finance Advisory team over the years has been recognized by internationally renowned organizations.

In 2020, ÜNLÜ & Co garnered "Turkey - Investment Bank of the Year" accolade for the fifth time at ACQ5 Global Awards. The same year, ÜNLÜ & Co was named "Merger and Acquisition Transactions Leader" in "Corporate Finance Transactions" category for 2019 by Turkish Capital Markets Association. "Project Finance Deal of the Year - Third Prize" recognition granted at "Bonds & Loans Awards" in 2020 was another testament to ÜNLÜ & Co's pioneering role in the sector.

**ÜNLÜ & Co's
Leadership****Leading position in
league tables**

Number of deals with
value in excess of
USD 30 million

Source: Mergermarket

**Total # of
Transactions 2010 -
January 15, 2021**

ÜNLÜ & Co	40
Competitor 1	27
Competitor 2	27
Competitor 3	21
Competitor 4	20

**Total # of Cross -
Border Transactions
2010 - January 15,
2021**

ÜNLÜ & Co	25
Competitor 1	17
Competitor 2	17
Competitor 3	16
Competitor 4	15

**Total # of Private
Equity Transactions
2010 - January 15,
2021**

ÜNLÜ & Co	15
Competitor 1	9
Competitor 2	7
Competitor 3	6
Competitor 4	5



Below are major transactions to have propelled ÜNLÜ & Co to market leadership:

Major Transactions Since 2010

Role	Target Company	Acquirer Company	Significance	Year
Sell-Side Advisor	Kümaş	Erdemir	The sale of Kümaş, which possesses around 20% of the cryptocrystalline magnesite ore in the world, was one of the most important transactions of the year	2020
Sell-Side Advisor	Betek Boya	Nippon Paint	Leading paint company in Turkey; largest deal of the year	2019
Sell-Side Advisor	Antalya Airport	TAV Airports	Share sale in Turkey's third-largest airport	2018
Joint-Global Coordinator	ŞOK Marketler	-	Largest public offering transaction on Borsa Istanbul since 2010	2018
Buy-Side Advisor	Peak Games	Zynga	Sale of Turkey's biggest online gaming business	2017
Sell-Side Advisor	Mersin International Port	IFM Investors	One of Turkey's largest infrastructure deals	2017
Sell-Side Advisor	Koroza	Actera	Sale of Turkey's largest packaging company	2016
Sell-Side Advisor	Solventaş	Yılport Group	Sale of Turkey's largest chemical storage terminal	2016
Sell-Side Advisor	Yıldız Holding A.Ş.- AK Gıda	Lactalis Group	Sale of one of Turkey's largest food companies	2015
Buy-Side Advisor	United Biscuits	Yıldız Holding A.Ş.	Largest foreign acquisition made by a Turkish company	2014
Buy-Side Advisor	YKM	Boyner Group	Acquisition of Turkey's largest department store group	2012
Buy-Side Advisor	Defy	Koç Holding A.Ş.- Arçelik	Koç Group's largest foreign acquisition	2011

INVESTMENT SERVICES

ÜNLÜ & Co Corporate Finance Department delivered an impressive performance in 2020 as well, acting as advisor in the successful completion of three high-profile transactions.

4

USD Billion
Turkey's M&A
Transactions
in 2020

2020 TURKISH M&A MARKET AT A GLANCE

Turkey's M&A transactions totalled c. USD 4 billion in 2020, down 60% due to the country's slowing economy and rising levels of uncertainty worldwide from ongoing trade wars. Twenty-four of those M&A transactions in Turkey, with a total value of about USD 3.7 billion, involved a sell-side and/or buy-side financial advisor.

Transactions Advised by ÜNLÜ & Co Corporate Finance In 2020

Target Company	Sector	Acquirer Company	Shareholding	ÜNLÜ & Co Advisory
SEK Süt	Dairy Industry	CLA Süt ve Süt Ürünleri	100%	Sell-Side
Kümaş Manyezit	Mining, Magnesite Industry	Erdemir	100%	Sell-Side
Olmuksan	Corrugated Board Industry	Mondi	90.38%	Sell-Side

ÜNLÜ & Co Corporate Finance Department delivered an impressive performance in 2020 as well, acting as advisor in the successful completion of three high-profile transactions. The total monetary value of those transactions was around USD 500 million.

A summary of selected transactions is presented below:

ÜNLÜ & Co advised Tat Gıda on the sale of SEK Süt to CLA Süt ve Süt Ürünleri

Tat Gıda, a Koç Group company, sold SEK, its entity in the milk and dairy products business, for USD 240 million to CLA Süt ve Süt Ürünleri Gıda Sanayi Ticaret A.Ş., Çallı Gıda Sanayi ve Ticaret's newly established company. Advised by ÜNLÜ & Co, Tat Gıda will terminate its production activities in this line of business following the sale.

ÜNLÜ & Co provided financial advisory services to Yıldız Holding and Gözde Girişim on the sale of Kümaş

An agreement was reached for the sale of Kümaş Manyezit, a subsidiary of Yıldız Holding, to Erdemir, an OYAK Group company. As per the agreement made at a firm value of USD 340 million, transfer of shares will take place upon receipt of legal approvals. In this process, ÜNLÜ & Co provided exclusive financial advisory services to Yıldız Holding and Gözde Girişim.

The sales agreement of Olmuksan was concluded under the advisory of ÜNLÜ & Co

IP Container Holdings SL, the main shareholder of Olmuksan, concluded an agreement with Mondi Corrugated BV for the sale of 90.38% of Olmuksan shares for EUR 66.4 million. The sales transaction, carried out under the advisory of ÜNLÜ & Co, is expected to be completed within the first half of 2021.

DEBT CAPITAL MARKETS AND ADVISORY

With its experience and unrivalled financial expertise, ÜNLÜ & Co Debt Capital Markets and Advisory is one of the leading service providers in the ever-changing and evolving field of debt capital markets. The focus of its activities is to provide structured solutions to meet the financing needs of its clients and to provide alternative financing sources. It offers structured solutions to address the financing needs of companies in two main areas, namely advisory and brokerage of securities in debt capital markets.

ÜNLÜ & Co Debt Capital Markets and Advisory comprises a team with expertise in accurate and timely assessment of clients' financing needs, and in providing the necessary financing under the most suitable structures and conditions, resulting in enduring solution partnerships with clients.

The team offers a wide range of financial advisory services, including

- Syndicated/club loans,
- Project financing,
- Acquisition financing,
- Subordinated loans (mezzanine financing),
- Financial restructuring,
- Debt Capital Markets (TL and foreign currency bonds, credit-linked notes (CLN), Eurobond, private placement, asset backed securities, convertible and exchangeable bonds, lease certificates)

as well as arrangement and provision of all varieties of debt financing and restructuring of existing debt.

A bridge between clients and global funding sources

The lack of any partnership relationships with banks or other financial institutions operating in Turkey is one of the most important factors setting ÜNLÜ & Co apart from competition. ÜNLÜ & Co has a structure that positions itself at arm's length to all domestic and foreign sources of finance and does not allow conflicts of interest. Thus, it is able to act with a service approach that upholds the interests of clients in their pursuit of financing under the most favourable terms and conditions.

ÜNLÜ & Co acts as a bridge between corporate clients and global funding sources. Since its establishment, it has arranged debt financing in excess of USD 10 billion from various sources to its clients.

A proven legacy of firsts in the sector

ÜNLÜ & Co's Debt Capital Markets and Advisory team also offers brokerage and advisory services in the issuance of Turkish lira bonds/bills, foreign currency bonds, credit-linked notes, convertible bonds, lease certificates, and asset-backed securities in debt capital markets; providing private sector companies with direct access to investors, to facilitate their borrowing needs.

Featured transactions of 2020

In addition to the bond issuance for Karsan Otomotiv Sanayi ve Ticaret A.Ş. in 2020, ÜNLÜ & Co continued to work on the issuance of asset-backed securities, one of its innovative products. Asset-backed securities utilize the cash flows of underlying assets and are significant in that they allow investors to differentiate between the credit quality of issuances and obtain high returns, while providing issuers with low-cost funding. Hence, ÜNLÜ & Co established "ÜNLÜ Menkul Hasat Asset Finance Fund" and "ÜNLÜ Menkul Angora Asset Finance Fund" in order to issue asset-backed securities. The asset-backed securities issued on the back of the assets taken on by the asset financing fund have attracted interest, since the asset-backed securities are secured by an asset pool rather than a company balance sheet. On the other hand, asset-backed securities are also attractive as an off-balance sheet instrument for issuers, allowing them to discount and cash out their term receivables before maturity.

ÜNLÜ & Co has also focused on expanding its private debt fund network and providing resources to Turkish companies through UNLU Securities UK Limited, for financial restructuring purposes as well as to meet various capital needs of its clients.

INVESTMENT SERVICES

With a 22% market share excluding privatizations, ÜNLÜ & Co ranks second in capital market transactions, which include public offerings, secondary public offerings and accelerated book buildings in Turkey and wherein global investment banks actively participate.

32

ÜNLÜ & Co's Block
Sale Transaction
Tally within
2010- 2020

CAPITAL MARKETS ADVISORY

INSTITUTIONAL SALES

ÜNLÜ & Co's Institutional Sales Department serves international and domestic corporate investors that are active in Turkish capital markets. Over the years, the Department's reach has expanded to mutual funds, hedge funds and pension funds across the US, Europe and Asia. In Turkey, the team's coverage focuses on pension funds, family offices and insurance companies, with an expanding product offering.

Operating in cooperation with the research team, Institutional Sales Department provides clients with in-depth securities analysis and investment advice, while contributing to market strategy formulation on the basis of macroeconomic and political developments. The staff of six has an average experience of nearly 20 years, which sets the Department apart from competition. This extensive experience helps the sales team provide investors with value-added analysis of developments on the ground, during a time of shrinking dedicated sales coverage by global investment banks.

ÜNLÜ & Co swiftly geared itself to digital transformation

The Institutional Sales team carried all its activities to digital platforms, rapidly adapting itself to the "new normal" shaped by the Covid-19 pandemic. In this period, the sales team organized digital investor meetings (roadshows), bringing executives of Turkish companies together with corporate investors from Turkey and abroad. Also working online and in a more integrated fashion with the Research Department, the sales team diligently served its clients in this new era.

BLOCK SALES

ÜNLÜ & Co offers advisory and brokerage services in initial public offerings, secondary public offerings, block sales and capital increases carried out on Borsa Istanbul.

The Capital Markets Transactions Department keeps a close eye on Turkey's leading companies; and in line with market conditions, offers the most appropriate solutions to address the financing needs of those companies, and ensures the completion of transactions.

ÜNLÜ & Co maintains its pioneering position

With a 22% market share excluding privatizations a transaction amount of USD 3 billion, ÜNLÜ & Co Group ranks second in capital market transactions, which include public offerings, secondary public offerings and accelerated book buildings in Turkey and wherein global investment banks actively participate.

Of the block sale transactions conducted in the Turkish market within 2010 to 2020, 32 were advised by ÜNLÜ & Co.

Innovative and competitive

While competing with investment banks operating on a global scale, ÜNLÜ & Co is essentially a local company, hence focuses exclusively on firms established in Turkey.

Thanks to its competence, keen grasp of local market conditions, and dedication to work, ÜNLÜ & Co's Capital Markets Department creates value for its clients, and has earned the well-deserved trust and respect of Turkey's largest corporations.

**New services to corporate investors**

Having launched electronic trading services in 2019 to high-frequency trading (HFT) clients, ÜNLÜ & Co's Institutional Sales team expanded the scope of its services in 2020 to include direct market access (DMA) services from BIST's co-location point to corporate investors. Furthermore, the brokerage services provided to institutional investors in bond transactions continued to expand, standing out as another area to contribute to a successful 2020.

RESEARCH

ÜNLÜ & Co Research Department produces reports based on objective analysis, on the premise that making informed investment decisions by domestic and foreign investors is possible with access to accurate market information. Drawn up by the Department's expert staff, the reports provide the latest information and investment ideas on sectors and companies in Turkey, in light of national and global, political and economic developments.

The most accurate and reliable means of identifying market-moving developments

With the world-class thematic reports it produces, ÜNLÜ & Co's Research Department seeks to present investors with a distilled understanding of complex data on economics and markets, while providing them with the timely and accurate information they need.

ÜNLÜ & Co's dynamic perspective on reports is based on the monitoring and reporting of investment opportunities offered by a range of companies.

In 2020, the Research Department's team of five highly skilled analysts followed 15 sectors and 38 companies. Throughout the year, the Research Department covered 38 companies accounting for 76% of the total market capitalization of Borsa Istanbul 100 Index, preparing reports based on independent analyses of stocks, and providing investors with buy-sell recommendations.

All Research Department reports offering stock analyses, sector analyses and economic analyses are published in English and Turkish, after undergoing a rigorous compliance check. The reports, meeting high internationally approved standards, are distributed electronically to foreign and domestic investors.

With its rich content, high quality reports and publications, the Research Department aims to provide investors with accurate advice based on new investment ideas and extensive analyses.

INVESTMENT SERVICES

ÜNLÜ & Co Research Department was selected “Best Investment Research Team” at “BV 2020” awards held by London-based Business Vision magazine.

60

**Reports Published
by the Research
Department
in 2020**

Fast and effective information flow

Top Picks

A monthly report highlighting the top-recommended companies and trade ideas in the stock market

Banking sector report

A report examining weekly and monthly banking sector data, while presenting company valuations alongside current opinions

Sector and company reports

A report containing investment recommendations and detailed analysis of the 15 sectors covered and companies in those sectors.

Macroeconomic Insight

A report analysing monthly macroeconomic data with future outlook and forecasts

Istanbul Calling

A daily bulletin that includes economic and political developments, as well as current company and sector news, blended with comments by the Research team

Excluding daily bulletins, the Research Department published a total of about 60 reports in 2020.

ÜNLÜ & Co Research Department contributes to investor meetings (roadshows) organized for non-resident corporate investors with its in-depth analyses and presentations. Together with the Institutional Sales Department, the Research Department organizes travel programs for institutional fund managers from abroad, who come to visit public companies they follow. Such activities were interrupted by the pandemic in 2020.

ÜNLÜ & Co Research Department was selected “Best Investment Research Team” at “BV 2020” awards held by London-based Business Vision magazine, proving its competence once again.

TREASURY

The Treasury Department effectively manages the Group’s balance sheet, and conducts studies in order to develop products that meet the needs of various departments. ÜNLÜ & Co Treasury Department’s main duties include:

- Effective asset/liability management in line with company strategies,
- Finding alternative investment and funding channels by tracking markets,
- Developing new products,
- Optimizing risks and costs,
- Relationship management with banks and other financial institutions,
- Complying with internal obligations.

The Treasury Department has access to a wide range of investment resources thanks to ÜNLÜ & Co’s extensive experience in financial markets. The Department applies an effective capital management approach and invests in all types of capital market instruments, most notably Turkish assets, in line with the Group’s market view and balance sheet composition. Commonly used investment instruments include:

- Government bonds, Treasury bills, Private bonds, Financial Bonds, Asset-Backed Securities, and Eurobonds,
- Repo/Reverse repo and money markets,
- Forward transactions,
- Foreign exchange transactions,
- Over-the-counter derivative products (forwards, futures, options and swaps),
- Structured debt instruments,
- Stocks and stock indices,
- Commodities.

It works in coordination with the Group's other departments, primarily DAHA and Institutional Sales, to develop innovative products. ÜNLÜ & Co's horizontal organization and ability to access information rapidly facilitates fast decision-making processes, which bolsters the effectiveness of the Department and ensures its differentiation in its field of activity. The strong relationships ÜNLÜ & Co has established with a multitude of business partners, both in Turkey and abroad, is a key factor to augment the Treasury Department's investment options and price discovery capabilities.

UNLU Securities UK Limited aims to establish a distribution network of alternative investors to meet various capital needs of ÜNLÜ & Co's clients.

UNLU SECURITIES INC

UNLU Securities Inc., established by ÜNLÜ & Co to provide services to investors in the United States, was commissioned by the FINRA in 2015. Through the company established in New York, institutional investors in the United States are provided services in all branches of the business. Given that US funds account for 1/3 of publicly traded shares on the Borsa Istanbul Stock Market held by foreign corporate investors, UNLU Securities Inc plays an important role in Turkey's capital markets. This office facilitates contact between the institutional sales, research and capital markets departments to be in contact with US investors, providing significant opportunities.

UNLU SECURITIES UK LIMITED

UNLU Securities UK Limited was founded in 2018 to expand ÜNLÜ & Co's service and resource network globally. Authorized in the United Kingdom in 2019 by the Financial Conduct Authority, the organization regulating and supervising financial services in the UK, UNLU Securities UK Limited has positioned itself to provide three main business functions, namely Debt Financing, Capital Markets, and Corporate Finance. Based in London, UNLU Securities UK Limited is focused primarily on debt financing as of its foundation, in line with ÜNLÜ & Co's strategic priorities. The company also aims to establish a distribution network of alternative investors to meet the various capital needs of ÜNLÜ & Co's clients.

The alternative asset management industry, which includes various forms of private capital, continues to have a strong growth trajectory. Global AUM is forecast to reach USD 17.2 trillion by 2025, up from USD 10.7 trillion in 2020. Private Equity and Private Debt funds are also projected to sustain growth, with Private Equity funds forecast to reach USD 9.1 trillion in magnitude by 2025, up from USD 4.4 trillion as of 2020. Private Debt, among recent constituents of Alternative Investments segment, is expected to grow 73% to USD 1.46 trillion by the end of 2025, up from USD 848 billion as of 2020. Sustained expansion of the global asset management market creates opportunities across a wide range of investment segments. UNLU Securities UK Limited continues to capitalize on this favourable backdrop to position itself as a distribution platform in the widest sense, and to meet various capital needs of its clients. Consequently, it lends further capacity and depth to the services of ÜNLÜ & Co, contributing to the Group's vision of being a world-class service provider.

INVESTMENT SERVICES

Expanding its client base by 62% in 2020, DAHA achieved 130% portfolio growth, along with 105% increase in revenues.

DAHA INVESTMENT ADVISORY AND BROKERAGE SERVICES

Following completion of the license renewal process in 2015, ÜNLÜ & Co established DAHA Investment Advisory and Brokerage Services Department in 2016 to provide financial advisory and brokerage services for capital markets to qualified individual and institutional investors. DAHA addresses the financial needs of its investors in the realm of investment advisory with a holistic approach. It offers tailor-made investment planning recommendations, considering the risk profiles, goals, revenue-expense balances and asset status of qualified investors.

DAHA Investment Advisory and Brokerage Services

- Customized investment advisory in organised and over-the-counter markets,
- Brokerage of equities (Borsa Istanbul), and derivatives (VIOP),
- Structured debt instruments that offer personalised investment strategies (YBA),
- Fixed-income, capital-protected, real estate, Eurobonds or stock-mutual funds,
- Brokerage and advisory services for over-the-counter derivative products,
- Brokerage services for Leveraged Products (FX) and Contracts for Differences (CFD),
- Brokerage for equities and derivatives trading in global markets,
- Brokerage and advisory services for government bonds, treasury bills, private sector bonds and Eurobonds,
- Portfolio management services,
- Institutional risk management (hedging) advisory,
- Intermediation for public offerings.

In addition to the brokerage services it offers, DAHA also provides individual portfolio management services and financial planning services to its qualified investors.

Other than its Ankara Branch, which has been operational since 2019, DAHA opened two new branches in 2020, in Istanbul (Bağdat Caddesi) and Izmir, hence expanding its investment advisor staff. Having enlarged its client base by 62% within a one-year time frame, DAHA achieved 130% portfolio growth, along with 105% increase in revenues.

20% of new individual clients acquired in the second half of 2020 were onboarded through digital channels. Client revenues from digital channels quadrupled from a year ago.

With the “Digital Transformation Project” launched in the last quarter of 2020, detailed analysis studies are being carried out to drive digitalization across the organization. In the framework of these studies, with high-technology, innovative changes to the front-end of the website and mobile applications as well as to operational processes, ÜNLÜ & Co will set a new industry standard with its pioneering approach.

DAHA Financial Advisory Services

Working in coordination with the Research Department, DAHA Financial Advisory Department offers individual and institutional investors - with different risk and return preferences - investment advisory on stock markets as well as on financial instruments such as parities, fixed-income securities and gold, with short-, medium- and long-term perspectives, helping them manage their assets in a way most suited to their needs.

The periodic reports it publishes in Turkish on domestic capital markets for its investors are listed below:

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

U-Alert: A short note covering market monitoring and information notes, company/sector notes, macro analysis, and ÜNLÜ & Co's top shares and strategy suggestions.

U-Call: 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-Call are continuously monitored and information is provided via e-mail in case of possible profit taking or stop-loss.

U-Tech: This weekly technical analysis bulletin provides actionable information on the short-term outlook of the various product groups and their support-resistance levels.

Fast, User-Friendly Online Trading Services

With UTrade online trading platform specially designed for DAHA Investment Advisory and Brokerage Services, UTrade Mobile app (iOS/Android), and UTrade Trading System Windows desktop app, investors can easily send their orders to the Borsa Istanbul Equity Market (equities) and Derivatives Market (VIOP), perform cash and collateral transactions quickly and instantly monitor their portfolio status and market data. In addition to trading transactions, investors can also access ÜNLÜ & Co's research reports, model portfolio, market calendar, investment strategy and company news via the UTrade platforms.

UTrade Online Product Family

UTrade web platform - www.utrade.com.tr

- Simple trade order transmission to equity, futures and options markets
- Transmission types of conditional orders, chain orders, park orders and stop loss orders

- Cash transactions, funds (TEFAS), and Derivatives Market collateral deposit/ withdrawal transactions
- Screen for monitoring account portfolio, order status, historic transactions
- Access to research reports, trading advice, model portfolios
- Access to BIST market data, news, company financial statements and statistics

UTrade Mobile (iPhone, iPad and Android devices)

- Easy order transmission to stocks, stock exchange mutual funds, warrants and derivatives markets
- Instant portfolio information, cost and profit/loss monitoring
- Free access to real-time BIST and derivatives market (VIOP) data and news
- Personalized user interface for market watch with favourite lists
- Fast, secure login with "Touch ID / Face ID" technologies for iOS and iPadOS platforms

UTrade Trading System (TS)

- "Cockpit" screen designed for professional investors
- Easy monitoring of BIST market data with customizable screens
- Fast order transmission to stock, futures and option markets

Foreign Markets - UTradeFX and UTrade International

With its experienced broker teams and modern online platforms, DAHA Investment Advisory and Brokerage Services provides brokerage services to investors in domestic and foreign capital markets. Under the UTradeFX brand, investors are provided with trading opportunities in Forex-parity pairs, precious metals (including gold, silver, palladium, and copper), as well as contracts for difference written on indexes, equities and commodities. In addition to FX and CFD services, with the help of UTrade International (ÜNLÜ & Co's application which opens access to international markets), investors can instantly monitor stock exchange data, and execute stock, futures and exchange-traded funds transactions on global stock exchanges, both reliably and easily.

ASSET MANAGEMENT SERVICES

ÜNLÜ & Co produces fast, creative and effective solutions in NPL collections with its extensive staff and national capital.

