



ÜNİLÜ & Co

Annual Report 2021



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Contact Us

25 years of commitment...

At ÜNLÜ & Co, we are proud of the 25 years we left behind us. Having further solidified our corporate structure with our initial public offering in Borsa Istanbul, we are marching forward towards a new era.

We have been growing our business with a sense of responsibility for 25 years. As a signatory to the UN Women's Empowerment Principles, we are also aware of and committed to social responsibility objectives, including enhancement of women in business life.

ÜNLÜ & Co Women Entrepreneurs Academy, which we have established for this purpose with the support of the Turkish Entrepreneurship Foundation and Endeavor Turkey, has opened new horizons for numerous women entrepreneurs.

We present this report with the unique colours of the “I-You-They” exhibition, which we are very proud to have sponsored.



I-You-They: A Century of Artist Women

“I-You-They” exhibition aims to render artist women overlooked or neglected by art history, noticeable and visible.

The exhibition, curated by Deniz Artun under the patronage of Çiğdem Simavi, features a selection of works by women artists who lived and created in Turkey between 1850 and 1950. It invites contemporary women artists from Turkey to explore their roots.



Kadın
Girişimciler
Akademisi

Women Entrepreneurs Academy

ÜNLÜ & Co Women Entrepreneurs Academy was conceived in 2016 with a view to supporting women's participation in the workforce in economic growth and social development, and to encourage them in their entrepreneurial pursuits by providing them with full-fledged guidance on whatever specific area of interest.

The Women Entrepreneurs Academy graduated more than 100 women in 5 years.





KGA

Be it artist, be it entrepreneur, it is our belief that there is nothing a woman cannot do if she puts her mind to it. From the point of view of women wishing to establish their own businesses, we believe that alongside courage and self-confidence, training and skills are paramount. To that end, with the Women Entrepreneurs Academy (KGA), we support them and help expand their power base.

*

Number of Graduates of
the Women Entrepreneurs Academy
100



Robust Figures of 2021

The percentage of women members of the Board of Directors of ÜNLÜ & Co is 50%. The total comprehensive income of ÜNLÜ & Co increased by 213% to TL 114 million in 2021.

51%

PERCENTAGE OF WOMEN EMPLOYMENT AT ÜNLÜ & Co GROUP

50%

PERCENTAGE OF WOMEN ON THE BOARD OF DIRECTORS

CUSTOMER ASSETS UNDER MANAGEMENT (TL BILLION)

106% Increase↑

2020	4.6
2021	9.4

İSTANBUL VARLIK TOTAL UNPAID PRINCIPAL BALANCE (TL BILLION)

14% Increase↑

2020	3.5
2021	4.0

DAHA TOTAL TURNOVER (TL MILLION)

38% Increase↑

2020	36.1
2021	49.7

TOTAL ASSETS (TL MILLION)

56% Increase↑

2020	603
2021	939

NET PROFIT (TL MILLION)

%30 Increase↑

2020	61
2021	80

TOTAL COMPREHENSIVE INCOME (TL MILLION)

%213 Increase↑

2020	37
2021	114

Major Developments in 2021



ÜNLÜ & Co crowned its successful performance in 2021 with the awards it received.



M&A Atlas Awards

Global Merger & Acquisition Deal of the Year
"Investment Bank of the Year for Developing Countries"



21. Capital's Most Admired Companies Survey

2021 Most Admired Brokerage Firm First Prize



6. TSPB Capital Markets Awards

Leader of Mergers and Acquisitions-2020



Bonds & Loans 2021

Local Currency Bond Deal of the Year



Initial Public Offering



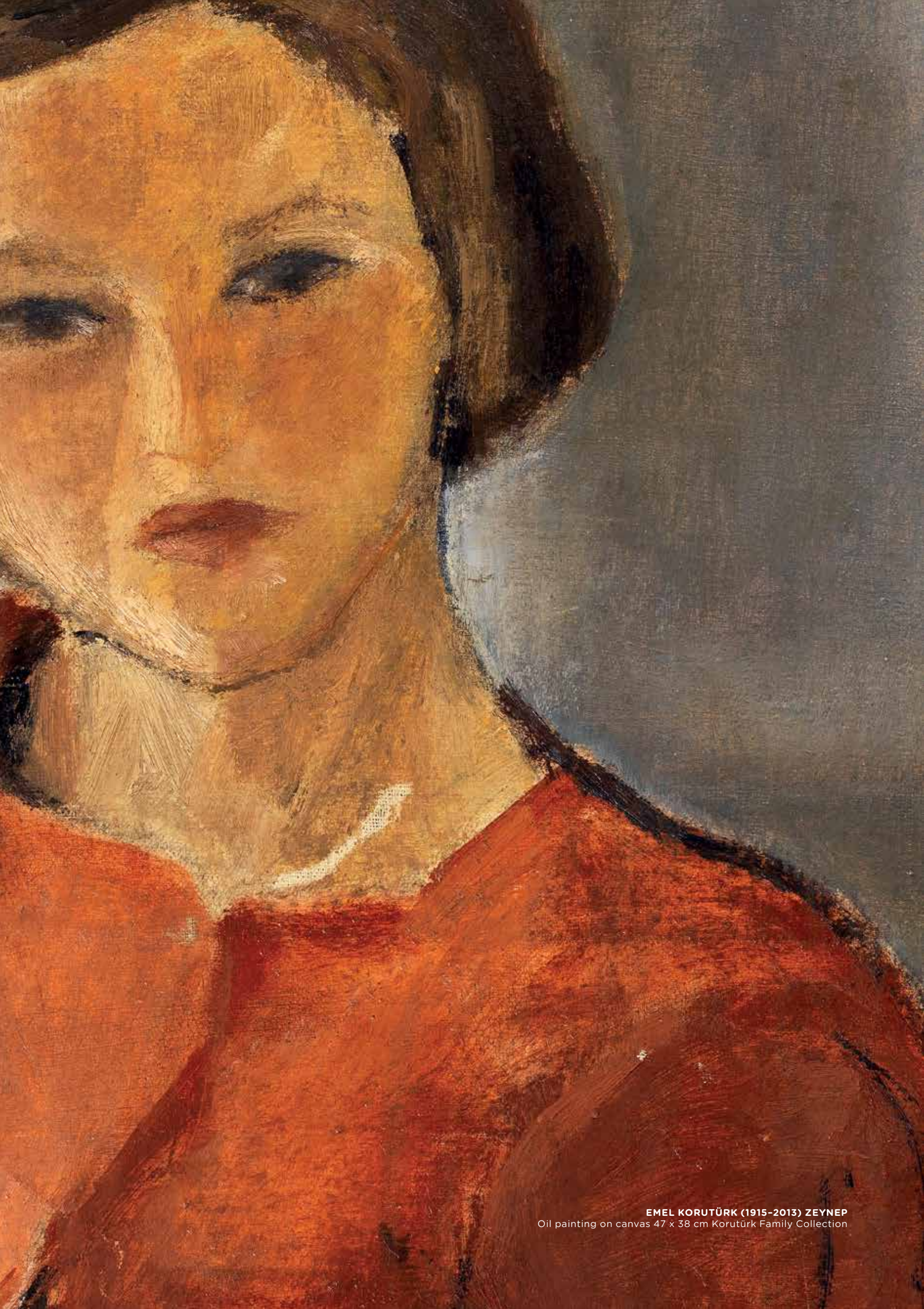
Cooperation with Goldman Sachs

Market-Making Activities for Warrants



ÜNLÜ & Co Women Entrepreneurs Academy 100 Graduates in 5 Years





EMEL KORUTÜRK (1915-2013) ZEYNEP
Oil painting on canvas 47 x 38 cm Korutürk Family Collection



Corporate Profile

ÜNLÜ & Co gets the first call from foreign companies, portfolio managers, and fund organizations that plan to invest in Turkish capital markets and Turkish companies.

1996

Founding Year

TURKEY'S LEADING INVESTMENT SERVICES AND ASSET MANAGEMENT GROUP

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

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

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

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.

ÜNLÜ & Co shares are trading on the Borsa Istanbul following the Company's initial public offering in 2021.

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

RESPECTED IN THE INTERNATIONAL ARENA

A crucial success in advisory services in the realm of mergers and acquisitions, IPOs, and privatizations, built on 25 years of experience, and solid partnerships forged between institutional clients and global fund sources have earned a well-warranted reputation to ÜNLÜ & Co in local and international markets.

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



TİRAJE DİKMEN (1925-2014)
Flowers in a Vase, October 1999
Oil painting on cardboard
40 x 25.5cm
Sulhiye-Murat Gültekingil Collection

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 corporate success story of more than 25 years. 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.

A SERVICE CONCEPT COMMITTED TO LEGAL COMPLIANCE AND ETHICAL RULES

Guided by a contemporary investment advisory approach, ÜNLÜ & Co unconditionally upholds high moral values in investor relations and in markets where it operates. ÜNLÜ & Co employees 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 financial products predicated on client needs, it also plays an effective role in the deepening of Turkish capital markets.

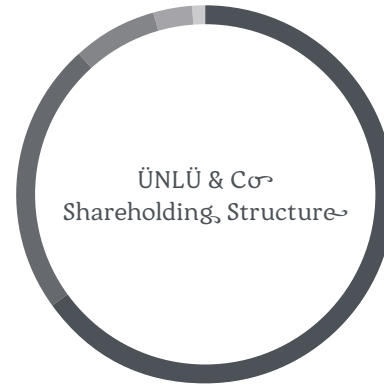
EXPANDING ITS OPERATIONAL REACH

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.

ÜNLÜ & Co continues to maintain its leadership in Turkey and has been taking steps to extend its services regionally.



Our Shareholding Structure



■ Mahmut Levent Ünlü	64.71%
■ Free Float	22.83%
■ The Wellcome Trust Ltd.	7.71%
■ Standard Bank Group Ltd.	3.47%
■ Others	1.28%



Products, Services and Solutions

ÜNLÜ & Co continues to contribute to capital markets with the services it offers and its wide product range.

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 subordinated debts

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 (İstanbul 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 of LME Commodity risk management (hedge) transactions

Brokerage in trading of government bonds, treasury bills, private sector bonds and Eurobonds

Brokerage of repo and Eurobond repo transactions

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



GOAL

Each of our customers is special, and each one has different requirements. We strive to get to know our customers well, and have a knack for understanding our customer needs. That's why, our solutions produce successful results.

*

Shareholders' Equity
TL 607 MILLION

About ÜNLÜ & Co



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



MELEK CELAL SOFU
Flowers in a Vase Oil Painting on Masonite 60.5 x 44.5 cm Special collection

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



Key Financial Indicators

ÜNLÜ & Co closed a successful 2021 with total assets up by 56% compared to the previous year to TL 939 million.

SHAREHOLDERS' EQUITY (TL MILLION)

148% Increase↑

2019	208
2020	245
2021	607

PROFIT BEFORE TAX (TL MILLION)

44% Increase↑

2019	19
2020	77
2021	110

TOTAL COMPREHENSIVE INCOME (TL MILLION)

213% Increase↑

2019	20
2020	37
2021	114

TOTAL ASSETS (TL MILLION)

56% Increase↑

2019	483
2020	603
2021	939



FUTURE

We remain focused on sustainable success, and live up to the trust vested in us since our foundation. We proceed diligently towards creating an investment banking group that will endure 100 years from now as a viable business; preserving its innovative, pioneering, and entrepreneurial spirit.

*

Total Assets
TL 939 MILLION



ÜNLÜ & Co's Awards

ÜNLÜ & Co was granted the "Global Merger & Acquisition Deal of the Year" and the "Investment Bank of the Year for Developing Countries" awards.

Global M&A Atlas Awards - 2021

"Global Merger & Acquisition Deal of the Year"
"Investment Bank of the Year for Developing Countries"

Capital's Most Admired Companies Survey - 2021

"Most Admired Brokerage Firm - First Prize"

Turkish Capital Markets Association (TSPB) Sixth Capital Markets Awards - 2021

"Leader of Merger and Acquisition Transactions"

Globee Business Excellence Awards - 2021

"Learning Management Solutions Category - Gold Award"

Stevie Awards for Great Employers (SAGE) - 2021

"Learning Technologies Applications Category - Silver Award"

Bonds & Loans - 2021

"Local Currency Bond Issue of the Year (Pegasus Hava Taşımacılığı A.Ş.)"

ARC Awards - 2021

"Internal Design - Gold Award"
"Traditional Annual Report - Silver Award"
"Chairman's Letter - Silver Award"

EMEA Finance/ Europe Banking Awards 2020 - 2021

"Turkey's Best Merger & Acquisition Company Award"

ACQ5 Global Awards - 2020

"Turkey's Best Investment Bank"

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 Merger and Acquisition Transactions"

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 Message - 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 Awards - 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 Merger and Acquisition Transactions"

"Most Innovative Capital Markets Project"



Turkish Capital Markets Association (TSPB) Third Capital Markets Awards - 2018
 “Leader of Merger and Acquisition Transactions”

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
 Annual Report 2017 received the Gold prize in “Non-Traditional Annual Reports,” “Best Illustration” and “Printing & Production” categories; and the Grand prize in “Non-Traditional Annual Reports” and “Best Illustration” categories

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”

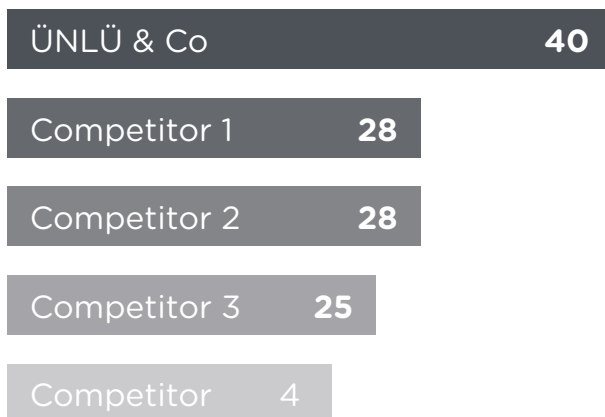
Deal Makers Global Awards - 2015
 “Best Debt Financing Advisor of the Year”

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

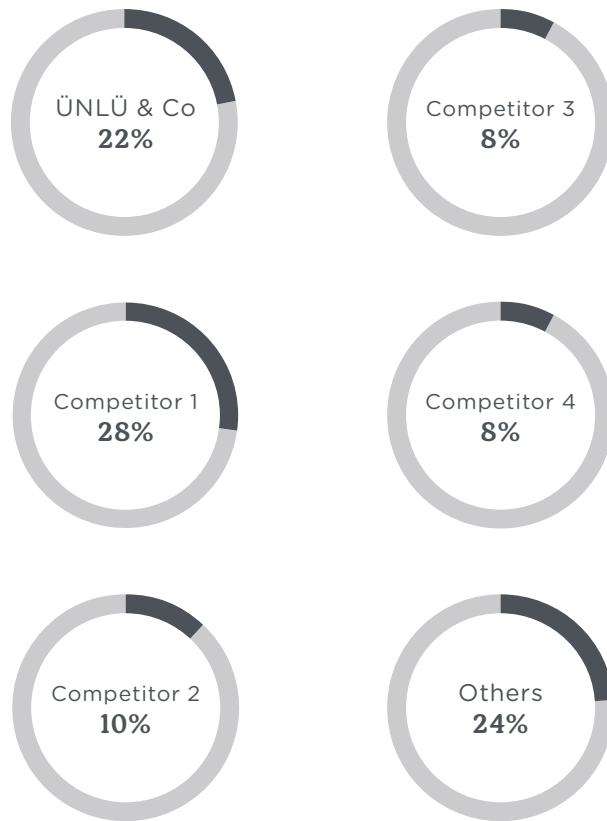
Number of Transactions in Mergers and Acquisitions*



Source: Mergermarket
 *Includes transactions above USD 30 million in value, completed within year-end 2010 and year-end 2021.

Capital Markets Transactions

ÜNLÜ & Co Group ranks second between 2010 and 2022 in capital market transactions, which include public offerings, secondary public offerings, and accelerated book building, with a 22% market share excluding privatizations, and a transaction amount of USD 3 billion.



Source: Bloomberg
 *Excluding privatization transactions





Milestones

For more than 25 years, ÜNLÜ & Co has been expanding its activities to help develop capital markets.

1996

- Dundas Ünlü commenced operations as a small and exclusive mergers & acquisitions advisory firm.
- Founded in Istanbul as Dundas Ünlü, 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 ventured 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.

2003/2004

- Dundas Ünlü began 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 an equity fund (“DUA”) as well as a fixed-income fund (“DUB”) in 2004. As a result of these undertakings, Dundas Ünlü not only expanded the scope of the products and services it offered, but also became the firm of choice for clients with investment financing needs.

2005

- The product and service line-up continued 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 towards 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 expanded into the alternative investments business line with the launch of the DU Private Equity Fund.
- The same year saw the establishment of DUFDA, 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 strategic shareholder in the Company by acquiring the majority of shares previously belonging to Alasdair Dundas and Tahincioğlu Holding.
- With this change in the shareholding 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. were 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 micro 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

- 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 same year, MENA Finans was set up and began serving investors in keeping with the Group's regional expansion plans.
- İSTANBUL Varlık achieved a 40% growth rate in its assets in two years by improving relationships with banks.

2014

- While maintaining its leadership in Turkey, ÜNLÜ & Co took steps towards providing regional investment services. The Singapore office was established. Concrete steps were taken towards an opening to the Middle East and regional expansion therein.
- In this period, with USD 3.7 billion in M&A deals, ÜNLÜ & Co rose to the top of Turkey's M&A league table, while intermediating in 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.
- With 474.8% growth, ÜNLÜ Asset Management became 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.

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 receiving its brokerage license, UNLU Securities Inc. was launched in New York. UNLU Securities Inc. started its investment service operations as the only Turkish brokerage house in the United States.
- New fund organizations and structured debt instruments were issued as the product range continued to expand.

2017

- Over the UTrade online platforms specially designed for DAHA Investment Advisory and Brokerage Services, investors were offered the opportunity to perform transactions in domestic and foreign capital markets in a reliable, swift and practical fashion.
- ÜNLÜ THE CLUB YouTube channel came 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 for merger and acquisition transactions with 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, launched by Tahincioğlu under the guarantee of Emlak Konut REIT.



Milestones

Following successful completion of the IPO process, ÜNLÜ & Co made its debut on Borsa Istanbul.

2018

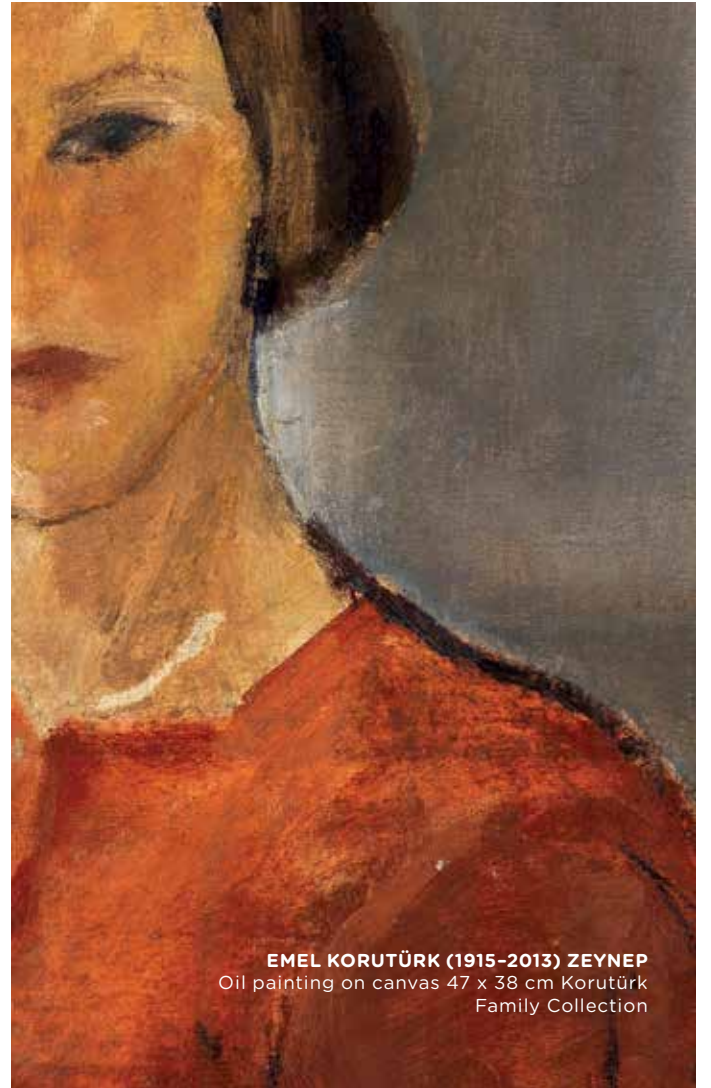
- ÜNLÜ & Co acted as joint global coordinator in the USD 538 million public offering of ŞOK Marketler, one of the biggest public offering transactions of the last decade.
- ÜNLÜ & Co issued Turkey's first convertible bond deal.
- ÜNLÜ & Co issued Turkey's first agricultural income-based asset-backed securities.
- ÜNLÜ & Co completed the necessary infrastructure and license applications for its London office.

2019

- ÜNLÜ & Co provided advisory services to Tarfin Tarım A.Ş. in its Asset Backed Security issuance, a first in the field of agriculture.
- Opening a new office in London, the heart of global financial sector, ÜNLÜ & Co took a major stride aligned with its international aspirations. 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.

2021

- Following successful completion of the IPO process, ÜNLÜ & Co made its debut on Borsa Istanbul.
- ÜNLÜ Menkul Değerler was appointed as market maker for the equity-linked warrants to be issued by Goldman Sachs International on Borsa Istanbul.
- ÜNLÜ & Co sponsored the exhibition "I-You-They: A Century of Artist Women," which met with art lovers in Meşher on October 9, 2021.



EMEL KORUTÜRK (1915–2013) ZEYNEP
Oil painting on canvas 47 x 38 cm Korutürk Family Collection



26%

Since our inception, we have always been guided by ambitious goals. To that end, we took a pivotal step in our 25th anniversary, and offered about 26% of our shares to the public. We have taken another step in our bid to compete in international markets.

*

Public Offering Size
TL 314 MILLION



2021 at a Glance

In 2021, ÜNLÜ & Co brokered Pegasus Hava Taşımacılığı A.Ş.'s first issuance in debt capital markets, enabling the Company to borrow TL 260 million from a wide pool of institutional and individual investors.

ÜNLÜ & Co SUCCESSFULLY COMPLETED ITS IPO

Trading of ÜNLÜ & Co Shares on Borsa Istanbul Initiated

ÜNLÜ & Co, whose IPO application was approved by the Capital Markets Board (CMB), successfully completed its IPO process, following the book building carried out between May 31 and June 1, 2021. The transaction size of the offering was TL 314 million, with the price of per value stock being TL 6.90 for the IPO. Following the offering, the Company's shares, which have a free-float rate of 26%, began to be traded on the Borsa Istanbul (Stock Exchange). As of 31.12.2021, its free-float rate is 22.83%.

ÜNLÜ & Co MARK ON THE ACQUISITION DEAL OF THE YEAR

Sale of Assan Gıda to Kraft Heinz Completed with the Advisory of ÜNLÜ & Co

In the sale process of Assan Gıda Sanayi ve Ticaret A.Ş., one of the leading ketchup, mayonnaise, sauce, and tomato paste manufacturers in Turkey, to The Kraft Heinz Company, one of the world's largest food brands, ÜNLÜ & Co assumed the exclusive financial advisory of Kibar Holding. The USD 100 million share sale agreement was recognized as one of the landmark acquisitions of 2021 in terms of interest evinced by international investors in Turkey.

TEPE GÜVENLİK BECAME A SECURITAS COMPANY UNDER THE ADVISORY OF ÜNLÜ & Co

The sale of Tepe Güvenlik to Securitas of Sweden was concluded

Advised by ÜNLÜ & Co, the share sale agreement was signed for the sale of Tepe Güvenlik, one of the leading electronic security companies in Turkey, to Sweden's Securitas, global leader of the smart security services market. The acquisition was realized at a total consideration of c. EUR 10 million (SEK 100 million), with the share transfer from Bilkent Holding to Securitas completed upon the approval Competition Board.

YET ANOTHER TRANSACTION REINFORCING THE LEADERSHIP OF ÜNLÜ & Co IN MERGERS AND ACQUISITIONS

75% of Ekol Ofset acquired by Van de Velde Group company Romvan NV

ÜNLÜ & Co acted as the exclusive sell-side financial advisor in the sale of 75% of the shares of Ekol Ofset, a manufacturer of paper cups and cardboard packaging, to the Netherlands-based Van de Velde Group company Romvan NV (PVDV).

ONE OF THE MOST IMPORTANT ISSUANCES OF 2021 ADVISED/BROKERED, ONCE AGAIN, BY ÜNLÜ & Co

ÜNLÜ & Co advised Pegasus Airlines' first issuance in debt capital markets

In 2021, ÜNLÜ & Co advised Pegasus Hava Taşımacılığı A.Ş.'s first issuance in debt capital markets, enabling the company to borrow 260 million Turkish Liras from a wide pool of institutional and individual investors.

ÜNLÜ & Co EXTENDING ITS CONTRIBUTION TO THE DEVELOPMENT OF TURKISH CAPITAL MARKETS

ÜNLÜ Menkul Değerler acted as Market Maker in BIST Warrant Issuance by Goldman Sachs

Upon approval of the warrant issuance application in Turkey by global investment banking institution Goldman Sachs, a market making agreement was signed between ÜNLÜ Menkul Değerler and Goldman Sachs International. Accordingly, ÜNLÜ Menkul Değerler will act as an authorized brokerage firm to conduct market making activities for Goldman Sachs's warrant issuances to be traded on Borsa Istanbul.



ÜNLÜ & Co'S CREDIBILITY ALSO RECOGNIZED BY JCR

ÜNLÜ & Co's Long-Term National Credit Rating Announced as "AA"

International Rating Agency Japan Credit Rating (JCR) Eurasia announced the first credit rating of ÜNLÜ & Co. According to the JCR report, ÜNLÜ & Co's Long-Term National credit rating is "AA" and its outlook is "stable." In the report, ÜNLÜ & Co's Long-Term International Foreign Currency credit rating was announced as "BB" and its outlook as "stable."

ÜNLÜ & Co FURTHER EXPANDS ITS ARSENAL OF PRESTIGIOUS INTERNATIONAL AWARDS

Two Important Accolades from M&A Atlas Awards...

ÜNLÜ & Co received awards in two separate categories at the M&A Atlas Awards and became the winner of the "Global Merger & Acquisition Deal of the Year" award and the "Investment Bank of the Year" award in "Developing Countries" category with the sale of shares of Betek Boya ve Kimya Sanayi A.Ş. and its subsidiaries to Japan-based Nippon Paint Holdings Co. Ltd in 2019.

ÜNLÜ & Co ONCE AGAIN "LEADER OF MERGER AND ACQUISITIONS"

ÜNLÜ & Co Received a Major Award from Turkish Capital Markets Association

On November 17, 2021, at the 6th TSPB Capital Markets Awards Ceremony held by the Turkish Capital Markets Association (TSPB) in Wyndham Grand Istanbul, Golden Bull Awards were accorded in 6 different categories and 34 distinct areas. ÜNLÜ & Co was granted the "Leader of Acquisition and Merger Transactions-2020" award for the 4th time in "Corporate Finance Transactions" category within the scope of the TSPB Capital Markets Awards, which feature among the most prestigious capital markets awards.

ANOTHER AWARD TO ÜNLÜ & Co'S SUCCESSFUL MERGER AND ACQUISITION TRANSACTIONS COMES FROM EMEA FINANCE

ÜNLÜ & Co was granted EMEA Finance's "Best M&A House-Turkey" Award

ÜNLÜ & Co was granted the Best Merger and Acquisition Company of Turkey - Best M&A House/Turkey award at the Europe Banking Awards held for the 13th time this year, where the best banks and financial institutions of Central and Eastern Europe (CEE) and the Commonwealth of Independent States (CIS) regions were selected by EMEA Finance.

ÜNLÜ & Co'S "INVESTING IN THE FUTURE" PERSPECTIVE REWARDED

ÜNLÜ Digital Academy Wins Stevie Award

ÜNLÜ Digital Academy, conceived in the last quarter of 2020 and launched in 2021 by ÜNLÜ & Co with a view to providing an innovative learning experience, received a major accolade from Stevie Awards. ÜNLÜ Digital Academy, a flexible development platform that employees can easily access from anywhere, anytime, and through any device, won the silver award in the "Achievement in Learning Technology Implementation" category at the Stevie Awards for Great Employers (SAGE).

ÜNLÜ & Co 2020 ANNUAL REPORT GARNERS AWARDS AT THE FOREMOST GLOBAL REPORTING COMPETITION

ÜNLÜ & Co Returns from ARC Awards with Three Trophies

ÜNLÜ & Co won the gold award in "Interior Design" category, and the silver award in "Chairman's Message" and "Traditional Annual Report" categories at the ARC Awards with its Annual Report prepared for its 25th year. The Company, which underscored its value-oriented approach vis-à-vis customers, stakeholders, and the future at its Annual Report featuring the "Recognizing Value" theme, was the sole company to be rewarded at the "Traditional Annual Report" and "Chairman's Message" categories in its sector.

ÜNLÜ & Co SUPPORTS EXHIBITION SHOWCASING THE EFFORTS OF TURKEY'S ARTIST WOMEN

ÜNLÜ & Co Sponsored the Exhibition "I-You-They: A Century of Artist Women"

ÜNLÜ & Co sponsored the exhibition "I-You-They: A Century of Artist Women," which brings the themes of women and art to a common denominator, and displays the centuries-old efforts of artist women in Turkey. The exhibition, curated by Deniz Artun and featuring 232 works by 117 women artists who lived and created in Turkey between 1850 and 1950, was inaugurated on October 9, 2021, at Meşher.



Investor Relations

The Investor Relations Department organized online end-of-period financial evaluation meetings open to all analysts and investors throughout 2021, and took the utmost care to stay in close contact with investors and analysts.

Public Offering and Investor Relations Department

The majority stake of Ünlü Yatırım Holding is owned by Mahmut Levent Ünlü, and as of the date of the report, 22.83% of the Company is publicly traded. There are no other publicly-traded companies among the Company's subsidiaries or participations.

Ünlü Yatırım Holding, which has been conducting partnerships with foreign and corporate companies for many years, has transparent, accountable and responsible processes and units aimed at informing its investors on a regular basis.

Marking one of the most remarkable milestones in its history, the Company increased its capital from TL 137.730.842 to TL 175.000.000 on June 7, 2021, and offered a total of 45.000.000 shares, 37.269.158 shares with nominal value of TL 37.269.158 and 8.263.851 shares held by Mahmut Levent Ünlü with nominal value of TL 8.263.851, to the public, thereby becoming a publicly traded company. As per article number 11 of the Corporate Governance Communiqué numbered II-17.1 of the CMB, the Company also established an Investor Relations Department within the Company to ensure communication between the Company and shareholders. This Department, affiliated with the Financial Affairs Department of the Company, conducts communication activities between the Company's management and investors.

The Investor Relations Department, which has held many investor meetings since its establishment until the date of the report, has organized online financial evaluation meetings open to all analysts and investors after disclosing its end-of-period balance sheets during 2021, including the 2nd quarter of the year, when the Company shares were offered to the public, and has acted with utmost care to remain in close contact with investors and analysts.

Considering growing foreign investor interest, as of the second quarter of 2021, Investor Relations Department has renewed the Investor Relations section of the Company's website, and started offering Turkish as well as English content, so as to allow access to more information by foreign investors.

Ünlü Yatırım Holding A.Ş. Equity Share

Ünlü Yatırım Holding A.Ş. made the initial public offering of its shares in June 2021 on Borsa Istanbul. As of December 31, 2021, the Company had a market capitalization of TL 890.7 million (USD 66.5 million). As of the same date, the Company's free float rate and free float actual circulation rate are 22.83% and TL 203.4 million, respectively. The shares of Ünlü Yatırım Holding A.Ş. (UNLU) traded on Borsa Istanbul with an average daily volume of TL 36.3 million (USD 3.8 million). Since the inception of trading in June 2021, UNLU shares have registered total trading volume of TL 5.2 billion, featuring among most liquid shares with respect to similar companies.



MELEK CELAL SOFU
Flowers in a Vase Oil Painting on Masonite 60.5 x 44.5 cm Special collection

As of December 31, 2021, UNLU shares are included in BIST ALL (XUTUM), BIST ALL-100 (XTUMY), BIST MAIN (XBANA), BIST IPO (XCHARZ), BIST FINANCIAL (XUMAL), BIST HOLDING AND INVESTMENT (XHOLD) and BIST ISTANBUL (XSIST) indices.

As of 31.12.2021, 14.21% of UNLU shares are owned by foreign shareholders from various countries. This represents one of the highest foreign investor ownership rates among similar companies with market value of around TL 1 billion, and is also important in that it

represents the long-term and institutional investor profile that has invested in UNLU shares. In both 2020 and in 2021, due to growing risks on account of both the pandemic and mounting inflation and interest rate risks across the globe, there has been significant international fund outflows from the stock markets of developing countries in general, despite which, foreign investors' relative weight in UNLU shares has persisted.



Letter from the Chairman and CEO

With a quarter of a century already behind us, we reflect on the journey we embarked on, inspired by our belief in Turkey's future; and march forward with excitement, supported by our innovative corporate culture and competent human resources.

Dear Stakeholders,

The pandemic wreaked havoc on the global economy in 2020; and with its heavy social and economic toll, remained to be the foremost agenda item. With inoculation starting to gain impetus, a new era was ushered in, and growing normalization sparked optimism at the onset of 2021. However, the state of affairs as of the year-end suggests to us that any talk of sustainable improvement would be premature.

The persistent deterioration in inflation outlook threatens the global economy

Thanks to a profusion of liquidity created by expansionary steps, we witnessed a recovery that evolved into robust growth in global economy and trade in the first half of the year. With the introduction of a raft of financial support packages, growing risk appetite prompted global share markets in particular to notch up significant gains. This sense of optimism did not last long, however, as a reversal of fortunes ensued in the second half of the year. Supply failing to keep pace with growing demand, delays in trade corridors, and bottlenecks in the supply chain caused significant cost increases in critical production inputs, especially oil and other commodities, compared to the pre-pandemic era. Another factor to exacerbate the bottlenecks in the supply chain was the rapid proliferation of new coronavirus variants, such as Omicron. With escalating inflation on a global scale, the loose monetary policies implemented by central banks, which prioritized growth and employment since the outbreak of the pandemic, appear to have reached an end.

Global economies are entering 2022 with obvious question marks. Persisting disruptive effects of the pandemic, deteriorating debt and income inequality, inflationary pressures, and resurfacing vulnerabilities in financial markets stand out as factors that increase the risk of a

hard landing, after the strong recovery in 2021. A wave of global tightening, to be spearheaded by the US Central Bank (Fed), may threaten the financial assets of emerging economies, in a period marked by less leeway to support economic activity.

A period of elevated risks and opportunities awaits Turkey

Turkey had more than its share of the recovery in the global economy after the first wave of the pandemic. The Turkish economy closed 2021 with an impressive growth rate of 11%, with the relaxation of pandemic restrictions along with vaccination, supportive policies, and the base effect. Exports and private consumption made the most significant contributions to growth, while current account and budget balance performances were also noteworthy through the year, barring December.

All world economies, as well as Turkey, were concomitantly impacted by inflationary pressures in 2021. With the monetary policies implemented in the latter part of the year and the substantial depreciation of the TL, the upward trend in inflation accelerated, exceeding 36% on an annual basis. Veering away from the real interest rate balance with unorthodox macroeconomic policies prompted deterioration in the country's risk premium, and consequently spawned financial stability concerns.

As the entire world welcomes the year 2022 with high inflation as the overarching concern, factors such as the timing of the elections in Turkey, as well as potentially strong monetary tightening moves from the central banks of developed countries, make it difficult to predict the coming period. Although instruments such as the Exchange Rate Protected Deposit system have a positive short-/ medium-term impact on TL volatility, we think the alignment of monetary and fiscal policies with the bid to combat inflation will contribute to macroeconomic stability.





Letter from the Chairman and CEO

ÜNLÜ & Co, which has been working relentlessly for the development of capital markets, of which it has been an integral element, successfully completed its IPO process and welcomed its investors.

2021 proved to be a rather active year for capital markets. IPOs, number of investors on Borsa Istanbul, index values, and transaction volumes chalked up historic highs. The BIST-100 index, which hovered below 1,500 throughout the first three quarters, exceeded the 2,400 mark along with its upturn as of October. In response to the sharp volatility in TL, however, the index unwound much of its gains as of mid-December, closing the year at 1,858 level. We expect moves to reinstate confidence in the investment environment in 2022 to spark renewed investor interest in Turkish assets.

2021 marked a milestone in our corporate history

With a quarter of a century already behind us, we reflect on the journey we embarked on, inspired by our belief in Turkey's future; and march forward with excitement, supported by our innovative corporate culture and competent human resources. We make vigorous progress towards our strategic goals, with a keen focus on greater value creation for our society and all our stakeholders.

Aligned with our strategic goal of building a successful investment banking group that will remain in existence 100 years from now, retaining its innovative, pioneering and entrepreneurial spirit, we have left a very special year behind us. Our Company, which has been working relentlessly for the development of capital markets, of which it has been an integral element, successfully completed its IPO process and welcomed its investors. While our IPO size amounted to TL 314 million, our free float rate was 26% at the end of the process. 43.14% of our shares were allotted to domestic individual investors; 46.45% to domestic institutional investors; and 10.41% to foreign institutional investors through a consortium created by 30 financial intermediaries.

Following this process, while stepping up our compliance with corporate governance principles, the success of the strategies we pursued to carry the ÜNLÜ & Co brand to the future was affirmed

with an AA rating set by JCR Eurasia. With the IPO proceeds, we aim to enrich our range of services with new activities that can be carried out under an investment banking license, and to expand the value proposition we offer to financial markets.

As of the end of the operating period, we also delivered business results that underpinned our healthy and sustainable development. Accordingly, we increased our assets by 56% to TL 939 million and assets under management by 106% to TL 9.4 billion. Profit before tax grew 44% to TL 110 million, while shareholders' equity increased by 148% to TL 607 million. As of the end of 2021, the total amount of merger and acquisition transactions we managed since 2010 exceeded USD 13 billion.

With the world class corporate finance services we offer to the prominent companies of our country, we help them meet with strategic foreign investors. Having provided financial advisory in the sale of Assan Gıda to The Kraft Heinz Company, Rubis Terminal to Transpet, 35% stake in Bim Morocco to HELIOS Investments Partners, Tepe Güvenlik to Securitas, and Ekol Ofset to Van de Velde, we remained to be the leading player in a bustling mergers and acquisitions market in 2021.

We also made a strong entry to the warrants market, which we designated as a potential growth area, in 2021. Following the approval of the Capital Markets Board, ÜNLÜ Menkul Değerler assumed the role of authorized brokerage firm and market maker for Goldman Sachs's warrant issues to be traded on Borsa Istanbul in Turkey.

Our achievements in this period were not confined to our activities and their reflections on our business results. In this busy and active year, we received 10 awards from 7 major institutions on a local and international level, which served to boost our motivation. At the M&A Atlas Awards, we received "Global Merger and Acquisition Deal of the Year" and the "Investment Bank of the



MÜRECCCEL KÜÇÜKAKSOY (1921-2008)
SELF PORTRAIT, 1950
Oil painting on plywood 46.2 x 29.3 cm Yusuf
Küçükaksoy Collection

Year” awards. We were recognized, once again, as “Leader of Merger and Acquisition Transactions” at TSPB Capital Markets Awards, while also being named as “Best M&A House-Turkey” at Europe Banking Awards organized by EMEA Finance, and “Most Admired Brokerage Firm” at Capital Magazine Business World’s Most Admired Companies Survey. Our Pegasus Hava Taşımacılığı A.Ş. bond issue won an accolade at Bonds & Loans Turkey Awards.

Our utmost priority is to create sustainable value for our wide ecosystem of stakeholders

We continue to add new ones to our present investments intended for our employees, the foremost stakeholders of the high-value-added outputs we produce and of our accomplishments. Combining our human-focused approach with technology and digitalization, we introduced the “Digital Academy” platform to support the capacity development and creativity of our employees together with their families. With this innovative educational platform, content catalogue of which we have been constantly enriching, we won the Silver award in “Achievement in Learning Technology Implementation” category at Stevie Awards for Great Employers (SAGE).

Guided by the premise that social gender equality is one of the linchpins of sustainable development predicated on collective well-being; we, as ÜNLÜ & Co, support projects that contribute to women’s social and economic empowerment. Within the framework of the Women Entrepreneurs Academy, which marked its fifth anniversary, the number of entrepreneurs whose lives we have touched has reached 100. We celebrated the 25th anniversary of our establishment by sponsoring the exhibition “I-You-They: A Century of Artist Women,” featuring a very special selection from the standpoint of our art history. This exhibition, composed of 232 works by 117 artist women, welcomes art lovers at Meşher.

In 2022, our main focus will be, once again, to augment the value we create for the Turkish economy and all our stakeholders. To that end, we will continue to fulfil our duties in accordance with our strategic goals, share our experience and knowledge, and continue to be one of the most reputable investment institutions in Turkey.

I would like to extend my sincere gratitude to our employees, investors, and business partners, who have helped elevate ÜNLÜ & Co brand to its present preeminent status with their efforts and support.

Yours respectfully,

MAHMUT L. ÜNLÜ
Chairman and CEO

We were recognized once again as “Leader of Merger and Acquisition Transactions” at TSPB Capital Markets Awards, while also being named as “Best M&A House-Turkey” at Europe Banking Awards organized by EMEA Finance, and “Most Admired Brokerage Firm” at Capital Magazine Business World’s Most Admired Companies Survey.

TL 9.4 Billion

Customer Assets Under Management

TL 607 Billion

Shareholders’ Equity

TL 300.2 Billion

Total Group Turnover





ÜNLÜ Yatırım Holding Board of Directors



MAHMUT L. ÜNLÜ
Chairman

Mahmut L. Ünlü graduated from the Mechanical Engineering Department of Georgia Institute of Technology in 1989 and received an MBA degree from Rice University, Houston in 1991. He started his career in İktisat Bankası, a Turkish merchant bank in Corporate Finance in 1991. He then moved to Yatırım Bank, Turkey's first investment bank, and set up the Bank's Corporate Finance, Research and International Capital Markets businesses subsequently serving as Assistant General Manager between 1992 and 1995. In 1996, he left Yatırım Bank to co-found Dundas ÜNLÜ, a pioneer in M&A advisory. Mr. Ünlü served as Managing Partner and latterly as the CEO and built Dundas ÜNLÜ into the leading investment advisory and asset management group in Turkey. He formed a strategic partnership with Standard Bank Group London Holdings in 2007, called "Standard ÜNLÜ" and served as the Deputy Chairman and CEO. He was also a member of the International Executive Committee of Standard Bank between 2008 and 2012. In 2012, he formed ÜNLÜ & Co' to acquire 75% stake of Standard ÜNLÜ as well as to control stakes in various asset management businesses and is currently serving as the Chairman and CEO. Mahmut L. Ünlü also continues to serve as the New York Chair of Turkey-U.S. Business Council (TAİK).

CAN ÜNALAN
Deputy Chairman

Can Ünalán graduated from the Business Administration Department of İstanbul University in 1985, majoring in finance and received an MBA degree from Marmara University in 1986. Mr. Ünalán started his banking career in İşbank Audit Department in 1986 and then joined ABN AMRO Bank between 1993 and 2006, holding various positions ranging from CRO (Chief Risk Officer), COO (Chief Operations Officer) to CEO & Board Member. Being a member of Country Credit Committee and ALCO, Mr. Ünalán actively participated in the management positions within the organization. In 2006, Mr. Ünalán joined Garanti Bank - GE Capital partnership and was a member of the Corporate and Commercial Risk Committee. Before joining ÜNLÜ & Co, Mr. Ünalán was acting as the Turkey CEO in Mubadala GE Capital. He is now acting as the Deputy Chairman of ÜNLÜ & Co and General Manager of ÜNLÜ Menkul.

ŞEBNEM KALYONCUOĐLU ÜNLÜ
Board Member

After graduating from the Boğaziçi University Business Administration Department in 1995, Şebnem Kalyoncuođlu Ünlü received her master's degree in International Accounting and Finance from the London School of Economics in 1996. Ünlü started her career at ABN AMRO Bank in Turkey, and served as Assistant Manager in the Structured Finance Unit of the Bank between 1996 and 1999. Joining Credit Suisse London in 1999, Ünlü assumed a role in charge of Turkey within the Emerging Markets Division. She served as Country Manager and Head of Investment Banking for Turkey at Credit Suisse London until 2006. Subsequently, Ünlü worked as Alkhair Capital Turkey's CEO. Şebnem Kalyoncuođlu Ünlü is a currently member of ÜNLÜ & Co Board of Directors. Şebnem Kalyoncuođlu Ünlü, who is a member of TÜSİAD, YPO and Board of Trustees of Turkish Entrepreneurship Foundation (Girvak), also assumes role at SAHA and the Tate Modern MENA Committee. Şebnem Kalyoncuođlu Ünlü also manages corporate social responsibility projects of the Company; particularly the "Women Entrepreneurs Academy" which aims to strengthen the entrepreneurial ecosystem in Turkey, and to support more women participating in the business world.



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.



ÖZLEM YEŞİLDERE
Independent Board Member

Özlem Yeşildere graduated from Boğaziçi University Industrial Engineering Department and obtained a master's degree in Business Economics at the University of Manchester Institute of Science and Technology. Yeşildere worked at Procter & Gamble for 17 years in various critical roles and geographies. She served as Regional Chief Financial Officer for Philips Middle East and Turkey and Vice Chairman of the Board of Directors for Philips Turkey. Having served as the CEO of Mobiliz Information Communication Technologies as of 2014, Yeşildere presided over the company's 360-degree transformation. Subsequently, within 2017 - 2019, she served as Deputy General Manager of Finance and Strategy at Koton Mağazacılık. Since December 2019, Yeşildere has been serving as Deputy General Manager in charge of Finance and Digital Transformation at Mey Diageo. Özlem Yeşildere also acts as Chairperson of the Board of Directors of YenidenBiz, an association committed to raising women's active participation in business life.



YILDIZ GÜNAY
Independent Board Member

Yıldız Günay completed her undergraduate education at Boğaziçi University Industrial Engineering Department (1989), and her master's degree in Economics (1992) at the same university. Ms. Günay started her career in 1990 at the Treasury Department of Citibank, assuming trading responsibilities for different asset classes, whereafter she was promoted as Treasury Marketing Unit Manager. She joined Cargill in 1995, and as Deputy General Manager, took responsibilities in the realm of financial trading units, corporate treasury, and financial operations. Subsequently, she founded Cargill - Black River Asset Management Turkey office in 2004, serving as General Manager and Cargill Turkey Member of the Board of Directors, whereby her area of responsibility eventually expanded to include Central Asian and African countries. Ms. Günay served as the General Manager of Turkish Educational Foundation (TEV) between September 2012 and August 2021, where she pioneered the institutionalization and digitalization of the Foundation, in addition to revving up its asset management capabilities.



Executive Board



İBRAHİM ROMANO (2)
(Investment Services)

ELİF ÖZER (8)
(Human Resources & Corporate
Communications and Marketing)

UTKU ÖZAY (3)
(Alternative Investments and Portfolio
Management)

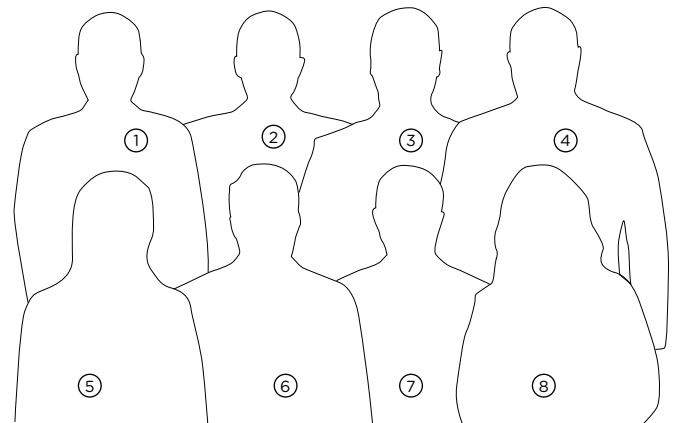
UYGAR AKSOY (4)
(Treasury)

GAMZE AKGÜNEY (5)
(General Manager, DAHA Investment Advisory
and Brokerage Services/Technology and
Operational Services)

MAHMUT L. ÜNLÜ (6)
(Chairman and CEO)

SELÇUK TUNCALI (7)
(Non-Performing Loans)

AYKUT SARIBIYIK (1)
(Finance & Investor Relations)



Board of Directors



İBRAHİM ROMANO (2)
Board Member

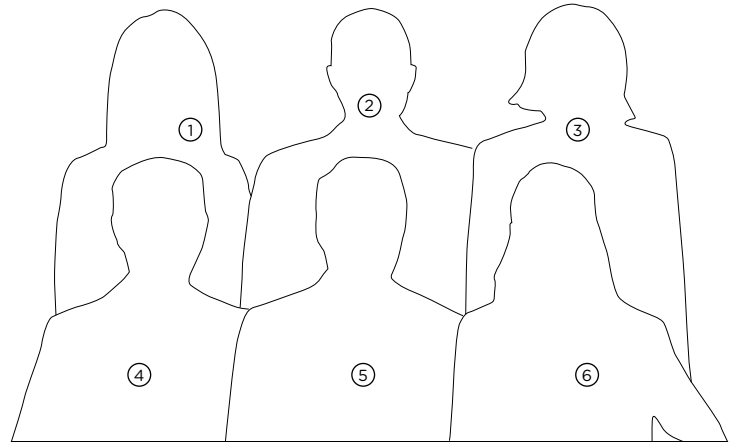
ŞEBNEM KALYONCUOĞLU ÜNLÜ (6)
Board Member

MAHMUT L. ÜNLÜ (5)
Chairman

CAN ÜNALAN (4)
Deputy Chairman

ÖZLEM YEŞİLDERE (3)
Independent Board Member

YILDIZ GÜNAY (1)
Independent Board Member







DENİZ BİLGİN (1956-1999) MADONNA AND THE CHILD, 1996
Gouache on paper 88 x 57.5 cm Emel Meltem Yılmaz Collection



Markets Overview - 2021 Highlights and Future Outlook

While Turkey delivered high economic growth in 2021, the rise in inflation and volatility in exchange rates along with the implemented monetary policy, created uncertainties in financial markets.

Hallmarks of 2021 were economic growth accompanied by inflation, in Turkey and across the world. With the recovery experienced after the first pandemic wave, Turkey had a favourable year in terms of budget, balance of payments, and economic growth. Yet, unsurprisingly, it encountered various problems as well, the most salient ones being a spiralling inflation and the accompanying surge in exchange rates.

Economic growth proved sturdy in 2021, driven by momentum generated by the credit growth of 2020 and solid international demand. The predominant reasons underlying growth accompanied by inflation were loose monetary policy implementations in the world and in Turkey, along with deterioration in supply chains. The rapid rise in commodity prices, especially energy, inevitably led to higher inflation. Although the monetary policy implemented in Turkey sustained economic growth, the rise in exchange rates concurrent with inflation weighed on financial markets. At this point, the flexible monetary policy that replaced the relatively tight monetary policy in the first half of the year accelerated the rise in exchange rates in the waning months of the year, and the depreciation of TL assets. Exchange rates soared over the final months of the year, when the expected tight monetary policy was replaced by a low-interest-rate environment in 2021, though assumed a rapid downward course with the Exchange Rate Protected Deposit (KKM) system announced in the last days of the year. This highly volatile and uncertain environment dampened foreign interest in the Turkish market to its historical lows.

The most daunting challenges facing Turkey in 2022 will be reining in inflation and exchange rates. The way to success goes through rendering monetary policy predictable, reducing political uncertainty, and restoring foreign investors' confidence in the country. On the other hand, we also think that the newly created KKM system may prove effective in rectifying the uncertainty surrounding the TL. It seems possible that this new system, which is likely to be implemented for a limited period of time, might bring stability to the TL, barring excessive use of growth-focused policies. The cost of the system for the Treasury will be substantial, in case of a rapid depreciation of the TL; however, due to the relatively low indebtedness of the government (~40% of GDP), this additional cost appears manageable.

Basically, our predictions for 2022 include elevated inflation; economic growth of c.3.9% (strong export performance and expansionary fiscal policies); a relatively stable TL within the framework of measures taken by the government; and no elections during the year.



Adverse developments notwithstanding, national income increased by 7.4% in the third quarter of 2021. Even considering the base effect from the high growth in the last quarter of 2020, the rise in the last quarter of 2021 is estimated to top 10%. Looking at 2022, given the high base effect from 2021, a growth rate in excess of 4% seems attainable only with additional monetary and financial policies supportive of growth, though rising inflation will seemingly make implementation an arduous task.

The fact that annual inflation reached 36.1% in December and has reached 70% in April 2022, is reflective of the delayed effects of exchange rate increases and ongoing wage hikes. Barring another spike in exchange rates, we would expect inflation to retreat to the 55-60% range in 2022.

The current account closed 2021 with a deficit of USD 15 billion, reflecting an elevated rise in exports. Moreover, tourism and transportation revenues, which registered post-pandemic increases, supported the current account in 2021. As for 2022, we expect the current account deficit to surpass USD 30 billion level as of the end of the year, considering the rise in energy prices and adverse effects of the Ukrainian Russian war.

The budget deficit ended 2021 at a lower-than-expected 2.6% of the GDP. We consider the new tax restructuring and the rise in indirect taxes, supported by domestic demand, as major factors underlying the low budget deficit in 2021. We expect the budget deficit to increase to about 4.5% of the GDP in 2022, given pension and minimum wage hikes introduced in the past period, as well as the social welfare implementations planned for the coming period.

As we welcome the year 2022, it seems clear that the path ahead of us is strewn with challenges; yet it also seems possible to talk about light at the end of the tunnel. The fact that the Omicron variant is believed to be less lethal compared to the Delta variant, suggests that the post-pandemic era in our country and across the globe might be near.

In view of this macro background, we take a relatively positive view of the stock market in 2022. In 2022, we might expect domestic investors, faced with relative stability and negative real interest rates in the TL, to turn to equity markets to beat inflation and generate positive real returns. In addition, the fact that the market is trading at a discount of about 60% compared to other developing countries also limits downside risks. We believe the Turkish stock market will provide lucrative returns in 2022, provided that concrete, confidence-building steps are taken by the government and stability is achieved in the TL.

36.1%

December 2021 - Annual Inflation

USD 15 Billion

2021 Current Account Deficit



DENİZ BİLGİN (1956-1999) MADONNA AND THE CHILD, 1996
Gouache on paper 88 x 57.5 cm
Emel Meltem Yılmaz Collection



Investment Services

As a result of its competence, keen grasp of market conditions, and dedication to work, ÜNLÜ & Co creates value for its clients and has earned the well-deserved trust and respect of Turkey-based corporations.

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 (İstanbul Stock Exchange) and derivatives (VIOP)
- Structured debt instruments that offer personalized investment strategies
- Fixed-income, principal-protected, real estate, Eurobonds or stock-mutual funds and statistical arbitrage funds
- Brokerage services for the 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 of LME Commodity risk management (hedge) transactions

- Brokerage in trading of government bonds, treasury bills, private sector bonds, and Eurobonds
- Brokerage of repo and Eurobond repo transactions
- Portfolio management services
- Corporate risk management (hedging) and advisory
- Public offerings brokerage

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
- Financial advisory services for technology startups
- Privatization advisory
- Initial/Secondary public offerings

The leading institution of the sector in merger and acquisitions

Established in 1996, ÜNLÜ & Co Group facilitated 123 successful merger and acquisition transactions until the end of the activity period of 2021.

In mergers and acquisitions, the team has deep 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 an experienced staff who are the best in the sector, and they shape the financial solutions best suited to the needs and preferences of their clients within the framework of global ethical standards.



MELEK CELAL SOFU
Flowers in a Vase Oil Painting on Masonite 60.5 x 44.5 cm Special collection

Continuously cementing its reputation with successful transactions consummated since its foundation, 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.

Value- and solution-oriented strategies

ÜNLÜ & Co offers advisory and brokerage services to local companies in their IPO 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-based corporations.