Non-Performing Loans (NPL) Management

- İSTANBUL Varlık
- Non-performing Loans (NPL) Management
- Restructuring

Alternative Investments

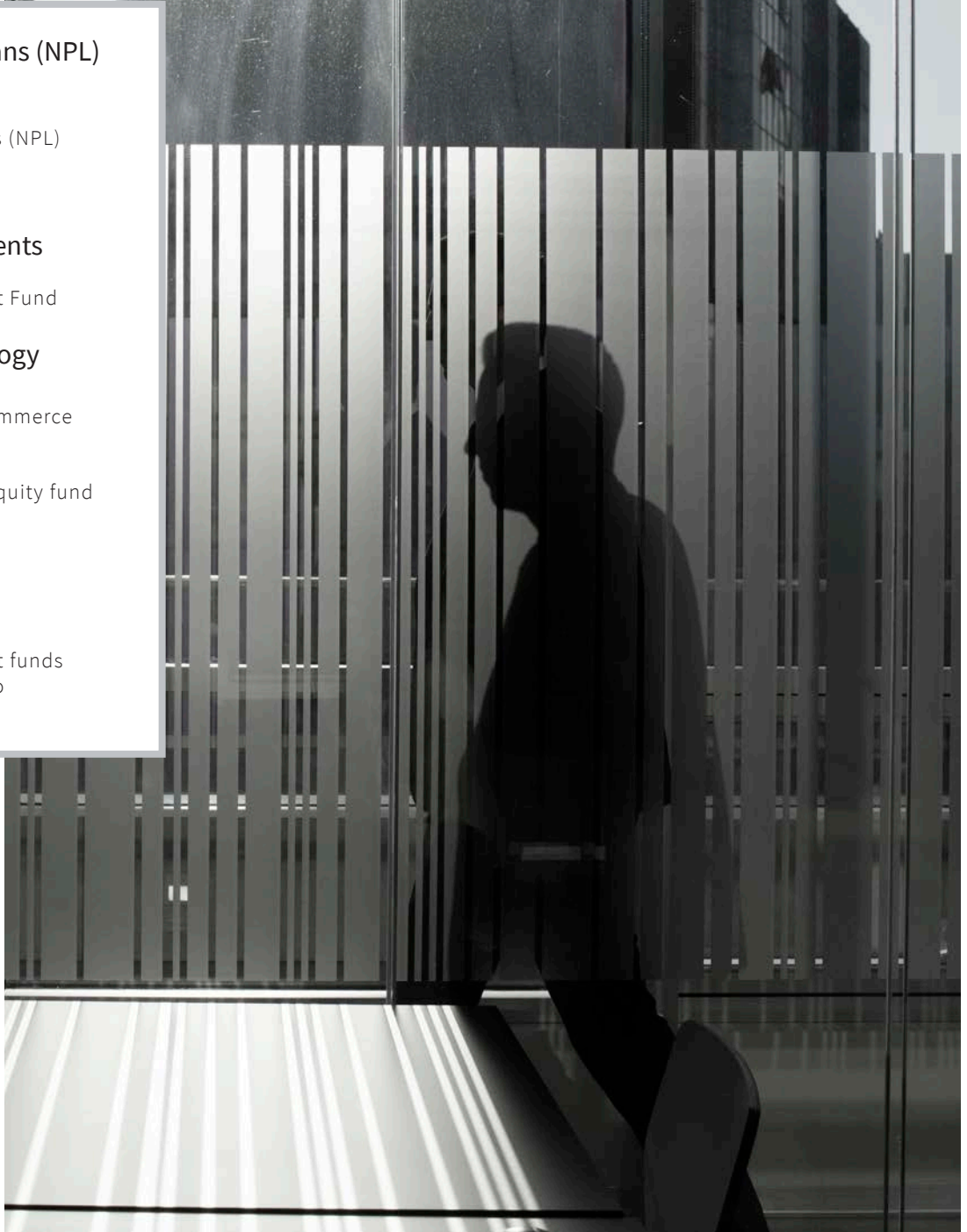
- Private Equity Fund
- Alternative Investment Fund

212 Capital-Technology Fund

- Internet, mobile, e-commerce venture capital
- Turkey's pioneering technology-focused equity fund

Fund and Portfolio Management

- Mutual funds
- Hedge funds
- Real estate investment funds
- Discretionary portfolio management



NON-PERFORMING LOAN MANAGEMENT

ÜNLÜ & Co provides value-added services in the non-performing loans (NPL) market, where it has been active since 2003. The Company realizes its NPL investments via İSTANBUL Varlık, a subsidiary that has become one of the leading asset management companies in Turkey within a short time frame. Two other Group companies – DUFDAS and PLATO Finansal – provide the collection management of the portfolios acquired by İSTANBUL Varlık.

Predicating its NPL market activities on the triple pillars of efficiency, flexibility and reliability for the past 17 years, ÜNLÜ & Co produces fast, creative and effective solutions in NPL collections with its extensive staff and national capital.

Aiming to boost collection performance via effective management of NPL portfolios, ÜNLÜ & Co will continue to support its clients with a tailored and constructive approach, with a view to channelling them back to the economy.

İSTANBUL VARLIK

After the Group's foreign partnership ended in 2009, İSTANBUL Varlık started to operate as a local brand with 100% local capital. Bolstered by the synergy with ÜNLÜ & Co and cognizant of local market conditions, İSTANBUL Varlık gets one step closer to its clients with effective solutions.

DUFDAS, a group company of İSTANBUL Varlık, manages commercial and corporate NPLs. In the face of rising retail NPLs following the 2008 crisis, PLATO Finansal was established to enhance the Group's retail and micro-SME NPL management capacity.

İSTANBUL Varlık currently manages two corporate and 31 retail/SME NPL portfolios with more than TL 300 million in investments to date.

One of the most active players in the NPL sector, İSTANBUL Varlık raised its total number of portfolios to 35, with seven retail/SME NPL portfolio purchases in 2020. As of year-end 2020, İSTANBUL Varlık manages total unpaid principal balance of TL 3.5 billion and services around 480 thousand clients.

ALTERNATIVE INVESTMENTS

ÜNLÜ Alternative Asset Management (ÜNLÜ Alternatives) was established in 2007 to advise funds to make investments only in Turkey. ÜNLÜ Alternatives provided investment advisory to two funds in 2020; one in the realm of private equity, and the other focused on a more diversified investment portfolio. Established as a private equity fund with commitments from domestic and foreign investors in 2006, Fund 1 (Private Equity) has invested over USD 100 million to date. Fund 1 made a successful exit in 2020 from ŞOK Marketler, its last investment. Established in 2014, Alternative Investment Fund focuses on long-term investments in shares of public or private companies, non-performing loans, infrastructure and real estate asset classes. The fund, which realized investments worth around USD 110 million since inception, is USD 47.8 million in magnitude as of year-end 2020, following successful sale transactions consummated through the year.

212 CAPITAL

In Turkey, several factors have been conducive to the development of the Internet and technology. A number of factors including demographic data (large young population; areas of interest); elevated Internet and mobile usage ratio; developing Internet and e-commerce ecosystem; emerging risk-capital ecosystem; and robust online and offline consumer habits have all come together to render Turkey an increasingly attractive prospect.

ÜNLÜ & Co has become partner to 212 Ltd, which offers advisory services to 212 Capital Partners (212), a fund providing venture capital to Turkey's leading technology and Internet companies in their early stages.

212 Capital Partners remains to be one of the largest funds to provide support to companies looking to establish a venture in a vertical market, such as software, social games, e-commerce, mobile, social media and cloud computing.

ASSET MANAGEMENT SERVICES

With a wide product range and expertise in investment management, ÜNLÜ Portföy Yönetimi A.Ş. (ÜNLÜ Asset Management) is a leading asset management company in Turkey.

ÜNLÜ ASSET MANAGEMENT

Providing qualified portfolio management services to corporate and individual investors with its experienced and expert staff, ÜNLÜ Portföy Yönetimi A.Ş. (ÜNLÜ Asset Management) is one of the leading asset management companies in Turkey with its wide product range and expertise in investment management.

Exclusive portfolio management services

In 2020, ÜNLÜ Asset Management ramped up its fund activities, aimed at individual and corporate investors, with added momentum, in line with ÜNLÜ & Co's strategic targets, thereby achieving 169% year-on-year growth in assets under management.

Aiming to provide exclusive portfolio management services based on fair pricing, in order to deliver high added value to investors, in line with their risk-return preferences, ÜNLÜ Asset Management has generated steady returns through variable, stock and debt instruments, hedge funds and real estate investment funds.

On top of its existing funds, whose investment strategies it revised, ÜNLÜ Asset Management established new funds in 2020, beefing up its fund arsenal to address diverse investor needs, while also increasing its assets under management.

Wide product range

ÜNLÜ Asset Management's variable funds, based on a multi-asset strategy, were established for investors with low and medium risk profiles, who tend to channel their savings to deposits and other similar traditional instruments. Investing in variable funds, investors aim to generate a rate of return that exceeds that on deposits.

Closely following novel parameters and capitalizing on technological developments, the company responded to investor needs with its equity fund, which it started to manage on the basis of factor valuation; and Global Macro Fund, which provides the opportunity to invest in global markets, generating high returns.

With its active and professionally managed fund product range, ÜNLÜ Asset Management offers unique fund management services to investors.

Social media communication activities boosting brand visibility

Aiming to become Turkey's largest independent asset management company, ÜNLÜ Asset Management stepped up marketing activities and distribution agreements in 2020, with a view to introducing new products and expanding its client portfolio. Due to the Covid-19 pandemic, social media channels started to be used more effectively for promotional activities, with emphasis on audio-visual communication for regular publications about ÜNLÜ Asset Management funds.

ÜNLÜ Asset Management Investment Products

Investment Instrument Type	Investment Instrument Name	Investment Strategy
Variable Fund	SUA Fund	The 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.
	SUC Fund	SUC is an actively traded fund, managed with a high return target. The objective is to generate a return that exceeds that of deposits and to rank high on the list of variable funds.
	SUB Fund	SUB is a Dynamic Variable fund, targeting a high return, with greater risk and volatility vs. deposits.
Equity Fund	Equity Fund (UPH)	The Fund offers an investment alternative with high return and relatively high volatility for investors planning to make long-term investments in the Turkish stock market.
	Money Market Fund (UPP)	The Fund portfolio consists entirely of highly liquid money and capital market instruments with at most 184 days to maturity. The portfolio must maintain a weighted average maturity of at most 45 days, computed on a daily basis. UPP can invest in short term public and/or private sector debt instruments, and money market instruments. Managed with a low risk profile, the Fund aims to generate stable returns, and provides the possibility of cashing in on a daily basis.
FX Fund	Fourth Hedge Fund (UPD)	Fund prices are announced in TL and FX. UPD is suitable for investors seeking an alternative to time deposits for their FX savings. Fund units may be sold to individual and institutional investors complying with the CMB's "qualified investor" definition.
Hedge Fund	Targeted Absolute Return Hedge Fund (USY)	The Fund is suitable for qualified investors seeking medium-to-long-term returns, and opting for FX-denominated asset investments in global markets. The Fund invests mainly in foreign market instruments, though Fund unit prices are in TL. While in general bearing market risk on account of potential volatility in invested markets, the multi-asset distribution model serves to mitigate volatility. Fund unit prices may fluctuate as a result of exchange rate changes.
	First Real Estate Investment Fund (UPG)	Investing in real estate projects promising lucrative returns, the Fund offers the possibility of an attractive return to investors who wish to invest in the real estate sector.
Real Estate Investment Fund	Second Real Estate Investment Fund (UG2)	The Fund offers a lucrative return possibility to qualified investors who are interested particularly in office projects, yet are not inclined to deal with transactions such as buying, selling and renting real estate.

TECHNOLOGY AND OPERATIONAL SERVICES

Installation of DMA infrastructure, in the framework of BIST Co-location, was completed in 2020, and made available to institutional investment firms at home and abroad.

300

TL Thousand
Savings in 2020

ÜNLÜ & Co moved forward with infrastructure investments in the realm of Technology and Operational Services in 2020, while maintaining its efficiency- and client-centred service perspective. The year also saw ÜNLÜ & Co finalize organizational changes focused on efficiency and flexibility, initiated in 2019. Thanks to rapid and agile operational processes enabled by technological investments, work efficiency improved well beyond targets.

OPERATIONS

In addition to daily routine activities, the Operations Department delivered the following competitive services with a focus on service quality:

- Dealt with TL 150 million YBA issue limit allocation;
- Dealt with TL 40 million Commercial Paper issue allocation;
- Managed the operational processes of institutional investors' transactions realized on Borsa Istanbul Wholesale Market, with above sector average success;
- Successfully carried out operational activities related to Investment Service products. (IPO, Leveraged Transactions, overseas share trading, debt instruments, corporate finance advisory, wealth management, liquidity providing, asset management, derivative transactions, etc.);
- Provided support to a total of 12 issuers on Central Registry Agency (MKK) and Public Disclosure Platform (KAP) system, and operational support for transition to e-receipt system (CMB application), ensuring client satisfaction;
- Successfully completed "Angora Fund" redemption and issuance processes, in the framework of Asset-Backed Securities (ABS) issuance;
- Actively supported capital increase and partnership transactions of publicly traded companies;
- Conducted liquidity providing transactions on behalf of Yıldız Group's issuer company.

FINANCIAL AFFAIRS AND PROCUREMENT

- While effective use of capital remains ÜNLÜ & Co's principal focus in Financial Affairs, responsibilities to regulators were fulfilled with utmost precision, and financial efficiency was improved.
- As another aspect of financial efficiency, savings worth TL 300 thousand were recorded on an annual basis via effective expense management in various areas.

INFORMATION TECHNOLOGIES

- Budget efficiency was achieved by conducting technical arrangements and maintenance/support service configurations to ensure that IT and Business Units operations were carried out effectively and efficiently. In this framework, budget utilization remained 17.83% below the IT Budget foreseen in 2020.
- In the context of the extraordinary circumstances created by the pandemic at the beginning of 2020, technical works were completed in a very short time to ensure that Business Units' operations were run remotely, with the scope of the provided solutions expanded to include all our staff members. Accordingly, the Department ensured location-independent delivery of IT and Business Units operations.
- Installation of DMA infrastructure, in the framework of BIST Co-location was completed, and made available to institutional investment firms at home and abroad.
- Technical infrastructures of Bağdat Avenue and Izmir branches were completed and commissioned.
- Connections with automatic order transmission infrastructures of institutions such as ITG and Bloomberg were made, in line with efforts to enable corporate clients to submit orders through International Order Collection Networks.



- Process automations were established and developed in order to use the workforce more efficiently and to enhance the effectiveness of inter-department interactions.
- Studies and upgrade projects were undertaken to ensure all systems functioned seamlessly, along with infrastructure developments.
- In order to address the needs of ÜNLÜ & Co's ever-growing scope of electronic services, further staff was added to the IT Organization.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

ÜNLÜ & Co regularly reviews all business areas and potentially high-risk compliance issues that it could be exposed to within the framework of its risk-based approach, and responds with remedial measures.

Corporate governance is the practice of maintaining relationships between the board, partners, employees, suppliers and the community—in other words, all stakeholders—and ensuring that those relationships are conducted in accordance with the principles of equality, transparency, accountability and responsibility. Since ÜNLÜ & Co Group companies are not traded on the stock exchange, they have no obligation to produce Principles of Corporate Governance Compliance Reports. Nevertheless, ÜNLÜ & Co aims to comply with principles of corporate governance.

Among disclosures to ensure transparency are announcements through the Trade Registry, press releases, notifications on ÜNLÜ & Co's corporate website, and annual reports containing its audited financial statements.

Management and monitoring of compliance risk, defined as the risk of being subject to legal sanctions, financial loss or loss of reputation as a result of non-compliance with applicable laws, regulations, codes of conduct or good practice standards, is carried out with the guidance of the Compliance Department.

Compliance Department develops policies for compliance risks that ÜNLÜ & Co Group companies may be exposed to, and regularly reviews and updates these policies in parallel with changes in legislation, operations and market conditions, and also monitors their implementation.

ÜNLÜ & Co regularly reviews all business areas and potentially high-risk compliance issues that it could be exposed to within the framework of its risk-based approach, and responds with remedial measures.

Departments within the scope of ÜNLÜ & Co's internal systems - Internal Audit, Internal Control, Compliance and Risk Management - perform necessary measurement, evaluation and reporting works, under the ultimate responsibility of the Board of Directors.

Departments within the scope of ÜNLÜ & Co's internal systems - Internal Audit, Internal Control, Compliance and Risk Management - perform necessary measurement, evaluation and reporting works, under the ultimate responsibility of the Board of Directors.

Committed to acting fairly and honestly, while also minding the interests of its clients and the integrity of the market as it conducts its activities, ÜNLÜ & Co takes necessary administrative measures by creating an organizational structure to preclude potential conflicts of interest.

The Compliance Department also fulfils the obligations of ÜNLÜ & Co Group to comply with legislation on the Prevention of Laundering Proceeds of Crime, Financing of Terrorism, and Prevention of Terrorism Financing. The Department reports the results of the checks and risk monitoring to the Board of Directors on a regular basis.



As they perform their duties, ÜNLÜ & Co Group employees consider the Handbook on Compliance with Regulatory Authorities and the Code of Conduct, which reflects all the policies of ÜNLÜ & Co. Regular training is provided in that regard.

ÜNLÜ & Co's risk management approach covers the identification, measurement, evaluation, monitoring and mitigation of risks that it may be exposed to/is exposed to, independent of the executive units. Fundamentally, Risk Management Department carries out proactive control and management activities pertaining to the market, credit, liquidity and operational risk classes. Responsibility and accountability in relation to those risks are at the discretion of the executive business lines. ÜNLÜ & Co's aim is for business units to perceive internal risks; to mitigate such risks in line with the Group's risk tolerance; and consider risk-return trade-offs in corporate business decisions. Senior Management, on the other hand, delineates the risk level compatible with ÜNLÜ & Co's risk appetite, defining ÜNLÜ & Co's limits and taking the necessary actions to monitor and control them.

Reporting to the Board of Directors, ÜNLÜ & Co Internal Audit Department carries out internal audit activities covering all ÜNLÜ & Co businesses. Internal audit is an independent, objective assurance and consultancy activity, designed to improve and to add value to an organization's operations. ÜNLÜ & Co Internal Audit Department helps the organization accomplish its objectives by bringing a systematic, and disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes.

ÜNLÜ & Co Internal Audit Department conducts risk-based audits, observing regulatory requirements, corporate objectives, and corporate policy and procedures.

ÜNLÜ & Co Internal Control system is designed to protect the Company's and clients' assets; regularly, efficiently, and productively carry out all businesses and procedures in compliance with the corporate management strategy and policies, consistent with current regulations and rules; and prevent and detect any errors, fraud, and irregularities, safeguarding the integrity and reliability of the accounts and records.

CORPORATE COMMUNICATIONS AND MARKETING

Through the corporate communication activities it pursues to support its marketing strategies, ÜNLÜ & Co aims to manage interactions with all stakeholders in the most effective manner.

With value creation for the Turkish economy, the financial sector and its stakeholders at the core of its efforts, ÜNLÜ & Co keenly promotes its extensive products and services through internal and external means of communication. Through the corporate communication activities it pursues to support its marketing strategies, ÜNLÜ & Co aims to manage interactions with all stakeholders in the most effective manner.

While ÜNLÜ & Co sustains its growth momentum, fuelled by relentless work, an entrepreneurial spirit, and market experience; Corporate Communications and Marketing Department contributes to reputation management by promoting the added value created by the Company over many years to the public, through communication and marketing activities.

Corporate Communications and Marketing Department operates under the headings of “Press and Public Relations,” “Internal Communication,” “Event Management,” “Corporate Social Responsibility,” “Corporate Identity and Brand Management,” and “Advertising, Promotion and Digital Marketing.”

Press and Public Relations

ÜNLÜ & Co aims to reinforce its pioneering corporate image, predicated on 25 years of hard work; contribute to the sector with its assessments; and share major developments related to the Group in the most accurate and transparent manner with the public. In line with this strategy, ÜNLÜ & Co’s Executive Management and seasoned managers regularly offer their opinions and assessments on traditional and digital media outlets throughout the year. All stakeholders are informed promptly and extensively about activities carried out by the Group; consummated investment service transactions; awards for which ÜNLÜ & Co has been deemed worthy; and other noteworthy developments.

Internal Communication

Corporate Communications and Marketing Department is responsible for regularly notifying all ÜNLÜ & Co employees on important developments regarding the activities of the Group; organizations and collaborations of which ÜNLÜ & Co is a stakeholder; and projects in which ÜNLÜ & Co has taken part or developed.

Event Management

All events held for ÜNLÜ & Co employees or intended for external audiences are based on a strategy and business plan tailored to the target audience and in accordance with the corporate culture and values. While events have been moved mostly to online platforms due to Covid-19; topic management, productivity, technical infrastructure and ease of access have taken on added significance during the planning phase, with necessary workflows regularly updated.

Corporate Identity and Brand Management

Corporate Communications and Marketing Department undertakes brand management and corporate identity activities, guided by ÜNLÜ & Co’s vision, mission and values. In this context, the Department is responsible for the design and procurement of logos used within the Group; production of reports, presentations and marketing material in line with relevant principles; and ensuring that Group companies’ websites are compliant with the corporate identity.

Advertising, Promotion and Digital Marketing

Products and services offered by business units within ÜNLÜ & Co Group must be effectively promoted on the right platforms, and to the right audience. Visual material prepared in this context is used in the Company’s communication channels, such as website and social media platforms; as well as in advertising and promotion activities across diverse platforms, most notably in digital marketing, hence contributing to the attainment of strategic business goals.



CORPORATE SOCIAL RESPONSIBILITY PROJECTS

To generate an enduring effect and change, ÜNLÜ & Co supports sustainable initiatives in three main domains, namely entrepreneurship, women, and education.

CORPORATE SOCIAL RESPONSIBILITY PROJECTS

To generate an enduring effect and change, ÜNLÜ & Co supports sustainable initiatives in three main domains, namely entrepreneurship, women, and education. In addition to corporate contributions and sponsorships provided to corporate social responsibility projects, ÜNLÜ & Co employees also make personal contributions, as mentors and by providing trainings and seminars in the framework of these projects to raise social awareness.

ENTREPRENEURSHIP

Turkish Entrepreneurship Foundation (TEF)

Founded by Turkey's leading entrepreneurs and opinion leaders, Turkish Entrepreneurship Foundation aims to promote a culture of entrepreneurship. TEF strives to leverage this entrepreneurship in attaining the country's long-term development goals.

TEF's Fellow and Challenger Programs allows young people to meet with entrepreneurs and experience entrepreneurship through participation in various entrepreneurship activities. It also provides them with the opportunity to develop networks and take inspiration from role models. The Program aims to enable young people to make their mark in the world of business in their own unique way. To date, the Turkish Entrepreneurship Foundation has facilitated more than 100 start-ups and reached 24 million individuals. In addition to the Fellow and Challenger Programs, the Turkish Entrepreneurship Foundation promotes a culture of giving back to the community by conducting various projects and producing information on specific topics.

As a member of the Board of Trustees of the Foundation, ÜNLÜ & Co Board Member Şebnem Kalyoncuoğlu Ünlü shares her own experience and provides guidance to young people at TEF Fellow UP events.

www.girisimcilikvakfi.org

Endeavor

Established in 1997 in New York, and in 2007 in Turkey, Endeavor is one of the longest-standing associations in Turkey with a focus on entrepreneurship. As a leading entrepreneurship network on a global scale, Endeavor pioneers the "Effective Entrepreneurship" movement across the world; and continues to support entrepreneurs establishing ScaleUp companies. Operating in 30 countries and across 34 markets, Endeavor has more than 3,000 mentors and more than 1,000 enterprises in its global network. Among the 70 Turkish companies culled by Endeavor are successful enterprises such as Yemeksepeti, Insider, Gram Games, as well as the recently sold Peak Games, iyzico and Foriba. Endeavor Turkey Initiatives have reached an aggregate valuation in excess of USD 3 billion, and exits to the tune of USD 3.3 billion, while having received investments of more than USD 180 million. Aiming to present a unique journey to every entrepreneur entering the selection process, Endeavor offers entrepreneurs its local mentor network from day one, and its global mentor network following the selection.

Endeavor conducts activities to consolidate the entrepreneurship ecosystems with different acceleration programs and events, in addition to entrepreneur selection and supporting process. CaseCampus Program for students, StartUpCampus Program for early stage companies, and ScaleUp Program designed for companies with high growth potential in the Endeavor process, focused on the improvement of entrepreneurs and their companies. Developed in 2020, Endeavor Connect aims to expand the relations between entrepreneurs and the corporate world. Moreover, Endeavor

conducts an exclusive support process in Ankara and Izmir to contribute to the development of city ecosystems. With the ScaleUp Summits held annually in Istanbul, Ankara and Izmir, Endeavor brings together successful entrepreneurs and leaders of the entrepreneurship world with entrepreneurs at the start of their journey, with the purpose of fostering entrepreneurship awareness. To ensure that a higher number of successful women entrepreneurs partake in the business world, Endeavor supports ÜNLÜ & Co Women Entrepreneurs Academy, with the collaboration of Turkish Entrepreneurship Foundation.

www.endeavor.org.tr

Women Entrepreneurs Association of Turkey (KAGIDER)

KAGIDER is a non-governmental organization aimed at strengthening women entrepreneurs. The organization aims to empower women not only economically, but also socially and politically.

In partnership with national and international public, private and civil organizations, KAGIDER has developed and continues to work on several projects and activities. KAGIDER, which has around 370 members, is engaged in training, counseling and mentorship activities towards economically empowering and strengthening women entrepreneurs. KAGIDER advocates equal opportunities for men and women, related to which it is engaged in a number of activities.

At its 15th anniversary, KAGIDER brought to life Women Entrepreneurs' Support Program, dubbed "Project 15." Within the scope of this project, 15 women entrepreneurs receive support for the growth of their businesses, in the form of meetings with angel investors, meetings with entrepreneurship ecosystem, PR Support, mentorship support for 6 months and support from KAGIDER expert advisory board. As part of this program, senior executives at ÜNLÜ & Co provided the firm Manibux, one of ÜNLÜ & Co Women Entrepreneurs Academy's participants, with Advisory Board support in 2019.

ÜNLÜ & Co, standing by young women leaders of the future who work, produce and actively participate in life, has been supporting KAGIDER since 2014.

www.geleceginkadinliderleri.org

WOMEN

Supporting women's participation in business at all levels of the Group has been a priority of ÜNLÜ & Co since its establishment. It has taken utmost care to offer equal conditions to female employees through a proactive approach in recruitment and promotion processes. 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 central commitments:

- Providing 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 health, security and prosperity for all women and men;
- Supporting women through education, courses and professional development opportunities;
- Implementing entrepreneurial development, supply chain and marketing methods that empower women;
- Encouraging equality through social initiatives and support;
- Measuring the development to ensure gender equality, and reporting it publicly.

CORPORATE SOCIAL RESPONSIBILITY PROJECTS

ÜNLÜ & Co employees contribute to the Women Entrepreneurs Academy with their know-how and experience.

Women on Board Association Turkey

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

The Association is rooted in the Intercompany Mentorship Program for More Women, created in 2012 by Hande Yaşargil, managing partner at Mentor Consulting, and Burçak Güven, journalist/clinical psychologist.

The Women on Board of Directors Program was initiated to expand the pool of women “ready” to boost female representation on boards. It is Turkey’s first and only certificate program in the field of Board Membership, accredited by respected academic institutions. One of the main elements of the program is the mentoring system between companies. This system gives participants the opportunity to be mentored by the country’s most effective business people and thought leaders. In each 18-month period, the mentors play a crucial role by working with new female mentees, helping them prepare for their roles on boards of directors.

The Program, the 4th term of which was launched in January 2020, saw 137 senior women executives graduate in its preceding three terms. With 60 new participants in the current period, WBAT mentee network has reached 197 people.

WBAT continues to implement this unique program while carrying out activities as a communication, cooperation, awareness and information sharing platform to increase the representation rate of women on boards.

WBAT operates with the mission of convincing all stakeholders of the social and economic benefits of equal gender representation on boards of directors, and helping women’s development in this regard.

Mahmut L. Ünlü has been contributing to the program as mentor for four years now, and continues to provide mentoring every month to the assigned mentee. As of 2020, three female senior executives at ÜNLÜ & Co have graduated from the Program.

EDUCATION

Koç University Anatolian Scholarship Program

The Anatolian Scholarship Program was initiated by Koç University in 2011 to provide high quality education opportunities to students from underprivileged backgrounds, who are not eligible for a full scholarship under the public national scholarship system but who are high achievers and exceptional individuals in all regards. The Program continues and grows with the contributions of grantors.

The Women on Board of Directors Program was initiated to expand the pool of women “ready” to boost female representation on boards.

ÜNLÜ & Co is a member of this program that enables young people to access high quality education. The Group provides scholarship support to a student at Koç University, who graduated successfully from the Department of Computer Engineering as of June 2019, and has subsequently enrolled in the Department of Archaeology, thanks to the Anatolian Scholarship Program. A new term student, to whom ÜNLÜ & Co has provided scholarship in the framework of the Program in the 2020 period, continues to the English Language Centre.

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 contributed to this area to ensure that young people receive a high quality education and grow up as individuals beneficial to their society and country. A “lifetime” scholarship was established on behalf of ÜNLÜ & Co.

webportal.robcol.k12.tr

The Duke of Edinburgh Fellowship Program

The Duke of Edinburgh’s International Award Fellowship is a personal development program for young people. The Program aims to equip young people with the skills that would enable them to stand out in the society where they live in and across the world. Launched in 1987, the Program has 400 active grantors and members from 42 countries.

ÜNLÜ & Co has been supporting the Award Fellowship program since 2015. A “lifetime” scholarship has been established on behalf of ÜNLÜ & Co.

www.intaward.org

Turkish Foundation for Children in Need of Protection (Koruncuk Foundation)

Koruncuk Foundation aims to provide shelter, care, access to education, and counselling to children whose basic needs and access to education are in peril; and empowers them, along with their families, with preventive, protective and remedial solutions from social, psychological and economic perspectives.

With its regular annual support, ÜNLÜ & Co contributes to supporting children to become members of society who can express themselves and are aware of their rights.

www.koruncuk.org

ÜNLÜ & Co Women Entrepreneurs Academy

Established in 2016 by ÜNLÜ & Co, with the support of Turkish Entrepreneurship Foundation and Endeavor Turkey, Women Entrepreneurs Academy aims to train and support 100 women entrepreneurs over five years, bringing more women into the entrepreneurial ecosystem.

Women Entrepreneurs Academy, which marked its fifth year in 2020, admits 20 women entrepreneurs to the Program each year, encouraging them in their entrepreneurial pursuits. In 2020, after a four-step assessment process, 20 women entrepreneurs were selected from among numerous applicants, and started the Program in November 2020.

During the nine-month program, participants are provided with trainings in a number of core topics of interest for entrepreneurs, ranging from business plan development, digital marketing, cash management and debt finance, to leadership and human resources management. Moreover, trainings are reinforced by mentoring, networking and investor meetings.

ÜNLÜ & Co employees contribute to the Women Entrepreneurs Academy with their know-how and experience; guiding the participants in their economic empowerment, and in their quest to contribute to the economy.

HUMAN RESOURCES

In line with the human resources strategy, employees are provided with personal and professional development opportunities to improve their competencies, reinforce their engagement, and boost their productivity.

Consistent with ÜNLÜ & Co's vision of being the leading financial institution in the region, the Human Resources Department devises its talent and performance management, training, salary and benefits policies in line with innovative and technological developments.

Viewing competent human resources as a strategic imperative for the attainment of corporate objectives, ÜNLÜ & Co aims to create a fair working environment that is responsive to the needs and expectations, as well as the training and development of its workforce.

With an innovative approach, Human Resources Department designs and updates its processes, within the framework of new and evolving human resources practices.

At ÜNLÜ & Co, we believe that the values we uphold as our principal guidelines in our everyday lives will carry us all forward with a strong family spirit.

“Engaged,” “Entrepreneurial,” “Leader,” “One Team,” “Socially Conscious,” and “Client-centric” are values that reflect our dynamic and ever-evolving corporate culture.

Aligned with our values - the cornerstones of our corporate culture - are our competencies, which define, on the one hand, our mode of performing our work, and on the other, serve as a roadmap of how to develop ourselves as we navigate our career journey.

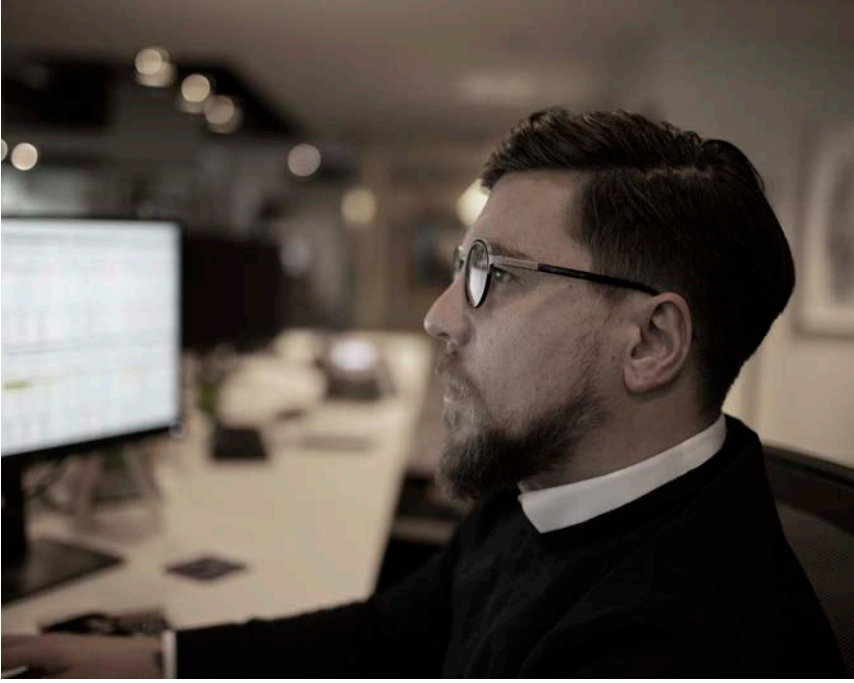
Competencies that are expected of all ÜNLÜ & Co employees include:

- Assuming an Active Role in Relationship Network Development,
- Leading Development and Change,
- Being Client-Oriented,
- Achieving Together,
- Progressing with a Target- and Result-Oriented Mindset,
- Being Agile and Flexible in Management and Decision Making Processes.

In line with its innovative approach, Human Resources Department designs and updates its processes, within the framework of new and evolving human resources practices. Employee needs and expectations are identified and prioritized. An understanding advocating different ideas, fairness, flexibility and feedback pervades the entire Company.

The Human Resources Department is comprised of recruitment, business partnership, and compensation and benefits functions.

In line with the human resources strategy, employees are provided with personal and professional development opportunities to improve their competencies, reinforce their engagement, and boost their productivity.



Findings of the employee engagement survey conducted in 2020 were shared with the managers of each business unit. Action plans were devised to address areas for development and expectations. In this context, ÜNLÜ & Co participated in a project dubbed “Corporate Culture and Productivity,” which is aimed at thoroughly analysing corporate culture, with a view to adopting more productive and efficient modes of doing business and identifying signposts to that end. Activities within the scope of the third phase of the project, funded by Max Planck Institute, European University Institute and Kadir Has University, will continue in 2021, with groups formed of ÜNLÜ & Co employees.

The Human Resources Department acts on the premise that attracting, developing and retaining talent within the institution can only be achieved through successful HR practices. Update projects aimed at strengthening the IT system and infrastructure continue in various areas. New projects are launched on an annual basis to ensure effective usage of up-to-date technology as well as its measurability.

In order to facilitate the Company’s adaptation to the “new normal” in the digital transformation process and to manage employee expectations, the HR Department took part in Flexible Working Project, in cooperation with Bilgi University.

The HR strategy of 2021 is to sustain ÜNLÜ & Co’s “brand of preference” image in its area of activity and to set its standards even higher. In this framework, efforts are focused as usual on attracting the talent potential that could make a difference, as well as retaining in-house talent.

ÜNLÜ & Co will continue its digital transformation initiatives in 2021 to render its organizational structure and business conduct models leaner, more agile and effective.

Efforts in Covid-19 Pandemic

As a responsible employer mindful of the well-being of its staff, ÜNLÜ & Co immediately initiated works to arrange its related policies and rules in response to the Covid-19 pandemic, which has had widespread effects in Turkey, as with the world at large. An Emergency Committee was set up in March 2020, with implementation of the decisions outlined below initiated on an instant monitoring basis within March.

Technological infrastructure preparations were rapidly finalized, and all business processes were smoothly transferred to the digital environment.

With “ÜNLÜ Bi’gün” application, quickly developed during the remote working period, useful information that employees may need in their daily routine, as well as enjoyable content with the participation of expert speakers, were presented. ÜNLÜ & Co created a page that can be easily accessed by employees from the Intranet environment, featuring scientific news, articles and publications regarding Covid-19. Moreover, during the lockdown period, ÜNLÜ & Co allowed those employees who are parents, to spend time with their children on the days and hours when children are permitted to go out.

HUMAN RESOURCES

Within the scope of talent management practices, coaching and training programs are drawn up for high-potential employees to design their development plans.

At the beginning of June, the “Return to Office” guidelines, which include all measures and sterilization practices, were prepared; and a gradual return to the office was planned. In order to ensure employee safety and well-being while working, office functions and layouts were rearranged, in line with the new requirements. Ensuring impeccable hygiene standards, in order to protect the health of all employees, has been the utmost priority of ÜNLÜ & Co executive management in the new normalization phase.

Until the pandemic draws to a close, office-home working model will remain in effect, in line with specified guidelines.

Performance Evaluation

Employee performance evaluation is undertaken in an objective and fair manner via the ÜNLÜ & Co Performance Management System.

A comprehensive result is achieved regarding the performance of the employee through target, competency and 360-degree evaluations and subsequent integration studies. Consequently, areas of development and progress steps are proactively determined. Subsequent to the evaluation, an action plan is prepared for staff members by their respective supervisors. To guide employees based on feedback, ÜNLÜ & Co has adopted feedforward management as part of its corporate culture.

Career and Development Journey

Employees can easily qualify for a higher position upon completing a successful performance period and gaining expertise in their current position, and can be assessed for admission to another department to continue their career journey.

Within the scope of talent management practices, coaching and training programs are drawn up for high-potential employees to design their development plans.

For critical management positions of director and above, projects developed with the mentors assigned to the candidates are presented to executive management, in addition to the evaluation centre implementation. This approach helps to identify employee strengths and areas for development in terms of management skills and know-how. Within the year following a promotion, ÜNLÜ & Co employees are supported with one-on-one coaching and tailor-made training programs to ensure they thrive in their new positions.

Employee Training

At ÜNLÜ & Co, training process is an employee’s development journey. With this point of view, training programs are determined upon the recommendation of the Human Resources Department or at the request of corresponding departments based on results of needs analysis. Staff members are provided with a variety of career growth opportunities. These include primarily international training conferences, teamwork oriented offsite activities and tailor-made training programs to enhance technical know-how/skill acquisition. These efforts aim to maintain a highly qualified staff with developed competencies and continuously improving productivity.

The implementation of on-the-job training in a way to allow mutual information exchange, supports a working environment defined as a “learning partnership,” where values are shared on a common platform; and the same corporate language is spoken.

Meanwhile, efforts for the roll-out of a digital learning platform in 2021 are underway at full-throttle.

In addition to these efforts, financial support is provided to employees earning certificates and licenses for compulsory training to help enhance their work performance.

Management Trainee (MT) Program

ÜNLÜ & Co Management Trainee (MT) Program, dubbed “Future Finance Generation,” an exclusive executive development program for new graduates with bachelor’s and master’s degrees, which had been restructured in 2019, was held fully online in 2020. The applications of 210 candidates out of a total of 2,800 applicants were approved. These applicants attended a digital talent camp featuring the speech of the Chairman, a discussion with HR, educational presentations, entertaining activities, and gamified digital applications to assess personal skills. Candidates who proved successful at this stage answered the questions they were asked, through video recordings. One-on-one interviews were subsequently held with the successful candidates. At the end of the interview process, 10 MTs who have graduated from reputable universities in Turkey and abroad were selected for 6 different departments, and started work at ÜNLÜ & Co in August, following a 4-week training period that was largely online.

In 2020, ÜNLÜ & Co took part in 11 campus activities. The most salient event of the year was the “M&A Challenge” competition, held for the first time in Turkey in partnership with Koç University Investment Group. During the event, which continued with different phases for 5 months and in which 17 groups participated, students had the opportunity to experience the entire flow of corporate mergers and acquisitions. ÜNLÜ & Co leaders assumed an active role

in this project, giving trainings and seminars on topics such as valuation and company analysis, and providing mentoring. Finalists were given various prizes, along with the right to participate directly in MT processes, and internships.

Employer brand image, consolidated by campus events in recent years, is aimed to be reinforced with special digital events in 2021. ÜNLÜ & Co continues to shape its talent recruitment strategy in line with changing, evolving trends.

Internship Program for University Students

Third-year, final year and master’s students from leading universities in Turkey and abroad are employed at ÜNLÜ & Co as interns.

ÜNLÜ & Co evaluates intern candidates as “future employees.” In that respect, young talents who are progress-oriented; invest in their skills; contribute to themselves and their roles; have good foreign language skills; and make a difference with their education, stand out as intern candidates. As such, rather than selecting interns from a specific school or department, ÜNLÜ & Co prioritizes interns who trust their potential, and are interested in the world of finance and investment.

Interns are assigned on a project basis. An internship program is planned whereby interns are involved in the work processes in their departments; can contribute actively with their outputs; and finish the internship well-equipped. Successful and ambitious interns are included in the MT process coinciding with their graduation year.

Students are offered two different internship programs, one in parallel with the academic calendar and the other during the summer period. Interns are expected to work at the Company at least three days per week during the academic semester and full-time in the summer break.

Due to the global pandemic conditions, this year the internship process has also been organized in a digital environment. As with Company employees, the majority of the interns have actively participated in the process by working from home.

HUMAN RESOURCES

In order to reinforce the recruitment experience and promote employee engagement, employee-tailored adaptation programs are executed.

For the last two years, ÜNLÜ & Co has been supporting the “TÜSİAD Bu Gençlikte İş Var!” program, launched in 2011. ÜNLÜ & Co has set up an internal project team to provide university students with an innovative perspective and entrepreneurial competence, offering them various forms of support they may need, ranging from training and networking to incubation and mentoring.

With an employee tally of more than 450 as at year-end 2020, ÜNLÜ & Co brings young talents together with investment banking services and asset management professionals under the same umbrella.

In 2019, a system raising productivity in soilless agriculture, and performing data analytics audit by adjusting the water and nutrient values of each crop, and minimizing frost formation in greenhouses with artificial intelligence, was supported. In 2020, a project envisaging the construction and development of an artificial intelligence-supported mobile health application was backed. The application is intended to issue a diagnosis, and provide treatment recommendations based on symptom details and throat images obtained from patients, obviating the need for unnecessary antibiotics usage by persons with flu symptoms.

Onboarding Process

In order to reinforce the recruitment experience and promote employee engagement, employee-tailored adaptation programs are executed. Practices to enhance the onboarding experience include presenting gifts and hygiene kits, making welcome announcements and arranging in-person introduction meetings.

ÜNLÜ & Co Employee Profile

With an employee tally of more than 450 as at year-end 2020, ÜNLÜ & Co brings young talents together with seasoned investment banking and asset management professionals under the same umbrella.

ÜNLÜ & Co employee key statistics:

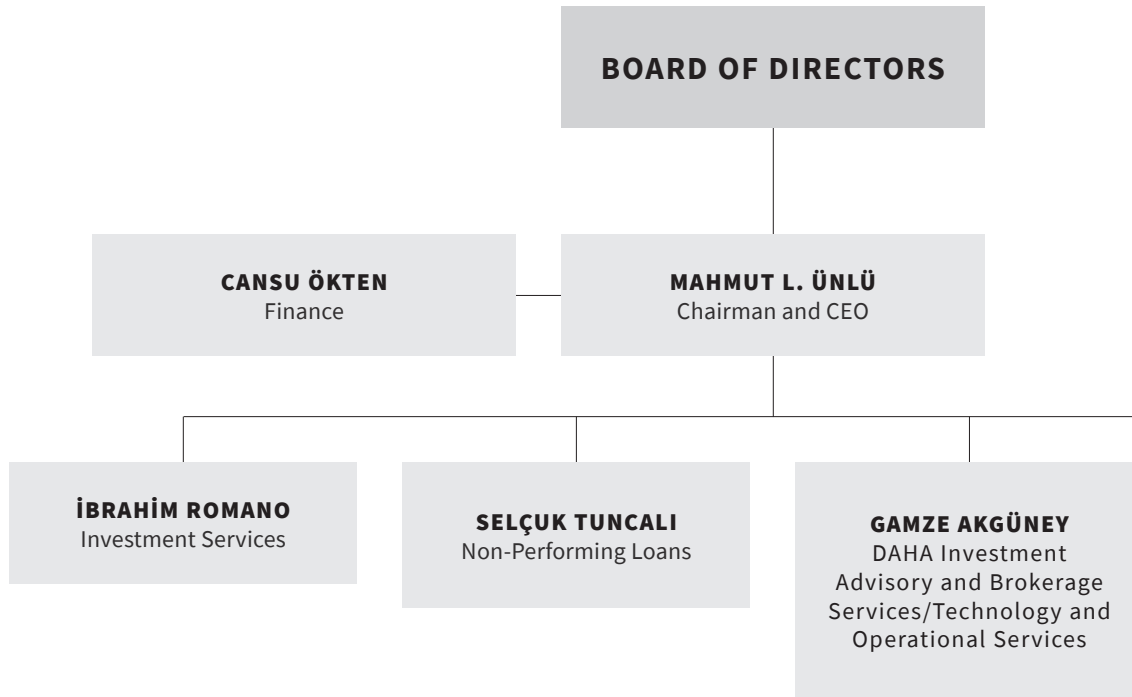
- 51% female, 49% male
- Average age is 33
- Average tenure is 3.6 years
- 63% completed an undergraduate program; 12% completed a postgraduate program or have a Ph.D. degree.

At ÜNLÜ & Co, a management approach that promotes women’s participation in business life and supports women’s career development is upheld. Consequently, ensuring gender equality in recruitment has been a key priority for management.

The percentage of women at ÜNLÜ & Co holding positions of manager or above has reached 43%, which remains unmatched in the sector.