Achievements recognized with awards

The accomplishments of ÜNLÜ & Co, which has been driving deals that make a difference in the domain of corporate finance for the development of capital markets in Turkey for more than 25 years, are also recognized by major award organizations of the sector. In 2021, the Company was named "Leader of Merger and Acquisitions" at the Capital Markets Award Ceremony organized by the Turkish Capital Markets Association (TSPB). Moreover, at M&A Atlas Awards, ÜNLÜ & Co won the "Global Merger and Acquisition Deal of the Year" award, as well as the "Investment Bank of the Year" (developing countries category) recognition; and garnered the "Best Merger and Acquisition Consultant of Turkey" accolade at the European Banking Awards organized by EMEA Finance.

ÜNLÜ & Co's Leadership

Leading position in league tables

Number of deals with value in excess of USD 30 million

Source: Mergermarket

2010-2021 Year-End Total # of Transactions

ÜNLÜ & Co	40
Competitor 1	28
Competitor 2	28
Competitor 3	25
Competitor 4	22

2010-2021 Year-End Total # of Cross-Border Transactions

ÜNLÜ & Co	25
Competitor 1	22
Competitor 2	18
Competitor 3	16
Competitor 4	16

2010-2021 Year-End Total # of Private Equity Transactions

ÜNLÜ & Co	14
Competitor 1	12
Competitor 2	7
Competitor 3	6
Competitor 4	6



Investment Services

The accomplishments of ÜNLÜ & Co in deal making in Turkey for more than 25 years, are recognized by major award organizations.

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

Major Transactions Since 2010

Role	Target Company	Acquiring Company	Significance	Year
Sell-side Advisor	Ekol Ofset	Van de Velde	A major transaction in Turkey's packaging sector, which attracts substantial foreign investor interest	2021
Sell-side Advisor	Assan Gıda	Kraft Heinz	Acquisition by Kraft Heinz, a leading food sector brand globally, stood out as a leading branded food transaction of 2021 in Turkey	2021
Sell-side Advisor	Olmuksan	Mondi	Featured among major deals of 2021 in the packaging sector, which attracts substantial M&A interest	2020
Sell-side Advisor	Sek	CLA Milk and Dairy Products	Sale of SEK, a leading brand in Turkish milk and dairy products sector, to a Turkish company active in the same sector is a noteworthy example of deals between Turkish companies	2020
Sell-side Advisor	Kümaş	Erdemir Iron and Steel	Sale of Kümaş, which possesses c.20% of cryptocrystalline magnesite ore in the world, was one of the most important transactions of the year	2020
Sell-side Advisor	Betek Boya	Nippon Paint	Turkey's leading paint company; the biggest transaction of the year	2019
Sell-side Advisor	Antalya Airport	TAV Airports	Share sale transaction of Turkey's third-largest airport	2018
Joint Global Coordinator	ŞOK Marketler	-	Largest IPO on BIST since 2010	2018
Buy-side Advisor	Peak Games	Zynga	Sale of the largest online gaming business in Turkey	2017
Sell-side Advisor	Mersin International Port	IFM Investors	One of the largest infrastructure transactions in Turkey	2017
Sell-side Advisor	Korozo	Actera	Sale of the largest packaging company in Turkey	2016
Sell-side Advisor	Solventaş	Yılport Group	Sale of the largest chemical storage terminal in Turkey	2016
Sell-side Advisor	Yıldız Holding A.Ş.- AK Gıda	Lactalis Group	Sale of one of the largest food companies in Turkey	2015
Buy-side Advisor	United Biscuits	Yıldız Holding A.Ş.	Largest foreign acquisition made by a Turkish company	2014
Buy-side Advisor	YKM	Boyer Group	Acquisition of the largest multi-storied store group in Turkey	2012
Buy-side Advisor	Defy	Koç Holding A.Ş.-Arçelik	Koç Group's largest foreign company acquisition transaction	2011



2021 TURKISH M&A MARKET AT A GLANCE

Along with strategic investors' sustained belief in Turkey's geopolitical significance, and the interest evinced in prominent players of the technology sector by investors on a global scale, mergers and acquisitions in Turkey reached USD 15 billion in value.

Transactions Advised by ÜNLÜ & Co Corporate Finance Advisory Department in 2021

Target Company	Sector	Acquiring Company	Share Percentage	ÜNLÜ & Co Role
Rubis Terminal	Oil infrastructure	Transpet	100%	Buy-Side Advisor
Assan Gıda	Food	The Kraft Heinz Company	100%	Sell-Side Advisor
Tepe Güvenlik	Electronic Security	Securitas	100%	Sell-Side Advisor
Ekol Ofset	Cardboard Packaging and Printing	Van de Velde	75%	Sell-Side Advisor
BİM Morocco	Food Retail	Helios Investment Partners LLC	35%	Sell-Side Advisor

ÜNLÜ & Co Corporate Finance Department delivered an impressive performance in 2021 as well, acting as advisor in the successful completion of six high-profile transactions.

A summary of selected transactions is presented below:

ÜNLÜ & Co advised Kibar Holding on the sale of Assan Gıda to Kraft Heinz Company

Assan Gıda Sanayi ve Ticaret A.Ş., one of the leading ketchup, mayonnaise, sauce, and tomato paste manufacturers in Turkey, was sold to The Kraft Heinz Company, one of the largest food brands in the world, for USD 100 million. ÜNLÜ & Co acted as the exclusive financial advisor of Kibar Holding during the sale process.

Tepe Security transferred to Securitas

In 2021, in the share sale agreement signed for the transfer of Tepe Güvenlik, one of the leading electronic security companies in Turkey, to Securitas, global leader in the smart security services market, for € 10 million (SEK 100 million), ÜNLÜ & Co provided exclusive financial advisory services to Tepe Güvenlik A.Ş.

75% of Ekol Ofset's shares transferred to Romvan NV, a Van de Velde Group company

Romvan NV, a Van de Velde group company based in the Netherlands, acquired a 75% stake in Ekol Ofset, a manufacturer of cardboard cups and cardboard packaging. In this process, ÜNLÜ & Co assumed the exclusive financial advisory of Ekol Ofset.

Transfer of 35% of BIM's company located in Morocco to HELIOS Investment Partners signed through ÜNLÜ & Co advisory

A contract was signed for the acquisition by HELIOS Investment Partners, an Africa-based private investment company, of a 35% stake in the Moroccan entity of BİM Birleşik Mağazalar A.Ş. ÜNLÜ & Co acted as BİM's financial advisor in this process.

Transpet acquired Rubis Terminal

Advised by ÜNLÜ & Co, Transpet, a leading player in energy and petroleum products trade in Turkey, acquired Rubis Terminal, through which the French Rubis Terminal Infra SAS manages its operations in Turkey.

DEBT CAPITAL MARKETS AND ADVISORY

With its know-how, experience, and unrivalled financial expertise, ÜNLÜ & Co Debt Capital Markets and Advisory Team 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 offer alternative financing sources. It presents structured solutions to address the financing needs of companies in two main areas, namely advisory and brokerage of securities in debt capital markets.



Investment Services

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 to its clients.

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 long-term 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 bond issues, credit-linked notes (CLN), Eurobond, private placement, asset-backed securities, convertible and exchangeable bonds, lease certificates) as well as structuring, arrangement, and provision of all varieties of debt financing and restructuring of existing debts.

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 and exchangeable 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 2021

In 2021, ÜNLÜ & Co brokered Pegasus Hava Taşımacılığı A.Ş.'s first issuance in debt capital markets, enabling the company to borrow TL 260 million from a wide pool of institutional and individual investors. Moreover, during the year, ÜNLÜ & Co acted as broker for the third bond issuance of Çalık Enerji Sanayi ve Ticaret A.Ş., worth TL 150 million. In addition to these transactions, ÜNLÜ & Co, which brokered the issuance of 6 different discounted bonds with total amount exceeding TL 85 million by Eko Faktoring A.Ş. spread across the year, once again demonstrated the importance of continuity in relations with customers.

ÜNLÜ & Co 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 the various capital needs of its clients.

The Company acted as the financial advisor of Istanbul Deniz Otobüsleri A.Ş. (İDO) in the restructuring process, completed in 2021, of a loan worth USD 520 million received by İDO from private banks, public banks, and international banks.



CAPITAL MARKETS ADVISORY

INSTITUTIONAL SALES

ÜNLÜ & Co's Institutional Sales Department serves international and domestic institutional investors that are active in Turkish capital markets. Over the years, the Department's reach has expanded to mutual funds, hedge funds and sovereign wealth 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 the 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.

Online investor meetings continued in 2021 as well

The institutional sales team, which had geared itself to digital transformation by moving its activities to digital platforms in 2020, continued to organize digital investor meetings (roadshows) in 2021, and brought the top managements of Turkish companies together with international and domestic institutional investors. In addition, it continued to serve its customers successfully by working in an integrated fashion with the Research Department.

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 İstanbul.

The ÜNLÜ Team, in line with market conditions, offers the most appropriate solutions to address the financing needs of those companies, and ensures the successful completion of transactions.

ÜNLÜ & Co maintains its pioneering position

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

Since 2010, ÜNLÜ & Co has advised 32 deals in Borsa İstanbul.

Innovative and competitive

While competing with investment banks operating on a global scale, ÜNLÜ & Co is essentially a local company, hence focusing 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 for 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 institutional investors. Furthermore, the brokerage services provided to institutional investors in bond transactions continued to expand, standing out as another area that contributed to a successful 2021.

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 2021, the Research Department's team of five highly skilled analysts followed 16 sectors and 47 companies. The 47 companies covered by the Research Department account for 78% of the total market value of the Borsa İstanbul 100 Index. The Department produced reports based on independent analyses of stocks and provided investors buy-sell recommendations.



Investment Services

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

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.

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 16 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 50 reports in 2021.

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 conditions that persisted in 2021.

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 and macroeconomic indicators,
- Developing new products,
- Optimizing risks and costs,
- Relationship management with banks and other financial institutions,
- Keeping track of 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. Other products provided include; Aktif olunan başlıca ürünler arasında;

- Government bonds, Treasury bills, Private bonds, Financial Bonds, Sukuk, Asset-backed securities, and Eurobonds,
- Repo/Reverse repo and money markets,
- Forward contracts,
- Foreign exchange transactions,



- Over-the-counter derivative products (forwards, futures, options, and swaps),
- Structured debt instruments,
- Stocks and stock indices,
- Commodities.

The Treasury works in coordination with the Group's other departments, primarily DAHA and Institutional Sales, and continues 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 differentiation in its field of activity and from its peers. 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 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 a significant part 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 an active contact of the institutional sales, research, and capital markets departments 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 establishment, 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 Private Market investors with diverse strategic focus areas, remains on a strong growth trajectory. Assets worth USD 13.2 trillion in value as of 2021 are projected to reach USD 23.2 trillion in 2026. Private Equity and Private Debt funds are also projected to sustain growth, with Private Equity funds forecast to reach USD 11.1 trillion in magnitude by 2026, up from USD 5.3 trillion as of 2021. Private Debt Finance, a relatively recent constituent of Alternative Investments segment, is expected to reach USD 2.7 trillion by the end of 2026, up from USD1.2 trillion as of 2021.

Private Debt Financing stands out as the segment expected to notch up the fastest growth rate among Alternative Assets, with a compound annual rate of 17.4% projected for 2021-2026. 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 aims to lend further capacity and depth to the services of ÜNLÜ & Co, contributing to the Group's vision of being a world-class service provider.



MÜRECCEL KÜÇÜKAKSOY (1921-2008)
SELF PORTRAIT, 1950
Oil painting on plywood 46.2 x 29.3 cm
Yusuf Küçükaksoy Collection



Investment Services

DAHA expanded its client base by 43% in 2021, generating 108% portfolio growth, and 40% increase in revenues.

DAHA INVESTMENT ADVISORY AND BROKERAGE SERVICES

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 organized and over-the-counter markets,
- Brokerage of equities (Borsa Istanbul), and derivatives (VIOP),
- Structured debt instruments that offer personalized investment strategies,
- Fixed-income, principal-protected, real estate, Eurobonds or stock-mutual funds and statistical arbitrage funds,
- Brokerage services for trading of over-the-counter derivatives,
- Brokerage for trading at foreign exchange and CFD markets,
- Brokerage of equities and derivatives trading in global markets,
- Brokerage of LME Commodity risk management (hedge) transactions,
- Brokerage of government bonds, treasury bills, private sector bonds and Eurobonds trading,
- Brokerage of repo and Eurobond repo transactions
- Portfolio management services,
- Corporate risk management (hedge) and advisory,
- Public offering brokerage.

In addition to the brokerage services it offers, DAHA also provides individual portfolio management services and financial planning services to qualified investors. DAHA's services also include designing, pricing, and providing risk management (hedge) transactions for corporate customers.

DAHA continues to offer its services at its head office, as well as the branches in Ankara, Istanbul, and Izmir. DAHA expanded its client base by 43% in 2021, generating 108% portfolio growth, and 40% increase in revenues.

The digitalization journey that leads the sector

With the "Digital Transformation Project" launched in the last quarter of 2020, extensive projects were carried out to drive digitalization across the organization. Consequently, operational improvements were achieved, and automation was introduced in various processes. In the framework of the project, front-end and infrastructure development of digital platforms remains underway. With a premium user and front-end experience to be offered to investors on these digital platforms, ÜNLÜ & Co's pioneering approach will set a new industry standard.

Aiming to enrich the points of contact with customers through digitalization, and to optimize business processes, these endeavours by ÜNLÜ & Co are also reflected in the Company's results. Of new individual customers acquired in 2021, 21% came through digital channels. Customer revenues from digital channels, on the other hand, more than doubled compared to 2020.

DAHA Financial Advisory Services

Within the scope of DAHA Financial Advisory Services provided by the Research Department, individual and institutional investors - with different risk and return preferences - are offered services on stock markets, as well as on financial instruments such as parities, fixed-income securities, and gold, with short-, medium- and long-term perspectives, helping



them manage their assets in a way most suited to their needs. The monthly investment baskets report is produced regularly, and TL and foreign currency investment strategies, including Balanced-Dynamic-Attack investment baskets, are shared with customers based on different risk preferences.

The periodic reports which 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 domestic and foreign markets, potential market impacts, product-based recommendations, and selected stock information.

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

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 various product groups and their support-resistance levels.

The following are the reports prepared in Turkish for foreign markets and shared periodically with investors:

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

U-Call: Regular updates through e-mail are provided on foreign equities, with a focus on market dynamics.

Under the leadership of the Research Department, current market developments and expectations are communicated through monthly online webinars, and on a daily basis through WhatsApp Business, to individual and institutional investors.

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 advices, 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- UTrade International and UTradeFX

With its experienced teams and modern online platforms, DAHA Investment Advisory and Brokerage Services provides brokerage services to investors in domestic and foreign capital markets. Through UTrade International, ÜNLÜ & Co's platform providing access to international markets, investors are able to follow numerous stock exchanges across the globe, and engage in trading of stocks and futures contracts safely and easily. Under the UTradeFX brand, investors are provided with the opportunity to carry out leveraged and CFD (contract for difference) transactions through 24-hour access to forex markets.



Asset Management Services

Steadily improving collection performance through effective management of NPL portfolios, ÜNLÜ & Co continues to support its clients with a tailored approach, with a view to channelling them back to the economy.

ASSET MANAGEMENT SERVICES

Non-Performing Loan (NPL) Management

İSTANBUL Varlık

Non-Performing Loans (NPL) Management

Restructuring

Alternative Investments

Private Equity Fund

Alternative Investment Fund

212 Capital-Technology Fund I

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

Özel fonlar

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.

Predicating its NPL market activities on the triple pillars of efficiency, flexibility and reliability for the past 18 years, ÜNLÜ & Co produces fast, creative and effective solutions in NPL collections with its extensive staff and national capital.

Steadily improving collection performance through effective management of NPL portfolios, ÜNLÜ & Co continues to support its clients with a tailored and constructive approach, with a view to channelling them back to the economy.

İSTANBUL VARLIK

With the Group's foreign partnership having ended, İSTANBUL Varlık has been operating as a local brand with 100% local capital.

Capitalizing on ÜNLÜ & Co's synergy, İSTANBUL Varlık gets one step closer to its clients with effective solutions, reflecting a sound grasp of local market conditions. Amid mounting retail NPLs in the aftermath of the 2008 crisis, İSTANBUL Varlık's retail and micro-SME NPL management capacity has also been improved.

Having invested more than TL 350 million since its establishment, İSTANBUL Varlık effectively manages a total of 37 NPL portfolios, consisting of retail, SME, and corporate loans.

506,000

Istanbul Varlık Number of Customers



We address the financial needs of DAHA investors in the realm of investment advisory with a holistic approach. Considering the risk profiles, goals, revenue-expense balances, and asset status of qualified investors, we offer tailor-made investment planning recommendations with DAHA.

*

DAHA Assets Under Management (AUM)
TL 8.3 BILLION



Asset Management Services

ALTERNATIVE INVESTMENTS

ÜNLÜ Alternative Asset Management (ÜNLÜ Alternatives) was established in 2007 to advise funds conceived to undertake investments exclusively in Turkey. Since its establishment, it has provided advisory services to funds focusing on private equity as well as those with more diversified investment portfolios. Fund 1 (Private Equity), established in 2006 as a private equity fund with the partnership of domestic and foreign investors, undertook investments worth in excess of USD 100 million. At the end of 2020, Fund 1 completed its exit from all investments, and carried out a successful liquidation. 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 invested around USD 110 million since inception, has been continuing its activities successful sale transactions executed in 2021.

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 been a founding partner of 212 Ltd, which offers advisory services to 212 Capital Partners I (212), a fund providing venture capital to leading technology and internet companies in Turkey at the establishment stage.

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.

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.

Portfolio management that creates stable added value for its customers

In line with ÜNLÜ & Co's strategic goals, ÜNLÜ Asset Management sustained its fund activities aimed at individual and institutional investors with added momentum in 2021, reaching a fund tally of 16 and total fund size of TL 857 million.

ÜNLÜ Asset Management aims 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. It has expanded its product range with variable, stock, and debt instruments, hedge funds, arbitrage funds, venture capital funds, real estate investment funds, and discretionary funds.

In 2021, ÜNLÜ Asset Management attained a product range that meets the needs of investors with its existing funds, as well as newly set up funds. ÜNLÜ Asset Management offered various options to investors in the field of asset management, while raising the size of the funds it manages.

Products that address every risk profile

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 based on "factor valuation"; and Global Macro Fund, which provides the opportunity to invest in global markets, generating high returns.

Venture Capital Mutual Fund, aimed at qualified investors opting for long-term investments in companies with high growth potential, also established Arbitrage Funds in 2021. The objective of Arbitrage Funds is to generate capital gains and increase portfolio value by exploiting arbitrage opportunities through algorithm-supported systems, offering a unique fund management service to investors with an active and professionally managed fund product line.

ÜNLÜ Asset Management Investment Products



Investment Tool Type	Investment Tool Name	Investment Strategy
Variable Funds	SUA Fund	SUA Fund is designed as an alternative to deposits for low-risk appetite investors with medium-to-long-term investment horizons. It aims to generate a consistent positive return, providing an income that is meaningfully above that of deposits.
	SUC Fund	SUC Fund is an actively managed fund, 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	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.
Foreign Exchange Funds	Fourth Hedge Fund (UPD)	Fund prices are in TL and USD. 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 funds	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.
Real Estate Investment Funds	First Real Estate Investment Fund (UPG)	Investing in real estate projects promising lucrative returns, the Fund offers an attractive return opportunity to investors wishing to invest in the real estate sector.
	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, maintaining, and renting real estate.
Venture Capital Investment Funds	First Venture Capital Investment Fund (UJG)	The fund is suitable for qualified investors opting for long-term investments. The fund's investment strategy entails becoming, through capital or share transfer, a partner of high-growth-potential joint-stock and limited liability companies that are not publicly traded, that need to strengthen their financial structure; or establishing venture companies.
Statistical Arbitrage Funds	ÜNLÜ Portfolio Second Statistical Arbitrage Hedge Funds (UZY)	UZY fund combines OUCH order infrastructure with high technology, monitoring markets at a level of one-millionth of a second for trading. The fast trading algorithms created by the fund effectively identify opportunities. Aiming to exploit price mismatches in the market for yield maximization purposes using technological infrastructure (algorithm), the fund takes simultaneous long and short positions in assets with price discrepancies. It trades at a low risk level to generate above-deposit returns; and in times of growing market volatility, aims for higher returns, leveraging its technology.
	ÜNLÜ Portfolio Statistical Arbitrage Hedge Fund (UJA)	The UJA fund generates arbitrage returns by taking simultaneous positions in spot and futures stock markets. Aiming to exploit price mismatches in the market for yield maximization using technological infrastructure (algorithm), the fund takes simultaneous long and short positions in assets with price mismatches. The fund aims for a return above deposits, with low risk and volatility.
Discretionary Funds (Discretionary Asset Management)		These are funds incepted specifically for an institution, person, or members of a family, in line with the given investors' risk and return expectations.



Technology and Operational Services

Service quality was enhanced substantially, as digital services made available to the customers were expanded both in number and content.

ÜNLÜ & Co moved forward in the realm of Technology and Operational Services in 2021, while maintaining its efficiency- and client-centered service perspective. 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:

- Operational activities related to Investment Service products were carried out successfully (IPO, Leveraged Transactions, overseas share trading, debt instruments, corporate finance advisory, wealth management, liquidity providing, asset management, derivative transactions, etc.).
- Operational processes of institutional investor transactions, conducted with above-sector-average success on Borsa Istanbul Wholesale Market, were managed.
- Capital increase and partnership transactions of publicly-traded companies were actively supported.
- Activities were initiated on Borsa Istanbul within the scope of market making, and necessary arrangements in operational processes were completed.

FINANCIAL AFFAIRS AND PROCUREMENT

- To increase organizational efficiency, an extensive reorganization was carried out in the Financial Affairs Department.
- In addition to changes in management organization, technological infrastructure of the Financial Affairs Department was also improved.



EMEL KORUTÜRK (1915-2013) ZEYNEP
Oil painting on canvas 47 x 38 cm
Korutürk Family Collection



Implementation of customer acquisition processes through the web have been completed.

INFORMATION TECHNOLOGIES AND R&D STUDIES

- Budget efficiency was achieved through technical infrastructure arrangements and maintenance/support service configurations to ensure business units' operations were carried out effectively and efficiently. In this framework, budget utilization remained 24.54% below the IT budget projected for 2021.
 - With the pandemic continuing to affect working conditions throughout 2021, technical services that allow business units to work remotely were sustained, enabling the continuation of the Company's activities without any interruption.
 - In addition to Direct Market Access (DMA) operations, High-Frequency Operations (HFT) were launched on the infrastructure at the BIST co-location structure, hence customer needs were met with state-of-the-art technological capabilities.
 - Alongside technical investments pertaining to the infrastructure through which corporate customers transmit orders from International Order Collection Networks, projects were initiated with new service provider companies to ensure uninterrupted trading to customers. Furthermore, new corporate customers in Turkey started sending orders to Borsa Istanbul via the Company's DMA infrastructure.
- A host of projects were carried out by the business units within the scope of Digital Transformation to provide further digital services to ÜNLÜ & Co customers.
 - Significant improvements were achieved in service quality through increases in the number and content of digital services awarded to customers.
 - Implementation of customer acquisition processes through the web have been completed.
 - Works for the development of a new mobile application, considered to be the main platform of projects within the scope of digital transformation, were initiated.
 - Process automation enhancements were continued, with a view to using the workforce more efficiently and enabling more effective inter-departmental interaction.
 - In order to address the needs driven by ÜNLÜ & Co's ever-growing electronic services, further staff was added to the IT Organization.



Corporate Communications and Marketing

ÜNLÜ & Co aims to reinforce its pioneering corporate image, predicated on 25 years of experience; contribute to the sector; and share major developments related to the Group most accurately and transparently with the public.

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 product and service portfolio through internal and external means of communication. Through the corporate communications 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, via 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 activities; contribute to the sector with its assessments, and share major developments related to the Group most accurately and transparently 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 the activities carried out by the Group; consummated investment service transactions; awards for which ÜNLÜ & Co has been deemed worthy; and other notable 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 which ÜNLÜ & Co has taken part in 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, in compliance with the corporate culture and values.

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 updated and consistently 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

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 training 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 200 start-ups and reaching 27 million people. 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 inspirational meetings.

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 identify and 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, focus 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, counselling 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 "Project 15," a Women Entrepreneurs' Support Program. Within the scope of this project, 15 women entrepreneurs are granted assistance in the form of mentoring, training, PR and Advisory Board support by KAGIDER members for a 6-month period. In the framework of this program, senior executives at ÜNLÜ & Co provided Manibux, also a participant of ÜNLÜ & Co Women Entrepreneurs Academy, with Advisory Board support in 2019.



Corporate Communications and Marketing

Supporting women's participation in business at all levels of the Group has been a priority for ÜNLÜ & Co since its establishment.

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

ÜNLÜ & Co Women Entrepreneurs Academy

Launched by ÜNLÜ & Co in 2016 with the support of Turkish Entrepreneurship Foundation and Endeavor Turkey, ÜNLÜ & Co Women Entrepreneurs Academy had 100 graduates as of its fifth year. Offering women entrepreneurs training, mentoring, networking, and the opportunity to meet with investors, the Academy aims to introduce them to the entrepreneurial ecosystem.

Within the scope of the 9-month program of the Women Entrepreneurs Academy, which aims to encourage women to participate in business life by enrolling 20 women entrepreneurs each year for five years, participants have been 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 have been reinforced by mentoring, networking and investor meetings. Additionally, ÜNLÜ & Co employees have supported 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.

A special event was held in December at the alumni meeting of the Women Entrepreneurs Academy, which achieved the goal of 100 graduates in 5 years in 2021; and all members of the Academy met, while certificates were given to graduates of the Academy for the 5th term.

WOMEN

Supporting women's participation in business at all levels of the Group has been a priority for ÜNLÜ & Co since its establishment. 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 development to ensure gender equality, and reporting it publicly.

Women on Board Association Turkey

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

WBAT operates with the mission of assuming an advocacy role before all stakeholders for the social and economic benefits of equal gender representation on boards of directors, and helping women's development in this regard.

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.

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 inter-company mentoring system, which allows getting mentorship from the most effective business people and opinion leaders of the country. In each 18-month period, mentors work with a new female mentee, and assume an important role in preparing them for their functions on the board of directors.

The fifth term of the Women on Board of Directors Program, which completed its first four terms as of the end of January 2021 and marked the graduation of 195 senior female executives, began in January 2022 with the participation of 68 new mentees. It is scheduled to run from January 2022 to June 2023.

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.

Mahmut L Ünlü has been contributing to the Women on Board of Directors Program as mentor for five semesters since 2012, continuing to perform mentoring works with the mentee designated for him within the scope of the 5th term. Simge Ündüz, Gamze Akgüney, and Evnur Elif Özer are the WBAT mentees to have participated in the 2nd, 4th and 5th terms of the program, respectively.

www.yonetimkurulundakadin.org

Esas Sosyal (Esas Social)-First Chance Program

Conceived as a solution model to address educated youth unemployment in Turkey, "First Chance Program with Şevket Sabancı Vision," awards young university graduates with their first employment opportunity, enabling them to gain experience by working full-time, with salary for 12 months at non-governmental organizations (NGOs). The program, from which graduates of universities less known to employers benefit, aims to raise awareness about opportunity equality, diversity, and inclusiveness in youth employment. Since 2020, ÜNLÜ & Co has been supporting young people as a Corporate Supporter of the program, and making contributions to enable them to gain experience prior to graduation.

www.ilkfirsat.org

ÜNLÜ & Co, 25th Anniversary "I-You-They: A Century of Artist Women" Exhibition Sponsorship

Supporting art, education, and entrepreneurship since its establishment, ÜNLÜ & Co has celebrated its 25th anniversary by sponsoring the exhibition "I-You-They: A Century of Artist Women," which brings the themes of women and art to a common denominator, and displays the century-old efforts of artist women in Turkey. "I-You-They: A Century of Artist Women" exhibition, curated by Deniz Artun, featuring 232 works of 117 artists who lived and created between 1850 and 1950 in Turkey, welcomed art-lovers on October 9, 2021, at Meşher.

www.meshher.org



Corporate Communications and Marketing

ÜNLÜ & Co enables young people to receive a sound education with the scholarship programs it supports.

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.

ÜNLÜ & Co is a member of this program that enables young people to access high quality education. A student, who was awarded a scholarship by the group in this context, successfully graduated from Koç University Computer Engineering and Archaeology & Art History departments with a double major in 2020. The student is continuing with the Informatics Program master's degree at the Technical University of Munich, while working at Siemens Healthineers Germany office.