ORGANISATIONAL CHART



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Alternative Investments  
and Portfolio Management]; A --- C[ELİF ÖZER  
Human Resources  
& Corporate  
Communications and  
Marketing]; A --- D[UYGAR AKSOY  
Treasury];
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UTKU ÖZAY
Alternative Investments
and Portfolio Management

ELİF ÖZER
Human Resources
& Corporate
Communications and
Marketing

UYGAR AKSOY
Treasury

EXECUTIVE BOARD



**(1) İbrahim Romano**

(Investment Services)

(2) Elif Özer

(Human Resources & Corporate
Communications and Marketing)

(3) Utku Özay

(Alternative Investments and Portfolio
Management)

(4) Uygur Aksoy

(Treasury)

(5) Gamze Akgüney

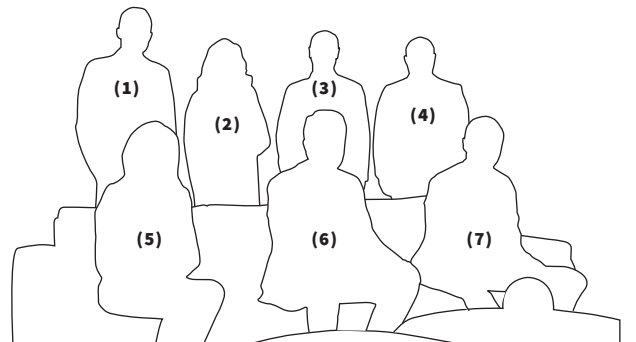
(General Manager, DAHA Investment Advisory
and Brokerage Services/Technology and
Operational Services)

(6) Mahmut L. Ünlü

(Chairman and CEO)

(7) Selçuk Tuncalı

(Non-Performing Loans)



ÜNLÜ YATIRIM HOLDİNG BOARD OF DIRECTORS



MAHMET L. ÜNLÜ Chairman

Mahmut L. Ünlü graduated from Georgia Institute of Technology, Department of Mechanical Engineering in 1989, and received an MBA degree from Rice University (Houston, USA) in 1991. He started his professional career at İktisat Bankası, and then moved to Yatırım Bank, serving as Assistant General Manager there from 1992 to 1995. In 1996, Mr. Ünlü co-founded Dundas Ünlü and subsequently formed a strategic partnership with Standard Bank in 2007, renaming the company Standard ÜNLÜ, where he served as Deputy Chairman and CEO. He was also a member of the International Executive Committee of Standard Bank. In 2012, Mr. Ünlü formed ÜNLÜ & Co to acquire a major stake in Standard ÜNLÜ as well as to control interests in various asset management businesses. Mahmut L. Ünlü currently serves as Chairman and CEO of ÜNLÜ & Co. He is also the Chairman of ÜNLÜ Menkul Değerler A.Ş., on behalf of ÜNLÜ Yatırım Holding A.Ş.



CAN ÜNALAN Deputy Chairman

Can Ünalın graduated from Istanbul University, Department of Business Administration in 1985, majoring in Finance. He received an MBA degree from Marmara University in 1986. Mr. Ünalın started his banking career at İşbank's Audit Department in 1986, and then worked at ABN AMRO Bank between 1993 and 2006, assuming roles including Head of the Credit Department and COO (Chief Operating Officer). During his secondment at ABN AMRO as CRO (Chief Risk Officer), he was also appointed as ABN AMRO Securities CEO and Board Member. In 2006, Mr. Ünalın joined Garanti Bank - GE Capital partnership and was a member of the Corporate and Commercial Risk Committee. Before joining ÜNLÜ & Co, Mr. Ünalın was the Turkey CEO of Mubadala GE Capital. He is the Deputy Chairman of ÜNLÜ & Co and served as the General Manager of ÜNLÜ Menkul Değerler A.Ş. between 2013 and 2019.



ŞEBNEM KALYONCUOĞLU ÜNLÜ Board Member

Şebnem Kalyoncuoğlu Ünlü received her Bachelor's degree in Business Administration from Boğaziçi University in 1995 and her Master's degree in International Accounting and Finance from London School of Economics in 1996. Ms. Ünlü started her professional career at ABN AMRO Bank in Turkey, where she worked at the Structured Finance Department between 1996 and 1999. She subsequently joined the London office of Credit Suisse in 1999, covering Turkey within the Emerging Markets Division. Ms. Ünlü went on to work at Credit Suisse, serving as Turkey Country Manager and Head of Investment Banking in London until 2006. She then served as CEO at Alkhair Capital Turkey. Currently, Ms. Ünlü serves as Executive Board Member at ÜNLÜ & Co. Şebnem Kalyoncuoğlu Ünlü is a member of TÜSİAD, YPO, KAGİDER and a Trustee of the Entrepreneurship Foundation. She is also a member of SAHA and Tate Modern's MENA Committee. Ms. Ünlü manages all social responsibility projects launched by ÜNLÜ & Co, most notably "ÜNLÜ & Co Women Entrepreneurs Academy," an initiative aimed at strengthening Turkey's entrepreneurial ecosystem, and facilitating greater participation by women in business.

**İBRAHİM ROMANO****Board Member**

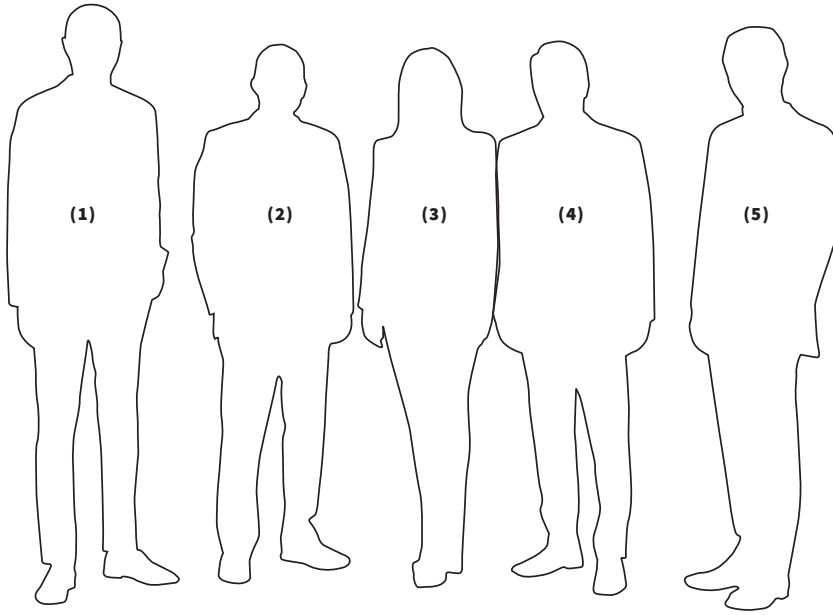
İbrahim Romano graduated from Boğaziçi University, Department of Economics in 1992, and received his Master's degree from Istanbul University, Department of International Relations, in 1993. He worked as Assistant Manager at Yatırım Bank between 1994 and 1996, and as Manager at Dundas Ünlü from 1996 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. In addition, Mr. Romano is Executive Committee Member in charge of Investment Banking Advisory and Board Member at ÜNLÜ & Co. He also serves as Independent Board Member at Borusan Mannesmann Boru Sanayi ve Ticaret A.Ş.

**SELÇUK TUNCALI****Board Member**

Selçuk Tuncalı graduated from Boğaziçi University, Department of Mechanical Engineering in 1989. He went on to obtain a degree in International Management from Istanbul University and an MBA degree in Finance from Rice University (Houston, USA) in 1992. Mr. Tuncalı started his professional career as Credit Sales Officer at Interbank and then went on to work at Ticaret Leasing. Subsequently, he served as Head of the Treasury Marketing Unit at Finansbank, and Head of Fixed Income Investments at İktisat Yatırım. Mr. Tuncalı joined ÜNLÜ & Co in 2002, and currently serves as the General Manager of İSTANBUL Varlık, the non-performing loan business of ÜNLÜ & Co. He is also Vice President of the Asset Management Companies Association. Mr. Tuncalı serves as Executive Committee Member in charge of Capital Markets and Asset Management, and Board Member at ÜNLÜ & Co.

BOARD OF DIRECTORS





(1) Selçuk Tuncalı
Board Member

(2) İbrahim Romano
Board Member

(3) Şebnem Kalyoncuoğlu Ünlü
Board Member

(4) Mahmut L. Ünlü
Chairman

(5) Can Ünalın
Deputy Chairman

ÜNLÜ Yatırım Holding A.Ş. and its Subsidiaries

Consolidated Financial Statements as at and for
the Year Ended 31 December 2020 with Independent
Auditors' Report Theron



Güney Bağımsız Denetim ve SMMM A.Ş.
Maslak Mah. Eski Büyükdere Cad.
Orjin Maslak İş Merkezi No: 27
Kat: 2-3-4 Daire: 54-57-59
34485 Sarıyer
İstanbul - Türkiye

Tel: +90 212 315 3000
Fax: +90 212 230 8291
ey.com
Ticaret Sicil No : 479920
Mersis No: 0-4350-3032-6000017

(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 2020, 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 2020, 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 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 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
Determination carrying value of non-performing loans	
<p>As of 31 December 2020 the Group has non-performing loans accounted under trade receivables account with total net present value of TL 190.925.980 (31 December 2019: TL 182.098.126); 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 evidences 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.

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 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 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) 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 2020 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.
- 2) 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

25 March 2021
İstanbul, Türkiye

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ÜNLÜ YATIRIM HOLDİNG A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2020 and 2019

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Audited	Audited
	<i>Notes</i>	31 December 2020	31 December 2019
ASSETS			
Current assets			
Cash and cash equivalents	5	113.013.033	82.130.660
Financial investments	6	58.636.647	23.658.361
Derivatives instruments	30	4.948.509	3.209.997
Trade receivables	8	170.870.381	81.756.169
- Trade receivables due from related parties	4	2.885.056	2.409.271
- Trade receivables due from other parties	8	167.985.325	79.346.898
Other receivables	9	45.432.365	26.423.849
- Other receivables due from related parties	4	261.008	243.432
- Other receivables due from other parties	9	45.171.357	26.180.417
Current income tax assets	27	-	2.070.320
Prepaid expenses	11	4.780.626	11.938.032
Other current assets	12	2.308.382	887.663
SUBTOTAL		399.989.943	232.075.051
Assets held for sale	13	122.099	44.721.057
TOTAL CURRENT ASSETS		400.112.042	276.796.108
Non-current assets			
Financial investments	6	1.517.254	1.517.254
Investments accounted through equity method	7	17.066.712	23.002.892
Trade receivables	8	134.210.117	136.529.774
Other receivables	9	157.094	142.729
Property and equipment	15	6.275.044	6.973.563
Rights of use	17	10.325.185	3.950.932
Intangible assets		32.792.887	30.385.348
- Goodwill	16	29.198.326	29.198.326
- Other intangible assets	16	3.594.561	1.187.022
Other non-current assets		11.869	-
Deferred tax assets	27	156.840	3.623.874
TOTAL NON-CURRENT ASSETS		202.513.002	206.126.366
TOTAL ASSETS		602.625.044	482.922.474

Information related to Reclassified Financial Statements has been disclosed in Note 2.A –(e) “Comparative information and reclassified of prior year’s financial statements”.

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 2020 and 2019

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Audited 31 December 2020	Audited 31 December 2019
LIABILITIES			
Short term liabilities			
Short term liabilities	14	170.261.805	60.245.720
Short term portion of long term liabilities	14	51.376.773	90.000.473
- Short term liabilities due to related parties	4	17.836.819	15.645.621
- Short term liabilities due to other parties	14	33.539.954	74.354.852
Leasing payables	14	4.282.870	2.162.067
Other financial liabilities	14	4.326.194	6.638.246
Derivatives instruments	30	4.505.403	1.685.043
Trade payables	8	6.799.730	3.108.235
- Trade payables due to other parties	8	6.799.730	3.108.235
Other payables	9	9.189.662	4.968.212
- Other payables due to related parties	4	491.831	281.001
- Other payables due to other parties	9	8.697.831	4.687.211
Short term liabilities for employee benefits	10	14.410.433	9.604.363
Short term provisions		11.167.461	4.537.963
- Provisions for employee benefits	20	9.728.921	3.224.721
- Other Provisions	18	1.438.540	1.313.242
Tax payable for the period	27	952.797	--
Deferred income		208.325	36.940
Other short term liabilities	12	250.087	12.777
TOTAL SHORT TERM LIABILITIES		277.731.540	183.000.039
Long term liabilities			
Long term liabilities	14	43.451.398	66.390.597
- Long term liabilities due to related parties	4	17.227.724	27.407.166
- Long term financial liabilities due to other parties	14	26.223.674	38.983.431
Leasing payables	14	7.439.214	2.689.382
Long term provisions		2.271.046	1.359.717
- Provisions for employee benefits	20	2.271.046	1.359.717
Deferred tax liabilities	27	27.068.105	21.449.981
TOTAL LONG TERM LIABILITIES		80.229.763	91.889.677
SHAREHOLDERS' EQUITY			
Equity attributable to owners of the parent			
Share capital	21	137.730.842	137.730.842
Repurchased shares	21	(4.020.977)	(4.020.977)
Other comprehensive expenses that will not be reclassified to profit or loss		(311.779)	331.168
- Remeasurement (losses)/profit of defined benefit plans	21	(311.779)	331.168
Other comprehensive income that will be reclassified to profit or loss		17.385.302	41.388.605
- Foreign Currency translation differences	21	11.973.975	36.037.396
- Revaluation gain on financial assets at fair value through other comprehensive income	21	5.411.327	5.351.209
Retained earnings	21	32.588.633	19.878.140
Net income for the period		61.272.726	12.710.493
Non-controlling interests	32	18.994	14.487
TOTAL SHAREHOLDERS' EQUITY		244.663.741	208.032.758
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		602.625.044	482.922.474

Information related to Reclassified Financial Statements has been disclosed in Note 2.A –(e) "Comparative information and reclassified of prior year's financial statements".

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 2020 and 2019

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

		Audited 1 January – 31 December 2020	Audited 1 January – 31 December 2019
	Notes		
PROFIT OR LOSS			
Financial sector activities revenue	22	2.577.432.828	2.013.924.324
Cost of financial sector activities (-)	22	(2.335.676.218)	(1.840.039.765)
Gross profit from financial sector activities		241.756.610	173.884.559
Marketing, selling and distribution expenses (-)	23	(9.282.428)	(7.291.573)
General administrative expenses (-)	23	(178.802.900)	(134.728.572)
Other operating income	24	2.925.911	1.620.996
Other operating expense (-)	24	(1.095.846)	(134.452)
Operating profit		55.501.347	33.350.958
Gain on investments for using the equity method	4,7	5.714.352	4.456.829
Income from investing activities	25	32.740.545	12.293.554
Expense from investing activities (-)	25	--	(4.931.718)
Profit before financial income		93.956.244	45.169.623
Financial income	26	98.463.172	54.223.218
Financial expenses (-)	26	(115.496.801)	(80.723.702)
Profit before tax		76.922.615	18.669.139
Tax expense			
- Tax expense for the period	27	(3.506.346)	(1.157.383)
- Deferred tax expense	27	(12.117.747)	(4.705.661)
Profit		61.298.522	12.806.095
Profit attributable to:			
Equity holders of the parent		61.272.726	12.710.493
Non-controlling interests		25.796	95.602
Net income for the period		61.298.522	12.806.095
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss		(642.947)	439.164
Remeasurement gains of defined benefit plans	20	(803.684)	548.955
Deferred tax income / (expense)	27	160.737	(109.791)
Items that will be reclassified to profit or loss		(24.003.303)	6.489.086
Change in fair value of financial assets at fair value through other comprehensive income	21	75.148	5.410.738
Change in fair value of financial assets at fair value through other comprehensive income, tax effect		(15.030)	(1.145.564)
Currency translation differences	21	(26.935.273)	2.223.912
Currency translation differences tax effect	21	2.871.852	--
Other comprehensive (expense) / income		(24.646.250)	6.928.250
Total comprehensive income		36.652.272	19.734.345
Total comprehensive income attributable to:			
Equity holders of the parent		36.647.765	19.638.743
Non-controlling interests		4.507	95.602
Total comprehensive income		36.652.272	19.734.345

Information related to Reclassified Financial Statements has been disclosed in Note 2.A –(e) "Comparative information and reclassified of prior year's financial statements".

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 2020 and 2019

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Audited attributable to owners of the parent									
		Other accumulated comprehensive income not to be classified in profit or loss		Other accumulated comprehensive income to be classified in profit or loss		Revaluation gain on financial assets at fair value through other comprehensive income					
		Repurchased shares	Share premium	Remeasurement losses/profits of defined benefit plans	Currency translation differences	Retained earnings	Net income for the period	Equity of the parent	Non-controlling interests	Total	
Notes	Paid capital										
1 January 2019	137.730.842	(2.263.322)	--	(107.996)	33.813.484	24.591.576	(4.713.436)	190.137.183	(81.115)	190.056.068	
Transfers	--	--	--	--	--	--	--	--	--	--	
Changes due to repurchase shares	--	(1.757.655)	--	--	--	(4.713.436)	4.713.436	(1.757.655)	--	(1.757.655)	
Net income for the period	--	--	--	--	--	--	12.710.493	12.710.493	--	12.806.095	
Other comprehensive income	--	--	--	439.164	2.223.912	--	--	6.928.250	--	6.928.250	
31 December 2019	137.730.842	(4.020.977)	--	331.168	36.037.396	19.878.140	12.710.493	208.018.271	14.487	208.032.758	
1 January 2020	137.730.842	(4.020.977)	--	331.168	36.037.396	19.878.140	12.710.493	208.018.271	14.487	208.032.758	
Transfers	--	--	--	--	--	--	--	--	--	--	
Net income for the period	--	--	--	--	--	12.710.493	(12.710.493)	--	--	--	
Other comprehensive income	--	--	--	(642.947)	(24.063.421)	--	61.272.726	61.272.726	4.507	61.277.233	
	--	--	--	--	--	--	--	(24.646.250)	--	(24.646.250)	
31 December 2020	137.730.842	(4.020.977)	--	(311.779)	11.973.975	32.588.633	61.272.726	244.644.747	18.994	244.663.741	

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 2020 and 2019

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Audited 1 January - 31 December 2020	Audited 1 January - 31 December 2019
	Not		
A. Cash flows (used in)/from operating activities		(34.410.610)	43.044.847
Net profit/(loss) for the period		61.272.726	12.710.493
Adjustments for to reconcile net income to net cash provided by operating activities		16.997.362	39.502.305
Adjustments for depreciation and amortization	15,16,17	7.560.087	5.342.815
Adjustments for provisions		8.397.975	775.861
Adjustments for provision for employee benefits		7.728.922	814.643
Adjustments for lawsuit provisions	18	125.298	(104.867)
Adjustments for other provisions		543.755	66.085
Adjustments for dividend income	25	--	--
Adjustments for interest income and expenses		22.823.590	32.286.131
Effect of exchange rate changes on cash and cash equivalents		(31.797.261)	7.640.760
Adjustments for fair value gain/(loss)		(5.611.122)	(12.406.306)
Adjustments for tax expense		15.624.093	5.863.044
Operating profit before changes in assets and liabilities		(112.680.698)	(9.167.951)
Changes in financial investments		(24.214.676)	11.617.866
Adjustments for (increase)/decrease in trade receivables	8	(87.338.310)	(27.952.598)
- Decrease in trade receivables due from related parties	4	(475.785)	(319.239)
- (Increase)/decrease in trade receivables due from other parties	8	(86.862.525)	(27.633.359)
Adjustments for (increase)/decrease in other receivables	9	(19.022.881)	19.314.963
- Decrease in other receivables due from related parties	4	(17.576)	70.111
- (Increase)/decrease in other receivables due from other parties	9	(19.005.305)	19.244.852
Adjustments for (increase)/decrease in other current assets		5.724.818	(6.195.308)
Adjustments for (decrease)/increase in trade payables		3.691.495	(142.508)
Adjustments for decrease in other payables		6.547.719	(3.848.230)
- Decrease in other payables due to related parties		1.894.152	(5.827.758)
- (Decrease)/increase in other payables due to other parties		4.653.567	1.979.528
Adjustments for increase/(decrease) in other liabilities		3.531.443	(1.239.276)
Employment benefits paid	20	(1.117.077)	(2.069.928)
Taxes paid/refunded		(483.229)	1.347.068
B. Cash flows used in investing activities		51.390.791	17.487.236
Dividend received	25	383.835	12.293.554
Interest received		9.454.034	10.227.522
Cash inflows from sales of non-current assets held for sale		46.124.892	--
Purchase of property and equipment	15	(1.128.898)	(4.524.800)
Purchase of intangible assets	16	(3.443.072)	(509.040)
C. Cash flows from/(used in) financing activities		1.616.002	(72.900.551)
Cash from financial borrowings		598.662.000	145.368.637
Cash outflows from debt payments		(561.097.741)	(172.006.914)
Interest paid		(30.892.497)	(40.066.809)
Cash outflows from financial leasing transactions		(5.055.760)	(3.930.412)
Cash inflows/outflows from acquisition and sales of interest in a subsidiary		--	(507.398)
Cash outflows from the Company's purchase its own shares		--	(1.757.655)
D. The effect of change in foreign exchange rates on cash and cash equivalents		12.238.318	2.549.024
Net increase in cash and cash equivalents (A+B+C+D)		30.834.501	(9.819.444)
E. Cash and cash equivalents at the beginning of the period	5	81.762.925	91.582.369
Cash and cash equivalents at the end of the period (A+B+C+D+E)	5	112.597.426	81.762.925

Information related to Reclassified Financial Statements has been disclosed in Note 2.A –(e) "Comparative information and reclassified of prior year's financial statements".

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 2020 and 2019***(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)***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; Ahi Evran Cad. Polaris Plaza B Blok No: 21 Kat: 1 34485 Maslak, Sarıyer Istanbul.

The Company's share capital is totally paid-in and amounting to TL 137.730.842 which consists of shares with a nominal value of TL 1 each. 84.30% of the Company's shares are owned by Mahmut Levent Ünlü.

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"), UNLU Alternative Asset Management Limited ("UAAM"), Mena Finansal Yatırımlar A.Ş. ("Mena Finans"), Turkish Alternative Investments Limited ("TAIL") and UPE Investments Ltd. ("UPE") 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.

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.

ÜNLÜ YATIRIM HOLDİNG A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020 and 2019***(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)***1 ORGANISATION AND NATURE OF OPERATIONS (Continued)**

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.

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.. İstanbul 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 07.18.2019 and was published in Turkey Trade Registry Gazette No. 9871.

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.

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.

In liquidation Mena was established in Turkey on 5 July 2012 and operates at Ahi Evran Cad, Polaris Plaza B Blok No: 21 Kat: 1 34398 Maslak, Sarıyer İstanbul. Mena provides financial consultancy services. The Company is the founding shareholders of Mena with 99.99% ownership share. As of 17 March 2014, Mena Finans nominal shares amounting total TL 74,999 were transferred to Şebnem Kalyoncuoğlu Ünlü, and the share rate of the Company decreased to 74.99%. Mena Finans was liquidated with the General Assembly Decision dated September 22, 2020 in accordance with the TCC and was published in the trade registry newspaper dated October 8, 2020 numbered 10177.

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.

UPE was established in Guernsey on 11 May 2015. It operates at 1 Royal Plaza Royal Avenue St Peter Port Guernsey, GY1 2HL. UPE provides investment consulting services. ÜNLÜ Yatırım Holding A.Ş. is the founder of UPE, and owns 100% of its shares. UPE's liquidation was completed on December 18, 2020.

ÜNLÜ YATIRIM HOLDİNG A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2020 and 2019***(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)*

1 ORGANISATION AND NATURE OF OPERATIONS (Continued)

It has been decided that the Company will participate in the capital increase of "Otsimo Bilişim Anonim Şirketi" on March 11, 2020, with a total of 97.500 TL, corresponding to 555 shares each with a value of 1 (One) Turkish Lira. The capital increase was registered on April 3, 2020, the date has been announced on April 7, 2020 Turkey Trade Registry Gazette numbered 10053. The company's share of capital in "Otsimo" is 0.71%.

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 2020, there are 467 (31 December 2019: 381) employees in the Group.

The consolidated financial statements for the year ended 31 December 2020 were approved by the Board of Directors on 25 March 2021.

ÜNLÜ YATIRIM HOLDİNG A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2020 and 2019***(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)***2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS****A. BASIS OF PRESENTATION****(a) Financial reporting standards and statement of Compliance to TFRS**

Companies, which are subject to independent audit in Turkey, prepare their financial statements in accordance with the Turkish Commercial Code (TCC) and Turkish Accounting Standards ("TAS") promulgated by Public Oversight Accounting and Auditing Standards Authority ("POA"). TCC adjudicates that companies which are subjected to independent audit shall be determined by Council of Ministers. Companies, which shall be subjected to independent audit have been determined with respect to certain measurements such as their size of asset, revenue and employees in accordance with the "Resolution of Council of Ministers on Determining Companies which shall be subjected to Independent Audit" entered into force on 23 January 2013. The Company is in scope of independent audit since it has exceeded the measurements mentioned in the Resolution and therefore the accompanying financial statements are prepared in accordance with TAS promulgated by POA. TAS consists of Turkish Accounting Standards and accounting standards and Interpretations published as Turkish Financial Reporting Standard and specific and exceptional other standards published by POA and attachment, comment and other regulations regarding the field in question.

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.

Additional paragraph for convenience translation to English

The differences between the accounting principles, as described in the preceding paragraphs, and the accounting principles generally accepted in countries, in which the accompanying unconsolidated financial statements are to be distributed, and International Financial Reporting Standards ("IFRS"), may have significant influence on the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles generally accepted in such countries other than Turkey and IFRS.

The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at December 31, 2020 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of January 1, 2020. 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, 2020 are as follows:**Definition of a Business (Amendments to TFRS 3)**

In May 2019, the POA issued amendments to the definition of a business in TFRS 3 Business Combinations standards. The amendments are intended to assist entities to remove the assessment regarding the definition of business.

ÜNLÜ YATIRIM HOLDİNG A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020 and 2019***(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)***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, 2020 (Continued):****Definition of a Business (Amendments to TFRS 3) (Continued)**

The amendments:

- Clarify the minimum requirements for a business;
- Remove the assessment of whether market participants are capable of replacing any missing elements;
- Add guidance to help entities assess whether an acquired process is substantive;
- Narrow the definitions of a business and of outputs; and
- Introduce an optional fair value concentration test.

The amendments to TFRS 3 are effective for annual reporting periods beginning on or after 1 January 2020 and apply prospectively. The amendments did not have a significant impact on the financial position or performance of the the Group.

Amendments to TFRS 9, TAS 39 and TFRS 7- Interest Rate Benchmark Reform

The amendments issued to TFRS 9 and TAS 39 which are effective for periods beginning on or after January 1, 2020 provide reliefs which enable hedge accounting to continue. For these reliefs, it is assumed that the benchmark on which the cash flows of hedged risk or item are based and/or, the benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of IBOR reform. in connection with interest rate benchmark reform.

Reliefs used as a result of amendments in TFRS 9 and TAS 39 is aimed to be disclosed in financial statements based on the amendments made in TFRS 7. The amendments did not have a significant impact on the financial position or performance of the Group.

Definition of Material (Amendments to TAS 1 and TAS 8)

In June 2019, the POA issued amendments to TAS 1 Presentation of Financial Statements and TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

The amendments to TAS 1 and TAS 8 are required to be applied for annual periods beginning on or after 1 January 2020. The amendments must be applied prospectively and earlier application is permitted. 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 2020 and 2019***(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)***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, 2020 (Continued):****Amendments to TFRS 16 – Covid-19 Rent Related Concessions**

In June 5, 2020, the POA issued amendments to TFRS 16 Leases to provide relief to lessees from applying TFRS 16 guidance on lease modifications to rent concessions arising a direct consequence of the Covid-19 pandemic. A lessee that makes this election accounts for any change in lease payments related rent concession the same way it would account for the change under the standard, if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of the Covid-19 pandemic and only if all of the following conditions are met:

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

A lessee will apply the amendment for annual reporting periods beginning on or after 1 June 2020. Early application of the amendments is permitted. The amendments did not have a significant impact on the financial position or performance of the Group.

iii) 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.

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

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.

TFRS 17 - The new Standard for insurance contracts

The POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted. The standard is not applicable for the Group and will not have an impact on the financial position or performance of the the Group.

ÜNLÜ YATIRIM HOLDİNG A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020 and 2019***(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)***2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)****A. BASIS OF PRESENTATION (Continued)****iii) Standarts issued but not yet effective and not early adopted (Continued)****Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities**

On 12 March 2020, the POA issued amendments to TAS 1 Presentation of Financial Statements. The amendments issued to TAS 1 which are effective for periods beginning on or after 1 January 2023, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Amendments to TFRS 3 – Reference to the Conceptual Framework

In July 2020, the POA issued amendments to TFRS 3 Business combinations. The amendments are intended to replace to a reference to a previous version of the Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing requirements of TFRS 3. At the same time, the amendments add a new paragraph to TFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments issued to TFRS 3 which are effective for periods beginning on or after 1 January 2022 and must be applied prospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in TFRS standards (March 2018). The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Amendments to TAS 16 – Proceeds before intended use

In July 2020, the POA issued amendments to TAS 16 Property, plant and equipment. The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and costs of producing those items, in profit or loss. The amendments issued to TAS 16 which are effective for periods beginning on or after 1 January 2022. Amendments must be applied retrospectively only to items of PP&E made available for use on or after beginning of the earliest period presented when the entity first applies the amendment. There is no transition relief for the first time adopters. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract

In July 2020, the POA issued amendments to TAS 37 Provisions, Contingent Liabilities and Contingent assets. The amendments issued to TAS 37 which are effective for periods beginning on or after 1 January 2022, to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and also apply a “directly related cost approach”. Amendments must be applied retrospectively to contracts for which an entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed. The Group is in the process of assessing the impact of the amendments on 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 2020 and 2019***(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)***2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)****A. BASIS OF PRESENTATION (Continued)****iii) Standarts issued but not yet effective and not early adopted (Continued)****Interest Rate Benchmark Reform – Phase 2 – Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16**

In December 2020, the POA issued Interest Rate Benchmark Reform – Phase 2, Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 to provide temporary reliefs which address the financial reporting effects when an interbank offering rate (IBOR) is replaced with an alternative nearly risk-free rate (RFR, amending the followings. The amendments are effective for periods beginning on or after 1 January 2021. Earlier application is permitted and must be disclosed.

Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform

The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Under this practical expedient, if the interest rates applicable to financial instruments change as a result of the IBOR reform, the situation is not considered as a derecognition or contract modification; instead, this would be determined by recalculating the carrying amount of the financial instrument using the original effective interest rate to discount the revised contractual cash flows.

Interest Rate Benchmark Reform – Phase 2 – Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 (Continued)

The practical expedient is required for entities applying TFRS 4 Insurance Contracts that are using the exemption from TFRS 9 Financial Instruments (and, therefore, apply TAS 39 Financial Instruments: Classification and Measurement) and for TFRS 16 Leases, to lease modifications required by IBOR reform.

Relief from discontinuing hedging relationships

- The amendments permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Amounts accumulated in the cash flow hedge reserve are deemed to be based on the RFR.
- For the TAS 39 assessment of retrospective hedge effectiveness, on transition to an RFR, entities may elect on a hedge-by-hedge basis, to reset the cumulative fair value changes to zero
- The amendments provide relief for items within a designated group of items (such as those forming part of a macro cash flow hedging strategy) that are amended for modifications directly required by IBOR reform. The reliefs allow the hedging strategy to remain and not be discontinued.
- As instruments transition to RFRs, a hedging relationship may need to be modified more than once. The phase two reliefs apply each time a hedging relationship is modified as a direct result of IBOR reform.

Separately identifiable risk components

The amendments provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

ÜNLÜ YATIRIM HOLDİNG A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020 and 2019***(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)***2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)****A. BASIS OF PRESENTATION (Continued)****iii) Standarts issued but not yet effective and not early adopted (Continued)****Interest Rate Benchmark Reform – Phase 2 – Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 (Continued)*****Additional disclosures***

Amendments need additional TFRS 7 Financial Instruments disclosures such as;
How the entity is managing the transition to RFRs, its progress and the risks to which it is exposed arising from financial instruments due to IBOR reform, quantitative information about financial instruments that have yet to transition to RFRs and If IBOR reform has given rise to changes in the entity's risk management strategy, a description of these changes.

The amendments are mandatory, with earlier application permitted. While application is retrospective, an entity is not required to restate prior periods. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Annual Improvements – 2018–2020 Cycle

In July 2020, the POA issued Annual Improvements to TFRS Standards 2018–2020 Cycle, amending the followings:

- *TFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter:* The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by the parent. The amendment is also applied to an associate or joint venture.
- *TFRS 9 Financial Instruments – Fees in the “10 per cent test” for derecognition of financial liabilities:* The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either borrower or lender on the other's behalf.
- *TAS 41 Agriculture – Taxation in fair value measurements:* The amendment removes the requirement in paragraph 22 of TAS 41 that entities exclude cash flows for taxation when measuring fair value of assets within the scope of TAS 41.

Improvements are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted for all. The Group is in the process of assessing the impact of the amendments / improvements on financial position or performance of the Group.

(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.

ÜNLÜ YATIRIM HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020 and 2019*(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)***2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)****A. BASIS OF PRESENTATION (Continued)****(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.

The effects of the adjustments and classifications made in previous periods in order to comply with the presentation of the current period financial statements on the statement of financial position items and the statement of profit or loss and other comprehensive income as of the following dates are shown below:

	Before			
	Classification	Effect of Classification	Descriptions	After Restatement
<u>31 December 2019 Statement of financial position</u>				
Trade receivables (Short term)	218.285.943	(136.529.774)	1	81.756.169
Trade receivables (Long term)	-	136.529.774	1	136.529.774
Property and Equipment	10.924.495	(3.950.932)	2	6.973.563
Rights of use	-	3.950.932	2	3.950.932
Short term liabilities	191.410.879	(131.165.159)	3,4,5	60.245.720
Short term portion of long term liabilities	-	90.000.473	3	90.000.473
Financial lease payables (Short term)	-	2.162.067	4	2.162.067
Other financial liabilities	6.619.058	19.188	5	6.638.246
Long term liabilities	30.096.548	36.294.049	3,6	66.390.597
Financial lease payables (Long term)	-	2.689.382	6	2.689.382
Other trade payables (Short term)	1.235.447	1.872.788	10	3.108.235
Other liabilities	1.885.565	(1.872.788)	10	12.777
Payables within the scope of employee benefits	6.569.226	3.035.137	11	9.604.363
Provisions for employee benefits	6.259.858	(3.035.137)	11	3.224.721
Total	-	-		
<u>31 December 2019 Statement of profit or loss</u>				
Service income	181.698.750	(1.634.544)	8	180.064.206
Discounts from service income	(1.936.982)	1.634.544	8	(302.438)
Cost of sales	(1.847.026.474)	6.986.709	7	(1.840.039.765)
General administrative expenses	(127.389.834)	(7.338.738)	7,9	(134.728.572)
Financial expenses	(81.075.731)	352.029	9	(80.723.702)
Total	-	-		

ÜNLÜ YATIRIM HOLDİNG A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020 and 2019***(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)***2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)****A. BASIS OF PRESENTATION (Continued)****(f) Comparative information and reclassified of prior year's financial statements**

- 1) *It is the classification of non-performing loans of an asset management company from short-term receivables to long-term trade receivables, depending on the expected cash flow timing.*
- 2) *It is the classification of right-of-use assets from tangible assets to rights of use account.*
- 3) *The short-term portion of the long-term debt in the short-term debt account and the long-term debt classification of the loan debts with a maturity of more than 12 months in line with loan agreements.*
- 4) *It is the classification of lease payables in the short-term financial liabilities account.*
- 5) *It is the classification of other financial liabilities in the short term financial liabilities account.*
- 6) *It is the classification of long term lease payables in the long term financial liabilities accounts.*
- 7) *It is the classification of the expenses of [administrative / manager] personnel in the cost of sales account to the general administrative expenses account.*
- 8) *It is the netting of commission returns in the account of discounts from service income with service income as a result of TFRS 15 principal-attorney evaluation.*
- 9) *The letter of guarantee in the general administrative expenses account is the classification of the commission expense to the financing expense.*
- 10) *It is the classification of expense accruals in the other liabilities account to the trade receivables account as per their cost.*
- 11) *It is the classification of premium and bonus debts to personnel to debts within the scope of employee benefits.*

In order to comply with the presentation of the current period consolidated financial statements, necessary classifications have been made between cash flows from operating activities and cash flows from financing activities in the cash flow statement.

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. The accounting estimates are not changed for the 1 January - 31 December 2020 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 2020 and 2019

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

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 2020 and 2019:

				Final share ratio	
Name of the company	Country	Functional Currency	Main activity and service line	31 December 2020	31 December 2019
Subsidiaries					
ÜNLÜ Menkul Değerler A.Ş. (“ÜNLÜ Menkul”) ⁽¹⁾	Turkey	TRY	Brokerage services	100,00%	100,00%
ÜNLÜ Portföy Yönetimi A.Ş. (“ÜNLÜ Portföy”)	Turkey	TRY	Portfolio management	100,00%	100,00%
Du Finansal Danışmanlık Hizmetleri A.Ş. (“DU Finans”) ⁽²⁾	Turkey	TRY	Financial consulting	100,00%	100,00%
Plato Finansal Danışmanlık Servisleri A.Ş. (“Plato Finans”) ⁽²⁾	Turkey	TRY	Financial consulting	98,21%	98,21%
İstanbul Varlık Yönetim A.Ş. (“İstanbul Varlık”) ⁽²⁾	Turkey	TRY	Asset management	100,00%	100,00%
ÜNLÜ Securities Inc. (“ÜNLÜ Securities US”) ⁽¹⁾	U.S.A	ABD Doları	Brokerage services	100,00%	100,00%
ÜNLÜ Securities UK Limited (“ÜNLÜ Securities UK”) ⁽¹⁾	UK	İngiliz Sterlini	Brokerage services	100,00%	100,00%
ÜNLÜ Alternative Asset Management Ltd. (“UAAM”)	Isle of Man	USD	Financial consulting	100,00%	100,00%
Turkish Alternative Investments Limited (“TAIL”) ⁽³⁾	Guernsey	TRY	Investment company	100,00%	100,00%
UPE Investments Ltd. (“UPE”) ⁽⁵⁾	Guernsey	USD	Investment company	--	100,00%
Mena Finansal Yatırımlar A.Ş. (“Mena Finans”) ⁽⁴⁾	Turkey	TRY	Financial consulting	--	74,99%
Associates accounted with equity pick-up method					
ÜNLÜ LT Investments Limited Partnership (“ÜNLÜ LT”) ⁽³⁾	Guernsey	TRY	Venture capital	4,76%	4,76%
212 Limited (Cayman Island) ⁽⁴⁾	Cayman Island	USD	Venture capital	32,5%	32,5%

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

(2) İstanbul Varlık has 98.21% share of DU Finans. Based on the decision of the Board of Directors no. 9 dated 31 July 2019, 350 Group (A) and 238,000 Group (B) units, each with a nominal value of 1 TL, belonging to Plato Finansal Danışmanlık Servisleri A.Ş. Plato Finansal shares with registered names were purchased by the company for a total amount of TL 603,000.

(3) TAIL owns 4.76% share of ÜNLÜ LT (31 December 2019: 4.76%).

(4) Mena Finans was canceled with the General Assembly Decision dated 22 September 2020 in accordance with the TCC and published in the Trade Registry Gazette dated 8 October 2020 and numbered 10177.

(5) The liquidation of UPE has been completed as of December 18, 2020.

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.

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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 2020				
Name	Effective holding ratio	Total Assets	Total Equity	Profit/(loss) for the period
ÜNLÜ Menkul Değerler A.Ş. (consolidated)	100,00%	189.193.916	80.529.176	11.862.121
ÜNLÜ Portföy Yönetimi A.Ş.	100,00%	9.449.801	6.796.177	1.277.196
Du Finansal Danışmanlık Hizmetleri A.Ş.	100,00%	375.210	(3.094.903)	(620.301)
Plato Finansal Danışmanlık Servisleri A.Ş.	98,21%	4.545.790	1.061.817	1.322.443
İstanbul Varlık Yönetim A.Ş.	100,00%	242.341.227	56.961.336	17.104.957
ÜNLÜ Alternative Asset Management Ltd.	100,00%	29.874.286	26.923.192	13.342.302
Turkish Alternative Investments Limited	100,00%	17.112.847	(2.869.520)	479.038
31 December 2019				
Name	Effective holding ratio	Total Assets	Total Equity	Profit/(loss) for the period
ÜNLÜ Menkul Değerler A.Ş. (consolidated)	100,00%	104.170.599	68.166.455	(9.727.325)
ÜNLÜ Portföy Yönetimi A.Ş.	100,00%	7.617.863	5.527.256	787.415
Du Finansal Danışmanlık Hizmetleri A.Ş.	100,00%	353.732	(2.425.793)	(900.545)
Plato Finansal Danışmanlık Servisleri A.Ş.	98,21%	2.121.046	(310.925)	1.620.542
İstanbul Varlık Yönetim A.Ş.	100,00%	216.700.523	40.041.278	6.394.626
ÜNLÜ Alternative Asset Management Ltd.	100,00%	11.235.161	10.465.394	557.070
Turkish Alternative Investments Limited	100,00%	23.118.094	(3.348.558)	5.899.180
UPE Investments Ltd.	100,00%	7.877	(181.229)	(191.087)
Tasfiye Halinde Mena Finansal Yatırımlar A.Ş.	75,00%	83.962	80.195	512

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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.

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.

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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 and portfolio purchase cost

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, as an expense under the "Portfolio purchase cost" 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.

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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.

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.

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FOR THE YEAR ENDED 31 DECEMBER 2020 and 2019***(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)*

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****(d) Financial assets**

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

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

Financial Assets at Fair Value Through Profit or Loss

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

Financial Assets at Fair Value Through Other Comprehensive Income:

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

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FOR THE YEAR ENDED 31 DECEMBER 2020 and 2019***(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)***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.

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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. It has been tested for impairment as of 31 December 2020 and 2019, and as a result, no impairment was found.

(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).

(g) 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.

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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.

The SU Turkish Private Equity Opportunities I, S.C.A. ("SICAR") fund, which was accounted for under the investments accounted for using the equity method in previous years, expired as of 2018. The operating period of SICAR has been extended until the end of 2019 and has entered the liquidation process as of 31 December 2019. Since SICAR is expected to complete its activities within the prescribed period as of 31 December 2018, the relevant amount has been classified under "Fixed assets classified as held for sale and disposal groups" in the financial statements dated 31 December 2018 and 2019. The SICAR Fund was liquidated with the decision of the General Assembly of 22 December 2020.

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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 2020, foreign currency at the end of the period for EUR transactions is TL 9,0079, for USD transactions, it is TL 7,3405, for GBP transactions, it is TL 9,9438 (31 December 2019: EUR: 6.6506, USD: 5.9402, GBP: 7.7765).

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.

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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 11.973.975 is recognized in "Currency translation differences" account under the equity in the balance sheet (31 December 2019: TL 36.037.396 foreign currency gain). The SICAR Fund was liquidated with the decision of the General Assembly of 22 December 2020. Exchange rate increases / decreases of SICAR Fund amounting to TL 28.048.293 which were recognized in the currency translation differences account in the other extensive income statement in previous periods, were classified into the income statement of the period in accordance with TAS 21 due to the liquidation of the fund.

(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 to use assets

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

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

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

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

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

Leasing Obligations

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

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

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

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

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

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

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

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

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

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

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

Assets subject to operational leasing	Contract period (Year)	Discount rate (%)
Buildings	1-5 year	TL -27,31 / -19,60
Buildings	1-2 year	GBP -0,75 / -0,80
Vehicles	1-3 year	EUR - 3,79

ÜNLÜ YATIRIM HOLDİNG A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020 and 2019***(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)***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).

Turkish tax regulations do not enable the parent company to give tax statement over the consolidated financial statements of its subsidiaries and affiliates. Due to this reason, tax provisions reflected to these consolidated financial statements are calculated for each company the full consolidation scope.

Corporate tax is subject to offsetting when a legal right about netting off the current tax assets and liabilities or when they are related to the corporate tax collected by the same tax regulatory.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*****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.

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.

(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).

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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).

(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).

ÜNLÜ YATIRIM HOLDİNG A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020 and 2019***(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)***2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)****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.

The COVID-19 pandemic, which has recently emerged in China, spread to various countries, and can cause potentially fatal respiratory infections, adversely affects the global economic conditions, in addition to bringing about disruptions in operations especially in countries that are heavily exposed to the pandemic. As a result of the spread of COVID-19 around the world, various measures have been and continue to be taken in our country, as well as all over the world, to prevent the transmission of the virus. Apart from these measures, economic measures are also being taken to minimize the economic effects of the virus pandemic on individuals and businesses in our country and worldwide. The Company Management predicts that the effects of the current situation will not be significant in the financial statements prepared as of 31 December 2020; however, since its main field of activity is to collect the receivables of deposit banks, participation banks, and other financial institutions and the receivables purchased by purchasing other assets from the debtor, and to convert the assets into cash or resell them after restructuring, the Company may be affected by economic circumstances in the upcoming periods. Therefore, the estimates and assumptions used in the upcoming periods will be reviewed again.

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, UNLU Securities INC and UNLU Securities UK Limited, engaged in brokerage activities in the capital markets. UAAM gives financial consultancy service and DU Finans, Plato Finans and İstanbul Varlık give asset management service. The Group's other subsidiary, Ünlü Portföy, operates in corporate and individual portfolio management segment. TAIL operate in investment sector; and the Company operate in investment holding services.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND
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3 SEGMENT REPORTING (Continued)

As at 31 December 2020 and 2019, segment reporting is prepared based on the brokerage, portfolio management activities and consultancy services.

31 December 2020	Brokerage, corporate finance and portfolio management services	Asset management consultancy and services	Private equity	Investment holding services	Eliminations (*)	Total
Financial sector activities						
revenue	2.381.967.923	180.230.248	253.344	19.871.519	(4.890.206)	2.577.432.828
Income from securities trading transactions	2.302.192.836	-	-	-	-	2.302.192.836
Income from brokerage	51.636.369	-	-	-	-	51.636.369
Income from non-performing loans	-	127.042.247	-	-	-	127.042.247
Corporate finance income	15.478.850	-	-	19.871.519	-	35.350.369
Consulting income	-	46.499.987	253.344	-	-	46.753.331
Portfolio management incomes	4.713.694	-	-	-	-	4.713.694
Other financial incomes	8.099.180	6.688.014	-	-	(4.890.206)	9.896.988
Discounts from financial income (-)	(153.006)	-	-	-	-	(153.006)
Cost of financial sector activities	(2.292.071.627)	(43.604.591)	-	-	-	(2.335.676.218)
Cost of securities trading transactions (-)	(2.292.071.627)	-	-	-	-	(2.292.071.627)
Cost of consulting income (-)	-	(29.799.044)	-	-	-	(29.799.044)
Cost of portfolio purchase (-)	-	(13.805.547)	-	-	-	(13.805.547)
Gross profit	89.896.296	136.625.657	253.344	19.871.519	(4.890.206)	241.756.610
General administrative, marketing, selling and distribution expense	(83.728.792)	(77.897.763)	(456.260)	(31.207.560)	5.205.047	(188.085.328)
Other operating income/expenses, net	(457.974)	1.883.743	-	719.137	(314.841)	1.830.065
Operating profit/(loss)	5.709.530	60.611.637	(202.916)	(10.616.904)	-	55.501.347
Share of profit of investment accounted through equity method	-	-	5.361.828	352.524	-	5.714.352
Income from operation activities	-	-	-	32.740.545	-	32.740.545
Profit/(loss) before						
Financial expenses	5.709.530	60.611.637	5.158.912	22.476.165	-	93.956.244
Financial income	69.047.889	5.630.882	5.054	28.510.949	(4.731.602)	98.463.172
Financial expenses	(55.203.799)	(27.428.466)	(4.779.268)	(32.816.870)	4.731.602	(115.496.801)
Profit before tax	19.553.620	38.814.053	384.698	18.170.244	-	76.922.615
Tax expense	(781.018)	-	-	(2.725.328)	-	(3.506.346)
Deferred tax income/(expense)	(5.633.285)	(7.491.147)	-	1.006.685	-	(12.117.747)
Net profit	13.139.317	31.322.906	384.698	16.451.601	-	61.298.522
Other comprehensive income/(expense)	492.325	2.831.488	(21.870)	(27.948.194)	-	(24.646.250)
Total comprehensive income/(expense)	13.631.642	34.154.394	362.828	(11.496.593)	-	36.652.272
Operating segment assets (31 December 2020)	198.643.717	277.136.513	17.169.695	144.304.255	(34.629.136)	602.625.044
Operating segment liabilities (31 December 2020)	111.318.364	195.285.071	19.982.367	54.323.120	(24.517.090)	356.391.832

(*)As of 31 December 2020, TL 4.890.206 consists of financial consultancy income / expenses and TL 4.731.602 dividend income / expense.