In 2020, ÜNLÜ & Co started to support a new Anatolian Scholarship holder. Entitled to study at Koç University, Department of Industrial Engineering, the scholarship holder has completed English Preparatory class and is currently at the first undergraduate year.

anadolubursiyerleri.ku.edu.tr

Robert College Scholarship Program

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 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.

intaward.org

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

Koruncuk Foundation aims to provide shelter, care, and access to education at Koruncukköy, starting from secondary school until the age of 18, to girls who have a desire to study but whose education prospects are in peril. It empowers "Koruncuks," together with their families, by promoting their individual development through arts, sports, and cultural activities. The Foundation supports Koruncuks who grew up in Koruncukköyler and turned 18, throughout their university education according to their preferences, until they become individuals with a profession.

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

www.koruncuk.org

Human Resources



The Human Resources Department acts on the premise that attracting, developing, and retaining talent within the institution can only be achieved through successful and contemporary HR practices.

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

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

“Engaged,” “Entrepreneurial,” “Leader,” “One Team,” “Socially Conscious,” and “Client-centric” are the values that define all members of the ÜNLÜ & Co family, and reflect the changing, developing, 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.

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

Developments in 2021

In 2020, “Corporate Culture and Efficiency” project was launched to correctly analyse the Company’s culture; transform it into more efficient and contemporary modes of doing business; and identify the points that will guide it in this context. Within the scope of the third phase of the project funded by Max Planck Institute, European University Institute, and Kadir Has University and conducted by academics in 2021, activities were continued with groups created from employees, and the study was concluded. In line with the project results, strengths and areas of improvement were identified and necessary action plans were drawn up.

The Human Resources Department acts on the premise that attracting, developing, and retaining talent within the institution can only be achieved through successful and contemporary HR practices. By placing employees at the centre, a holistic structure supporting development in digital environments has been designed.

The hybrid working model, shaped with a focus on efficiency and employee satisfaction, has been implemented as a standard working order independent of the pandemic. Within the scope of this model, all employees can work remotely 8 days a month in their city of residence. In addition, during the summer period, employees are offered the opportunity to work from anywhere for 4 weeks.



Human Resources

ÜNLÜ Digital Academy aims to be a development platform and a reference point that plays an active role in the learning processes of the employees.

The leading project completed by ÜNLÜ & Co in the domain of HR in 2021 was the launch of ÜNLÜ Digital Academy, a flexible development platform easily accessible by the employees from anywhere, anytime, and through any device. At its first year, the platform earned recognition with two major accolades, namely the gold award in "Learning Management Solution" category at Globee Business Excellence Awards, and the silver award in "Achievement in Learning Technology Implementation" category at Stevie Awards for Great Employers (SAGE).

ÜNLÜ Digital Academy aims to be a development platform and a reference point that plays an active role in employees' learning processes. With its innovative design, extensive library infrastructure, and rich and diverse content, ÜNLÜ Digital Academy is conceived as a platform incorporating competence development opportunities to add value to employees; and where they can spend time even at leisure times.

Performance Evaluation

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

Thanks to a dynamic structure whereby ÜNLÜ & Co's corporate goals are cascaded down to employees' individual and common goals, a working environment is ensured where an employee's contribution to the success of the organization is observable.

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.

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.

For director and higher positions that are critical in terms of management, 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 recommendation of the Human Resources Department or at the request of corresponding departments, based on results of needs analysis.



DENİZ BİLGİN (1956-1999) MADONNA AND THE CHILD, 1996
Gouache on paper 88 x 57.5 cm Emel Meltem Yılmaz Collection



ÜNLÜ Digital Academy offers a rich selection of educational videos and extensive library infrastructure on various topics including leadership, development, competence, and current information, addressing diverse employee interests and needs.

Both academic and competence-based certificate trainings have been designed within the framework of Digital Academy, in order to develop and extend the leadership skills of the Company's middle and senior managers. Moreover, for business units, technical education and course programs delivered by world-class universities have been determined.

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 was held online, once again, in 2021. The applications of 215 candidates out of a total of 2,950 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 2021, ÜNLÜ & Co took part in 6 campus activities. In addition, about 350 university students were gathered at an event called "Inspiring Conversations," organized exclusively for ÜNLÜ & Co. As part of the event, the participants had the opportunity to listen to career journeys and pleasant memories from MTs working at the Company, as well as different stories and inspiring speeches from famous names.

ÜNLÜ & Co Employee Profile

With an employee tally of 476 as of year-end 2021, ÜNLÜ & Co brings young talents together with seasoned investment banking services and asset management professionals under the same umbrella.

ÜNLÜ & Co key employee statistics:

- 51% female; 49% male
- Average age: 34
- Average tenure: 3.4 years
- 66% have a bachelor's degree; 25% have a master's or doctorate 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 equality for women in recruitments, promotion processes, and strategic role designations, has been a priority for the Company in recent years.

The percentage of women holding positions of manager or above at ÜNLÜ & Co has reached 46%, which represents an unrivalled achievement for the Company.

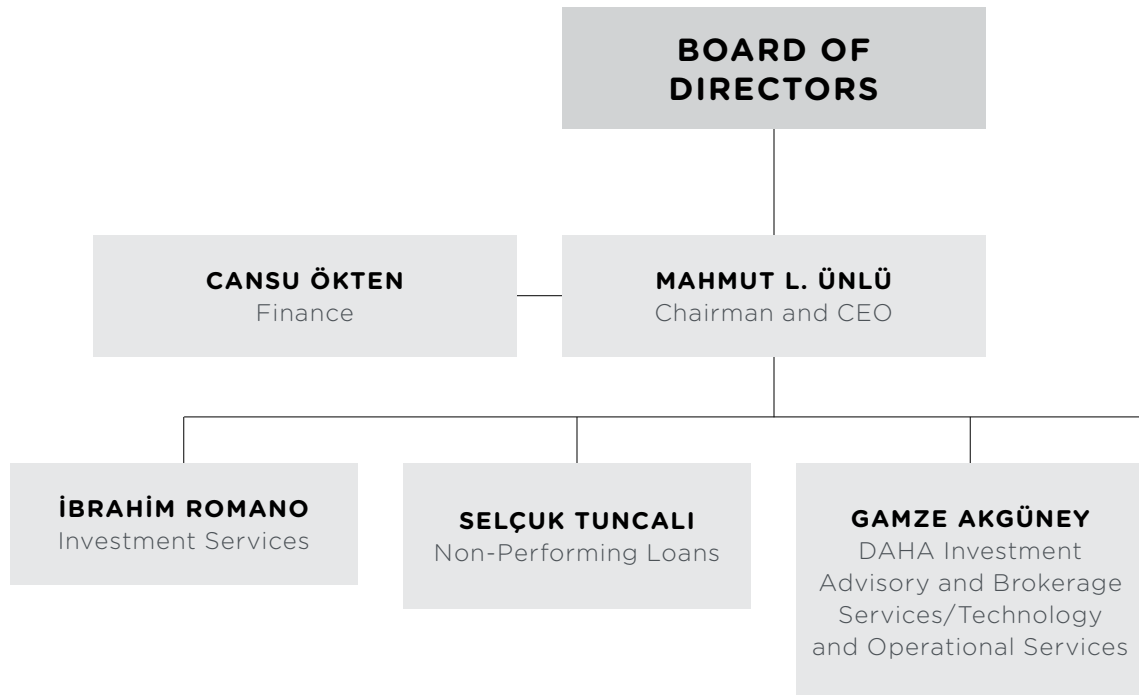


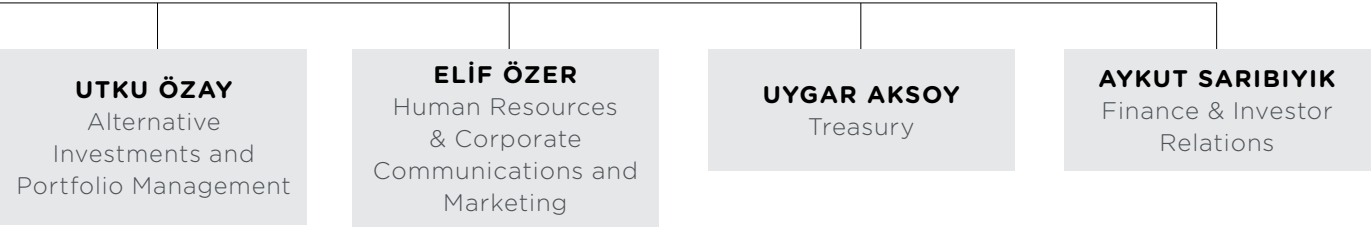


MELEK CELAL SOFU
Flowers in a Vase Oil Painting on Masonite 60.5 x 44.5 cm Special collection



Organizational Chart







Financial Rights Granted to Board Members and Senior Executives

Within the scope of the Capital Markets Board regulations, the Company's "Remuneration Policy," which includes all types of rights, benefits, and payments granted to members of the Board of Directors and senior executives, and the criteria used to determine thereof, was adopted by the Company's Board of Directors resolution dated 13.07.2021 and numbered 2021/38, posted on the Company's corporate website, and subsequently submitted for the information of the shareholders as a separate agenda item at the Ordinary General Assembly meeting for the 2020 accounting period dated 10.08.2021, enabling them to provide their opinions.

In the footnotes of the financial statements, payments made to members of the Board of Directors and senior executives are disclosed to the public collectively, consistent with general practices.

The Company does not engage in practices that will lead to conflicts of interest such as lending money, extending loans, and granting guarantees for the benefit of members of the Board of Directors and senior executives.



DENİZ BİLGİN (1956-1999) MADONNA AND THE CHILD, 1996
Gouache on paper 88 x 57.5 cm Emel Meltem Yılmaz Collection



Internal Systems

Internal Systems develops policies related to process, operational, financial, and legal risks that ÜNLÜ & Co Group companies may be exposed to.

ÜNLÜ & Co's actual area of activity involves operating in different sectors through its subsidiaries and affiliates; making investments in these various sectors and business lines; establishing collaborations and partnerships; as well as assisting and managing those subsidiaries. Therefore, the Company is indirectly subject to various regulations of different authorities that oversee diverse sectors. In this framework, Internal Systems organizations have been established and put into operation on a subsidiary basis within ÜNLÜ & Co Group, in compliance with the relevant legislation.

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

Risk Management at ÜNLÜ & Co Group

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 through its activities and subsidiaries, by working independently of executive units.

Basically, the Risk Management Department carries out proactive control and management activities for the market, credit, liquidity, and operational risk classes; and takes measures to mitigate, manage, or avert these risks.

Within the Group, it is the responsibility of the Risk Management Unit to communicate these risks, and, if necessary, take measures to mitigate the risks in question, while responsibility and accountability for taking these risks rests with executive business lines. ÜNLÜ & Co group aims for business lines and subsidiaries to perceive internal risks; mitigate the risks in line with the Group's risk tolerance; and thus draw up return and profitability plans in corporate and commercial decisions by considering them in conjunction with the risks taken.

In the context of Internal Systems, the duties of the Company's Board of Directors include setting a general limit for risks to be taken, based on ÜNLÜ & Co Group's risk appetite; defining ÜNLÜ & Co's risk limits and ensuring the monitoring and control of these limits; and taking the necessary actions through executive committees and/or committees subordinate to the board of directors, established to ensure these objectives. In this framework, pursuant to the Capital Markets Board's Corporate Governance Communiqué (II-17.1), an Early Risk Detection Committee has been established by the Board of Directors to identify strategic, operational, financial, and all other risks that may endanger the existence, development, and continuity of the Company; implement necessary measures and remedial actions to that end; and manage the risks. The Risk Management Department makes significant contributions to the activities of the Early Risk Detection Committee through its systematic and orderly works throughout the year.

Internal Audit at ÜNLÜ & Co Group

Reporting to the Board of Directors, ÜNLÜ & Co Internal Audit Department carries out risk-based audit works covering all activities of the Group, taking into account statutory requirements, corporate internal objectives, and established policies and procedures of the Institution. At ÜNLÜ & Co Group, internal audit is viewed as an independent and objective advisory and assurance function aimed at improving the Group's activities and adding value to the Group. With this understanding, ÜNLÜ & Co Internal Audit Unit carries out systematic, organized, and disciplined works throughout the year to evaluate the effectiveness and to enhance the Group's risk management, control, and governance processes. As such, the Internal Audit Unit supports and assists the Group in achieving its business goals.



Internal Systems

Within the framework of its risk-based approach, ÜNLÜ & Co regularly reviews all businesses and high compliance risks that it is exposed to; and based on the findings, responds with remedial measures.

Internal Control at ÜNLÜ & Co Group

The purpose of ÜNLÜ & Co Internal Control system is primarily to protect the assets of the Company and its customers. In this context, Internal Control Unit seeks to ensure that all businesses and transactions within the Group, including outlying organizations, are carried out in accordance with the Group's corporate governance strategy and policies; that the processes and activities are performed in compliance with current legislation and rules; detect and prevent errors, fraud and irregularities that may jeopardize the integrity and reliability of the Group's account and record order; and ascertain that measures are taken to preclude the repetition of such errors and omissions.

Compliance with the Legislation at ÜNLÜ & Co Group

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 monitors their implementation.

Within the framework of its risk-based approach, ÜNLÜ & Co regularly reviews all businesses and high compliance risks that it is exposed to; and based on the findings, responds with remedial measures.

Committed to acting fairly and honestly, while also minding the interests of its clients and the integrity of the market as it conducts

its compliance 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 codes of conduct, which incorporates all the policies of ÜNLÜ & Co. Regular training and seminars are held on this topic within the Group.

Studies conducted in relation to Internal Control and Risk Management

ÜNLÜ Yatırım Holding A.Ş., a group of companies / different business activities, has implemented its Internal Systems function on a subsidiary basis in accordance with different legislation and obligations in the sub-sectors in which it operates. Meanwhile, after its IPO in 2021, the Company also embarked on a strategic initiative to enhance its compliance with corporate governance principles; and incorporated some actions into its strategic plans to raise the Company's corporate governance compliance to a best-practice level. In this framework, the Company plans to establish a higher Internal Systems Unit at the holding level in 2022 that will coordinate all Internal Systems activities carried out at the Company's subsidiaries; ensure that these activities are carried out harmoniously; and present related reports to the Company's Board of Directors.

Amendments to the Articles of Association Made during the Operating Year



Prior to the IPO that our Company carried out in 2021, Article 2 entitled "Company's Title"; Article 3 entitled "Purpose and Subject"; Article 4 entitled "Head Office and Company Branches"; Article 6 entitled "Capital"; Article 7 entitled "Share Transfer"; Article 8 entitled "Board of Directors, Term of Office and Resignation of Members of the Board of Directors"; Article 9 entitled "Administration and Representation and Binding of the Company"; Article 10 entitled "Auditor and Independent Audit"; Article 11 entitled "General Assembly"; Article 12 entitled "Ministry Representative"; Article 14 entitled "Determination and Distribution of Profit"; Article 15 entitled "Announcements"; Article 16 entitled "Amendments to Articles of Association"; Article 17 entitled "Legal Provisions"; and Article 18 entitled "Capital Market Issue" were amended in the Articles of Association; and Article 19 entitled "Issuing Bonds and Other Debt Instruments" and "Temporary Provisions" were removed therefrom at the General Assembly meeting held on

10.03.2021 for the purpose of compliance with capital markets legislation and preparation for the IPO; and these changes were registered on 16.03.2021 and promulgated at the Turkish Trade Registry Gazette dated 19.03.2021 and numbered 10291.

In addition, our Company made an amendment to the Articles of Association regarding the capital increase within the scope of the IPO with a decision of the Board of Directors dated 07.06.2021; and in this context, Article 6 entitled "Capital Increase" was amended. The amendment in question was registered on 27.7.2021, and announced at the Turkish Trade Registry Gazette dated 30.07.2021 and numbered 10377.

The current version of our Articles of Association is on our corporate website https://www.unluco.com/assets/unlu__co/upload/files/Ek_1_Esas_Sozlesme-1398.pdf and at the Public Disclosure Platform (KAP).

Donation Policy

There is a provision in the Articles of Association allowing our Company to make donations.

Our Company may make donations and contributions based on Board of Directors resolutions, within the scope of corporate social responsibility practices, within limits determined by the General Assembly, and without compromising its field of operation, provided that the donations in question do not contravene the concealed gain transfer regulations of the Capital Markets Law; necessary material disclosures are made; and shareholders are notified at the General Assembly about the donations made during the year.

It is essential that distributable profit generated as a result of the Company's activities is maximized to ensure the protection of shareholders' rights; and donations and contributions that diverge from this principle

are avoided. No donation may be made in an amount exceeding the upper limit established by the General Assembly, and donations made within an accounting period are added to the net distributable profit base for the relevant accounting period.

Donations and contributions can be made in cash and/or in kind.

The Board of Directors is responsible for the implementation, refinement, and follow-up of this donation policy.

Shareholders are notified of amendments to be made to this Policy at the General Assembly meetings of the relevant accounting period.



Remuneration Policy

This policy document defines the remuneration system and practices of our Board members and senior executives who have administrative responsibility within the scope of Capital Markets Board regulations.

In the remuneration of Board members and senior executives, the sector in which the Company operates, macroeconomic data, salary levels prevailing in the market, the magnitude and long-term goals of the Company are taken into account. The Board of Directors is advised on the basis of research and studies conducted by the Corporate Governance Committee.

I) Members of the Board of Directors

Members of the Board of Directors of our Company are paid a Board membership salary determined by the General Assembly on an annual basis.

When setting the remuneration levels of members of the Board of Directors, factors such as whether he/she is a managing director, executive director, responsibility he/she assumes in decision-making processes, knowledge, skills, competence, experience level he/she should have, the time he/she spends, the cost he/she incurs are taken into account; and comparisons are made with the remuneration levels of Board members of similar companies in the sector.

In remuneration of Independent Board members, care is taken to ensure that the remuneration is at a level that protects the independence of the members, payments based on stock options or the Company's performance, dividend payments are not made; no loans are given and no credit is extended to independent Board members. Expenses (i.e. transportation, telephone, insurance, etc.) incurred by members of the Board of Directors, in parallel with the contributions they make to the Company, may be covered by the Company.

II. Senior Executives and Employees

The senior executives and employees of our Company are paid the amount determined by the remuneration evaluation committee and approved by the Board of Directors in March every year.

When determining the "Senior Executives and Employees Remuneration Policy" of our Company, criteria such as the structure and competitive conditions of the sector at which the Company operates, salary surveys, ongoing activity, the prevalence of activity points, the level of knowledge required to sustain the activities, and the number of employees are taken into account.

Our Company considers the employees' individual contributions to the Company's performance. As a result of year-end performance evaluations conducted

in accordance with the targets set at the beginning of each accounting period, the Company pays performance premiums based on the ranks and titles of eligible employees, and the Company's performance and the individual performance for that year.

The salaries of senior executives and employees are determined considering the knowledge, skills, competence, experience, cost incurred, scope of responsibility, and problem-solving criteria required by the duty, within the framework of the Company's business diversity and volume. Thus, a remuneration policy that is fair within the Company, and competitive on a market basis, is ensured.

In this framework, salaries and other benefits provided to senior executives and employees at our Company are detailed below.

- Salary: 12 salaries per year
- Premium: Performance premium
- Training: Provided to support employees' professional and personal development
- Benefits:
 - Food - Shopping - Gasoline support (applied on the basis of employee preference)
 - Private health insurance
 - Leaves
 - Annual Paid Leave
 - Wedding Leave
 - Maternity Leave
 - Moving Leave
 - Bereavement Leave
 - Administrative Leave
- Facilities provided to employees on a duty basis:
 - Car Allocation (Only to Board members)
 - Mobile Phone and Payment of Bills
 - Gasoline support

All elements of the salaries are personal and confidential. It is solely within the knowledge of the employee, his/her managers, and the Department of Human Resources. It is essential that the employee pays maximum attention to confidentiality and does not share this information with third parties or other Company Employees.

The total amounts determined as per the above principles and paid to Senior Executives and Board members during the year are reported to the shareholders at the following General Assembly meeting, in accordance with the provisions of the relevant legislation; and disclosed to the public within the framework of financial reports.

Human Resources and the Board of Directors are responsible for the implementation, refinement, and follow-up of this Remuneration Policy. All questions related to the implementation principles and procedures of this policy should be addressed to the Human Resources Department.

Independence Statement of Board Members



ÜNLÜ YATIRIM HOLDİNG A.Ş. INDEPENDENCE STATEMENT OF BOARD MEMBER

I hereby declare that, with respect to Ünlü Yatırım Holding A.Ş. (the "Company");

- No employment relationship in an executive position with important duties and responsibilities has been established within the past five years between me, my spouse and my relatives by blood or by marriage up to second degree and the Company, partnerships which the Company controls the management of or has material influence over or shareholders who control the management of or have material influence over the Company and legal entities which these shareholders control the management of; nor have I/we individually or jointly held more than 5% of the capital or voting rights or privileged shares in or established a material business relationship with the same,

- Within the last five years, I have not been a shareholder (5% or more), nor held an executive position with significant duties and responsibilities, nor served as a Board member in any company from which the Company procures goods or services from or sells goods or services to in significant volumes, within the framework of contracts executed between them, during the periods these products or services were sold or purchased, including particularly those companies providing auditing (including tax audit, legal audit and internal audit), rating and consultancy services to the Company,

- I have the professional education, knowledge and experience necessary to duly undertake the duties I shall assume due to my position as an independent Board member,

- I was not working/ will not work full-time in public institutions or organizations (except for university faculty membership, in accordance with applicable legislation) as of the date I was nominated and, if I am elected, during my tenure,

- I am considered a resident in Turkey according to the Income Tax Law (n.193) dated 31/12/1960,

- I have strong ethical standards, professional credibility, and experience that are necessary for making positive contributions to the Company's operations, maintaining my neutrality in possible conflicts of interest between the Company and its shareholders, and decide independently by taking into consideration the rights of stakeholders,

- I will dedicate adequate time to the affairs of the Company to be able to monitor the conduct of the Company's operations and to duly perform my duties at the Company,

- I have not acted as Board Member for more than six years within the last ten years at the Board of Directors of the Company,

- I am not serving as an independent board member at more than three companies controlled by the Company or by shareholders having management control over the Company, and at more than five listed companies in total,

- I am not registered and declared on behalf of a legal entity elected as a member of the Board of Directors,

- I will immediately notify the Company's Board of Directors and resign from my position in case of an occurrence that removes my independence.

Mine Yıldız Günay



Independence Statement of Board Members

ÜNLÜ YATIRIM HOLDİNG A.Ş. INDEPENDENCE STATEMENT OF BOARD MEMBER

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- Within the last five years, I have not been a shareholder (5% or more), nor held an executive position with significant duties and responsibilities, nor served as a Board member in any company from which the Company procures goods or services from or sells goods or services to in significant volumes, within the framework of contracts executed between them, during the periods these products or services were sold or purchased, including particularly those companies providing auditing (including tax audit, legal audit and internal audit), rating and consultancy services to the Company,
- I have the professional education, knowledge and experience necessary to duly undertake the duties I shall assume due to my position as an independent Board member,
- I was not working/ will not work full-time in public institutions or organizations (except for university faculty membership, in accordance with applicable legislation) as of the date I was nominated and, if I am elected, during my tenure,
- I am considered a resident in Turkey according to the Income Tax Law (n.193) dated 31/12/1960,
- I have strong ethical standards, professional credibility, and experience that are necessary for making positive contributions to the Company's operations, maintaining my neutrality in possible conflicts of interest between the Company and its shareholders, and decide independently by taking into consideration the rights of stakeholders,
- I will dedicate adequate time to the affairs of the Company to be able to monitor the conduct of the Company's operations and to duly perform my duties at the Company,
- I have not acted as Board Member for more than six years within the last ten years at the Board of Directors of the Company,
- I am not serving as an independent board member at more than three companies controlled by the Company or by shareholders having management control over the Company, and at more than five listed companies in total,
- I am not registered and declared on behalf of a legal entity elected as a member of the Board of Directors,
- I will immediately notify the Company's Board of Directors and resign from my position in case of an occurrence that removes my independence.

Özlem Yeşildere

Legal Explanations



Capital and Shareholding Structure

The shares of our Company are divided into Group A and B. Each Group A registered share has 5 voting rights at the General Assembly. However, in decisions regarding amendments to Articles of Association, release, and filing of a liability lawsuit, Group A shares have five voting rights, and Group B shares have one voting right.

Voting rights of our shareholders, considering the privileged shares, are tabulated below:

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

Information about significant changes in the shares of subsidiaries in the financial fixed assets of Ünlü Yatırım Holding A.Ş. in 2021

In determining the controlling power, existing and convertible voting rights, directly or indirectly, are taken into account. The financial statements of the subsidiaries are presented in consolidated financial statements, from the establishment date to the termination date of controlling power.

The following table presents all direct and indirect subsidiaries, and other companies covered by consolidation as of December 31, 2021, and 2020, along with their share ratios:

Company Name	Country	Functional Currency	Main area of activity and its section	Final Share Ratio	
				31 December 2021	31 December 2020
Subsidiaries					
ÜNLÜ Menkul Değerler A.Ş. ("ÜNLÜ Securities") ⁽¹⁾	Turkey	TL	Brokerage services	100.00%	100.00%
ÜNLÜ Portföy Yönetimi A.Ş. ("ÜNLÜ Asset Management")	Turkey	TL	Portfolio management	100.00%	100.00%
Plato Finansal Danışmanlık Servisleri A.Ş. ("Plato Finance") ⁽²⁾	Turkey	TL	Financial consultancy	98.21%	98.21%
İstanbul Varlık Yönetim A.Ş. ("Istanbul Asset") ⁽²⁾	Turkey	TL	Asset management	100.00%	100.00%
ÜNLÜ Securities Inc. ("ÜNLÜ Securities US") ⁽¹⁾	USA	USD	Brokerage services	100.00%	100.00%
ÜNLÜ Securities UK Limited ("ÜNLÜ Securities UK") ⁽¹⁾	UK	British Pound	Brokerage services	100.00%	100.00%
ÜNLÜ Alternative Asset Management Ltd. ("UAAM")	Man Island	USD	Financial consultancy	100.00%	100.00%
Turkish Alternative Investments Limited ("TAIL") ⁽³⁾	Guernsey	TL	Investment company	100.00%	100.00%
Du Finansal Danışmanlık Hizmetleri A.Ş. ("DU Finance") ⁽⁴⁾	Turkey	TL	Financial consultancy	--	100.00%
Subsidiaries financed by the equity method					
ÜNLÜ LT Investments Limited Partnership ("ÜNLÜ LT") ⁽³⁾	Guernsey	TL	Venture capital	4.76%	4.76%
212 Limited (Cayman Islands)	Cayman Islands	USD	Venture capital	32.5%	32.5%

⁽¹⁾ ÜNLÜ Menkul has a 100% stake in both ÜNLÜ Securities Inc. and ÜNLÜ Securities UK Limited.

⁽²⁾ Istanbul Asset owns 98.21% of Plato Finance. Based on the Decision of the Board of Directors dated July 31, 2019, No. 9, 350 (A) Group shares and 238,000 (B) Group registered shares with a nominal value of TL 1 of Plato Finansal Danışmanlık Servisleri A.Ş. owned by Tahir Selçuk Tuncali were purchased by the company for a total of TL 603,000.

⁽³⁾ TAIL owns 4.76% of ÜNLÜ LT (December 31, 2020: 4.76%).

⁽⁴⁾ With the decision of the Board of Directors dated December 15, 2021, and numbered 24, DU Finansal Danışmanlık Hizmetleri A.Ş., registered with registry number 586635 at the Istanbul Trade Registry Office, was merged with Istanbul Varlık Yönetim A.Ş., by taking over as a universal successor through dissolution without liquidation, together with all assets and liabilities, on the basis of the balance sheet and records dated September 30, 2021.



Legal Explanations

Information about Extraordinary General Assembly Meeting Held During the Year, If Any

At the extraordinary General Assembly meeting held on 10.03.2021, announced at the Turkish Trade Registry Gazette dated March 19, 2021, and numbered 10291;

1. Evnur Elif Özer was elected as a Member of the Board of Directors to serve until 26.02.2022.
2. Articles of the Articles of Association were amended,
3. Registered Capital ceiling system was adopted, and registered capital was determined as TL 650.000.000.

Organizational Changes During the Year

The organizational structure of Ünlü Yatırım Holding A.Ş., to which no significant modifications were made in 2021, is provided on page 143 of the Annual Report.