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3 SEGMENT REPORTING (Continued)

31 December 2019	Brokerage, corporate finance and portfolio management services	Asset management consultancy and services	Private equity	Investment holding services	Eliminations (*)	Total
Financial sector activities						
revenue	1.881.352.852	112.713.214	-	27.237.788	(7.379.530)	2.013.924.324
Income from securities trading transactions	1.828.619.593	-	-	-	-	1.828.619.593
Income from brokerage	24.292.654	-	-	-	-	24.292.654
Income from non-performing loans	-	99.724.568	-	-	-	99.724.568
Corporate finance income	16.180.448	-	-	27.540.226	-	43.720.674
Consulting income	-	4.574.964	-	-	-	4.574.964
Portfolio management incomes	3.220.890	-	-	-	-	3.220.890
Other financial incomes	9.039.267	8.413.682	-	-	(7.379.530)	10.073.419
Discounts from financial income (-)	-	-	-	(302.438)	-	(302.438)
Cost of financial sector activities	(1.825.856.803)	(14.182.962)	-	-	-	(1.840.039.765)
Cost of securities trading transactions (-)	(1.825.856.803)	-	-	-	-	(1.825.856.803)
Cost of consulting income (-)	-	(14.182.962)	-	-	-	(14.182.962)
Cost of portfolio purchase (-)	55.496.049	98.530.252	-	27.237.788	(7.379.530)	173.884.559
Gross profit	(74.175.342)	(56.014.554)	(306.684)	(19.254.632)	7.731.067	(142.020.145)
General administrative, marketing, selling and distribution expense	726.884	738.010	--	373.187	(351.537)	1.486.544
Other operating income/expenses, net	(17.952.409)	43.253.708	(306.684)	8.356.343	--	33.350.958
Operating profit/(loss)	--	--	4.451.398	5.431	--	4.456.829
Share of profit of investment accounted through equity method	--	--	--	12.293.554	--	12.293.554
Income from operation activities	--	--	--	(4.931.718)	--	(4.931.718)
Profit/(loss) before	(17.952.409)	43.253.708	4.144.714	15.723.610	--	45.169.623
Financial expenses	(17.952.409)	43.253.708	4.144.714	15.723.610	--	45.169.623
Financial income	34.147.929	3.430.662	14.731	15.089.823	1.540.073	54.223.218
Financial expenses	(33.635.680)	(34.019.411)	1.548.648	(13.077.186)	(1.540.073)	(80.723.702)
Profit before tax	(17.440.160)	12.664.959	5.708.093	17.736.247	--	18.669.139
Tax expense	(147.561)	--	--	(1.009.822)	--	(1.157.383)
Deferred tax income/(expense)	2.078.111	(5.468.281)	--	(1.315.491)	--	(4.705.661)
Net profit	(15.509.610)	7.196.678	5.708.093	15.410.934	--	12.806.095
Other comprehensive income/(expense)	1.158.749	1.679.231	(6.977)	4.097.247	--	6.928.250
Total comprehensive income/(expense)	(14.350.861)	8.875.909	5.701.116	19.508.181	--	19.734.345
Operating segment assets						
(31 December 2020)	118.753.171	230.410.462	23.125.971	158.906.950	(48.274.080)	482.922.474
Operating segment liabilities						
(31 December 2020)	45.059.460	182.640.508	26.655.758	58.225.374	(37.691.384)	274.889.716

(*)As of 31 December 2020, TL 7.379.530 consists of financial consultancy income / expenses and TL 1.540.073 dividend income / expense.

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4 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a) Balances with related parties

	31 December 2020	31 December 2019
Financial investments		
Financial assets at fair value through profit or loss (*)		
- ÜNLÜ Portföy Hisse Senedi Fonu ⁽¹⁾	3.610.793	3.001.249
- ÜNLÜ Portföy Üçüncü Değişken Fon ⁽¹⁾	2.246.315	2.653.295
- ÜNLÜ Portföy İkinci Serbest Fon ⁽¹⁾	--	1.403.413
- ÜNLÜ Portföy İkinci Değişken Fon ⁽¹⁾	--	411.100
- ÜNLÜ Portföy Üçüncü Serbest Fon ⁽¹⁾	--	156.249
- ÜNLÜ Portföy Mutlak Getiri Hedefli Serbest Fon ⁽¹⁾	--	104.120
Total	5.857.108	7.729.426
Receivables		
Trade receivables (Note 8)		
- ÜNLÜ Portföy İkinci Gayrimenkul Yatırım Fonu ⁽¹⁾	1.746.998	1.631.095
- ÜNLÜ Portföy Birinci Gayrimenkul Yatırım Fonu ⁽¹⁾	613.904	462.930
- ÜNLÜ Portföy Birinci Değişken Fon ⁽¹⁾	292.193	43.916
- ÜNLÜ Portföy Üçüncü Değişken Fon ⁽¹⁾	58.803	3.253
- ÜNLÜ Portföy Para Piyasası Fonu ⁽¹⁾	35.595	30.445
- ÜNLÜ Portföy Dördüncü Serbest Fon ⁽¹⁾	28.562	48.923
- ÜNLÜ Portföy Beşinci Serbest Özel Fon ⁽¹⁾	26.679	23.079
- ÜNLÜ Portföy Mutlak Getiri Hedefli Serbest Fon ⁽¹⁾	24.766	7.597
- ÜNLÜ Portföy Hisse Senedi Fonu ⁽¹⁾	22.477	6.444
- ÜNLÜ Portföy Yedinci Serbest Özel Fon ⁽¹⁾	20.808	--
- ÜNLÜ Portföy İkinci Değişken Fon ⁽¹⁾	14.271	3.526
- SICAR ^{(2) (**)}	--	72.173
- ÜNLÜ LT Investments Limited ⁽³⁾	--	71.579
- ÜNLÜ Portföy İkinci Serbest Fon ⁽¹⁾	--	3.023
- ÜNLÜ Portföy Üçüncü Serbest Fon ⁽¹⁾	--	1.288
Total	2.885.056	2.409.271

⁽¹⁾ These are the investment funds of which the partner of the Group is the founder.⁽²⁾ Group's subsidiary.⁽³⁾ It is an investment fund founded by the Group's subsidiary.^(*) These are the investment funds managed by the Group and trade receivables consisting of fund management fee incomes.^(**) Liquidated by the General Assembly Decision dated 22 December 2020.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND
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	31 December 2020	31 December 2019
Other receivables (Note 9)		
- Receivables from personnel	151.805	223.770
- ÜNLÜ LT Investments Limited ^{(1) (*)}	71.741	--
- Angora Varlık Finansmanı Fonu ^{(2) (**)}	21.394	--
- Hasat Varlık Finansmanı Fonu ^{(2) (**)}	16.068	--
- ÜNLÜ Portföy Üçüncü Gayrimenkul Yatırım Fonu ^{(1) (**)}	--	19.614
- ÜNLÜ Portföy Kısa Vadeli Borçlanma Araçları Fonu ^{(1) (**)}	--	48
Total	261.008	243.432
Liabilities		
Financial liabilities (Note 14)		
- Standard Bank South Africa ^{(3) (***)}	35.064.543	43.052.787
Total	35.064.543	43.052.787
Short term other payables (Note 9, 10)		
- Payables to personnel within the scope of benefits	5.815.257	4.131.935
- Borsa İstanbul A.Ş. ^{(4) (****)}	465.711	281.001
- Other payables to personnel	26.120	--
Total	6.307.088	4.412.936

⁽¹⁾ These are the investment funds of which the partner of the Group is the founder.⁽²⁾ They are asset-backed securities founded by the partner of the Group.⁽³⁾ It is the subsidiary of the group's partner.⁽⁴⁾ It is an establishment which the partner of the Group is a mandatory shareholder.^(*) The balance is composed of policy and contract expense reflections.^(**) It consists of the reflections of the audit and consultancy expenses of the funds.^(***) The due date of the financial debt is March 23, 2022 and the interest rate is 1.5% + USD Libor. Refer to Note 13.^(****) It consists of debts arising from service expenses.

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4 BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

b) Transactions with related parties

	1 January - 31 December 2020	1 January - 31 December 2019
Income from related parties		
Service income (Commission income) (*)		
- ÜNLÜ Portföy Birinci Değişken Fon ⁽¹⁾	2.330.736	205.903
- ÜNLÜ Portföy İkinci Gayrimenkul Yatırım Fonu ⁽¹⁾	1.661.572	1.553.424
- ÜNLÜ Portföy Dördüncü Serbest Fon ⁽¹⁾	660.011	287.705
- ÜNLÜ Portföy Birinci Gayrimenkul Yatırım Fonu ⁽¹⁾	584.649	440.883
- ÜNLÜ Portföy Para Piyasası Fonu ⁽¹⁾	408.614	167.500
- ÜNLÜ Portföy Beşinci Serbest Özel Fon ⁽¹⁾	307.385	202.096
- ÜNLÜ Portföy Üçüncü Değişken Fon ⁽¹⁾	255.517	33.916
- ÜNLÜ Portföy Hisse Senedi Fonu ⁽¹⁾	97.892	47.288
- ÜNLÜ Portföy Mutlak Getiri Hedefli Serbest Fon ⁽¹⁾	93.640	196.035
- ÜNLÜ Portföy İkinci Değişken Fon ⁽¹⁾	58.467	41.820
- ÜNLÜ Portföy Yedinci Serbest Özel Fon ⁽¹⁾	54.347	--
- ÜNLÜ Portföy Altıncı Serbest Özel Fon ⁽¹⁾	47.277	--
- ÜNLÜ Portföy İkinci Serbest Fon ⁽¹⁾	4.465	34.415
- ÜNLÜ Portföy Üçüncü Serbest Fon ⁽¹⁾	3.973	13.608
- ÜNLÜ Portföy Kısa Vadeli Borçlanma Araçları Fonu ⁽¹⁾	--	22.264
Total	6.568.545	3.246.857
Income from investing activities (Dividend income)		
- SICAR ^{(2) (**)}	32.446.079	8.881.806
- 212 Limited ⁽²⁾	294.466	--
- 212 Capital Partners ⁽²⁾	--	3.206.139
Total	32.740.545	12.087.945
Income from investments accounted through equity method		
- ÜNLÜ LT ⁽³⁾	5.361.828	4.456.829
- 212 Limited ⁽²⁾	352.524	--
Total	5.714.352	4.456.829
Expenses from investment activities (impairment)		
- SICAR ^{(*) (3)}	--	(4.931.718)
Total	--	(4.931.718)

⁽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.^(**) Liquidated by the General Assembly Decision dated 22 December 2020.

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4 BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

b) Transactions with related parties (Continued)

	1 January - 31 December 2020	1 January - 31 December 2019
Expenses to related parties		
General and administrative expenses (Note 23)		
- Şebnem Kalyoncuoğlu Ünlü ⁽²⁾	275.000	276.000
Financial expenses		
- Standard Bank South Africa ^{(1)(*)}	1.247.096	1.963.073
Foreign exchange expenses (Dipnot 14)		
- Standard Bank South Africa ^{(1)(*)}	7.809.128	5.380.903
Total	9.331.224	7.619.976

⁽¹⁾ The company is a partner of the groups partner. ⁽²⁾ She is a member of the board of directors of the group.^(*) She is a member of the board of directors of the group. Within the financing expenses, there are interest expense of the loan taken by the Group and foreign exchange difference expenses related to the loan.

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 2020, the total amount of salary and other benefits provided to the top management by the Group is TL 37.625.183 (1 January - 31 December 2019: TL 26.765.747).

5 CASH AND CASH EQUIVALENTS

	31 December 2020	31 December 2019
Cash	15.351	12.018
Cash at banks	107.238.831	76.149.058
- Demand deposit	28.503.129	33.169.172
- Time deposit	78.735.702	42.979.886
Futures and options market guarantees	4.308.413	3.057.161
Receivables from reverse repurchase agreements ⁽¹⁾	1.450.438	2.912.423
Total	113.013.033	82.130.660

⁽¹⁾ As of 31 December 2020, the maturity of reverse repurchase agreements amounting to TL 1.450.438 is less than one month and the average interest rate of reverse repurchase agreements is 17% (31 December 2019: TL 192.166, 16,99%)

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Cash and cash equivalents of the Group are shown in cash flow statements in 31 December 2020 and 2019 by deducing interest accruals and customer deposits:

	1 January - 31 December 2020	1 January - 31 December 2019
Cash and cash equivalents	113.013.033	82.130.660
Interest accruals (-)	(309.802)	(270.080)
Restricted deposit (-)	(105.805)	(97.655)
Total	112.597.426	81.762.925

As at 31 December 2020 and 2019, the interest rates and maturity of the time deposits are as follows

31 December 2020			
Currency	Original amount	Amount (TL)	Interest rate (%)
TL	36.100.001	36.100.001	6,50-19,00
USD	5.808.283	42.635.701	1,50-2,00
Total		78.735.702	

31 December 2019			
Currency	Original amount	Amount (TL)	Interest rate (%)
TL	7.798.723	7.798.723	5,25-25,00
USD	5.269.811	31.303.731	0,10-4,60
EUR	583.020	3.877.432	0,10-6,00
Total		42.979.886	

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6

FINANCIAL INVESTMENTS

Short term financial investments

	31 December 2020	31 December 2019
Financial assets at fair value through profit or loss	52.932.834	18.024.020
Financial assets at fair value through other comprehensive income	5.703.813	5.634.341
Total	58.636.647	23.658.361

As at 31 December 2020 and 2019, financial assets at fair value through profit or loss are as follows:

31 December 2020			
	Nominal	Fair value	Interest rate (%)
Private sector corporate bonds	14.050.611	42.946.472	5,00-13,60
Investment funds	2.716.495	7.618.365	--
Common stock	167.671	1.983.881	--
Government bonds	400.000	384.116	15,75
Total		52.932.834	
31 December 2019			
	Nominal	Fair value	Interest rate (%)
Private sector corporate bonds	9.276.749	9.405.514	1,35-28,5
Investment funds	227.255.031	7.729.426	--
Common stock	105.200	889.080	--
Total		18.024.020	

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As at 31 December 2020 and 2019, securities given as collateral are as follows (Note 18):

	31 December 2020		31 December 2019	
	Nominal value	Fair value	Nominal value	Fair value
Government bonds	400.000	384.116	--	--
Total	400.000	384.116	--	--

As at 31 December 2020 and 2019, details of financial assets at fair value through other comprehensive income are as follows:

	31 December 2020		31 December 2019	
	Share (%)	Share amount (TL)	Share (%)	Share amount (TL)
212 Capital Partners I Coöperatief U.A. ⁽¹⁾	3,31	5.703.813	3,31	5.634.341
Total		5.703.813		5.634.341

⁽¹⁾ As of 31 December 2020, 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 2020 and ÜNLÜ Yatırım Holding A.Ş. participated in these payments with a total of USD 970.000 from January 2011 to January 20, 2018 (31 December 2019: It started to pay on January 2011 and the last payment was made on January 20, 2018, with a total of USD 970.000) (Note 18).

Long term financial investments

	31 December 2020	31 December 2019
Financial assets at fair value through other Comprehensive income		
Shares certificate not listed on the stock market	1.517.254	1.517.254
-Borsa İstanbul A.Ş. ("BİST") ⁽¹⁾	1.517.254	1.517.254
Total	1.517.254	1.517.254

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

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7 INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

Investments in associates

	31 December 2020	31 December 2019
ÜNLÜ LT ⁽¹⁾	16.708.515	23.002.892
212 Limited (Cayman Island) ⁽²⁾	358.197	--
Total	17.066.712	23.002.892

⁽¹⁾ As of 31 December 2020, 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 (2019: USD 6,000,000) corresponding to 4.76% (2019: 4.76%) of total commitments. TAIL has made total payments of USD 5,166,666 as of 31 December 2019 (2019: USD 5,166,666) (Note 18).

⁽²⁾ As of December 31, 2020 It is an investment classified as investments valued by equity method, in which the Group has a share of 32.50% (2019: 32.50%)

		31 December 2020	31 December 2019
Associates	Main activity	Share %	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 2020	31 December 2019
Financial investments	347.691.697	472.734.775
Cash and cash equivalents	3.606.979	10.476.172
Other assets	--	77.240
Trade and other payables(-)	(279.444)	(341.520)
Net assets	351.019.232	482.946.667
Share in net assets of the associate	16.708.515	23.002.892
Total share of the Company in the net assets of the subsidiaries	16.708.515	23.002.892
	1 January -	1 January -
	31 December 2020	31 December 2019
Increase/(decrease) in value of financial assets	113.505.916	91.208.930
Other income/(expense)	(3.516.373)	(394.273)
Net income/(loss) for the period	109.989.543	90.814.657
Company's total share of net period profit	5.235.502	4.322.778

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Summary of the financial information on 212 Limited (Cayman Island) is provided below:

	31 December 2020	31 December 2019
Cash and cash equivalents	921.791	1.893.797
Other assets	180.333	3.383
Short term liabilities	--	(142.565)
Net assets	1.102.124	1.754.615
Share in net assets of the associate	358.197	570.250
Total share of the Company in the net assets of the subsidiaries	358.197	570.250
	1 January - 31 December 2020	1 January - 31 December 2019
Increase/(decrease) in value of financial assets	--	--
Other income/(expense)	(375.677)	(122.096)
Net income/(loss) for the period	(375.677)	(122.096)
Company's total share of net period profit	(112.095)	(39.681)
	1 January - 31 December 2020	1 January - 31 December 2019
At the beginning of the period	23.002.892	18.546.063
Share of the profit/(loss)	5.714.352	4.322.778
Additional share acquisition	(11.650.532)	134.051
Total change in the associate in accordance with equity method	(5.936.180)	4.456.829
Period end	17.066.712	23.002.892

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8 TRADE RECEIVABLES AND PAYABLES

	31 December 2020	31 December 2019
Short term trade receivables		
Receivables from customers on credit ⁽²⁾	71.568.693	30.582.531
Overdue receivables ⁽¹⁾	56.715.863	45.568.352
Receivables on consultancy services	35.515.452	1.463.189
<i>Receivables on consultancy services ⁽³⁾</i>	<i>35.515.452</i>	<i>1.463.189</i>
<i>Doubtful trade receivables</i>	<i>2.176.820</i>	<i>1.633.065</i>
<i>Expected credit loss</i>	<i>(2.176.820)</i>	<i>(1.633.065)</i>
Receivables from leveraged buy and sell transactions	2.133.723	1.295.006
Trade receivables due from related parties (Note 4)	2.885.056	2.409.271
Other	2.051.594	437.820
Total	170.870.381	81.756.169
Long term trade receivables		
Overdue receivables ⁽¹⁾	134.210.117	136.529.774
Total	134.210.117	136.529.774

⁽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 190,925,980 (December 31, 2019: 182,098,126) as of December 31, 2020. In accordance with TFRS 9, there is no impairment occurring after the purchase. Group loan portfolio amounting to a total of 3.507.988.000 TL from banks and finance companies in Turkey has purchased by paying 302.280.000 TL (December 31, 2019: loan portfolio in the amount of 3.421.387.000 amount purchased by paying 292.557.000 TL).

⁽²⁾ As of 31 December 2020, the interest rate applied by the Group to loans extended to its customers is between 27.96% and 20.96% (31 December 2019: 14.38% - 28.38%). As of 31 December 2020, the Group has received guarantees from its customers with a fair value of TL 267.915.489 (31 December 2019: TL 101.584.217) for the loans granted.

⁽³⁾ As of 31 December 2020, a portion of TL 34,087,370 consists of consultancy services that the Group has completed in 2020 and fulfilled its performance obligations in accordance with TFRS 15, but has not yet been invoiced.

Movement of expected credit losses for doubtful accounts is as follows:

	31 December 2020	31 December 2019
Expected credit losses		
Beginning of the period	1.633.065	1.566.980
Collections in the period	--	--
Provision amount for the period	543.755	66.085
End of the period	2.176.820	1.633.065

	31 December 2020	31 December 2019
Short term trade payables		
Miscellaneous payables (*)	2.455.862	1.187.301
Payables to consulting firms	2.241.906	--
Expense accruals (**)	2.097.853	1.872.788
Other trade payables	4.109	48.146
Total	6.799.730	3.108.235

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

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

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The undiscounted estimated cash flows of the Group's overdue receivables are as follows;

	31 December 2020	31 December 2019
Up to 1 year	62.517.570	50.231.016
1-3 years	110.055.462	97.332.582
3-5 years	80.728.528	85.887.858
Over 5 years	64.279.326	94.446.714
Total	317.580.886	327.898.170

9 OTHER RECEIVABLES AND PAYABLES

	31 December 2020	31 December 2019
Short term other receivables		
Guarantees given to Trade Tech Alpha LTD and IG Markets LTD	19.628.682	15.488.185
Stock guarantee given to Takasbank	18.111.378	2.362.048
Other deposits and guarantees given	5.652.743	7.668.617
Guarantees given to derivatives market	1.778.554	628.318
Other receivables due from related parties (Note 4)	261.008	243.432
Other	--	33.249
Total	45.432.365	26.423.849

Other long term receivables		
Deposits and guarantees given	157.094	142.729
Total	157.094	142.729

	31 December 2020	31 December 2019
Other short term payables		
Taxes and funds payables	5.395.933	606.388
Other payables to suppliers	3.215.054	3.946.524
Other payables to related parties (Note 4)	491.831	281.001
Other	86.844	134.299
Total	9.189.662	4.968.212

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND
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	31 December 2020	31 December 2019
Payables within the scope of employee benefits		
Taxes and funds payables	7.002.772	4.426.238
Due to personnel (Note 4)	5.815.257	4.131.935
Social security premiums payable	1.592.404	1.046.190
Total	14.410.433	9.604.363

11 PREPAID EXPENSES

	31 December 2020	31 December 2019
Short term prepaid expenses		
Prepaid expenses ⁽¹⁾	3.027.203	3.814.541
Advances given	1.753.423	8.123.491
Total	4.780.626	11.938.032

⁽¹⁾ Prepaid expenses consist of future health insurance, data processing and data publication expenses.**12 OTHER ASSETS AND LIABILITIES**

	31 December 2020	31 December 2019
Other current assets		
Deferred VAT	1.750.566	--
Deposits given	557.816	887.663
Total	2.308.382	887.663
Other short term liabilities		
Other short term liabilities	250.087	12.777
Total	250.087	12.777

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	31 December 2020	31 December 2019
Assets held for sale ⁽¹⁾	122.099	3.531.140
Disposal groups ⁽²⁾	--	41.189.917
Total	122.099	44.721.057

⁽¹⁾ TL 122.099 of assets held for sale consists of the vehicles and real estates acquired during the collection of loans by İstanbul Varlık (31 December 2019: TL 3.105.054).