Disclosure on prohibition of transactions and competition with the Company for Senior Executives

There are no transactions performed by members of the Board of Directors on their behalf or on behalf of someone else that contravene the prohibition of transactions with the Company. There are no transactions that infringe the prohibition of competition by members of the Board of Directors.

Subsidiary Report

Pursuant to Article 199 of the Turkish Commercial Code No.6102, Ünlü Yatırım Holding A.Ş. Board of Directors is responsible for issuing a report within the first 3 months of the operating year about the relations between the Company's controlling shareholder and the affiliates of the controlling shareholder in the previous operating year; and include the conclusion part of this report in the Annual Report.

In the Report dated March 9, 2022, prepared by Ünlü Yatırım Holding A.Ş. Board of Directors, the following was stated: "It has been concluded that with respect to all transactions carried out between Ünlü Yatırım Holding A.Ş. and its controlling shareholder and the subsidiaries of the controlling shareholder in 2021; in each transaction executed or measure taken or avoided, the consideration received was appropriate as per the conditions and circumstances then known to us; there were no measures that should have been taken or avoided that could give rise to damages to be suffered by Ünlü Yatırım Holding A.Ş., and accordingly, there were no measures or actions to be taken for balancing purposes."

Information about the Company's acquisition of its own shares

There were no additional share acquisitions in 2021.

Lawsuits filed against the Company that may affect the Company's financial position and activities, as well as their possible consequences

Including those related to environmental, social, and corporate governance issues, there is no lawsuit filed against our Company material enough to affect the financial standing and activities of our Company.

Administrative or legal sanctions imposed on the Company or its executives due to actions in violation of the law

There are no administrative or legal sanctions imposed on the Company or its executives due to actions in violation of the law.

Information on regulatory amendments with potentially material impact on the Company's activities

Ünlü Yatırım Holding A.Ş.'s actual field of activity involves operating in different sectors through participations and subsidiaries, making investments in these different sectors and business lines, establishing collaborations and partnerships, and helping these participations and managing them. In this framework, through its subsidiaries, the Company is subject to various regulations by several institutions that regulate and supervise financial sectors.

In 2021, the following significant legislative changes have been introduced in capital markets brokerage services, fund management, and asset management business lines, wherein the Company operates indirectly:

- 29.01.2021 - Turkish Capital Markets Association (TSPB) - General Letter on Taxation of Income Derived from Leveraged Transactions ("LT") Within the Scope of Provisional Article 67 of the Income Tax Law (the "ITL")
- 09.02.2021- TSPB - General Letter on Consideration of Taxation of Income Derived from LT within the Scope of Article 27/4 of the Communiqué on Investment Services
- 24.02.2021 - Presidential Decision - Regulation



on Amendment to the Regulation on Measures to Prevent Laundering of Proceeds of Crime and Financing of Terrorism (Decision Number: 3580)

- 26.02.2021 - Ministry of Treasury and Finance - Regulation on Amendment to the Regulation on the Program of Compliance with Obligations on the Prevention of Laundering Proceeds of Crime and Financing of Terrorism
- 05.03.2021- CMB - Amendment to the Communiqué (Serial: V, No.: 65) on Margin Trading, Short Selling, Borrowing, and Lending of Capital Market Instruments (Serial: V, No.: 137)
- 30.04.2021 - Financial Crimes Investigation Board (MASAK) - General Communiqué Serial No.: 19 - Communiqué on the Determination of Remote Identification Rules
- 14.07.2021 - BRSA - Regulation Governing the Principles of Incorporation and Operations of Asset Management Companies and Transactions Related to the Acquisition of Receivables
- 16.10.2021 - Communiqué on Amendment to the Communiqué (III-58.1) on Asset-Backed or Mortgage-Backed Securities (III-58.1.c)
- 26.10.2021 - Law on Amendment to the Tax Procedure Law No. 7338 and Some Other Laws - Amendments to the Taxation of Financial Transactions and Capital Market Transactions
- 30.12.2021 - Announcement Informing Investors regarding Possible Risks Concerning Shares Traded on BIST-Submarket, Close Monitoring Market, and Pre-Market Trading Platform

In addition to these important changes, since the Company is a publicly-traded company whose shares are traded on Borsa Istanbul, it is also subject to the regulations of the Capital Markets Legislation and regulations of the Capital Markets Board.

Information on conflicts of interest between the Company and service providers such as investment advisors and rating agencies, and measures taken by the Company to prevent such conflicts of interest

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

Information on amendments to the Articles of Association made during the operating year

The Articles of Association was amended in 2020. These changes are described in detail in the section entitled “Amendments to the Articles of Association Made during the Operating Year” in this Annual Report.

Evaluation under Article 376 of the Turkish Commercial Code

Whether or not the Company’s capital is uncovered as per Article 376 of the Turkish Commercial Code has been evaluated. Accordingly, it has been established that as of 31 December 2021, the Company’s issued capital is TL 175,000,000; and that the shareholders’ equity of TL 423,001,777.42 owned by the parent company as of the same date exceedingly protects the Company’s assets. The Company’s debt structure in proportion to its shareholders’ equity was also deemed convenient for the continuation of its activities in a sound manner.

Developments that Occurred After the End of the Accounting Period

With the “Law on Amendments to the Tax Procedure Code and Corporate Tax Code” published on January 29, 2022, various exchange rate difference, interest, dividend and other revenues generated by companies to have converted their foreign currency or various gold resources into the Turkish Lira and deposit the Turkish Lira assets obtained this way in term deposits and participation accounts for at least three months, will benefit from corporate tax exemption. The Company made exchange rate-protected deposit transactions amounting to TL 27.261.200 on February 14, 2022; TL 19.674.425 on February 15, 2022; and TL 3.711.260 on February 7, 2022, with a maturity of 181 days. The tax exemption to arise due to the stated regulation is TL 199.988. Amendments made to tax laws after the reporting date are within the scope of “events that do not require correction after the reporting period” as per IAS 10, and the Company’s tax expense for the period has been calculated without taking this legal amendment into account.

Private and Public Audits Conducted in 2021

A limited tax audit of Ünlü Yatırım Holding A.Ş. and its subsidiaries was completed in 2021, with respect to various accounting periods. As a result of this audit, no tax assessment was made by the tax office, and in addition to the Company’s declarations issued in various years, corrections were requested for the Company’s losses in past years. Those corrections were made as required, and reflected to the financial statements.

Donations and aids

The donations made by the Company in 2021 amounted to TL 147.585.



Corporate Governance Principles Compliance Statement

Within the scope of Capital Markets Board's (CMB) decision dated 10.01.2019 and numbered 2/49 and CMB Corporate Governance Communiqué numbered SPK II-17.1, the format to be used by companies required to prepare a Corporate Governance Principles Compliance Report was redefined. While trading of our Company's shares on the Stars Market commenced as of 07.06.2021, the Corporate Governance Compliance Reporting pertained to the 01.01.2021 - 31.12.2021 period, as "Corporate Governance Compliance Report (URF)" and "Corporate Governance Information Form (KYBF)," according to the aforementioned format, and published on the Public Disclosure Platform. The disclosures in question are accessible via the links <https://www.kap.org.tr/Bildirim/1009688> and <https://www.kap.org.tr/Bildirim/1009685>

Although our Company was offered to the public in 2021, it complied with the mandatory principles of the CMB Corporate Governance Principles, and exercised utmost care to complying with the non-mandatory principles; and continues to undertake works for compliance purposes. The following are the main principles that have not yet been fully complied with from among discretionary Corporate Governance Principles as per the regulation. The principles that have not yet been implemented have not led to any conflicts of interest among stakeholders.

Concerning principle no. 1.3.10, a separate agenda item is included on the agenda of the general assembly for donations made, and details of substantial donations are explained in the general assembly information document. The balance, which is not detailed in the information document, consists of various donations made to several institutions and organizations, each being less than TL 500,000 and not considered important information for investors. Donations below this amount are not followed by our investors, and also in the years to come, explanations are planned to be based on a materiality limit to be determined according to prevailing conditions.

Concerning principle no. 1.3.11, announcements regarding the general assembly meeting are in accordance with legal regulations and no additional invitations are sent. On the other hand, there is no prohibition impeding stakeholders' participation without taking the floor in general assembly meetings, provided that they notify their participation.

Concerning principle no. 1.4.2, voting rights have been granted in our Articles of Association, as set out in the "Legal Explanations" section of the Annual Report. Considering that the said voting rights also existed at the initial public offering of the Company and that there are no voting rights that will make a difference in terms of the representation of the holders of public shares in the management, no change is planned to the structure in question.

Concerning principle no. 1.5.2; minority rights have not been awarded to those with less than one-twentieth of the capital in the Articles of Association; however, in parallel with general practices, rights are awarded within the framework of general provisions in legal regulations on minority shareholders. No requests have been received from investors about this issue, and there are no plans for a change in this regard anytime soon.

Concerning principle no. 1.7.1., principles for the transfer of shares have been regulated in Article 9 of our Articles of Association, where restrictions have been imposed on the transfer of group A shares that are not traded on the stock exchange, though there are no practices that make it difficult or provisions that restrict the transfer of group B shares that are traded on the stock exchange. Since current restrictions are intended for the transfer of non-public privileged shares, no changes are planned in the future.

Concerning principle no. 2.1.4., although there is an English version of the Company website, the English section does not include stock, financial reports, credit rating, and contact information tabs. The Company is working to ensure that the English version of the website has exactly the same content as the Turkish version.



Concerning principle no. 3.2.1., there is no provision in the internal regulation of the Company or the Articles of Association for the participation of stakeholders, mainly employees of the Company, in the Company's management. Developing an arrangement to address this issue will be considered in the coming periods. On the other hand, recommendations for improvement are being received through internal communication and information meetings from employees. At the stage of making the Company's decisions, the opinions of middle- and senior-level managers are solicited, when necessary, and solution-focused assessments are made.

Concerning principle no. 3.3.5., important decisions that may affect the Company's employees (such as performance and remuneration) are announced to the employees. However, the Company's employees are not members of any trade unions.

Concerning principle no. 4.1.2., there is an agenda for the Company's Board of Directors meetings, though no minutes are kept. Therefore, this principle is partially complied with. From a Corporate Governance standpoint, no conflicts of interest or adverse situations have been observed in practice to date, and continuation of the same practice is planned for the coming period.

Concerning principle no. 4.2.3., the Company's subsidiaries have internal control systems in accordance with the legislation to which they are subject; however, the Company does not yet have an internal control system. Nevertheless, the Company has already initiated the necessary preparations for establishing an internal control system in the coming period.

Concerning principle no. 4.2.5., since the Company commands the competence, extensive knowledge, and experience in its areas of activity, the duties of Chairman of the Board of Directors and General Manager are performed by the same person.

Concerning principle no. 4.4.2., although there is no such regulation on the functioning of the board of directors, necessary information and documents are sent to the members before the meeting.

Concerning principle no. 4.4.5., there has been a long-standing practice in our Company regarding how Board of Directors meetings are to be held, though there is no specific written regulation on this matter.

Concerning principle no. 4.4.7., given the significant contributions of the sectoral experiences of members of the Board of Directors to our Company, no restrictions have been imposed on their assuming other positions outside the Company. The resumes of members of the Board of Directors are included in our annual report. Considering the effective works of the Board of Directors, no changes to this practice, which conceivably raises no corporate governance issues, are envisaged in the short term.

Concerning principle no. 4.5.5., given that chairpersons of the committees must be independent members; all members of the audit committee must be independent members; the chief executive officer/general manager cannot serve at the committees, and considering the knowledge and experience of members of the board of directors, some of our board members are assigned to more than one committee. In view of the effective functioning of the committees, to which Board members contribute with their knowledge and experience, the current committee structure is viewed conducive to efficient work, implying no need for revisions in the short term.

Concerning principle no. 4.6.1., the annual report of the Company's Board of Directors provides explanations as to whether the targets set in previous periods have been achieved. There is no separate performance evaluation. No adverse situation has been experienced as a result of the current practice, and no changes are planned to this practice in the coming period.

Concerning principle no. 4.6.5., salaries and all other benefits provided to members of the Board of Directors and managers with administrative responsibilities are disclosed to the public through the annual report. The payments made are disclosed collectively to the public, in line with the general practice.



Sustainability Principles Compliance Statement

Within the scope of the “Sustainability Principles Compliance Framework” published by the CMB and detailed at <https://www.spk.gov.tr/Sayfa/Dosya/1332>, compliance with sustainability principles for companies that have been recently offered to the public is required to be included in the annual report of the subsequent year, incorporating the data of the financial year to follow the initial public offering. As such, our efforts to comply with sustainability principles have not been included in the Annual Report for 2021.

Shareholder and Investor Relations

Information on relations with shareholders and investor relations is given under the “Investor Relations” section of this report.

General Assembly Meetings

During the period, the Company's call for the 2020 Ordinary General Assembly was made on 14.07.2021 through relevant channels within the legal time limit. The call for the 2020 Ordinary General Assembly Meeting was made at the Turkish Trade Registry Gazette, the CRA's Electronic General Assembly System (EGKS), the PDP, and on the Company's website (www.unluco.com), where the date, place, and agenda of the meeting were indicated at least 3 weeks before the meeting date, within the legal time limit. Upon announcement of the general assembly meeting, the notifications and disclosures that the Company must make in accordance with the legislation, as well as the General Assembly Information Document prepared pursuant to principle no. 1.3.1. of the Corporate Governance Principles, implementation of which is compulsory, were published on the PDP, the Company's website, and the CRA's Electronic General Assembly System. Our Ordinary General Assembly was held on 10.08.2021 at the Company's head office located in Istanbul Province, Sarıyer District, Ahi Evran Caddesi Polaris Plaza B Blok, No: 21, Kat: 1 - 34485 - Maslak, Sarıyer/İSTANBUL, in accordance with the current legislation, Articles of Association, and other internal regulations; and the General Assembly, which could be attended in person and electronically via EGKS, was held with a meeting quorum of 73.23%.

Information on Board of Directors



Structure and Activities of the Board of Directors

Members of the Board of Directors	Duty - Executive/Non-Executive/Independent Member
Mahmut Levent Ünlü	Chairman of the Board of Directors - General Manager - Executive
Can Ünalın	Vice Chairman of the Board of Directors - Non-executive
Şebnem Kalyoncuođlu Ünlü	Member of the Board of Directors - Non-executive
İbrahim Romano	Member of the Board of Directors - Executive
Özlem Yeşildere	Member of the Board of Directors - Non-Executive - Independent Member
Mine Yıldız Günay	Member of the Board of Directors - Non-Executive - Independent Member

As per the provisions of the Corporate Governance Communiqué, the duties of the Nomination Committee are performed by the Corporate Governance Committee. Ms. Özlem Yeşildere and Ms. Mine Yıldız Günay were elected as Independent Board members at the Ordinary General Assembly of our Company held on 10.08.2021. The Board of Directors met 28 times in 2021 and a total of 48 decisions were taken at the meetings in question. Members have largely participated in the meetings. Meeting attendance and convocations are essentially called upon when required by the Company's business, and the Board of Directors subsequently convenes.

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

Audit Committee Members	Duty at the Committee - Qualifications (Executive/Non-Executive/Independent Member)
Özlem Yeşildere	Committee Chair
Mine Yıldız Günay	Committee Member

Corporate Governance Committee Members	Duty at the Committee - Qualifications (Executive/Non-Executive/Independent Member)
Mine Yıldız Günay	Committee Chair
Özlem Yeşildere	Committee Member
Süleyman Aykut Sarıbüyük ^(*)	Committee Member - Executive Member

^(*) Within the framework of Article 11 of the Corporate Governance Communiqué numbered SPK II-17.1, the Investor Relations Department Manager was assigned to the Corporate Governance Committee.

Early Risk Detection Committee Members	Duty at the Committee - Qualifications (Executive/Non-Executive/Independent Member)
Mine Yıldız Günay	Committee Chair
Özlem Yeşildere	Committee Member
Can Ünalın	Committee Member



Information on Board of Directors

Duties and Working Principles Related to Board of Directors Committees

Duties and working principles related to Board of Directors Committees have been published and disclosed to the public at the Public Disclosure Platform, and the “Investor Relations” page at www.unluco.com.

Corporate Governance and the Committees Operating under the Board of Directors

Detailed explanations about Corporate Governance and the Committees Operating under the Board of Directors are provided in this Annual Report, under the title “Corporate Governance and Committees Operating under the Board of Directors.”

Information on Duties Performed by Board Members and Managers

Since our Company was offered to the public in June 2021 within the scope of the Corporate Governance Communiqué, and belongs to the Third Group based on the list published by the Capital Markets Board, 2 Independent Board Members are sufficient. As such, there are 2 Independent Board Members in our Company. Due to the requirement of assigning committee chairpersons as independent board members, Ms. Mine Yıldız Günay is the chairperson of the Corporate Governance Committee and the Early Risk Detection Committee, while Ms. Özlem Yeşildere is the chairperson of the Audit Committee.

Duties Performed by Board Members and Managers outside the Company

Members of the Board of Directors	Current Duties Outside the Company
İbrahim Romano	Borusan Mannesmann Boru Sanayi ve Ticaret A.Ş.- Independent Board Member
Şebnem Kalyoncuoğlu Ünlü	Akfen Yenilenebilir Enerji A.Ş. - Independent Board Member
Özlem Yeşildere	Mey İçki Sanayi ve Ticaret A.Ş.- Director of Finance and Digital Transformation, Chairperson of the Board of Directors of YenidenBiz Association



Corporate Governance and Committees Operating under the Board of Directors

To ensure that the Board of Directors soundly performs its duties and responsibilities, the Company has established the “Audit Committee,” “Early Risk Detection Committee,” and “Corporate Governance Committee,” in accordance with the “Corporate Governance Communiqué” numbered II-17.1, prepared for compliance with Capital Markets Law (CML) No. 6362. In addition, the Company in accordance with the relevant articles of the communiqué has not established a “Nomination Committee” or a “Remuneration Committee” and has decided that the Corporate Governance Committee undertake the duties these committees should perform.

The Company has passed Board of Directors Resolutions regarding scope of duties, working principles, and members of these committees working under the Board of Directors and disclosed them on the Public Disclosure Platform (PDP), in accordance with the communiqué.

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

- Due care was exercised not to entrust the Chief Executive Officer of the Company with duties on these committees.
- In 2021, all Board of Directors Committees fulfilled their duties and responsibilities within the scope of the Corporate Governance Principles and their own working principles.
- These committees operating under the Board of Directors were convened in accordance with their work plans, each of which was determined separately.
- The Audit Committee and the Corporate Governance Committee, in particular, sought the opinions of the Company's managers as well, when necessary, during their meetings and works.
- All three committees submitted their evaluation reports, which contain information about the works they carried out during the year, to the Board of Directors, at regular intervals. The Board of Directors believes that the expected benefit has been derived from the works of the Board of Directors Committees.
- The activities of the Audit Committee, the Early Risk Detection Committee, and the Corporate Governance Committee operating under the Board of Directors are detailed below.

Working Principles and Activities of the Audit Committee

Working principles of the Audit Committee are available on the Company's website.

Information about the activities of the Committee is summarized below:

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

This Committee convenes at least four times a year and at least once every term.

The Committee reports minutes of meeting resolutions to the Board of Directors.

On 10.08.2021, the Board of Directors decided that the Audit Committee should consist of 2 independent members of the Board of Directors, thereby appointing Ms. Özlem Yeşildere as chairperson, and Ms. Mine Yıldız Günay as member.

In 2021, the Audit Committee held a meeting where audit-related activities, especially compliance with tax regulations, were evaluated; and passed two resolutions presenting its written opinions on independent auditor selection, and fairness and accuracy of the annual and interim financial reports to be disclosed to the public and compliance thereof with the accounting principles applicable to the Company.



Corporate Governance and Committees Operating under the Board of Directors

Working Principles and Activities of the Corporate Governance Committee

Working principles of the Corporate Governance Committee are available on the Company's website.

The Corporate Governance Committee establishes whether corporate governance principles are being implemented; if not, determines the reasons thereof, as well as the conflicts of interest arising from any lack of full compliance with these principles; and makes recommendations to the Board of Directors to improve the corporate governance practices.

The Committee convened two end-of-term meetings in 2021.

On 10.08.2021, the Board of Directors decided that the Corporate Governance Committee should consist of 3 members, thereby appointing independent Board member Mine Yıldız Günay as chairperson; and Özlem Yeşildere and Süleyman Aykut Sarıbiyık as members.

In 2021, the Corporate Governance Committee:

- Evaluated the Company's corporate governance practices and the Corporate Governance Principles Compliance Report,
- Presented information to the Board of Directors about the activities of the Investor Relations Department,
- Received information from the Human Resources Directorate regarding the remuneration of members of the Board of Directors and senior managers, and benefits provided thereto,
- Submitted its recommendations and suggestions on such issues to the Board of Directors.

Working Principles and Activities of the Early Risk Detection Committee

Working principles of the Early Risk Detection Committee are available on the Company's website.

The Board of Directors decided that this committee, established on 10.08.2021 as per a decision to this effect, should consist of two members, thereby appointing Mine Yıldız Günay, an independent member of the Board of Directors, as chairperson; and Özlem Yeşildere as member. The Company's Chief Financial Officer Aykut Sarıbiyık is permanently invited to this committee's works.

In 2021, Early Risk Detection Committee:

- Convened twice in order to obtain information and evaluate early detection, evaluation, calculation of the effects and possibilities of all kinds of strategic, operational, financial, legal, and other risks that may endanger the existence, development, and continuity of the Company; managing, reporting these risks in accordance with the Company's corporate risk-taking profile; implementing the necessary measures related to the identified risks, ensuring that they are taken into account in decision-making mechanisms, and creating and integrating effective internal control systems to that effect.
- Conducted studies to evaluate the Company's information security policy and measures that can be adopted.
- Submitted studies to the Board of Directors under these topics, providing its recommendations and suggestions.

In the report prepared by EY Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. on March 9, 2022, it was concluded that Ünlü Yatırım Holding's early risk detection system and Risk Management Committee were sufficient, in all significant aspects, within the framework of Article 378 of the Turkish Commercial Code.

Auditor's Report on Early Risk Detection System and Committee



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AUDITOR'S REPORT ON EARLY RISK DETECTION SYSTEM AND COMMITTEE

Ünlü Yatırım Holding A.Ş. to the Board of Directors

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

Responsibility of the Board of Directors

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

Responsibility of the Independent Audit Firm

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

Information on Early Risk Detection System and Committee

The Company established an early risk detection system and a committee. The committee consists of 3 members. Within the January 1 - December 31, 2021 period, the Committee submitted to the Board of Directors the reports it prepared for early detection of factors that endanger the existence and development of the Company; implementation of necessary measures and remedies thereto; and risk management.

Conclusion

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

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





Credit Rating

The Company was rated by JCR Eurasia in a report completed on August 26, 2021.

In summary, the following aspects were considered positive in this report:

- Having well-positioned subsidiaries in the investment and asset management business lines,
- Improving profitability performance supports its credibility,
- The Company exhibits a liquidity profile strong enough to provide a buffer against incidental losses,
- Strong equity structure supported by share issue premiums
- The Company's high asset quality,
- The Company's reputable shareholding structure, and the existence of deep-rooted relationships with domestic and foreign individual and institutional investors,
- The Company's extensive experience in the financial services sector and the presence of differentiated lines of business,
- With the IPO of the Company's shares, which took place in June 2021, the existence of efforts to increase the level of the Company's compliance with corporate governance principles.

Moreover, in the same report:

- It was brought to attention that the Company's revenues are open to macro risks within the framework of risk appetite towards emerging markets and the fragile nature of capital flows due to potential economic and geopolitical risks,
- It was emphasized that the Non-Performing Loans ("NPL") management segment of the Company is comparatively more sensitive to legal regulations; and the existence of a regulatory risk was addressed,
- Possible pressure on profits and growth due to the highly competitive nature of the financial services sector was underscored,
- Macroeconomic uncertainties that put pressure on both financial and real sectors were evaluated.

Essentially taking into account the above considerations, the ratings of "Ünlü Yatırım Holding A.Ş." are determined as follows:

Long-Term International Foreign Currency:	BB / (Stable Outlook)
Long-Term International Local Currency Rating:	BB / (Stable Outlook)
Long-Term National Rating:	AA (Trk) / (Stable Outlook)
Long-Term Issue Rating:	-
Short-Term International Foreign Currency:	B / (Stable Outlook)
Short-Term International Local Currency Rating:	B / (Stable Outlook)
Short-Term National Rating:	A-1+ (Trk) / (Stable Outlook)
Short-Term Issue Rating:	-
Support Rating:	2
Independence from the Shareholders Rating:	A



Dividend Distribution Policy

Our Company's "dividend policy" is determined in accordance with the provisions of the Turkish Commercial Code, the Capital Market legislation, the Tax legislation, and other relevant legal legislation, as well as the decision taken at the General Assembly upon the proposal of the Board of Directors pursuant to the provisions of the Articles of Association of our Company.

The Company aims to distribute up to 25% of its distributable net profit in cash and/or shares. This policy shall be based on other funding requirements for future investments, industrial conditions, and the Company's financial situation. This policy shall be reviewed each year by the Board of Directors, taking into account domestic and global economic conditions, medium and long-term corporate growth and investment strategies and the cash needs of the Company.

The General Assembly makes a resolution specific to each financial year regarding dividends; profit distribution proposal is announced to the public in compliance with the regulations, and made accessible on the Company website. The proposal shall be accepted or rejected by the General Assembly. The dividends are equally distributed to all shares in the relevant accounting period, without taking issue and acquisition dates thereof into consideration.

Dividend distribution starts at a date that shall be set by the Board on the condition of having the authorization of the General Assembly, no later than the end of the year of the General Assembly meeting.

The Company shall consider whether to make advance dividend payments or distribute it in instalments of equal or varying amounts.

Meeting Agenda of the Ordinary General Assembly

The ordinary general assembly of the Company is planned to be held by the end of May 2022, the agenda of which has not been determined. Necessary announcements regarding the ordinary general assembly will be made in accordance with the relevant legislation.

Dividend Distribution Proposal

Evaluations regarding the Company's dividend distribution proposal are still ongoing. The dividend distribution proposal as to whether dividend distribution will be made and if so what the amount will be, is to be decided and proclaimed along with the reasons by the Board of Directors in the coming days.



Independent Auditor's Report on the Annual Report of the Board of Directors



EY

Building a better
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INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the General Assembly of ÜNLÜ Yatırım Holding Anonim Şirketi

1) Opinion

We audited the annual report of ÜNLÜ Yatırım Holding Anonim Şirketi (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") for the accounting period of January 1, 2021 - December 31, 2021.

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

2) Basis for Opinion

We conducted our audit in accordance with the standards on auditing, as issued by the Capital Markets Board of Turkey and Independent Auditing Standards ("InAS"), which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA"). Our responsibility is disclosed under Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report section in detail. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3) Our Auditor's Opinion on the Full Set of Consolidated Financial Statements

We expressed an unqualified opinion in the auditor's report dated March 9, 2022, on the full set of consolidated financial statements for the January 1, 2021 - December 31, 2021 accounting period.

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

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

- To prepare the annual report within the first three months following the balance sheet date and submit it to the general assembly;
- To prepare the annual report to reflect the Group's operations in that year and the consolidated financial position in a true, complete, straightforward, fair, and proper manner in all respects. In the report, financial position is evaluated based on consolidated financial statements. Also in the report, developments and possible risks that the Group may encounter are indicated. The assessments of the Board of Directors in regard to these matters are also included in the report.



c) The annual report also includes the following matters:

- Subsequent events with significance to have occurred within the Group after the end of the fiscal year,
- The research and development activities of the Group,
- Compensation including salaries and bonuses paid to Board Members and Senior Managers; and other benefits such as allowances, travel, accommodation and representation expenses, cash and in-kind benefits, insurance, etc.

When preparing the annual report, the Board of Directors also considers the secondary legislation regulations issued by the Ministry of Trade and related institutions.

5) Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report

Our aim is, within the framework of the provisions of the Turkish Commercial Code and the Communiqué, to give an opinion on whether the consolidated financial information contained in the annual report and the discussions of the Board of Directors are consistent with the audited consolidated financial statements of the Group and the information obtained during the independent audit, and reflect the truth; and to prepare a report containing this opinion.

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

9 March 2022
Istanbul, Turkey



Statement of Responsibility Regarding the Annual Report

STATEMENT OF RESPONSIBILITY OF THE BOARD OF DIRECTORS REGARDING THE ANNUAL REPORT OF 2021

PREPARED IN ACCORDANCE WITH ARTICLE 9 OF THE SECOND PART OF CAPITAL MARKETS BOARD'S
COMMUNIQUE ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS

RESOLUTION DATE: 11.03.2022
RESOLUTION NUMBER: 2022 / 02

Annual Report for 01.01.2021 - 31.12.2021 prepared in accordance with the Communiqué No: II. 14.1 on Principles of Financial Reporting in Capital Markets ("Communiqué") by the Capital Markets Board ("CMB") and the Turkish Commercial Code approved by our Company's Board of Directors and the Audit Committee is enclosed.

We hereby accept and acknowledge that:

- The Annual Report for 01.01.2021 - 31.12.2021 is prepared by us,
- Based on the information that we have within the scope of our duties and responsibilities, the Annual Report together with the consolidated financial statements does not contain any inaccuracy in all material respects and is free of omissions that may be regarded as misleading as of the issue date,
- Based on the information that we have within the scope of our duties and responsibilities, Financial Statements prepared in accordance with the Communiqué present fairly the assets, liabilities, financial position, profit and loss, the progress and the performance of the business and financial status of the Company as well as of the companies included in the scope of consolidation together with the material risks and uncertainties.

Regards,

ÜNLÜ YATIRIM HOLDİNG A.Ş.

Özlem YEŞİLDERE
Audit Committee Chair

Mine Yıldız GÜNAY
Audit Committee Member

Süleyman Aykut SARIBIYIK
Managing Director of Financial and
Administrative Affairs

Can ÜNALAN
Deputy Chairman of the
Board of Directors

Statement of Responsibility Regarding the Financial Statements



STATEMENT OF RESPONSIBILITY OF THE BOARD OF DIRECTORS REGARDING THE APPROVAL OF THE FINANCIAL STATEMENTS

PREPARED IN ACCORDANCE WITH ARTICLE 9 OF THE SECOND PART OF CAPITAL MARKETS BOARD'S COMMUNIQUE ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS

RESOLUTION DATE: 09.03.2022
RESOLUTION NUMBER: 2022 / 01

The consolidated financial statements for 01.01.2021 - 31.12.2021 prepared in accordance with the Communiqué No: II. 14.1 on Principles of Financial Reporting in Capital Markets ("Communiqué") by the Capital Markets Board ("CMB") and in line with the formats determined by the Turkish Accounting Standards / Turkish Financial Reporting Standards ("TAS/TFRS") and the CMB approved by our Company's Board of Directors and the Audit Committee is enclosed.

We hereby accept and acknowledge that:

1. The consolidated financial statements for 01.01.2021 - 31.12.2021 have been reviewed by us;
2. Based on the information that we have within the scope of our duties and responsibilities, the consolidated financial statements does not contain any inaccuracy in all material respects and is free of omissions that may be regarded as misleading as of the issue date;
3. Based on the information that we have within the scope of our duties and responsibilities, the consolidated financial statements prepared in line with the applicable financial reporting standards present fairly the assets, liabilities, financial position and profit and loss and the financial status of the Company as well as of the companies included in the scope of consolidation together with the material risks and uncertainties and we are responsible for this statement.

Regards,

ÜNLÜ YATIRIM HOLDİNG A.Ş.

Özlem YEŞİLDERE
Audit Committee Chair

Mine Yıldız GÜNAY
Audit Committee Member

Süleyman Aykut SARIBIYIK
Managing Director of Financial and
Administrative Affairs

Can ÜNALAN
Deputy Chairman of the
Board of Directors

ÜNÜ Yatırım Holding A.Ş. And Its Subsidiaries

Consolidated Financial Statements
As at and for the Year Ended 31 December 2021
With Independent Auditors' Report Thereon

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







(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 2021, 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 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards (TFRS).

2) Basis for Opinion

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

3) Key Audit Matters

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



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Key Audit Matter	How our audit addressed the key audit matter
<p>Determination carrying value of non-performing loans</p> <p>As of 31 December 2021 the Group has non-performing loans accounted under trade receivables account with total net present value of TL 222.679.036 (31 December 2020: TL 190.925.980); 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 standards on auditing as issued by the Capital Markets Board of Turkey and InAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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



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

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

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

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

B) Report on Other Legal and Regulatory Requirements

- 1) Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on March 9, 2022.
- 2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January – 31 December 2021 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.
- 3) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

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

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



Emre Çelik, SMMM
Partner

9 March 2022
Istanbul, Turkey

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ÜNLÜ YATIRIM HOLDİNG A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2021 and 2020

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

		Audited	Audited
	Notes	31 December 2021	31 December 2020
ASSETS			
Current assets			
Cash and cash equivalents	5	271.357.158	113.013.033
Financial investments	6	107.463.865	58.636.647
Derivatives instruments	30	36.513.410	4.948.509
Trade receivables	8	214.018.646	170.870.381
- Trade receivables due from related parties	4	3.311.653	2.885.056
- Trade receivables due from other parties	8	210.706.993	167.985.325
Other receivables	9	64.164.314	45.432.365
- Other receivables due from related parties	4	1.132.326	261.008
- Other receivables due from other parties	9	63.031.988	45.171.357
Prepaid expenses	11	6.957.712	4.780.626
Other current assets	12	1.337.656	2.308.382
SUBTOTAL		701.812.761	399.989.943
Assets held for sale	13	557.947	122.099
TOTAL CURRENT ASSETS		702.370.708	400.112.042
Non-current assets			
Financial investments	6	1.517.254	1.517.254
Investments accounted through equity method	7	15.613.749	17.066.712
Trade receivables	8	162.463.189	134.210.117
Other receivables	9	264.197	157.094
Property and equipment	15	12.883.081	6.275.044
Rights of use	17	7.472.452	10.325.185
Intangible assets		36.207.584	32.792.887
- Goodwill	16	29.198.326	29.198.326
- Other intangible assets	16	7.009.258	3.594.561
Other non-current assets		11.979	11.869
Deferred tax assets	27	162.310	156.840
TOTAL NON-CURRENT ASSETS		236.595.795	202.513.002
TOTAL ASSETS		938.966.503	602.625.044

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 2021 and 2020

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

	Notes	Audited 31 December 2021	Audited 31 December 2020
LIABILITIES			
Short term liabilities			
Short term liabilities	14	99.171.275	170.261.805
Short term portion of long term liabilities	14	46.548.060	51.376.773
- Short term liabilities due to related parties	4	--	17.836.819
- Short term liabilities due to other parties	14	46.548.060	33.539.954
Leasing payables	14	3.863.555	4.282.870
Other financial liabilities	14	8.808.073	4.326.194
Derivatives instruments	30	35.447.142	4.505.403
Trade payables	8	9.187.629	6.799.730
- Trade payables due to other parties	8	9.187.629	6.799.730
Other payables	9	17.291.585	9.189.662
- Other payables due to related parties	4	1.604.100	491.831
- Other payables due to other parties	9	15.687.485	8.697.831
Short term liabilities for employee benefits	10	32.625.763	14.410.433
Short term provisions		7.204.147	11.167.461
- Provisions for employee benefits	20	5.428.348	9.728.921
- Other Provisions	18	1.775.799	1.438.540
Tax payable for the period	27	10.519.685	952.797
Deferred income		34.660	208.325
Other short term liabilities	12	--	250.087
TOTAL SHORT TERM LIABILITIES		270.701.574	277.731.540
Long term liabilities			
Long term liabilities	14	24.862.782	43.451.398
- Long term liabilities due to related parties	4	--	17.227.724
- Long term financial liabilities due to other parties	14	24.862.782	26.223.674
Leasing payables	14	4.580.334	7.439.214
Long term provisions		2.369.149	2.271.046
- Provisions for employee benefits	20	2.369.149	2.271.046
Deferred tax liabilities	27	29.601.821	27.068.105
TOTAL LONG TERM LIABILITIES		61.414.086	80.229.763
SHAREHOLDERS' EQUITY			
Equity attributable to owners of the parent		606.856.779	244.644.747
Share capital	21	175.000.000	137.730.842
Share premium	21	210.450.971	--
Repurchased shares	21	(4.020.977)	(4.020.977)
Other comprehensive expenses that will not be reclassified to profit or loss		(346.835)	(311.779)
- Remeasurement (losses)/profit of defined benefit plans	21	(346.835)	(311.779)
Other comprehensive income that will be reclassified to profit or loss		52.269.082	17.385.302
- Foreign Currency translation differences	21	36.625.448	11.973.975
- Revaluation gain on financial assets at fair value through other comprehensive income	21	15.643.634	5.411.327
Retained earnings	21	93.861.359	32.588.633
Net income for the period		79.643.179	61.272.726
Non-controlling interests	32	(5.936)	18.994
TOTAL SHAREHOLDERS' EQUITY		606.850.843	244.663.741
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		938.966.503	602.625.044

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 2021 and 2020

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

		Audited	Audited
	Notes	1 January – 31 December 2021	1 January – 31 December 2020
PROFIT OR LOSS			
Financial sector activities revenue	22	5.009.492.660	2.563.627.281
Cost of financial sector activities (-)	22	(4.709.238.818)	(2.321.870.671)
Gross profit from financial sector activities		300.253.842	241.756.610
Marketing, selling and distribution expenses (-)	23	(19.551.426)	(9.282.428)
General administrative expenses (-)	23	(226.057.853)	(178.802.900)
Other operating income	24	1.936.162	2.925.911
Other operating expense (-)	24	(898.226)	(1.095.846)
Operating profit		55.682.499	55.501.347
Gain on investments for using the equity method	4,7	5.078.113	5.714.352
Income from investing activities	25	28.434.242	39.070.112
Expense from investing activities (-)	25	(3.619.068)	(3.022.248)
Profit before financial income		85.575.786	97.263.563
Financial income	26	189.936.508	92.133.605
Financial expenses (-)	26	(165.102.776)	(112.474.553)
Profit before tax		110.409.518	76.922.615
Tax expense			
- Tax expense for the period	27	(30.814.089)	(3.506.346)
- Deferred tax income/(expense)	27	22.820	(12.117.747)
Profit		79.618.249	61.298.522
Profit attributable to:			
Equity holders of the parent		79.643.179	61.272.726
Non-controlling interests		(24.930)	25.796
Net income for the period		79.618.249	61.298.522
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss		(35.056)	(642.947)
Remeasurement gains of defined benefit plans	20	(42.067)	(803.684)
Deferred tax income	27	7.011	160.737
Items that will be reclassified to profit or loss		34.883.780	(24.003.303)
Change in fair value of financial assets at fair value through other comprehensive income	21	12.790.384	75.148
Change in fair value of financial assets at fair value through other comprehensive income, tax effect		(2.558.077)	(15.030)
Currency translation differences	21	24.651.473	(26.935.273)
Currency translation differences tax effect	21	--	2.871.852
Other comprehensive income / (expense)		34.848.724	(24.646.250)
Total comprehensive income		114.466.973	36.652.272
Total comprehensive income attributable to:			
Equity holders of the parent		114.491.903	36.647.765
Non-controlling interests		(24.930)	4.507
Total comprehensive income		114.466.973	36.652.272

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 2021 and 2020

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

	Audited attributable to owners of the parent														
	Notes	Paid capital	Share premium	Repurchased shares	Share premium	Share premium	Remeasurement losses/profits of defined benefit plans	Revaluation gain on financial assets at fair value through other comprehensive income	Currency translation differences	Restricted reserves	Retained earnings	Net income for the period	Equity of the parent rolling interests	Non-interests	Total
1 January 2020		137.730.842	--	(4.020.977)	--	--	331.168	5.351.209	36.037.396	13.328.310	6.549.830	12.710.493	208.018.271	14.487	208.032.758
Transfers		--	--	--	--	--	--	--	--	--	--	--	--	--	--
Changes due to repurchase shares	21	--	--	--	--	--	--	--	--	1.505.309	11.205.184	(12.710.493)	--	--	--
Net income for the period	21	--	--	--	--	--	--	--	--	--	--	61.272.726	61.272.726	4.507	61.277.233
Other comprehensive income	21	--	--	--	--	--	(642.947)	60.118	(24.063.421)	--	--	--	(24.646.250)	--	(24.646.250)
31 December 2020		137.730.842	--	(4.020.977)	--	--	(311.779)	5.411.327	11.973.975	14.833.619	17.755.014	61.272.726	244.644.747	18.994	244.663.741
1 January 2021		137.730.842	--	(4.020.977)	--	--	(311.779)	5.411.327	11.973.975	14.833.619	17.755.014	61.272.726	244.644.747	18.994	244.663.741
Capital increase (*)		37.269.158	--	--	--	--	--	--	--	--	--	--	37.269.158	--	37.269.158
Transfers		--	--	--	--	--	--	--	--	2.289.930	58.982.796	(61.272.726)	--	--	--
Increase due to share-based transactions (*)		--	210.450.971	--	--	--	--	--	--	--	--	--	210.450.971	--	210.450.971
Net income for the period		--	--	--	--	--	--	--	--	--	--	79.643.179	79.643.179	(24.930)	79.618.249
Other comprehensive income		--	--	--	--	--	(35.056)	10.232.307	24.651.473	--	--	--	34.848.724	--	34.848.724
31 December 2021		175.000.000	210.450.971	(4.020.977)	--	--	(346.835)	15.643.634	36.625.448	17.123.549	76.737.810	79.643.179	606.856.779	(5.936)	606.850.843

The public offering of the shares of ÜNLÜ Yatırım Holding A.Ş. ("Group") took place on the Borsa İstanbul Primary Market between May 31 and June 1, 2021 with the "Fixed Price Bookbuilding Method".

(*) 37.269.158 shares with a nominal value of 37.269.158 TL to be shared due to the increase in the capital of ÜNLÜ Investment Holding from 137.730.842 TL to 175.000.000 TL and 8.263 shares with a nominal value of 8.263.851 TL owned by Mahmut Levent Ünlü, one of his current shareholder. 45.533.009 shares with a total nominal value of TL 45.533.009, were issued to the public offering. Share premiums amounting to TL 219.888.032 have been added to the share premiums as a result of the transactions the Company has achieved during the public offering process. The net effect of the increase occurred due to share-based transactions by deducting the transaction costs of 9.437.061 TL arising from the public offering process transactions is 210.450.971 TL.

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 2021 and 2020

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

		Audited	Audited
	Not	1 January - 31 December 2021	1 January - 31 December 2020
A. Cash flows (used in)/from operating activities		30.904.265	(10.195.934)
Net profit for the period		79.643.179	61.272.726
Adjustments for to reconcile net income to net cash provided by operating activities		41.495.323	16.997.362
Adjustments for depreciation and amortization	15,16,17	10.005.095	7.560.087
Adjustments for provisions		1.375.092	8.397.975
<i>Adjustments for provision for employee benefits</i>		3.214.653	7.728.922
<i>Adjustments for lawsuit provisions</i>	18	337.259	125.298
<i>Adjustments for other provisions</i>		(2.176.820)	543.755
Adjustments for interest income and expenses		5.535.446	22.823.590
Effect of exchange rate changes on cash and cash equivalents		(4.617.914)	(31.797.261)
Adjustments for fair value gain/(loss)		(1.593.665)	(5.611.122)
Adjustments for tax expense		30.791.269	15.624.093
Operating profit before changes in assets and liabilities		(90.234.237)	(88.466.022)
Adjustments for (increase)/decrease in trade receivables	8	(69.224.517)	(87.338.310)
- <i>Decrease in trade receivables due from related parties</i>	4	(426.597)	(475.785)
- <i>(Increase)/decrease in trade receivables due from other parties</i>	8	(68.797.920)	(86.862.525)
Adjustments for (increase)/decrease in other receivables	9	(18.839.052)	(19.022.881)
- <i>Decrease in other receivables due from related parties</i>	4	(871.318)	(17.576)
- <i>(Increase)/decrease in other receivables due from other parties</i>	9	(17.967.734)	(19.005.305)
Adjustments for (increase)/decrease in other current assets		(1.206.470)	5.724.818
Adjustments for (decrease)/increase in trade payables		2.387.899	3.691.495
Adjustments for decrease in other payables		19.777.698	6.547.719
- <i>Decrease in other payables due to related parties</i>		12.752.988	1.894.152
- <i>(Decrease)/increase in other payables due to other parties</i>		7.024.710	4.653.567
Adjustments for increase/(decrease) in other liabilities		5.882.543	3.531.443
Employment benefits paid	20	(7.459.190)	(1.117.077)
Taxes paid/refunded		(21.553.148)	(483.229)
B. Cash flows used in investing activities		(21.725.560)	27.176.115
Dividend received	26	199.680	383.835
Interest received		27.858.265	9.454.034
Changes in financial investments		(34.401.272)	(24.214.676)
Cash inflows from sales of non-current assets held for sale		--	46.124.892
Purchase of property and equipment	15	(9.186.487)	(1.128.898)
Purchase of intangible assets	16	(6.195.746)	(3.443.072)
C. Cash flows from/(used in) financing activities		116.444.751	1.616.002
Capital increase		37.269.158	--
Cash inflows from issuing shares, net		210.450.971	--
Cash from financial borrowings		1.501.041.687	598.662.000
Cash outflows from debt payments		(1.595.327.283)	(561.097.741)
Interest paid		(30.561.318)	(30.892.497)
Cash outflows from financial leasing transactions		(6.428.464)	(5.055.760)
D. The effect of change in foreign exchange rates on cash and cash equivalents		32.833.203	12.238.318
Net increase in cash and cash equivalents (A+B+C+D)		158.456.659	30.834.501
E. Cash and cash equivalents at the beginning of the period	5	112.597.426	81.762.925
Cash and cash equivalents at the end of the period (A+B+C+D+E)	5	271.054.085	112.597.426

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 2021 and 2020

(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 İstanbul.

The company applied to the Capital Markets Board on 7 January 2021 for the amendment of the Articles of Association, with the permission of the Capital Markets Board dated 5 March 2021 and numbered E-29833736-110.03.03-2937 and the Ministry of Commerce dated 8 March 2021 and E-50035491. Following the letter numbered -431.04-00062112491, the amendment to the Articles of Association was approved at the Extraordinary General Assembly held on 10.03.2021 and registered and announced in the Turkish Trade Registry Gazette dated March 19, 2021 and numbered 10291. In addition to the changes in other articles of the Articles of Association, the Company; registered capital system and the registered capital ceiling is TL. It has been determined as 650,000,000, and the existing paid-in capital is TL 137,730,842 divided into share groups as follows. Group A Share nominal: TL 55.092.337 wholly owned by Mahmut Levent ÜNLÜ and its ratio to the paid-in capital is 31.48%. Group B Share nominal: TL 52,748.258 Mahmut levent ÜNLÜ, its share in the capital is 30.14%. Group B Share nominal: TL 67,159,405 Other shareholders, its ratio to the capital is 38,37%.

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

Direct subsidiaries of the Company are ÜNLÜ Menkul Değerler A.Ş. ("ÜNLÜ Menkul"), ÜNLÜ Portföy Yönetimi A.Ş. ("ÜNLÜ Portföy"), İstanbul Varlık Yönetim A.Ş. ("İstanbul Varlık"), 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.





ÜNLÜ YATIRIM HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021 and 2020

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

1 ORGANISATION AND NATURE OF OPERATIONS (Continued)

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

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

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

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

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. In 2021, the capital of İstanbul Varlık has been paid up to 30.000.000 TL was increased to 50.000.000 TL by being provided from extraordinary reserve funds and published in the Turkish Trade Registry Gazette dated 02.09.2021 and numbered 10400.

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

ÜNLÜ YATIRIM HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021 and 2020

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated)

1 ORGANISATION AND NATURE OF OPERATIONS (Continued)

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 Istanbul. 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.

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

For the purposes of the consolidated financial statements, ÜNLÜ Yatırım Holding A.Ş. and its subsidiaries are together referred to as “the Group”. As at 31 December 2021, there are 476 (31 December 2020: 467) employees in the Group.

The consolidated financial statements for the year ended 31 December 2021 were approved by the Board of Directors on 9 March 2022.





ÜNLÜ YATIRIM HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021 and 2020

(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

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

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

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

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

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

In the statement made by the Public Oversight Accounting and Auditing Standards Authority on January 20, 2022, since the cumulative change in the general purchasing power of the last three years according to the Consumer Price Index (CPI) is 74,41%, It is stated that there is no need to make any adjustments within the scope of TAS 29 Financial Reporting Standard in High Inflation Economies in the financial statements for 2021. In this respect, while preparing the consolidated financial statements as of 31 December 2021, no inflation adjustment was made according to TAS 29.

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, 2021 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2021 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at January 1, 2021 are as follows:

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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021 and 2020

(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):

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

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. 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.

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 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 2021 and 2020

(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, 2021 (Continued):

Amendments to IFRS 16 - Covid-19-Related Rent Concessions and Covid-19-Related Rent Concessions beyond 30 June 2021

In June 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. In April 7, 2021, POA extended the exemption to include concessions that cause a decrease in lease payments whose maturity expired on or before June 30, 2022. A lessee will apply the amendment for annual reporting periods beginning on or after 1 April 2021. Early application of the amendments is permitted. The amendments are not applicable for the Group and will not have an 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.

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

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

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 (2018 Version). 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021 and 2020

(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 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 prospectively 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.

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 Group.

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

On January 15, 2021, 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.





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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021 and 2020

(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 8 - Definition of Accounting Estimates

In August 2021, the POA issued amendments to TAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments issued to TAS 8 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date. Earlier 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 TAS 1 - Disclosure of Accounting Policies

In August 2021, the POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments issued to TAS 1 are effective for annual periods beginning on or after 1 January 2023. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

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

In August 2021, the POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments issued to TAS 12 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021 and 2020

(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)

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 2021 and 2020

(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. In this content, classifications made in previous periods in order to comply with the presentation of the current period financial statements on the statement of profit or loss and other comprehensive income.

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 2021 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 2021 and 2020

(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 2021 and 2020:

Name of the company	Country	Functional Currency	Main activity and service line	Final share ratio	
				31 December 2021	31 December 2020
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%
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	USD	Brokerage services	100,00%	100,00%
ÜNLÜ Securities UK Limited ("ÜNLÜ Securities UK") ⁽¹⁾	UK	GBP	Brokerage services	100,00%	100,00%
ÜNLÜ Alternative Asset Management Ltd. ("UAAM")	Isle of Man	USD	Financial consulting	100,00%	100,00%
Turkish Alternative Investments Limited ("TAIL") ⁽³⁾	Guernsey	TRY	Investment company	100,00%	100,00%
Du Finansal Danışmanlık Hizmetleri A.Ş. ("DU Finans") ⁽⁴⁾	Turkey	TRY	Financial consulting	--	100,00%
Associates accounted with equity pick-up method					
ÜNLÜ LT Investments Limited Partnership ("ÜNLÜ LT") ⁽³⁾	Guernsey	TRY	Venture capital	4,76%	4,76%
212 Limited (Cayman Island)	Cayman Island	USD	Venture capital	32,5%	32,5%

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

(2) İstanbul Varlık has 98.21% share of Plato 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 2020: 4.76%).

(4) DU Finansal Danışmanlık Hizmetleri A.Ş., which is registered with the registry number 586635 in the Istanbul Trade Registry Office with the decision of the Board of Directors dated 15 December 2021 and numbered 24, will be dissolved without liquidation on the balance sheet and records dated 30 September 2021, together with all its assets and liabilities. It has been decided to merge with the Company by taking over as the complete successor.

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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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021 and 2020

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of consolidation (Continued)

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

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

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

31 December 2021

Name	Effective holding ratio	Total Assets	Total Equity	Profit/(loss) for the period
ÜNLÜ Menkul Değerler A.Ş. (consolidated)	100,00%	299.317.605	100.998.237	16.475.333
ÜNLÜ Portföy Yönetimi A.Ş.	100,00%	12.588.518	9.183.114	2.381.835
Plato Finansal Danışmanlık Servisleri A.Ş.	98,21%	2.930.099	(334.654)	(1.393.685)
İstanbul Varlık Yönetim A.Ş.	100,00%	280.684.311	86.045.635	32.984.648
ÜNLÜ Alternative Asset Management Ltd.	100,00%	39.793.463	38.868.260	(2.302.185)
Turkish Alternative Investments Limited	100,00%	15.736.830	(2.131.529)	737.991

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021 and 2020

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

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Revenue recognition (Continued)

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

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

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

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

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

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

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



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021 and 2020

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

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Revenue recognition (Continued)

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

i. Incomes and costs from securities trading transactions

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

ii. Corporate finance income

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

iii. Portfolio management income

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

iv. Incomes from overdue receivables

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

v. Income from brokerage

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

vi. Other financial income

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

vii. Consulting income and costs

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



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(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Trade receivables

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

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

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

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



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(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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(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 2021 and 2020, 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).

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

In accordance with the "Financial Assets" ("IFRS 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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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Property and equipment

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

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

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

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

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

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

(j) Intangible assets

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

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

(k) Financial liabilities

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

(l) Foreign exchange transactions

Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. As of 31 December 2021, foreign currency at the end of the period for EUR transactions is TL 15,0867, for USD transactions, it is TL 13,3290, for GBP transactions, it is TL 17,9667 (31 December 2020: EUR: 9.0079, USD: 7.3405, GBP: 9.9438).

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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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Foreign exchange transactions (Continued)

With respect to the consolidated financial statements, assets and liabilities of the subsidiaries in foreign currency have been translated into TL with the closing exchange rate at the balance sheet date. Profit/Loss items of the subsidiaries have been translated into TL with average exchange rate of the reporting period. The resulting translation differences amounted to net TL 36.625.448 is recognized in "Currency translation differences" account under the equity in the balance sheet (31 December 2020: TL 11.973.975 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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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Leasing Obligations

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

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

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

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

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

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

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

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

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

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

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

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



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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).

Corporate earnings are subject to 20% corporate tax. However, the corporate tax rate which is 20% pursuant to the temporary article 13 added to the Corporate Tax Law; It will be applied at the rate of 25% for corporate earnings in 2021 and 23% for corporate earnings in 2022. This rate is applied to the tax base to be found as a result of the addition of the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations, and the exceptions (such as the participation earnings exception) and other reductions (such as investment incentives) in the tax laws. No further tax is paid if the profit is not distributed.



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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Corporate tax (Continued)

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

Turkish tax legislation does not allow the parent company to file its subsidiaries and affiliates on its consolidated financial statements. Therefore, provisions for taxes reflected in these consolidated financial statements have been calculated separately for all companies included in the full consolidation. It is deducted when there is a legal right to set off current tax assets against current tax liabilities or if such assets and liabilities are associated with income tax collected by the same tax authority. With the "Law Amending the Tax Procedure Law and the Corporate Tax Law", which was accepted on the agenda of the Turkish Grand National Assembly on January 20, 2022, the application of inflation accounting was postponed starting from the balance sheet dated December 31, 2023.

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.

The effective corporate tax rate as of 31 December 2021 is 25%, tax rate is used 25% for temporary differences that are expected to be realized / closed in the current period, 23% for temporary differences that are expected to occur / close in 2022, and 20% for temporary differences that are expected to occur / close after 2022 (As of December 31, 2020: Since the corporate tax rate effective as of January 1, 2021 is 20%, 20% tax rate is used for the valid differences that are expected to be realized / closed after 2021).

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.



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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Employee benefits

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

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

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

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

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

(t) Explanations on loans and borrowings

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

(u) Cash flow statement

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

(v) Goodwill

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

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



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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Earning per share

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

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

D. SIGNIFICANT ACCOUNTING ASSESSMENTS, ESTIMATES AND ASSUMPTIONS

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

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

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

Note 8 - Trade receivables and payables

Note 15 - Property and equipment

Note 16 - Intangible assets

Note 17 - Rights of use

Note 18 - Provisions, contingent assets and liabilities

Note 20 - Provision for employee benefits

Note 22 - Cost of sales

Note 27 - Tax assets and liabilities

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

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 2021; 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.

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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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3 SEGMENT REPORTING (Continued)

As at 31 December 2021 and 2020, segment reporting is prepared based on the brokerage, portfolio management activities and consultancy services.