⁽²⁾ SU Turkish Private Equity Opportunities I, S.C.A., SICAR ("SICAR")'s term was expired as of 31 December 2018, which was accounted as assets held for sale in previous years. The term of the SICAR is extended until the end of 31 December 2019 with duration for a maximum of two year period and it is into liquidation process as of 31. December 2019. Considering that the SICAR has a limited term, it is reclassified under assets held for sale and disposal groups in the financial statements dated 31 December 2018. It was liquidated by the General Assembly Decision dated 22 December 2020.

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

	31 December 2020	31 December 2019
Assets held for sale and disposal groups		
Beginning of the period	44.721.057	49.226.690
Purchases during the period	--	426.085
Impairment	--	(4.931.718)
Sales made during the period ⁽¹⁾	(44.598.958)	--
Total	122.099	44.721.057

⁽¹⁾ Since SICAR is expected to complete its activities within the expected period, the related amount is classified under "Assets classified as held for sale and groups of assets to be disposed of" on the financial statements dated 31 December 2018 and It was liquidated by the General Assembly Decision dated 22 December 2020.

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	31 December 2020	31 December 2019
Short term liabilities		
Bank loans	129.736.826	57.762.121
Payables to Stock Exchange Money Market ⁽¹⁾	40.524.979	--
Leveraged trading transactions reserve collateral	4.308.413	6.619.058
Leasing payables	4.282.870	2.162.067
Structured debt instruments ("YBA") ⁽²⁾	--	2.483.599
Other	17.781	19.188
Total	178.870.869	69.046.033
Short portion of long term liabilities		
Bank loans	33.539.954	74.354.852
Loans from related parties (Note 4)	17.836.819	15.645.621
Total	51.376.773	90.000.473
Long term liabilities		
Bank loans	26.223.674	38.983.431
Loans from related parties (Note 4)	17.227.724	27.407.166
Leasing payables	7.439.214	2.689.382
Total	50.890.612	69.079.979

(1) As of 31 December 2020, the maturity of debts to the Exchange Money Market is less than one month and the interest rate is 18.00% (31 December 2019: None).

(2) As of 31 December 2020, there are no Structured Debt Instruments outside. Bonds up to TL 150,000,000 (One hundred and fifty million Turkish Liras) planned to be issued by the Company to Qualified Investors within a year within the scope of the issuance certificate dated 26 September 2019 approved by the Capital Markets Board with the decision dated 26 September 2019 and 53/1250 / The details of the issued YBAs with the Bills and Structured Debt Instrument issuance permit are as follows):

ISIN Code	Issue date	Nominal	Book value	Maturity date	Sales method	Coupon period
TR0DUUM017E4	September 26, 2019	2.465.000	2.483.599	January 15, 2020	Qualified investor	Payment on maturity
Total		2.465.000	2.483.599			

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020 and 2019*(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)***14 SHORT AND LONG-TERM LIABILITIES AND LEASING PAYABLES (Continued)**

The details of the loans are as follows:

31 December 2020			
Currency of loans	Original amount	Amount (TL)	Interest rate (%)
TL	189.500.454	189.500.454	8-18,10
USD	4.670.112	35.064.543	2,27
Total		224.564.997	
31 December 2019			
TL	171.100.404	171.100.404	15,15-32,75
USD	7.250.930	43.052.787	4,25
Total		214.153.191	

Repayment due dates of the loans are as follows:

	31 December 2020	31 December 2019
Within 1 year	181.113.599	147.762.594
Within 1-2 years	33.682.728	33.844.766
Within 2-3 years	8.055.005	30.623.997
Within 3-4 years	1.713.665	1.921.834
Over 4 years	--	--
Total	224.564.997	214.153.191

Movement tables of loans are as follows:

	2020	2019
As of 1 January	214.153.191	192.855.672
Additions received during the period	559.544.089	147.935.429
Principal and interest paid during the period	(556.284.309)	(132.066.248)
Foreign exchange difference (profit) / loss	7.152.026	5.428.338
31 December	224.564.997	214.153.191

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The details of leasing payables are as follows:

	31 December 2020	31 December 2019
Leasing payables		
Less than 1 year	4.282.870	2.162.067
1-3 years	7.439.214	2.689.382
Total	11.722.084	4.851.449

The movement table of leasing payables is as follows;

	2020	2019
1 January	4.851.449	394.610
Opening adjustments	--	7.298.473
1 January (new balance)	4.851.449	7.693.083
Additions	10.952.368	--
Interest expenses	596.657	898.806
Foreign exchange difference (profit) / loss	377.370	189.972
Payments related to leases	(5.055.760)	(3.930.412)
31 December	11.722.084	4.851.449

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, and 3.79% for the Euro.

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15 PROPERTY AND EQUIPMENT

31 December 2020	Office equipment	Vehicles	Furniture and fixtures	Other tangible asset	Special costs	Total
Net book value, 1 January 2020	2.352.438	120.960	2.374.391	168.794	1.956.980	6.973.563
Additions	543.827	--	570.978	--	14.093	1.128.898
Disposals (net)	--	--	--	--	--	--
Depreciation charge	(763.301)	(34.560)	(619.544)	(41.319)	(368.693)	(1.827.417)
Net book value	2.132.964	86.400	2.325.825	127.475	1.602.380	6.275.044
Cost	8.036.648	155.520	6.395.247	509.613	4.953.052	20.050.080
Accumulated depreciation	(5.903.684)	(69.120)	(4.069.422)	(382.138)	(3.350.672)	(13.775.036)
Net book value	2.132.964	86.400	2.325.825	127.475	1.602.380	6.275.044
31 December 2019	Office equipment	Vehicles	Furniture and fixtures	Other tangible asset	Special costs	Total
Net book value, 1 January 2019	1.991.315	155.520	382.761	216.007	961.782	3.707.385
Additions	956.120	--	2.356.442	--	1.212.238	4.524.800
Disposals (net)	(8.432)	--	--	--	--	(8.432)
Depreciation charge	(586.565)	(34.560)	(364.812)	(47.213)	(217.040)	(1.250.190)
Net book value	2.352.438	120.960	2.374.391	168.794	1.956.980	6.973.563
Cost	7.492.821	155.520	5.824.269	509.613	4.938.960	18.921.183
Accumulated depreciation	(5.140.383)	(34.560)	(3.449.878)	(340.819)	(2.981.980)	(11.947.620)
Net book value	2.352.438	120.960	2.374.391	168.794	1.956.980	6.973.563

As at 31 December 2020 and 2019, there is no restriction or mortgage on the Group's tangible assets.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND
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	1 January 2020	Additions	Disposals	31 December 2020
Cost	4.956.608	3.443.072	--	8.399.680
Accumulated amortization	(3.769.586)	(1.035.533)	--	(4.805.119)
Net book value (*)	1.187.022	2.407.539	--	3.594.561
	1 January 2019	Additions	Disposals	31 December 2019
Cost	4.447.568	509.040	--	4.956.608
Accumulated amortization	(3.024.501)	(745.085)	--	(3.769.586)
Net book value (*)	1.423.067	(236.045)	--	1.187.022

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

As at 31 December 2020 and 2019, 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 2020 and 2019***(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)***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 29.198.326 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 6-year TRY based projection between 1 January 2021 and 31 December 2026. Five-year discount rate used in future cash flow estimations has been determined as 21% in the calculation model of the fair value. As of 31 December 2020, the Group reviewed its valuation methods, analysed future revenue expectations and applied goodwill impairment test on these expectations using discounted cash flow method, with the conclusion to that no impairment has been identified. (31 December 2019: There is no impairment)

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The movement table of the Group's right of use assets as of December 31, 2020 and 2019 is as follows:

31 December 2020	Buildings	Vehicles	Total
Cost			
1 January 2020	5.162.441	2.136.032	7.298.473
Additions	10.536.686	534.704	11.071.390
Closing	15.699.127	2.670.736	18.369.863
Accumulated depreciations			
1 January 2020	(2.353.169)	(994.372)	(3.347.541)
Period depreciation	(3.653.639)	(1.043.498)	(4.697.137)
Closing	(6.006.808)	(2.037.870)	(8.044.678)
Net book value as of 31 December 2020	9.692.319	632.866	10.325.185
31 December 2019	Buildings	Vehicles	Total
Cost			
TFRS 16 effects	5.162.441	2.136.032	7.298.473
Additions	--	--	--
Closing	5.162.441	2.136.032	7.298.473
Accumulated depreciations			
TFRS 16 effects	--	--	--
Period depreciation	(2.353.169)	(994.372)	(3.347.541)
Closing	(2.353.169)	(994.372)	(3.347.541)
Net book value as of 31 December 2019	2.809.272	1.141.660	3.950.932

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	31 December 2020	31 December 2019
Provisions for lawsuits ⁽¹⁾	1.438.540	1.313.242
Total	1.438.540	1.313.242

⁽¹⁾ As of 31 December 2020, the provision amounting to TL 1.438.540 (31 December 2019: TL 1.313.242) 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 2020 and 2019 is as follows:

	31 December 2020	31 December 2019
Provision for lawsuits		
Beginning of the period	1.313.242	1.418.109
Provision for the period	420.422	74.784
Reversal provision for the period	(295.124)	(179.651)
End of the period	1.438.540	1.313.242

(ii) Assets kept on behalf of customers

	31 December 2020	31 December 2019
Investment funds	3.950.719.890	2.109.954.056
Common stock	1.516.456.691	1.795.110.601
Private sector corporate bond, treasury bills and government bonds	190.750.814	178.325.000
Structured debt instruments	--	6.875.000
Eurobond	307.357.000	7.061.000
Warrant	136.480	89.947

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The breakdown of the guarantees, pledges, mortgages and sureties ("TRIK") given by the Group as of December 31, 2020 and 2019 are as follows in original currencies:

31 December 2020				
	TL Equivalent	USD	Euro	TL
A. The total amount of GPMs given on behalf of their own legal entity	143.151.973	500.000	--	139.481.723
B The total amount of GPMs that are given in favor of the partnerships included in the scope of full consolidation	378.530	--	--	378.530
C. The total amount of GPMs given by third parties for borrowing purposes for the purpose of carrying out their ordinary commercial activities	42.395.252	--	--	42.395.252
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	185.925.755	500.000	--	182.255.505

31 December 2019				
	TL Equivalent	USD	Euro	TL
A. The total amount of GPMs given on behalf of their own legal entity	126.890.190	1.500.000	--	117.979.890
B The total amount of GPMs that are given in favor of the partnerships included in the scope of full consolidation	378.530	--	--	378.530
C. The total amount of GPMs given by third parties for borrowing purposes for the purpose of carrying out their ordinary commercial activities	49.705.995	--	--	49.705.995
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	176.974.715	1.500.000	--	168.064.415

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As of 31 December 2020, 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% (2019: 4.76%) 6.000.000 USD (2019: 6.000.000 USD) and as of 2020, 5.166.666 USD of this has been paid (2019: 5.166.666 USD) (Note 7).

As of 31 December 2020, 81.350 Euro of 250.000 Euro commitment amount for 212 Regional Fund II, which is one of the investments of Ünlü Yatırım Holding whose fair value difference will be reflected in the profit / loss statement in accordance with TFRS 9, has been paid on 7 May 2020. The total commitment amount of Ünlü Yatırım Holding for investment 212 II – A SERIES OF 212I, LLC, which is 100.000 USD, was paid on 17 December 2020 (Note 7).

19 CONTINGENCIES AND COMMITMENTS**Explanations regarding derivatives**

31 December 2020					
Contract definition	Maturity	Position	Number of contracts	Settlement price	Nominal value
F_USDTRY0221 (SHORT) (Future)	31 January 2021	Short	1500	7,5837	11.375.550
Net position					11.375.550
31 December 2019					
Contract definition	Maturity	Position	Number of contracts	Settlement price	Nominal value
F_USDTRY0120 (LONG) (Future)	31 January 2021	Long	900	6,0007	5.400.630
F_USDTRY0220 (LONG) (Future)	31 January 2021	Long	1000	6,0376	6.037.775
Net position					11.438.405

20 PROVISION FOR EMPLOYEE BENEFITS

	31 December 2020	31 December 2019
Short term employee benefits		
Bonus provision	5.839.802	--
Unused vacation provision	3.889.119	3.224.721
Total	9.728.921	3.224.721
Long term employee benefits		
Provision for employment termination benefits	2.271.046	1.359.717
Total	2.271.046	1.359.717

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020 and 2019*(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)***20 PROVISION FOR EMPLOYEE BENEFITS (Continued)**

The present value of the Group's probable liability is calculated using the assumptions in the following table.

	31 December 2020	31 December 2019
Discount rate (%)	3,20	3,86
Turnover rate to estimate the probability of retirement (%)	76,40	84,43

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 7.639 which is valid since 1 January 2021 (31 December 2019: TL 6.380).

Movements in the bonus provision for the year ended 31 December 2020 and 2019 are as follows:

	31 December 2020	31 December 2019
Beginning of the period	--	--
Provision during the period	5.839.802	--
Payment during the period (-)	--	--
End of the period	5.839.802	--

Movements in the provision for unused vacation for the year ended 31 December 2020 and 2019 are as follows:

	31 December 2020	31 December 2019
Beginning of the period	3.224.721	4.080.572
Provision during the period	1.268.940	75.490
Usage during the period (-)	(604.542)	(931.341)
End of the period	3.889.119	3.224.721

Movements in the provision for employment termination benefits for the year ended 31 December 2020 and 2019 are as follows:

	31 December 2020	31 December 2019
Beginning of the period	1.359.717	2.308.106
Service cost	461.097	431.059
Interest cost	159.083	308.094
Actuarial gain/(loss)	803.684	(548.955)
Payment during the period (-)	(512.535)	(1.138.587)
End of the period	2.271.046	1.359.717

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21 SHAREHOLDERS' EQUITY

Share capital

As of 31 December 2020 and 2019, share capital structure of the parent Company is as follows:

Name of the shareholder	31 December 2020		31 December 2019	
	Amount (TL)	Share (%)	Amount (TL)	Share (%)
Mahmut Levent Ünlü	116.104.446	84,2981	116.104.446	84,2981
The Wellcome Trust Ltd. as Trustee of the Wellcome Trust	13.498.188	9,8004	13.498.188	9,8004
Standard Bank Group Ltd.	6.078.838	4,4136	6.078.838	4,4136
ÜNLÜ Yatırım Holding A.Ş.	717.843	0,5212	717.843	0,5212
Simge Ündüz	343.943	0,2497	343.943	0,2497
Tahir Selçuk Tuncalı	340.251	0,2470	340.251	0,2470
İbrahim Romano	230.405	0,1673	230.405	0,1673
Can Ünal	172.010	0,1249	172.010	0,1249
Utku Özay	54.421	0,0395	54.421	0,0395
Ayşe Akkın Çakan	45.350	0,0329	45.350	0,0329
Cevdet Uygur Aksoy	36.300	0,0263	36.300	0,0263
Sema Arın	36.282	0,0263	36.282	0,0263
Mustafa Sönmez	36.281	0,0263	36.281	0,0263
Mediha Esra Korkmazarslan	36.280	0,0263	36.280	0,0263
Kamil Attila Köksal	4	0,0000	4	0,0000
Total	137.730.842	100,00	137.730.842	100,00

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.

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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.

As a result of the Extraordinary General Assembly held on 12 February 2016, the paid-in capital of the Company increased from TL 33,858,378 to TL 37,578,666 and the 6th article of the Company's Articles of Association which is related with capital was changed. All of the capital increase is paid by The Wellcome Trust Limited as Trustee of the Wellcome Trust. The portion pledged by The Wellcome Trust Limited as Trustee of the Wellcome Trust and exceed TL 3,720,288 of the capital amounting to TL 48,455,772 is paid in cash and fully by The Wellcome Trust Limited as Trustee of the Wellcome Trust has been added to the legal reserves as a stock premium.

The shareholders of the company Standard Bank Group Limited, Mahmut Levent Ünlü, Kagan Çevik, Tunç Yıldırım, Mehmet Batur Özyar, Simge Ündüz, Can Ünalın, İbrahim Romano, Tahir Selçuk Tuncalı, Vedat Mizrahi, Hakan Ansen, Mehmet Sait Sezgin, Demet Kargın and Kamil Atilla 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.

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.

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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 4,020,977 as of the statement of financial position (31 December 2019: TL 4,020,977).

Other comprehensive income

Due to on TAS 19 standard, the Group has actuarial loss amounting to TL 311,779 (31 December 2019: TL 331,168 actuarial gain) of net tax comes from employee termination benefit provision.

Currency translation profit amounting to net TL 11,973,975 (31 December 2019: TL 36,037,396 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 2020 and 2019, the movement table for foreign currency translation differences is as follows:

	2020	2019
1 January	36.037.396	33.813.484
Foreign currency translation differences	(26.935.273)	2.223.912
Foreign currency translation differences, tax effect	2.871.852	-
31 December (*)	11.973.975	36.037.396

(*)The net amount of TL 28,048,293 of the foreign currency translation differences arises from the accounting of the SICAR Fund with the equity method in previous years, and was classified into the current period's income statement upon the liquidation of the SICAR Fund with the decision of the General Assembly of 22 December 2020.

As of 31 December 2020 and 2019, the movement table of the difference in revaluation gains of financial assets at fair value through other comprehensive income is as follows:

	2020	2019
1 January	5.351.209	1.086.035
Value increases, net	60.118	4.265.174
31 December	5.411.327	5.351.209

Retained earnings

As of 31 December 2020, retained earnings of the Group are TL 32,588,633 (31 December 2019: TL 19,878,140).

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22

FINANCIAL SECTOR ACTIVITIES REVENUE AND COST

	1 January – 31 December 2020	1 January – 31 December 2019
<i>Income from securities trading transactions</i>	2.302.192.836	1.828.619.593
Sales of government bonds	315.617.447	1.294.262.793
Sales of private sector bonds	1.849.803.138	225.490.892
Sales of common stocks	109.036.977	307.249.650
Repo sales	25.460.265	--
Sales of investment fund	2.275.009	1.531.158
Warrants	--	85.100
<i>Corporate finance income</i>	35.350.369	43.720.674
<i>Portfolio management income</i>	4.713.694	3.220.890
<i>Income from frozen loan receivables ⁽¹⁾</i>	127.042.247	99.724.568
<i>Brokerage income</i>	51.636.369	24.292.654
Foreign stock sales and brokerage commission	16.318.258	6.409.510
Domestic stock sales brokerage commission	15.371.256	3.527.142
Commission on forward and future transactions	9.897.518	3.417.154
Interest income from loans	6.990.876	5.923.018
Profits from leveraged trading transactions	1.938.187	4.270.289
Commission on custody transactions	1.120.274	745.541
<i>Consulting income</i>	46.753.331	4.574.964
<i>Other financial income</i>	9.896.988	10.073.419
Foreign transaction income	3.992.895	654.851
Other service income	5.904.093	9.418.568
<i>Discounts from financial income (-)</i>	(153.006)	(302.438)
Financial service discounts (-)	(153.006)	(302.438)
Financial sector activities revenue	2.577.432.828	2.013.924.324
<i>Cost of securities trading transactions</i>	(2.292.071.627)	(1.825.856.803)
Cost of private sector bonds (-)	(1.842.343.230)	(224.714.184)
Cost of government bonds (-)	(315.522.502)	(1.292.396.010)
Cost of common stocks (-)	(106.978.567)	(307.540.435)
Repo selling costs (-)	(25.448.370)	--
Cost of investment fund (-)	(1.778.958)	(1.206.174)
<i>Cost of consulting income (-) ⁽²⁾</i>	(29.799.044)	--
<i>Cost of portfolio purchases (-)</i>	(13.805.547)	(14.182.962)
Financial sector activities cost	(2.335.676.218)	(1.840.039.765)
Gross profit from financial sector activities	241.756.610	173.884.559

- (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. Financing expenses of loans used to finance these non-performing loans are shown in the financial expenses footnote (Note 26).

- (2) Service expenses incurred regarding the consultancy income.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND
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	1 January – 31 December 2020	1 January – 31 December 2019
Marketing, sales and distribution expenses		
Marketing and distribution expenses	8.242.924	5.733.406
Representation expenses	529.327	789.446
Advertisement and publicity expenses	510.177	768.721
Total	9.282.428	7.291.573
General administrative expenses		
Personnel expenses	100.628.319	83.805.576
Attorney, consultancy and audit expenses	34.237.929	14.137.851
Tax and sundry expenses	12.668.478	13.343.653
Depreciation and amortization expenses (Note 15, 16 ve 17)	7.560.087	5.342.815
Data line rental expense	5.890.324	4.656.008
Information technology expenses	3.640.260	2.329.354
Office building administrative expenses	2.209.729	1.655.010
Communication expenses	1.711.054	1.313.957
Rent expenses	1.325.122	1.089.218
Vehicle expenses	444.290	150.629
Travel expenses	336.739	1.588.623
Other general administrative expenses	8.150.569	5.315.878
Total	178.802.900	134.728.572

24 OTHER OPERATING INCOME AND EXPENSE

	1 January – 31 December 2020	1 January – 31 December 2019
Other operating income		
Sales of non-current assets held for sale	1.391.331	--
Reversal of prior period provisions	295.124	803.999
Social security premium grants	95.400	315.889
Other service income	1.144.056	501.108
Total	2.925.911	1.620.996
Other operating expense		
Provision for expected credit losses	543.755	66.085
Compensation and lawsuit payments	216.391	--
Other	335.700	68.367
Total	1.095.846	134.452

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND
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	1 January – 31 December 2020	1 January – 31 December 2019
Income from investing activities		
Income from sales of non-current assets held for sale (*)	32.446.079	--
Dividend income	294.466	12.293.554
Total	32.740.545	12.293.554
Expense from investing activities		
Impairment loss	--	(4.931.718)
Total	--	(4.931.718)

(*)The SICAR Fund was liquidated with the decision of the General Assembly of 22 December 2020. The exchange rate increases / decreases of SICAR Fund amounting to TL 30,920,145, which were accounted in the currency translation differences account in the other comprehensive income statement in previous periods, were classified into the income statement of the period in accordance with TAS 21 due to the liquidation of the fund.

26 FINANCIAL INCOMES AND EXPENSES

	1 January – 31 December 2020	1 January – 31 December 2019
Foreign exchange gain	67.203.047	35.455.777
Derivative market operations income	11.247.757	4.761.384
Investment securities income rediscounts	10.408.386	3.658.587
Interest income	9.493.756	10.347.470
Dividend income	89.369	--
Other	20.857	--
Total	98.463.172	54.223.218

	1 January – 31 December 2020	1 January – 31 December 2019
Foreign exchange losses	64.731.595	32.525.113
Interest expenses ⁽¹⁾	30.317.453	38.792.348
Investment securities expense rediscounts	13.307.934	2.726.143
Option trading expenses	2.820.360	1.685.043
Interest expenses paid to Money Markets	1.936.807	1.872.356
Futures and options market operations losses	274.580	309.052
Issued debt instruments interest expenses	63.086	825.708
Repo interest expenses	--	1.143.189
Other expenses	2.044.986	844.750
Total	115.496.801	80.723.702

⁽¹⁾ Interest expenses include TL 26,107,300 (31 December 2019: TL 33,555,534) of borrowing interest expenses that are used for financing of receivables to be liquidated of the Company's direct subsidiary İstanbul Varlık.