31 December 2021	Brokerage, corporate finance and portfolio management services	Asset management consultancy and services	Private equity	Investment holding services	Eliminations (*)	Total
Financial sector activities						
revenue	4.836.731.144	145.199.009	--	28.994.557	(1.432.050)	5.009.492.660
Income from securities trading transactions	4.723.655.991	--	--	--	--	4.723.655.991
Income from brokerage	77.811.118	--	--	--	--	77.811.118
Income from non-performing Loans	--	142.847.170	--	--	--	142.847.170
Corporate finance income	11.795.295	--	--	28.994.557	--	40.789.852
Consulting income	--	1.591.655	--	--	--	1.591.655
Portfolio management incomes	6.470.597	--	--	--	--	6.470.597
Other financial incomes	17.023.397	760.184	--	--	(1.432.050)	16.351.531
Discounts from financial income (-)	(25.254)	--	--	--	--	(25.254)
Cost of financial sector activities	(4.709.238.818)	--	--	--	--	(4.709.238.818)
Cost of securities trading transactions (-)	(4.709.238.818)	--	--	--	--	(4.709.238.818)
Cost of consulting income (-)	--	--	--	--	--	--
Gross profit	127.492.326	145.199.009	--	28.994.557	(1.432.050)	300.253.842
General administrative, marketing, selling and distribution expense	(114.864.094)	(85.649.391)	(333.521)	(47.056.309)	2.294.036	(245.609.279)
Other operating income/expenses, net	617.470	956.696	(309.515)	635.271	(861.986)	1.037.936
Operating profit/(loss)	13.245.702	60.506.314	(643.036)	(17.426.481)	--	55.682.499
Share of profit of investment accounted through equity method	--	--	4.934.150	143.963	--	5.078.113
Income from operation activities	9.082.403	1.722.262	--	17.629.577	--	28.434.242
Expense from operation activities	(3.233.379)	(290.742)	--	(94.947)	--	(3.619.068)
Profit/(loss) before Financial expenses	19.094.726	61.937.834	4.291.114	252.112	--	85.575.786
Financial income	117.973.989	3.756.951	599.890	77.493.800	(9.888.122)	189.936.508
Financial expenses	(108.336.503)	(26.432.727)	(4.462.528)	(35.759.140)	9.888.122	(165.102.776)
Profit before tax	28.732.212	39.262.058	428.476	41.986.772	--	110.409.518
Tax expense	(12.093.160)	(7.948.487)	--	(10.772.442)	--	(30.814.089)
Deferred tax income/(expense)	2.218.116	(2.001.249)	--	(194.047)	--	22.820
Net profit	18.857.168	29.312.322	428.476	31.020.283	--	79.618.249
Other comprehensive income/(expense)	3.998.830	20.583.496	--	10.266.398	--	34.848.724
Total comprehensive income/(expense)	22.855.998	49.895.818	428.476	41.286.681	--	114.466.973
Operating segment assets (31 December 2021)	311.906.123	323.407.873	15.736.830	441.145.655	(153.229.978)	938.966.503
Operating segment liabilities (31 December 2021)	201.724.772	198.828.632	17.868.359	35.811.832	(122.117.935)	332.115.660

(*) As of 31 December 2021, it consists of intra-group financial advisory income/expenses of TL 1.432.050 and intra-group interest income/expenses of TL 9.888.122.

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3 SEGMENT REPORTING (Continued)

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	166.424.701	253.344	19.871.519	(4.890.206)	2.563.627.281
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	--	113.236.700	--	--	--	113.236.700
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)	(29.799.044)	--	--	--	(2.321.870.671)
Cost of securities trading transactions (-)	(2.292.071.627)	--	--	--	--	(2.292.071.627)
Cost of consulting income (-)	--	(29.799.044)	--	--	--	(29.799.044)
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	1.497.665	1.021.951	--	36.550.496	--	39.070.112
Expense from operation activities	(2.305.250)	--	--	(716.998)	--	(3.022.248)
Profit/(loss) before Financial expenses	4.901.945	61.633.588	5.158.912	25.569.118	--	97.263.563
Financial income	67.550.224	4.608.931	5.054	24.700.998	(4.731.602)	92.133.605
Financial expenses	(52.898.549)	(27.428.466)	(4.779.268)	(32.099.872)	4.731.602	(112.474.553)
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	2.831.489	(21.870)	(27.948.194)	--	(24.646.250)
Total comprehensive income/(expense)	13.631.642	34.154.395	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, it consists of TL 4.890.206 in-group financial advisory income/expenses and TL 4.731.602 in-group interest income/expenses.



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4 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a) Balances with related parties

	31 December 2021	31 December 2020
Financial investments		
Financial assets at fair value through profit or loss (*)		
- ÜNLÜ Portföy Üçüncü Değişken Fon ⁽¹⁾	2.887.523	2.246.315
- ÜNLÜ Portföy Birinci Girişim Sermayesi Yatırım Fonu ⁽¹⁾	655.864	--
- ÜNLÜ Portföy Hisse Senedi Fonu ⁽¹⁾	--	3.610.793
Total	3.543.387	5.857.108
Receivables		
Trade receivables (Note 8)		
- ÜNLÜ Portföy İkinci Gayrimenkul Yatırım Fonu ⁽¹⁾	1.636.141	1.746.998
- ÜNLÜ Portföy Birinci Gayrimenkul Yatırım Fonu ⁽¹⁾	953.218	613.904
- ÜNLÜ Portföy Birinci Değişken Fon ⁽¹⁾	206.951	292.193
- ÜNLÜ Portföy Para Piyasası Fonu ⁽¹⁾	94.976	35.595
- ÜNLÜ Portföy Hisse Senedi Fonu ⁽¹⁾	67.025	22.477
- ÜNLÜ Portföy Dördüncü Serbest Fon ⁽¹⁾	61.479	28.562
- ÜNLÜ Portföy Mutlak Getiri Hedefli Serbest Fon ⁽¹⁾	55.277	24.766
- ÜNLÜ Portföy Beşinci Serbest Özel Fon ⁽¹⁾	52.292	26.679
- ÜNLÜ Portföy İstatistiksel Arbitraj Serbest Fon ⁽¹⁾	46.253	--
- ÜNLÜ Portföy Yedinci Serbest Özel Fon ⁽¹⁾	39.963	20.808
- ÜNLÜ Portföy Üçüncü Değişken Fon ⁽¹⁾	36.064	58.803
- ÜNLÜ Portföy Birinci Girişim Sermayesi Yatırım Fonu ⁽¹⁾	28.515	--
- ÜNLÜ Portföy Altıncı Serbest Özel Fon ⁽¹⁾	12.132	--
- ÜNLÜ Portföy İkinci Değişken Fon ⁽¹⁾	8.262	14.271
- ÜNLÜ Portföy Zümrüt Hisse Senedi Serbest Özel Fon ⁽¹⁾	5.258	--
- ÜNLÜ Portföy İkinci İstatistiksel Arbitraj Serbest Fon ⁽¹⁾	3.440	--
- ÜNLÜ Portföy Birinci Hisse Senedi Serbest Fonu ⁽¹⁾	774	--
- ÜNLÜ Portföy Sekizinci Serbest (Döviz) Fon ⁽¹⁾	774	--
- ÜNLÜ Portföy Has-Kar Serbest Özel Fon ⁽¹⁾	710	--
- ÜNLÜ Portföy Boncuk Serbest Özel Fon ⁽¹⁾	710	--
- Other	1.439	--
Total	3.311.653	2.885.056

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

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4 BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

a) Balances with related parties (Continued)

	31 December 2021	31 December 2020
Other receivables (Note 9)		
- Receivables from personnel	1.132.326	151.805
- ÜNLÜ LT Investments Limited ^{(1) (*)}	--	71.741
- Angora Varlık Finansmanı Fonu ^{(2) (**)}	--	21.394
- Hasat Varlık Finansmanı Fonu ^{(2) (**)}	--	16.068
Total	1.132.326	261.008
Liabilities		
Financial liabilities (Note 14)		
- Standard Bank South Africa ^{(3) (***)}	--	35.064.543
Total	--	35.064.543
Short term other payables (Note 9, 10)		
- Payables to personnel within the scope of benefits	17.455.976	5.815.257
- Borsa İstanbul A.Ş. ^{(4) (****)}	1.546.140	465.711
- Other payables to personnel	57.960	26.120
Total	19.060.076	6.307.088

(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, the loan was fully paid on February 18, 2021.

(****) 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 2021	1 January - 31 December 2020
Income from related parties		
Service income (Commission income) (*)		
- ÜNLÜ Portföy Birinci Değişken Fon ⁽¹⁾	2.548.143	2.330.736
- ÜNLÜ Portföy İkinci Gayrimenkul Yatırım Fonu ⁽¹⁾	1.636.141	1.661.572
- ÜNLÜ Portföy Birinci Gayrimenkul Yatırım Fonu ⁽¹⁾	953.218	584.649
- ÜNLÜ Portföy Üçüncü Değişken Fon ⁽¹⁾	656.823	255.517
- ÜNLÜ Portföy Para Piyasası Fonu ⁽¹⁾	584.489	408.614
- ÜNLÜ Portföy Hisse Senedi Fonu ⁽¹⁾	525.926	97.892
- ÜNLÜ Portföy Mutlak Getiri Hedefli Serbest Fon ⁽¹⁾	432.113	93.640
- ÜNLÜ Portföy Dördüncü Serbest Fon ⁽¹⁾	369.310	660.011
- ÜNLÜ Portföy Beşinci Serbest Özel Fon ⁽¹⁾	360.807	307.385
- ÜNLÜ Portföy Yedinci Serbest Özel Fon ⁽¹⁾	237.601	54.347
- ÜNLÜ Portföy İstatistiksel Arbitraj Serbest Fon ⁽¹⁾	154.262	--
- ÜNLÜ Portföy İkinci Değişken Fon ⁽¹⁾	67.538	58.467
- ÜNLÜ Portföy Birinci Girişim Sermayesi Yatırım Fonu ⁽¹⁾	49.518	--
- ÜNLÜ Portföy Altıncı Serbest Özel Fon ⁽¹⁾	25.191	47.277
- ÜNLÜ Portföy İkinci İstatistiksel Arbitraj Serbest Fon ⁽¹⁾	4.633	--
- ÜNLÜ Portföy İkinci Serbest Fon ⁽¹⁾	4.465	4.465
- ÜNLÜ Portföy Zümrüt Hisse Senedi Serbest Özel Fon ⁽¹⁾	4.332	--
- ÜNLÜ Portföy Üçüncü Serbest Fon ⁽¹⁾	3.973	3.973
Total	8.618.483	6.568.545
Income from investing activities (Dividend income)		
- SICAR ^{(2)(**)}	--	32.446.079
- 212 Limited ⁽²⁾	--	294.466
Total	--	32.740.545
Income from investments accounted through equity method		
- ÜNLÜ LT ⁽³⁾	4.940.218	5.361.828
- 212 Limited ⁽²⁾	137.895	352.524
Total	5.078.113	5.714.352

(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 2021	1 January - 31 December 2020
Expenses to related parties		
General and administrative expenses (Note 23)		
- Şebnem Kalyoncuoğlu Ünlü ⁽²⁾	372.569	275.000
Financial expenses		
- Standard Bank South Africa ^{(1)(*)}	71.313	1.247.096
Foreign exchange expenses (Note 14)		
- Standard Bank South Africa ^{(1)(*)}	--	7.809.128
Total	443.882	9.331.224

⁽¹⁾ The company is a partner of the groups partner.

⁽²⁾ 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 2021, the total amount of salary and other benefits provided to the top management by the Group is TL 61.463.393 (1 January - 31 December 2020: TL 37.625.183).

5 CASH AND CASH EQUIVALENTS

	31 December 2021	31 December 2020
Cash	27.499	15.351
Cash at banks	262.642.434	107.238.831
- Demand deposit	32.349.594	28.503.129
- Time deposit	230.292.840	78.735.702
Futures and options market guarantees	8.575.795	4.308.413
Receivables from reverse repurchase agreements ⁽¹⁾	111.430	1.450.438
Total	271.357.158	113.013.033

⁽¹⁾ As of 31 December 2021, the maturity of reverse repurchase agreements amounting to TL 111.430 is less than one month and the average interest rate of reverse repurchase agreements is 18% (31 December 2020: TL 1.450.438, 17%)


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5 CASH AND CASH EQUIVALENTS (Continued)

Cash and cash equivalents of the Group are shown in cash flow statements in 31 December 2021 and 2020 by deducing interest accruals and customer deposits:

	1 January - 31 December 2021	1 January - 31 December 2020
Cash and cash equivalents	271.357.158	113.013.033
Interest accruals (-)	(182.356)	(309.802)
Restricted deposit (-)	(120.717)	(105.805)
Total	271.054.085	112.597.426

As at 31 December 2021 and 2020, the interest rates and maturity of the time deposits are as follows

31 December 2021			
Currency	Original amount	Amount (TL)	Interest rate (%)
TL	190.888.137	190.888.137	7,00-25,50
USD	2.956.314	39.404.703	1,00
Total		230.292.840	

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	

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6 FINANCIAL INVESTMENTS

Short term financial investments

	31 December 2021	31 December 2020
Financial assets at fair value through profit or loss	88.389.682	52.932.834
Financial assets at fair value through other comprehensive income	19.074.183	5.703.813
Total	107.463.865	58.636.647

As at 31 December 2021 and 2020, financial assets at fair value through profit or loss are as follows:

	31 December 2021		
	Nominal	Fair value	Interest rate (%)
Eurobond	18.348.500	53.100.249	6,00-10,80
Investment funds	2.092.192	13.600.062	--
Shares	815.655	9.367.943	--
Private sector corporate bonds	7.695.000	8.059.300	18,64-22,49
Government bonds	4.520.000	4.262.128	9,84-11,70
Total		88.389.682	

	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	--
Shares	167.671	1.983.881	--
Government bonds	400.000	384.116	15,75
Total		52.932.834	





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

6 FINANCIAL INVESTMENTS (Continued)

Short term financial investments (Continued)

As at 31 December 2021 and 2020, securities given as collateral are as follows (Note 18):

	31 December 2021		31 December 2020	
	Nominal value	Fair value	Nominal value	Fair value
Government bonds	550.000	518.100	400.000	384.116
Total	550.000	518.100	400.000	384.116

As at 31 December 2021 and 2020, details of financial assets at fair value through other comprehensive income are as follows:

	31 December 2021		31 December 2020	
	Share (%)	Share amount (TL)	Share (%)	Share amount (TL)
212 Capital Partners I Coöperatif U.A. ⁽¹⁾	3,31	19.074.183	3,31	5.703.813
Total		19.074.183		5.703.813

⁽¹⁾ As of 31 December 2021, 212 Capital Partners I Coöperatif 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 Coöperatif U.A. has made commitment payments on different dates until 2021 and ÜNLÜ Yatırım Holding A.Ş. participated in these payments with a total of USD 1.000.000 from January 2011 to December 31, 2021 (31 December 2020: 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 2021	31 December 2020
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 2021	31 December 2020
ÜNLÜ LT ⁽¹⁾	15.117.900	16.708.515
212 Limited (Cayman Island) ⁽²⁾	495.849	358.197
Total	15.613.749	17.066.712

⁽¹⁾ As of 31 December 2021, 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 (2020: USD 6.000.000) corresponding to 4,76% (2020: 4,76%) of total commitments. TAIL has made total payments of USD 5.166.666 as of 31 December 2021 (2020: USD 5.166.666) (Note 18).

⁽²⁾ As of December 31, 2021 It is an investment classified as investments valued by equity method, in which the Group has a share of 32,50% (2020: 32,50%)

Associates	Main activity	31 December 2021 Share %	31 December 2020 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 2021	31 December 2020
Financial investments	286.783.166	347.691.697
Cash and cash equivalents	31.478.803	3.606.979
Trade and other payables(-)	(659.036)	(279.444)
Net assets	317.602.933	351.019.232
Share in net assets of the associate	15.117.900	16.708.515
Total share of the Company in the net assets of the subsidiaries	15.117.900	16.708.515

	1 January - 31 December 2021	1 January - 31 December 2020
Increase/(decrease) in value of financial assets	104.752.941	113.505.916
Other income/(expense)	(3.606.917)	(3.516.373)
Net income/(loss) for the period	101.146.024	109.989.543
Company's total share of net period profit	4.814.551	5.235.502




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7 INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (Continued)
Investments in associates (Continued)

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

	31 December 2021	31 December 2020
Cash and cash equivalents	1.525.614	921.791
Other assets	7.591	180.333
Short term liabilities	(7.518)	--
Net assets	1.525.687	1.102.124
Share in net assets of the associate	495.849	358.197
Total share of the Company in the net assets of the subsidiaries	495.849	358.197
	1 January - 31 December 2021	1 January - 31 December 2020
Other income/(expense)	(310.692)	(375.677)
Net income/(loss) for the period	(310.692)	(375.677)
Company's total share of net period profit	(100.975)	(112.095)
	1 January - 31 December 2021	1 January - 31 December 2020
At the beginning of the period	17.066.712	23.002.892
Share of the profit/(loss)	5.078.113	5.714.352
Additional share acquisition	(6.531.076)	(11.650.532)
Total change in the associate in accordance with equity method	(1.452.963)	(5.936.180)
Period end	15.613.749	17.066.712

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8

TRADE RECEIVABLES AND PAYABLES

	31 December 2021	31 December 2020
Short term trade receivables		
Receivables from customers on credit ⁽²⁾	132.665.935	71.568.693
Overdue receivables ⁽¹⁾	60.215.847	56.715.863
Receivables on consultancy services	13.657.981	35.515.452
<i>Receivables on consultancy services</i> ⁽³⁾	<i>13.657.981</i>	<i>35.515.452</i>
<i>Doubtful trade receivables</i>	--	<i>2.176.820</i>
<i>Expected credit loss</i>	--	<i>(2.176.820)</i>
Receivables from leveraged buy and sell transactions	4.147.510	2.133.723
Trade receivables due from related parties (Note 4)	3.311.653	2.885.056
Other	19.720	2.051.594
Total	214.018.646	170.870.381
Long term trade receivables		
Overdue receivables ⁽¹⁾	162.463.189	134.210.117
Total	162.463.189	134.210.117

⁽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 222.679.036 (December 31, 2020: 190.925.980) as of December 31, 2021. In accordance with TFRS 9, there is no impairment occurring after the purchase Group loan portfolio amounting to a total of 4.009.211.000 TL from banks and finance companies in Turkey has purchased by paying 350.137.000 TL (December 31, 2020: loan portfolio in the amount of 3.507.988.000 amount purchased by paying 302.280.000 TL).

⁽²⁾ As of 31 December 2021, the interest rate applied by the Group to loans extended to its customers is between 29,16% and 14,16% (31 December 2020: 27.96% - 20.96%). As of 31 December 2021, the Group has received guarantees from its customers with a fair value of TL 241.107.786 (31 December 2020: TL 267.915.489) for the loans granted.

⁽³⁾ As of 31 December 2021, a portion of TL 9.834.421 consists of consultancy services that the Group has completed in 2021 and fulfilled its performance obligations in accordance with TFRS 15, but has not yet been invoiced. (31 December 2020: TL 15.478.850)

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

	31 December 2021	31 December 2020
Expected credit losses		
Beginning of the period	2.176.820	1.633.065
Collections / cancellation in the period	(2.176.820)	--
Provision amount for the period	--	543.755
End of the period	--	2.176.820

	31 December 2021	31 December 2020
Short term trade payables		
Miscellaneous payables (*)	7.010.653	2.455.862
Expense accruals (**)	2.139.448	2.097.853
Payables to consulting firms	--	2.241.906
Other trade payables	37.528	4.109
Total	9.187.629	6.799.730

(*)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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8 TRADE RECEIVABLES AND PAYABLES (Continued)

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

	31 December 2021	31 December 2020
Up to 1 year	66.625.211	62.517.570
1-3 years	178.143.209	110.055.462
3-5 years	71.319.896	80.728.528
Over 5 years	87.371.502	64.279.326
Total	403.459.818	317.580.886

9 OTHER RECEIVABLES AND PAYABLES

	31 December 2021	31 December 2020
Short term other receivables		
Guarantees given to Trade Tech Alpha LTD and IG Markets LTD	42.159.854	19.628.682
Stock guarantee given to Takasbank	9.586.339	18.111.378
Other deposits and guarantees given	8.543.945	5.652.743
Guarantees given to derivatives market	2.262.116	1.778.554
Other receivables due from related parties (Note 4)	1.132.326	261.008
Other	479.734	--
Total	64.164.314	45.432.365
Other long term receivables		
Deposits and guarantees given	264.197	157.094
Total	264.197	157.094
	31 December 2021	31 December 2020
Other short term payables		
Taxes and funds payables	8.770.562	5.395.933
Other payables to suppliers	6.154.928	3.215.054
Other payables to related parties (Note 4)	1.604.100	491.831
Other	761.995	86.844
Total	17.291.585	9.189.662

ÜNLÜ YATIRIM HOLDİNG A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021 and 2020***(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated)***10 PAYABLES WITHIN THE SCOPE OF EMPLOYEE BENEFITS**

	31 December 2021	31 December 2020
Payables within the scope of employee benefits		
Due to personnel (Note 4)	17.455.976	5.815.257
Taxes and funds payables	13.054.991	7.002.772
Social security premiums payable	2.114.796	1.592.404
Total	32.625.763	14.410.433

11 PREPAID EXPENSES

	31 December 2021	31 December 2020
Short term prepaid expenses		
Prepaid expenses ⁽¹⁾	4.720.040	3.027.203
Advances given	2.237.672	1.753.423
Total	6.957.712	4.780.626

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

12 OTHER ASSETS AND LIABILITIES

	31 December 2021	31 December 2020
Other current assets		
Deposits given	805.715	557.816
Deferred VAT	531.941	1.750.566
Total	1.337.656	2.308.382
Other short term liabilities		
Other short term liabilities	--	250.087
Total	--	250.087


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13 ASSETS HELD FOR SALE AND DISPOSAL GROUPS

	31 December 2021	31 December 2020
Assets held for sale ⁽¹⁾	557.947	122.099
Total	557.947	122.099

⁽¹⁾ TL 557.947 of assets held for sale consists of the vehicles and real estates acquired during the collection of loans by İstanbul Varlık (31 December 2020: TL 122.099).

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

	31 December 2021	31 December 2020
Assets held for sale and disposal groups		
Beginning of the period	122.099	44.721.057
Purchases during the period	435.848	--
Sales made during the period ⁽¹⁾	--	(44.598.958)
Total	557.947	122.099

⁽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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14 SHORT AND LONG-TERM LIABILITIES AND LEASING PAYABLES

	31 December 2021	31 December 2020
Short term liabilities		
Bank loans	53.450.741	129.736.826
Payables to Stock Exchange Money Market ⁽¹⁾	45.720.534	40.524.979
Leveraged trading transactions reserve collateral	8.808.073	4.308.413
Leasing payables	3.863.555	4.282.870
Other	--	17.781
Total	111.842.903	178.870.869
Short portion of long term liabilities		
Bank loans	46.548.060	33.539.954
Loans from related parties (Note 4)	--	17.836.819
Total	46.548.060	51.376.773
Long term liabilities		
Bank loans	24.862.782	26.223.674
Leasing payables	4.580.334	7.439.214
Loans from related parties (Note 4)	--	17.227.724
Total	29.443.116	50.890.612

(1) As of 31 December 2021, the maturity of debts to the Exchange Money Market is less than one month and the interest rate is 17,00% (31 December 2020: 18,00%).




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

The details of the loans are as follows:

31 December 2021			
Currency of loans	Original amount	Amount (TL)	Interest rate (%)
TL	124.861.583	124.861.583	18,00-21,50
Total		124.861.583	

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	

Repayment due dates of the loans are as follows:

	31 December 2021	31 December 2020
Within 1 year	99.998.801	181.113.599
Within 1-2 years	13.933.931	33.682.728
Within 2-3 years	8.496.748	8.055.005
Within 3-4 years	2.432.103	1.713.665
Total	124.861.583	224.564.997

Movement tables of loans are as follows:

	2021	2020
As of 1 January	224.564.997	214.153.191
Additions received during the period	1.498.551.079	559.544.089
Principal and interest paid during the period	(1.599.825.986)	(556.284.309)
Foreign exchange difference (profit) / loss	1.571.493	7.152.026
31 December	124.861.583	224.564.997

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

The details of leasing payables are as follows:

	31 December 2021	31 December 2020
Leasing payables		
Less than 1 year	3.863.555	4.282.870
1-3 years	4.580.334	7.439.214
Total	8.443.889	11.722.084

The movement table of leasing payables is as follows;

	2021	2020
1 January	11.722.084	4.851.449
Additions	1.794.803	10.952.368
Interest expenses	1.256.551	596.657
Foreign exchange difference (profit) / loss	98.915	377.370
Payments related to leases	(6.428.464)	(5.055.760)
31 December	8.443.889	11.722.084

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 2021	Office equipment	Vehicles	Furniture and fixtures	Other tangible asset	Special costs	Total
Net book value, 1 January 2021	2.132.964	86.400	2.325.825	127.475	1.602.380	6.275.044
Additions	3.059.710	5.882.915	230.162	--	13.700	9.186.487
Disposals (net)	--	--	--	--	--	--
Depreciation charge	(1.020.976)	(230.806)	(690.741)	(22.901)	(613.026)	(2.578.450)
Net book value	4.171.698	5.738.509	1.865.246	104.574	1.003.054	12.883.081
Cost	11.096.358	6.038.435	6.625.409	509.613	4.966.753	29.236.568
Accumulated depreciation	(6.924.660)	(299.926)	(4.760.163)	(405.039)	(3.963.699)	(16.353.487)
Net book value	4.171.698	5.738.509	1.865.246	104.574	1.003.054	12.883.081
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	4.953.053	20.050.081
Accumulated depreciation	(5.903.684)	(69.120)	(4.069.422)	(382.138)	(3.350.673)	(13.775.037)
Net book value	2.132.964	86.400	2.325.825	127.475	1.602.380	6.275.044

As of 31 December 2021, the Group has pledges on vehicles amounting to TL 5.686.669 (31 December 2020: None).

ÜNLÜ YATIRIM HOLDİNG A.Ş.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021 and 2020

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated)

16 INTANGIBLE ASSETS

A. OTHER INTANGIBLE ASSETS

	1 January 2021	Additions	Disposals	31 December 2021
Cost	8.399.680	6.195.746	--	14.595.426
Accumulated amortization	(4.805.119)	(2.781.049)	--	(7.586.168)
Net book value (*)	3.594.561	3.414.697	--	7.009.258

	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

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

As at 31 December 2021 and 2020, the Group does not have any internally generated intangible assets.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021 and 2020

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16 INTANGIBLE ASSETS (Continued)

B. GOODWILL

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

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

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

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

The acquisition transaction is accounted in consolidated financial statements by purchasing method in accordance with TFRS 3 Business Combinations Standard. As a result of the related recognition, goodwill amounting to TL 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 7-year TRY based projection between 1 January 2022 and 31 December 2028. Six-year discount rate used in future cash flow estimations has been determined as 23% in the calculation model of the fair value. As of 31 December 2021, 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 2020: No impairment has been identified).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021 and 2020

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

17 RIGHTS OF USE ASSETS

The movement table of the Group's right of use assets as of December 31, 2021 and 2020 is as follows:

31 December 2021	Buildings	Vehicles	Total
Cost			
1 January 2021	15.699.127	2.670.736	18.369.863
Additions	1.463.468	329.395	1.792.863
Disposals	--	(2.609.926)	(2.609.926)
Closing	17.162.595	390.205	17.552.800
Accumulated depreciations			
1 January 2021	(6.006.808)	(2.037.870)	(8.044.678)
Period depreciation	(3.785.983)	(859.613)	(4.645.596)
Disposals	--	2.609.926	2.609.926
Closing	(9.792.791)	(287.557)	(10.080.348)
Net book value as of 31 December 2021	7.369.804	102.648	7.472.452
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




ÜNLÜ YATIRIM HOLDİNG A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021 and 2020
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)
18 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES
(i) Short term provisions

	31 December 2021	31 December 2020
Provisions for lawsuits ⁽¹⁾	1.775.799	1.438.540
Total	1.775.799	1.438.540

⁽¹⁾ As of 31 December 2021, the provision amounting to TL 1.775.799 (31 December 2020: TL 1.438.540) 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 2021 and 2020 is as follows:

	31 December 2021	31 December 2020
Provision for lawsuits		
Beginning of the period	1.438.540	1.313.242
Provision for the period	668.107	420.422
Reversal provision for the period	(330.848)	(295.124)
End of the period	1.775.799	1.438.540

(ii) Assets kept on behalf of customers

	31 December 2021	31 December 2020
Investment funds	2.965.788.104	3.950.719.890
Common stocks	2.288.014.054	1.516.456.691
Eurobond	380.248.000	307.357.000
Private sector corporate bond, treasury bills and government bonds	217.768.000	190.750.814
Warrant	1.059.656	136.480
Structured debt instruments	312.503	--



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021 and 2020

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

18 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

(iii) Letter of guarantees given

The breakdown of the guarantees, pledges, mortgages and sureties ("TRIK") given by the Group as of December 31, 2021 and 2020 are as follows in original currencies:

31 December 2021				
	TL Equivalent	USD	Euro	TL
A. The total amount of GPMs given on behalf of their own legal entity	84.769.962	1.250.000	--	68.108.712
B. The total amount of GPMs that are given in favor of the partnerships included in the scope of full consolidation	92.749	--	--	92.749
C. The total amount of GPMs given by third parties for borrowing purposes for the purpose of carrying out their ordinary commercial activities	32.303.384	--	--	32.303.384
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	117.166.095	1.250.000	--	100.504.845

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	22.395.252	--	--	22.395.252
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	165.925.755	500.000	--	162.255.505



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021 and 2020

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

18 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

(iv) Contingent liabilities

As of 31 December 2021, 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% (2020: 4.76%) 6.000.000 USD (2020: 6.000.000 USD) and as of 2020, 5.166.666 USD of this has been paid (2020: 5.166.666 USD) (Note 7).