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Many clauses of the Corporate Tax Law No. 5520 which are valid starting from 1 January 2006, was taken into effect after being published in the Official Gazette dated 21 June 2006 No. 26205. According to the New Tax Law, the corporate tax rate in Turkey is payable at the rate of 20% for 2020. According to the regulation numbered 7061 published in the Official Gazette on December 5, 2017 with the "Law Amending Certain Tax Laws and Some Other Laws" is set at 22% to be applied to the corporate earnings of the tax years 2018, 2019 and 2020. In addition, the Council of Ministers was authorized to reduce the rate of 22% to 20%. According to the tax legislation, 22% (2019: 22%) of temporary tax is calculated and paid on the quarterly earnings and the amounts paid in this manner are deducted from the tax calculated on the annual earnings. In the event that the advance tax paid remains despite the indictment, this amount can be refunded or offset against other government liabilities.

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. Dividends paid to non-resident corporations, which have a place of business in Turkey or to resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and thus does not incur withholding tax.

A 75% portion of the capital gains derived from the sale of equity investments and immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special account under shareholder's equity for five years. However, with the amendment made by Law no:7061, this ratio has been raised from 75% to 50% in terms of immovable and this ratio will be used as 50% in tax declarations to be prepared from 2018.

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 2020	1 January – 31 December 2019
Current year tax expense	(3.506.346)	(1.157.383)
Prepaid tax (-)	2.553.549	3.227.703
Total tax (liability)/asset	(952.797)	2.070.320

	1 January – 31 December 2020	1 January – 31 December 2019
Current year tax expense	(3.506.346)	(1.157.383)
Deferred tax expense	(12.117.747)	(4.705.661)
Total tax expense	(15.624.093)	(5.863.044)

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27 TAX ASSETS AND LIABILITIES (Continued)

The breakdown of cumulative temporary differences and the related deferred tax assets and liabilities as of 31 December 2020 and 31 December 2019, calculated using the enacted tax rates, are as follows:

	Temporary differences		Deferred tax assets/(liabilities)	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Tax deductible previous years' losses	1.153.944	30.766.627	230.789	6.639.410
Provision for employment termination benefit and vacation pay liability	6.160.165	4.584.438	1.232.033	969.528
Lawsuit provision	1.438.540	1.313.242	287.708	262.649
ECL for doubtful receivables	354.392	1.633.065	70.878	326.613
Leasing obligations	945.362	900.517	189.072	180.103
Provision for bonus	5.839.802	--	1.167.960	--
Other	149.545	156.356	29.909	34.397
Deferred tax assets			3.208.349	8.412.700
Loans and receivables valuation differences	106.842.141	88.690.205	(21.368.428)	(17.738.482)
Profit from investments activities	345.836	31.171.429	(69.167)	(6.857.714)
Value increase in financial assets	6.995.021	5.012.214	(1.195.373)	(902.954)
Valuation differences in derivative instruments	443.106	1.524.954	(88.621)	(335.490)
Difference between tax base and carrying value of tangible and intangible assets	2.120.631	1.549.082	(424.126)	(309.816)
Income accruals	34.087.971	--	(6.817.594)	--
Other	781.525	471.755	(156.305)	(94.351)
Deferred tax liabilities			(30.119.614)	(26.238.807)
Net-off			(26.911.265)	(17.826.107)
Deferred tax assets			156.840	3.623.874
Deferred tax liabilities			27.068.105	21.449.981

Movement of deferred tax assets and liabilities as of 31 December 2020 and 2019 is as follows:

	2020	2019
Beginning of the period January,1	(17.826.107)	(12.084.611)
Recongined in income statement	(12.117.747)	(4.705.661)
Recognised in other comprehensive income	3.032.589	(1.035.835)
End of the period December, 31	(26.911.265)	(17.826.107)

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

	31 December 2020	31 December 2019
Profit before tax	76.922.615	18.669.139
Income tax at the applicable tax rate of 22%	(16.922.975)	(4.107.211)
Current period tax losses on which no deferred tax is calculated	1.370.361	240.646
Recognition of previously unrecognised tax losses	(290.937)	(357.393)
Derecognition of previously recognised tax losses	(1.622.827)	(2.744.649)
Non-deductible expenses	(2.957.546)	(722.550)
Effects of investments in tax exempt countries	3.040.695	1.420.375
Other effects	1.759.136	407.738
Current year tax expense	(15.624.093)	(5.863.044)

As of 31 December 2020, İstanbul Varlık, subsidiary to the Company, has TL 1,153,944 accumulated losses. As of 31 December 2020, tax deductible losses and last deduction dates of İstanbul Varlık are as follows:

	Carry forward tax losses ⁽¹⁾	Last deduction date
2016	1.153.944	31 December 2021
Total	1.153.944	

⁽¹⁾ AS of 31 December 2020, İstanbul Varlık calculated deferred tax asset amounting TL 230,789 over its financial losses amounting to TL 1,153,944.

Deferred tax that is not recognised in the financial statements

As of 31 December 2019, 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 2020, ÜNLÜ Securities Inc and ÜNLÜ Securities UK Ltd. subsidiary of the Company has TL 6.991.714 accumulated losses. As of 31 December 2020, 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
Total	6.991.714	

As of 31 December 2020, ÜNLÜ Menkul and its subsidiaries, had considered its work plan, and calculated that it will not utilize its financial loss in the following years, amounting to TL 6.991.714. Thus, deferred tax is not recognised on relating accumulated tax losses as of 31 December 2020 (31 December 2019: TL 12.104.098).

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27 TAX ASSETS AND LIABILITIES (Continued))

Deferred tax that is not recognised in the financial statements (Continued)

As of 31 December 2020, Plato Finance, subsidiary of the Company, has TL 1.735.906 accumulated losses. As of 31 December 2020, Plato Finance's tax losses carried forward and last deduction dates are as follows:

	Carry forward tax losses ⁽¹⁾	Last deduction date
2016	1.613.556	31 December 2021
2017	122.350	31 December 2022
Total	1.735.906	

⁽¹⁾ As of 31 December 2020, Plato Finans, had considered its work plan, and calculated that it will not utilize its financial loss in the following years, amounting to TL 1.735.906. Thus, deferred tax is not recognised on relating accumulated tax losses as of 31 December 2020 (31 December 2019: TL 3.920.076).

As of 31 December 2020, DU Finance, subsidiary of the Company, has TL 3.600.276 accumulated losses. As of 31 December 2020, DU Finance's tax losses carried forward and last deduction dates are as follows:

	Carry forward tax losses ⁽¹⁾	Last deduction date
2016	507.883	31 December 2021
2017	812.518	31 December 2022
2018	460.881	31 December 2023
2019	903.610	31 December 2024
2020	915.384	31 December 2025
Total	3.600.276	

⁽¹⁾ As of 31 December 2020, DU Finans, had considered its work plan, and calculated that it will not utilize its financial loss in the following years, amounting to TL 3.600.276. Thus, deferred tax is not recognised on relating accumulated tax losses as of 31 December 2020 (31 December 2019: TL 3.133.283).

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

	31 December 2020	31 December 2019
Adi		
1. Profit from operations attributable to owners of the parent	61.272.726	12.710.493
2. Weighted average number of ordinary shares in issue	137.730.842	137.730.842
3. Earnings per share	0,445	0,092

29 FINANCIAL RISK MANAGEMENT

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

(i) Information on credit risk

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

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FINANCIAL RISK MANAGEMENT (Continued)

(i) Information on credit risk (continued)

	Receivables				
	Trade receivables	Other receivables	Related parties	Other parties	Financial investments ⁽²⁾
31 December 2020	Related parties	Other parties ⁽³⁾	Related parties	Bank deposits ⁽¹⁾	
Maximum credit risk exposure as of the financial statements date (A+B+C+D)	2.885.056	302.195.442	261.008	45.328.451	56.652.766
Maximum credit risk under guaranteed through net collateral, or etc.					
A. Net carrying value of financial assets which are neither impaired nor overdue	2.885.056	111.269.462	261.008	45.328.451	56.652.766
B. Net carrying value of impaired assets collateralized portion of the net exposure	--	190.925.980	--	--	--
C. Net book value of assets exposed to impairment loss	--	--	--	--	--
- Overdue (gross book value)	--	2.176.820	--	--	--
- Impairment loss (-)	--	(2.176.820)	--	--	--
- 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	Related parties	Other parties	Financial investments ⁽²⁾
31 December 2019	Related parties	Other parties ⁽³⁾	Related parties	Bank deposits ⁽¹⁾	
Maximum credit risk exposure as of the financial statements date (A+B+C+D)	2.409.271	215.876.672	243.432	26.180.417	22.769.281
Maximum credit risk under guaranteed through net collateral, or etc.					
A. Net carrying value of financial assets which are neither impaired nor overdue	2.409.271	33.778.546	243.432	26.180.417	22.769.281
B. Net carrying value of impaired assets collateralized portion of the net exposure	--	182.098.126	--	--	--
C. Net book value of assets exposed to impairment loss	--	--	--	--	--
- Overdue (gross book value)	--	1.633.065	--	--	--
- Impairment loss (-)	--	(1.633.065)	--	--	--
- The part under guaranteed through net collateral, or etc.	--	--	--	--	--
- Not overdue (gross book value)	--	--	--	--	--
- Impairment loss (-)	--	--	--	--	--
- The part under guaranteed through net collateral, or etc.	--	--	--	--	--
D. Off-balance sheet items exposed to credit risk	--	--	--	--	--

⁽¹⁾ Money market operations receivables, VIOP warrants, receivables from reverse repo contracts and Type B liquid funds are included.⁽²⁾ Share certificates are not included.⁽³⁾ Consist of non-performing loan receivables

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

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29 FINANCIAL RISK MANAGEMENT (Continued)

(ii) Information on liquidity risk

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

As at 31 December 2020, the Group have TL 4.948.509 receivables from derivative instruments and 4.505.403 payables from derivative instruments (31 December 2019: TL 3.209.997 receivables from derivative instruments and TL 1.685.043 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 2020 and 31 December 2019:

31 December 2020	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	269.416.170	66.196.210	64.962.122	121.485.577	53.967.615	306.611.524
Leasing payables	11.722.084	646.980	1.151.661	5.222.219	9.445.422	16.466.282
Trade payables	6.799.730	--	6.799.730	--	--	6.799.730
Other payables	9.189.662	9.189.662	--	--	--	9.189.662
Other liabilities	250.087	--	250.087	--	--	250.087
Total	297.377.733	76.032.852	73.163.600	126.707.796	63.413.037	339.317.285
Derivative cash inflows	4.948.509	147.067.864	142.381.650	30.798.800	--	320.248.314
Derivative cash outflows	(4.505.403)	(147.262.216)	(142.096.510)	(30.785.800)	--	(320.144.526)
Total	297.820.839	75.838.500	73.448.740	126.720.796	63.413.037	339.421.073

31 December 2019	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	223.275.036	18.494.214	76.525.238	64.082.121	83.794.702	242.896.275
Leasing payables	4.851.449	363.848	720.255	2.122.137	3.295.113	6.501.353
Trade payables	3.108.235	86.391	3.021.844	--	--	3.108.235
Other payables	4.980.989	2.582.584	2.398.405	--	--	4.980.989
Total	236.215.709	21.527.037	82.665.742	66.204.258	87.089.815	257.486.852
Derivative cash inflows	3.209.997	120.859.912	20.428.206	29.791.644	--	171.079.762
Derivative cash outflows	(1.685.043)	(117.120.467)	(20.422.559)	(29.721.890)	--	(167.264.916)
Total	237.740.663	25.266.482	82.671.389	66.274.012	87.089.815	261.301.698

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Assets and liabilities denominated in foreign currency held by the Group as at 31 December 2020 and 31 December 2019 in original currency and total TL equivalents are as follows:

	31 December 2020			
	TL equivalent (functional currency)	USD	Euro	Other
1. Trade receivables	1.982.278	270.047	--	--
2a. Monetary financial assets	64.213.515	8.739.783	--	5.948
2b. Non-monetary financial assets	--	--	--	--
3. Other	24.374.082	3.278.020	15.022	17.746
4. CURRENT ASSETS	90.569.875	12.287.850	15.022	23.694
5. Trade receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	--	--	--	--
8. NON-CURRENT ASSETS	--	--	--	--
9. TOTAL ASSETS	90.569.875	12.287.850	15.022	23.694
10. Trade payables	(2.982.845)	(390.057)	--	(12.031)
11. Financial Liabilities	(35.849.248)	(4.670.112)	(139.660)	(31.200)
12a. Other Monetary Liabilities	(950.696)	(119.712)	--	(7.236)
12b. Other Non-monetary Liabilities	--	--	--	--
13. SHORT TERM LIABILITIES	(39.782.789)	(5.179.881)	(139.660)	(50.467)
14. Trade payables	--	--	--	--
15. Financial Liabilities	--	--	--	--
16a. Other Monetary Liabilities	--	--	--	--
16b. Other Non-monetary Liabilities	--	--	--	--
17. LONG TERM LIABILITIES	--	--	--	--
18. TOTAL LIABILITIES	(39.782.789)	(5.179.881)	(139.660)	(50.467)
19. Off-balance sheet derivative instruments net position (19a-19b)	16.759.214	1.365.702	747.597	--
19a. Derivative assets	169.867.492	19.204.001	3.208.353	--
19b. Derivative liabilities	(153.108.278)	(17.838.299)	(2.460.756)	--
20. Net foreign currency position	(23.023.575)	(3.814.179)	607.937	(50.467)
21. Net foreign currency position of monetary items position (1+2a+5+6a-10-11-12a-14-15-16a)	67.546.300	8.473.671	622.959	(26.773)

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29 FINANCIAL RISK MANAGEMENT (Continued)

(iii) Information on market risk (Continued)

Foreign currency risk (Continued)

	31 December 2019			
	TL equivalent (functional currency)	USD	Euro	Other
1. Trade receivables	1.690.600	65.180	195.985	--
2a. Monetary financial assets	46.361.090	7.151.736	583.020	118
2b. Non-monetary financial assets	--	--	--	--
3. Other	21.590.408	3.373.519	223.007	8.732
4. CURRENT ASSETS	69.642.098	10.590.435	1.002.012	8.850
5. Trade receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	--	--	--	--
8. NON-CURRENT ASSETS	--	--	--	--
9. TOTAL ASSETS	69.642.098	10.590.435	1.002.012	8.850
10. Trade payables	(44.988)	--	--	(5.785)
11. Financial Liabilities	(46.000.537)	(7.465.710)	(198.501)	(42.767)
12a. Other Monetary Liabilities	(645.943)	(108.741)	--	--
12b. Other Non-monetary Liabilities	--	--	--	--
13. SHORT TERM LIABILITIES	(46.691.468)	(7.574.451)	(198.501)	(48.552)
14. Trade payables	--	--	--	--
15. Financial Liabilities	--	--	--	--
16a. Other Monetary Liabilities	--	--	--	--
16b. Other Non-monetary Liabilities	--	--	--	--
17. LONG TERM LIABILITIES	--	--	--	--
18. TOTAL LIABILITIES	(46.691.468)	(7.574.451)	(198.501)	(48.552)
19. Off-balance sheet derivative instruments net position (19a-19b)	(33.015.918)	(6.290.426)	654.147	--
19a. Derivative assets	165.588.830	11.006.936	14.787.665	239.000
19b. Derivative liabilities	(198.604.748)	(17.297.362)	(14.133.518)	(239.000)
20. Net foreign currency position	(79.707.386)	(13.864.877)	455.646	(48.552)
21. Net foreign currency position of monetary items position (1+2a+5+6a-10-11-12a-14-15-16a)	(10.065.288)	(3.274.442)	1.457.658	(39.702)

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	Profit/loss		Shareholders' equity	
	Appreciati on of foreign currency	Depreciatio n of foreign currency	Appreciati on of foreign currency	Depreciatio n of foreign currency
31 December 2020				
10% change in USD foreign currency rate				
1. USD net asset/(liability)	6.220.098	(6.220.098)	6.220.098	(6.220.098)
2. Hedged portion against USD risk (-)				
3. Net effect of USD (1+2)	6.220.098	(6.220.098)	6.220.098	(6.220.098)
10% change in EUR foreign currency rate				
4. EUR net asset/(liability)	561.155	(561.155)	561.155	(561.155)
5. Hedged portion against EUR risk (-)				
6. Net effect of EUR (4+5)	561.155	(561.155)	561.155	(561.155)
10% change in GBP foreign currency rate				
7- GBP net asset/(liability)	(26.623)	26.623	(26.623)	26.623
8- Hedged portion against GBP risk (-)				
9- Net effect of GBP (7+8)	(26.623)	26.623	(26.623)	26.623
TOTAL (3+6+9)	6.754.630	(6.754.630)	6.754.630	(6.754.630)

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29 FINANCIAL RISK MANAGEMENT (Continued)

(iii) Information on market risk (Continued)

Foreign currency risk (Continued)

	Profit/loss		Shareholders' equity	
	Appreciati on of foreign currency	Depreciatio n of foreign currency	Appreciati on of foreign currency	Depreciatio n of foreign currency
31 December 2019				
10% change in USD foreign currency rate				
1. USD net asset/(liability)	(1.945.084)	1.945.084	(1.945.084)	1.945.084
2. Hedged portion against USD risk (-)				
3. Net effect of USD (1+2)	(1.945.084)	1.945.084	(1.945.084)	1.945.084
10% change in EUR foreign currency rate				
4. EUR net asset/(liability)	969.430	(969.430)	969.430	(969.430)
5. Hedged portion against EUR risk (-)				
6. Net effect of EUR (4+5)	969.430	(969.430)	969.430	(969.430)
10% change in GBP foreign currency rate				
7- GBP net asset/(liability)	(30.874)	30.874	(30.874)	30.874
8- Hedged portion against GBP risk (-)				
9- Net effect of GBP (7+8)	(30.874)	30.874	(30.874)	30.874
TOTAL (3+6+9)	(1.006.528)	1.006.528	(1.006.528)	1.006.528

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020 and 2019*(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)***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 2020	31 December 2019
Fixed rate financial instruments		
Financial assets		
Financial assets at fair value through profit or loss		
Government bonds	384.116	--
Eurobonds	35.795.770	2.316.867
Time deposits and receivables from reverse repurchase agreements	84.532.941	48.949.470
Financial liabilities		
Financial liabilities	189.500.454	179.478.623
Lease obligations	11.722.084	4.851.449
Payables to Money Markets	40.524.979	--
Floating rate financial instruments		
Financial assets		
Financial assets at fair value through profit or loss		
Private sector bonds	7.150.702	7.088.647
Financial liabilities		
Financial liabilities	35.064.543	46.164.263
Structured debt instruments	--	2.483.599

The profit before tax of the Group from the financial asset valuation will decrease by TL 279.138 (31 December 2019: TL 415.592) and increase by TL 279.138 (31 December 2019: TL 415.592) in the case of 100 basis point decrease/increase in TL market interest rates with all other factors remaining constant as of 31 December 2020.

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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 2020	31 December 2019
	Income Statement	Income Statement
Financial assets at fair value through profit or loss	951.052	861.851
Total, net	951.052	861.851

(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 2020	31 December 2019
Total liabilities	269.416.170	223.275.036
Liabilities from leasing transactions	11.722.084	4.851.449
Minus: Cash and Cash equivalents (Note 5)	(113.013.033)	(82.130.660)
Net financial liability	168.125.221	145.995.825
Total equity	244.663.741	208.032.758
Net financial liability / equity ratio	0,69	0,70

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020 and 2019*(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)***30 DERIVATIVE INSTRUMENTS**

As of 31 December 2020 and 31 December 2019 details of derivative instruments are follows:

31 December 2020		
	Assets	Liabilities
Forward operations	4.756.719	(4.476.305)
Option operations	191.790	(29.098)
Total	4.948.509	(4.505.403)

31 December 2019		
	Varlıklar	Yükümlülükler
Swap operations	2.076.853	(1.265.731)
Forward operations	915.524	(391.036)
Option operations	217.620	(28.276)
Total	3.209.997	(1.685.043)

31 FINANCIAL INSTRUMENTS***Fair value of the financial instruments***

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

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

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

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31 FINANCIAL INSTRUMENTS (Continued)

Fair value of the financial instruments (Continued)

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

31 December 2020		
	Carrying value	Fair value
Financial assets		
Banks	107.238.831	107.238.831
Trade receivables (*)	305.080.498	307.565.766
Financial investments	60.153.901	60.153.901
Other receivables	45.589.459	45.589.459
Financial liabilities		
Financial liabilities (*) (**)	230.247.642	231.780.852
31 December 2019		
	Carrying value	Fair value
Financial assets		
Banks	76.149.058	76.149.058
Trade receivables (*)	218.285.943	225.752.007
Financial investments	25.175.615	25.175.615
Other receivables	26.566.578	26.566.578
Financial liabilities		
Financial liabilities (*) (**)	216.636.790	215.036.032

(*)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. The Group calculated the fair values by discounting the undiscounted estimated cash flows by including the risk premiums stated above on the market interest rates.

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020 and 2019*(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)***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 2020	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	7.262.921	45.669.913	--	52.932.834
Financial assets at fair value through other comprehensive income ⁽¹⁾	--	5.703.813	--	5.703.813
Financial assets measured at amortized cost	--	--	307.565.766	307.565.766
Financial liabilities	--	--	231.780.852	231.780.852
Derivative instruments	--	443.106	--	443.106
31 December 2019	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	8.618.506	9.405.514	--	18.024.020
Gerçeğe uygun değer farkı diğer kapsamlı gelire yansıtılan finansal varlıklar ⁽¹⁾	--	7.151.595	--	7.151.595
Financial assets measured at amortized cost	--	--	225.752.007	225.752.007
Financial liabilities	--	--	226.525.727	226.525.727
Derivative instruments	--	1.524.954	--	1.524.954

- ⁽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.

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32 DISCLOSURES OF INTERESTS IN OTHER ENTITIES

	Non- controlling interest share percentage	Non- controlling interest share profit/(loss)	Accumulated non- controlling interests	Unpaid capital by non- controlling interests	Dividend paid on on controlling interests
31 December 2020					
Mena Finans (*)	--	--	--	--	--
Plato Finans	%1,79	25.796	18.994	--	--
Total		25.796	18.994	--	--
31 December 2019					
Mena Finans	%25,00	128	20.049	--	--
Plato Finans	%1,79	95.474	(5.562)	--	--
Total		95.602	14.487	--	--

(*)Mena Finans was canceled with the General Assembly Decision dated 22 September 2020 and published in the Trade Registry Gazette dated 8 October 2020 and numbered 10177.

33 SUBSEQUENT EVENTS

The loan debt in the amount of USD 4,670,112 received from Standard Bank South Africa Limited, which is the shareholder of the main shareholder, was closed on February 18, 2021. Based on the share transfer agreement signed between ÜNLÜ Yatırım Holding A.Ş. and Standard Bank South Africa Limited, the blockage on 900.000.000 shares of ÜNLÜ Menkul Değerler A.Ş. has been lifted.

The Group, ÜNLÜ Yatırım Holding A.Ş. and the controlling shareholder plans to apply to the Capital Markets Board for the permission of the Public Offering of some of its shares; Capital Markets Board dated 5 March 2021 permit and T. C. The Articles of Association have been amended with the approval letter of the General Directorate of Domestic Trade of the Ministry of Trade, dated 08 March 2021. Amendments to the articles of association were unanimously approved at the Extraordinary General Assembly held on 10 March 2021.

With the decision of the Board of Directors dated 11 March 2021 and numbered 2021/09 taken within the scope of the public offering activities, the issued capital of the Company, which was 137,730,842 TL within the registered capital ceiling of 650,000,000 TL, was increased to TL 175,000,000 by increasing TL 37,269,158, The Company's shareholders' rights to purchase new shares regarding the shares to be issued in this way were completely restricted and 37,269,158 Group B shares with a nominal value of TL 37,269,158, which will be issued by capital increase, were offered to the public and It has been decided that the Company's major partner Mahmut Levent Ünlü request to offer Group B shares with a nominal value of TL 8,263,851 to the public will be deemed appropriate and necessary actions will be taken.



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