As of 31 December 2021, 42.993 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 31 December 2021. (2020: 81.350 Euro) 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).

As of 31 December 2021, 126.000 Euro of 500.000 Euro commitment amount for Revo Capital Fund II B.V., 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 2021. (2020: None.)

19 CONTINGENCIES AND COMMITMENTS

Explanations regarding derivatives

31 December 2021					
Contract definition	Maturity	Position	Number of contracts	Settlement price	Nominal value
F_USDTRY0122 (Future)	31 January 2022	Short	1580	13,9338	22.015.404
Net position					22.015.404
31 December 2020					
Contract definition	Maturity	Position	Number of contracts	Settlement price	Nominal value
F_USDTRY0221 (Future)	31 January 2021	Short	1500	7,5837	11.375.550
Net position					11.375.550

20 PROVISION FOR EMPLOYEE BENEFITS

	31 December 2021	31 December 2020
Short term employee benefits		
Bonus provision	124.085	5.839.802
Unused vacation provision	5.304.263	3.889.119
Total	5.428.348	9.728.921
Long term employee benefits		
Provision for employment termination benefits	2.369.149	2.271.046
Total	2.369.149	2.271.046



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021 and 2020

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

20 PROVISION FOR EMPLOYEE BENEFITS (Continued)

Provisions for employment termination benefits

The provision for employment termination benefits is reserved in line with the explanations below. Under the Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). The liability is not funded, as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation arising from the retirement of employees.

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

	31 December 2021	31 December 2020
Discount rate (%)	3,15	3,20
Turnover rate to estimate the probability of retirement (%)	77,41	76,40

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 8.285 which is valid since 1 January 2021 (31 December 2020: TL 7.639).

Movements in the bonus provision for the year ended 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Beginning of the period	5.839.802	--
Provision during the period	21.622	5.839.802
Payment during the period (-)	(5.737.339)	--
End of the period	124.085	5.839.802

Movements in the provision for unused vacation for the year ended 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Beginning of the period	3.889.119	3.224.721
Provision during the period	2.012.665	1.268.940
Usage during the period (-)	(597.521)	(604.542)
End of the period	5.304.263	3.889.119

Movements in the provision for employment termination benefits for the year ended 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Beginning of the period	2.271.046	1.359.717
Service cost	836.228	461.097
Interest cost	344.138	159.083
Actuarial gain/(loss)	42.067	803.684
Payment during the period (-)	(1.124.330)	(512.535)
End of the period	2.369.149	2.271.046



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021 and 2020

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21 SHAREHOLDERS' EQUITY

Share capital

As of 31 December 2021 and 2020, share capital structure of the parent Company is as follows:

Name of the shareholder	Group	31 December 2021	
		Amount (TL)	Share (%)
Mahmut Levent Ünlü	A	55.092.337	31,48
Mahmut Levent Ünlü	B	58.143.258	33,23
The Wellcome Trust Ltd. as Trustee of the Wellcome Trust	B	13.498.188	7,71
Standard Bank Group Ltd.	B	6.078.838	3,47
ÜNLÜ Yatırım Holding A.Ş.	B	717.843	0,41
Tahir Selçuk Tuncalı	B	440.251	0,25
Simge Ündüz	B	425.193	0,24
İbrahim Romano	B	230.405	0,13
Can Ünalın	B	172.010	0,10
Utku Özay	B	54.421	0,03
Ayşe Akkın Çakan	B	45.350	0,03
Cevdet Uygur Aksoy	B	36.300	0,03
Sema Argın	B	36.282	0,02
Mustafa Sönmez	B	36.281	0,02
Mediha Esra Korkmazarslan	B	36.280	0,02
Kamil Attila Köksal	B	4	0,00
Halka açık hissedarlar (*)	B	39.956.759	22,83
Total		175.000.000	100,00

(*)37.269.158 shares with a nominal value of 37.269.158 TL to be shared due to the increase in the capital of ÜNLÜ Investment Holding from 137.730.842 TL to 175.000.000 TL and 8.263 shares with a nominal value of 8.263.851 TL owned by Mahmut Levent Ünlü, one of his current partners. 45.533.009 shares with a total nominal value of TL 45.533.009, were offered to the public. Emission premiums amounting to TL 219.888.032 have been added to the share issue premiums as a result of the transactions the Company has achieved during the public offering process. Mahmut Levent Ünlü who is the one of the shareholders of the company, Ünlü Yatırım Holding A.Ş. as a result of the price stability transactions related to the stocks, between 07/06/2021 and 06/07/2021, the company made purchases with a total nominal amount of TL 5.395.000 at a price range of TL 4,78 - 6,90. With this transaction, Ünlü Yatırım Holding A.Ş. share in the capital has reached 64.70% as of 06.07.2021.

Name of the shareholder	Group	31 December 2021	
		Amount (TL)	Share (%)
Mahmut Levent Ünlü		116.104.446	84,29
The Wellcome Trust Ltd. as Trustee of the Wellcome Trust		13.498.188	9,80
Standard Bank Group Ltd.		6.078.838	4,41
ÜNLÜ Yatırım Holding A.Ş.		717.843	0,52
Simge Ündüz		343.943	0,24
Tahir Selçuk Tuncalı		340.251	0,24
İbrahim Romano		230.405	0,16
Can Ünalın		172.010	0,12
Utku Özay		54.421	0,03
Ayşe Akkın Çakan		45.350	0,03
Cevdet Uygur Aksoy		36.300	0,02
Sema Argın		36.282	0,02
Mustafa Sönmez		36.281	0,02
Mediha Esra Korkmazarslan		36.280	0,02
Kamil Attila Köksal		4	0,00
Total		137.730.842	100,00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021 and 2020

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

21 SHAREHOLDERS' EQUITY (Continued)

With the decision of the Ordinary General Assembly dated 4 September 2012, the capital of ÜNLÜ Yatırım Holding A.Ş. (formerly known as "ÜNLÜ Finansal Yatırımlar A.Ş.") was raised to TL 32,000,000 from TL 50,000. Capital increase had been fully covered by Mahmut Levent Ünlü. This capital increase decision had been registered on 11 September 2012 and published on Trade Registry Gazette numbered 8154 dated 17 September 2012.

As a result of the Ordinary General Assembly meeting held on 23 May 2014, the paid-in capital of the Company was increased from TL 32,000,000 to TL 32,153,606, and Article 6 of the Company's Articles of Association was changed. This capital increase was made by issuing shares at a premium, Mahmut Levent Ünlü and Kamil Attila Köksal waived their pre-emptive rights. This capital increase decision had been registered on 3 June 2014 and published on Trade Registry Gazette numbered 8586 dated 9 June 2014

As a result of the Ordinary General Assembly meeting held on 29 September 2015, the paid-in capital of the Company was increased from TL 32,153,606 to TL 32,182,966 and Article 6 of the Company's Articles of Association was changed. This capital increase was made by issuing shares at a premium, and Mahmut Levent Ünlü, İbrahim Romano, Tahir Selçuk Tuncalı, Kamil Attila Köksal, Kağan Çevik, Tunç Yıldırım, Mehmet Batur Özyar, Vedat Mizrahi and Mehmet Sezgin waived their pre-emptive rights. This capital increase decision had been registered on 30 September 2015 and published on Trade Registry Gazette numbered 8918 dated 5 October 2015. As a result of the Ordinary General Assembly meeting held on 20 October 2015, the paid-in capital of the Company was increased from TL 32,182,966 to TL 33,858,378 and Article 6 of the Company's Articles of Association was changed. Excess of TL 1,675,412 increased in capital total amount of TL 22,732,588 was added to the statutory reserves as share premium. In this capital increase, all current shareholders of the Company waived their pre-emptive rights, and all of the increase amount was paid by Standard Bank Group Ltd. This capital increase decision had been registered on 21 October 2015 and published on Trade Registry Gazette numbered 8934 dated 27 October 2015.

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





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21 SHAREHOLDERS' EQUITY (Continued)

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.

Within the public offering plans, ÜNLÜ Yatırım Holding A.Ş. applied to the Capital Markets Board for the Public Offering Prospectus on March 12, 2021, with the permission of the Capital Markets Board dated 27.05.2021 and numbered E-29833736-105.01.01.01-6608, as a result of the IPO, which was carried out with the "Fixed Price Bookbuilding" method between 31.05.2021 and 01.06.2021, capital at a price of TL 6.90 each. A total of 45,533,009 Group "B" shares were sold, of which 37,269,158 shares were offered to the public through the sale of shareholders, and 8,263,851 shares were offered to the public through the sale of partner Mahmut Levent Ünlü.

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

Mahmut Levent Ünlü who is the one of the shareholder of the company, Ünlü Yatırım Holding A.Ş. as a result of the price stability transactions related to the stocks, between 07/06/2021 and 06/07/2021, the company made purchases with a total nominal amount of TL 5.395.000 at a price range of TL 4,78 - 6,90. With this transaction, Ünlü Yatırım Holding A.Ş. share in the capital has reached 64.70% as of 06.07.2021.

Tahir Selçuk Tuncalı who is the one of the shareholders of the company, Ünlü Yatırım Holding A.Ş. regarding their shares; He has made purchases with a total nominal amount of 100.000 TL from the price range of TL 4,83 – 4,87. As a result of this transaction, his share in Ünlü Yatırım Holding A.Ş. has reached 0.25% as of 09.09.2021.

One of the shareholders of the company, Simge Ündüz, Ünlü Yatırım Holding A.Ş. regarding their shares; It has made purchases with a total nominal amount of 81.250 TL from the price range of TL 5,15 – 6,03. As a result of this transaction, its share in Ünlü Yatırım Holding A.Ş. has reached 0,24% as of 30.12.2021.



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(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated)

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 2020: TL 4.020.977).

Other comprehensive income

Due to on TAS 19 standard, the Group has actuarial loss amounting to TL 346.835 (31 December 2020: TL 311.779 actuarial gain) of net tax comes from employee termination benefit provision.

Currency translation profit amounting to net TL 36.625.448 (31 December 2020: TL 11.973.975 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 2021 and 2020, the movement table for foreign currency translation differences is as follows:

	2021	2020
1 January	11.973.975	36.037.396
Foreign currency translation differences	24.651.473	(26.935.273)
Foreign currency translation differences, tax effect	--	2.871.852
31 December	36.625.448	11.973.975

As of 31 December 2021 and 2020, the movement table of the difference in revaluation gains of financial assets at fair value through other comprehensive income is as follows:

	2021	2020
1 January	5.411.327	5.351.209
Value increases, net	10.232.307	60.118
31 December	15.643.634	5.411.327

Retain Earnings

As of 31 December 2021, the details of the Group's retained earnings are as follows:

	2021	2020
Restricted reserves	17.123.549	14.833.619
Other reserves	44.553.056	33.892.428
Retained earnings	32.184.754	(16.137.414)
Total	93.861.359	32.588.633


ÜN LÜ YATIRIM HOLDİNG A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021 and 2020
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22

FINANCIAL SECTOR ACTIVITIES REVENUE AND COST

	1 January – 31 December 2021	1 January – 31 December 2020
<i>Income from securities trading transactions</i>	4.723.655.991	2.302.192.836
Sales of private sector bonds	4.352.012.102	1.849.803.138
Sales of government bonds	277.735.482	315.617.447
Sales of common stocks	80.047.220	109.036.977
Repo sales	13.815.783	25.460.265
Sales of investment fund	45.404	2.275.009
<i>Corporate finance income</i>	40.789.852	35.350.369
<i>Portfolio management income</i>	6.470.597	4.713.694
<i>Income from frozen loan receivables ⁽¹⁾</i>	142.847.170	113.236.700
<i>Brokerage income</i>	77.811.118	51.636.369
Foreign stock sales and brokerage commission	17.694.298	16.318.258
Domestic stock sales brokerage commission	21.113.377	15.371.256
Commission on forward and future transactions	12.676.292	9.897.518
Interest income from loans	22.292.066	6.990.876
Profits from leveraged trading transactions	2.872.905	1.938.187
Commission on custody transactions	1.162.180	1.120.274
<i>Consulting income</i>	1.591.655	46.753.331
<i>Other financial income</i>	16.351.531	9.896.988
Foreign transaction income	8.788.925	3.992.895
Other service income	7.562.606	5.904.093
<i>Discounts from financial income (-)</i>	(25.254)	(153.006)
Financial service discounts (-)	(25.254)	(153.006)
Financial sector activities revenue	5.009.492.660	2.563.627.281
<i>Cost of securities trading transactions</i>	(4.709.238.818)	(2.292.071.627)
Cost of private sector bonds (-)	(4.336.821.793)	(1.842.343.230)
Cost of government bonds (-)	(277.608.504)	(315.522.502)
Cost of common stocks (-)	(80.957.875)	(106.978.567)
Repo selling costs (-)	(13.803.590)	(25.448.370)
Cost of investment fund (-)	(47.056)	(1.778.958)
<i>Cost of consulting income (-) ⁽²⁾</i>	--	(29.799.044)
Financial sector activities cost	(4.709.238.818)	(2.321.870.671)
Gross profit from financial sector activities	300.253.842	241.756.610

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

(2) Service expenses incurred regarding the consultancy income.



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23 EXPENSES BY NATURE

	1 January – 31 December 2021	1 January – 31 December 2020
Marketing, sales and distribution expenses		
Marketing and distribution expenses	13.948.292	8.242.924
Advertisement and publicity expenses	4.747.712	510.177
Representation expenses	855.422	529.327
Total	19.551.426	9.282.428
General administrative expenses		
Personnel expenses	134.677.463	100.628.319
Attorney, consultancy and audit expenses	32.405.375	34.237.929
Tax and sundry expenses	17.538.914	12.668.478
Depreciation and amortization expenses (Note 15, 16 ve 17)	10.005.095	7.560.087
Data line rental expense	7.711.116	5.890.324
Information technology expenses	6.927.947	3.640.260
Office building administrative expenses	2.159.428	2.209.729
Communication expenses	1.669.213	1.711.054
Rent expenses	1.277.842	1.325.122
Vehicle expenses	1.048.869	444.290
Travel expenses	783.092	336.739
Other general administrative expenses	9.853.499	8.150.569
Total	226.057.853	178.802.900

24 OTHER OPERATING INCOME AND EXPENSE

	1 January – 31 December 2021	1 January – 31 December 2020
Other operating income		
Reversal of prior period provisions	1.015.659	295.124
Sales of non-current assets held for sale	137.357	1.391.331
Social security premium grants	100.528	95.400
Other service income	682.618	1.144.056
Total	1.936.162	2.925.911
Other operating expense		
Base increase payments	457.504	--
Compensation and lawsuit payments	119.631	216.391
Provision for expected credit losses	--	543.755
Other	321.091	335.700
Total	898.226	1.095.846


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(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)
25 INCOMES AND EXPENSES FROM INVESTING ACTIVITIES

	1 January – 31 December 2021	1 January – 31 December 2020
Income from investing activities		
Profit on financial assets at fair value through profit or loss	17.363.624	4.252.981
Profit on sales of financial assets	11.070.618	2.076.586
Income from sales of non-current assets held for sale (*)	--	32.446.079
Dividend income	--	294.466
Total	28.434.242	39.070.112

(*)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.

	1 January – 31 December 2021	1 January – 31 December 2020
Expense from investing activities		
Loss on financial assets at fair value through profit or loss	2.937.678	2.761.989
Loss on sales of financial assets	681.390	260.259
Total	3.619.068	3.022.248

26 FINANCIAL INCOMES AND EXPENSES

	1 January – 31 December 2021	1 January – 31 December 2020
Derivative market operations income	96.440.313	51.156.827
Foreign exchange gain	65.565.696	31.372.796
Interest income	27.730.819	9.493.756
Other	199.680	110.226
Total	189.936.508	92.133.605

	1 January – 31 December 2021	1 January – 31 December 2020
Derivative market operations expense	96.349.446	47.869.455
Foreign exchange losses	32.002.597	29.968.186
Interest expenses ⁽¹⁾	25.237.308	30.317.453
Interest expenses paid to Money Markets	4.068.131	1.936.807
Issued debt instruments interest expenses	3.960.826	63.086
Futures and options market operations losses	--	274.580
Other expenses	3.484.468	2.044.986
Total	165.102.776	112.474.553

⁽¹⁾ Interest expenses include TL 24.827.202 (31 December 2020: TL 26.107.300) 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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27 TAX ASSETS AND LIABILITIES

Corporate earnings are subject to 20% corporate tax. However, the corporate tax rate which is 20% pursuant to the temporary article 13 added to the Corporate Tax Law; It will be applied at the rate of 25% for corporate earnings in 2021 and 23% for corporate earnings in 2022. With the Law No. 7256 on the Restructuring of Certain Receivables and Amendments to Certain Laws published in the Official Gazette dated 17.11.2020 and numbered 31307, the institutions whose shares representing at least 20% of the capital are offered to the public for the first time in the Borsa Istanbul Equity Market. The corporate tax rate to be applied to corporate earnings will be applied with a discount of two (2) points for five accounting periods, starting from the accounting period in which the shares are offered to the public for the first time. This rate is applied to the tax base to be found as a result of the addition of the expenses that are not accepted as a deduction in accordance with the tax laws to the commercial income of the corporations and the exceptions (such as the participation earnings exception) and other reductions (such as investment incentives) in the tax laws. No further tax is paid if the profit is not distributed.

With the "Law Amending the Tax Procedure Law and the Corporate Tax Law", which was accepted on the agenda of the Turkish Grand National Assembly on January 20, 2022, the application of inflation accounting was postponed starting from the balance sheet dated December 31, 2023. The corporate tax rate is calculated on the total income of the companies after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed. 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 2021	1 January – 31 December 2020
Current year tax expense	(30.814.089)	(3.506.346)
Prepaid tax (-)	20.294.404	2.553.549
Total tax (liability)/asset	(10.519.685)	(952.797)

	1 January – 31 December 2021	1 January – 31 December 2020
Current year tax expense	(30.814.089)	(3.506.346)
Deferred tax expense	22.820	(12.117.747)
Total tax expense	(30.791.269)	(15.624.093)


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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 2021 and 31 December 2020, calculated using the enacted tax rates, are as follows:

	Temporary differences		Deferred tax assets/(liabilities)	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Provision for employment termination benefit and vacation pay liability	7.673.412	6.160.165	1.538.173	1.232.033
Lawsuit provision	1.775.799	1.438.540	355.159	287.708
Leasing obligations	721.122	945.362	144.226	189.072
Tax deductible previous years' losses	--	1.153.944	--	230.789
ECL for doubtful receivables	--	354.392	--	70.878
Provision for bonus	--	5.839.802	--	1.167.960
Other	--	149.545	--	29.909
Deferred tax assets			2.037.558	3.208.349
Loans and receivables valuation differences	112.660.051	106.842.141	(23.089.924)	(21.368.428)
Value increase in financial assets	22.659.691	6.995.021	(4.365.480)	(1.195.373)
Income accruals	9.834.421	34.087.971	(2.262.003)	(6.817.594)
TAS-Legal tax base exchange rate differences	2.421.824	--	(583.692)	--
Difference between tax base and carrying value of tangible and intangible assets	2.730.749	2.120.631	(546.150)	(424.126)
Valuation differences in derivative instruments	1.066.268	443.106	(245.242)	(88.621)
Profit from investments activities	489.799	345.836	(97.960)	(69.167)
Other	1.384.774	781.525	(286.618)	(156.305)
Deferred tax liabilities			(31.477.069)	(30.119.614)
Net-off			(29.439.511)	(26.911.265)
Deferred tax assets			162.310	156.840
Deferred tax liabilities			29.601.821	27.068.105

Movement of deferred tax assets and liabilities as of 31 December 2021 and 2020 is as follows:

	2021	2020
Beginning of the period January,1	(26.911.265)	(17.826.107)
Recognised in income statement	22.820	(12.117.747)
Recognised in other comprehensive income	(2.551.066)	3.032.589
End of the period December, 31	(29.439.511)	(26.911.265)



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27 TAX ASSETS AND LIABILITIES (Continued)

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

	31 December 2021	31 December 2020
Profit before tax	110.409.518	76.922.615
Income tax at the applicable tax rate of 23%/22%	(25.394.189)	(16.922.975)
Current period tax losses on which no deferred tax is calculated	1.340.485	1.370.361
Recognition of previously unrecognised tax losses	--	(290.937)
Derecognition of previously recognised tax losses	(265.407)	(1.622.827)
Non-deductible expenses	(1.952.024)	(2.957.546)
Effects of investments in tax exempt countries	359.765	3.040.695
Other effects	(4.879.899)	1.759.136
Current year tax expense	(30.791.269)	(15.624.093)

Deferred tax that is not recognised in the financial statements

As of 31 December 2020, 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 2021, ÜNLÜ Securities Inc and ÜNLÜ Securities UK Ltd. subsidiary of the Company has TL 12.340.210 accumulated losses. As of 31 December 2021, ÜNLÜ Securities Inc and Ünlü Securities UK Ltd.'s tax losses carried forward and last deduction date is as follows:

	Carry forward tax losses ⁽¹⁾	Last deduction date
2019	3.571.067	31 December 2024
2020	3.420.647	31 December 2025
2021	5.348.496	31 December 2026
Total	12.340.210	

As of 31 December 2021, Plato Finans, subsidiary of the Company, has TL 1.476.278 accumulated losses. As of 31 December 2021, Plato Finans's tax losses carried forward and last deduction dates are as follows:

	Carry forward tax losses ⁽¹⁾	Last deduction date
2017	122.350	31 December 2022
2021	1.353.928	31 December 2026
Total	1.476.278	

ÜNLÜ Menkul and its subsidiaries reviewed the business plan as of December 31, 2021 and estimated the risk of not being able to use the financial losses amounting to TL 13.816.488, which can be deducted in the coming years, and as of December 31, 2021, no deferred tax was calculated on the aforementioned accumulated financial losses with the precautionary principle (December 31, 2020: 6.991.714 TL).



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28 EARNINGS PER SHARE

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

	31 December 2021	31 December 2020
Adi		
1. Profit from operations attributable to owners of the parent	79.643.179	61.272.726
2. Weighted average number of ordinary shares in issue	159.071.264	137.730.842
3. Earnings per share	0,501	0,445

29 FINANCIAL RISK MANAGEMENT

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

(i) *Information on credit risk*

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

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29 FINANCIAL RISK MANAGEMENT (Continued)

(i) Information on credit risk (continued)

	Receivables					Financial investments ⁽²⁾
	Trade receivables		Other receivables		Bank deposits ⁽¹⁾	
31 December 2021	Related parties	Other parties ⁽³⁾	Related parties	Other parties		
Maximum credit risk exposure as of the financial statements date (A+B+C+D)	3.311.653	373.170.182	1.132.326	63.296.185	271.329.659	79.021.739
Maximum credit risk under guaranteed through net collateral, or etc.						
A. Net carrying value of financial assets which are neither impaired nor overdue	3.311.653	150.491.146	1.132.326	63.296.185	271.329.659	79.021.739
B. Net carrying value of impaired assets collateralized portion of the net exposure	--	222.679.036	--	--	--	--
C. Net book value of assets exposed to impairment loss	--	--	--	--	--	--
- Overdue (gross book value)	--	--	--	--	--	--
- Impairment loss (-)	--	--	--	--	--	--
- The part under guaranteed through net collateral, or etc.	--	--	--	--	--	--
- Not overdue (gross book value)	--	--	--	--	--	--
- Impairment loss (-)	--	--	--	--	--	--
- The part under guaranteed through net collateral, or etc.	--	--	--	--	--	--
D. Off-balance sheet items exposed to credit risk	--	--	--	--	--	--
31 December 2020	Related parties	Other parties ⁽³⁾	Related parties	Other parties	Bank deposits ⁽¹⁾	Financial investments ⁽²⁾
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	112.997.682	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	112.997.682	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	--	--	--	--	--	--

⁽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 2021, the Group have TL 36.513.410 receivables from derivative instruments and 35.447.142 payables from derivative instruments (31 December 2020: TL 4.948.509 receivables from derivative instruments and TL 4.505.403 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 2021 and 31 December 2020:

31 December 2021	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	179.390.190	71.356.476	41.778.990	57.522.643	36.335.865	206.993.974
Leasing payables	8.443.889	406.320	812.640	3.572.078	4.987.816	9.778.854
Trade payables	9.187.629	--	9.187.629	--	--	9.187.629
Payables from employee benefits	32.625.763	32.625.763	--	--	--	32.625.763
Other payables	17.291.585	17.291.585	--	--	--	17.291.585
Other liabilities	10.519.685	10.519.685	--	--	--	10.519.685
Total	257.458.741	132.199.829	51.779.259	61.094.721	41.323.681	286.397.490
Derivative cash inflows	36.513.410	190.704.766	28.882.363	223.974.441	-	443.561.570
Derivative cash outflows	(35.447.142)	(190.486.177)	(28.766.503)	(218.057.924)	-	(437.310.604)
Total	258.525.009	132.418.418	51.895.119	67.011.238	41.323.681	292.648.456
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	1.202.884	952.797	250.087	--	--	1.202.884
Total	298.330.530	76.985.649	73.163.600	126.707.796	63.413.037	340.270.082
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	298.773.636	76.791.297	73.448.740	126.720.796	63.413.037	340.373.870



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29 FINANCIAL RISK MANAGEMENT (Continued)

(iii) Information on market risk

Foreign currency risk

Assets and liabilities denominated in foreign currency held by the Group as at 31 December 2021 and 31 December 2020 in original currency and total TL equivalents are as follows:

	31 December 2021			
	TL equivalent (functional currency)	USD	Euro	Other
1. Trade receivables	126.717	9.507	--	--
2a. Monetary financial assets	61.277.097	4.327.098	237.823	737
2b. Non-monetary financial assets	--	--	--	--
3. Other	62.824.390	4.686.409	11.682	10.185
4. CURRENT ASSETS	124.228.204	9.023.014	249.505	10.922
5. Trade receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	--	--	--	--
8. NON-CURRENT ASSETS	--	--	--	--
9. TOTAL ASSETS	124.228.204	9.023.014	249.505	10.922
10. Trade payables	(798.101)	(39.320)	(4.634)	(11.360)
11. Financial Liabilities	--	--	--	--
12a. Other Monetary Liabilities	(2.680.692)	(92.174)	(93.555)	(2.263)
12b. Other Non-monetary Liabilities	--	--	--	--
13. SHORT TERM LIABILITIES	(3.478.793)	(131.494)	(98.189)	(13.623)
14. Trade payables	--	--	--	--
15. Financial Liabilities	--	--	--	--
16a. Other Monetary Liabilities	--	--	--	--
16b. Other Non-monetary Liabilities	--	--	--	--
17. LONG TERM LIABILITIES	--	--	--	--
18. TOTAL LIABILITIES	(3.478.793)	(131.494)	(98.189)	(13.623)
19. Off-balance sheet derivative instruments net position (19a-19b)	11.996.100	900.000	-	-
19a. Derivative assets	248.362.280	8.615.000	8.290.000	471.105
19b. Derivative liabilities	(236.366.180)	(7.715.000)	(8.290.000)	(471.105)
20. Net foreign currency position	8.517.307	768.506	(98.189)	(13.623)
21. Net foreign currency position of monetary items position (1+2a+5+6a-10-11-12a-14-15-16a)	132.745.511	9.791.520	151.316	(2.701)



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29 FINANCIAL RISK MANAGEMENT (Continued)

(iii) Information on market risk (Continued)

Foreign currency risk (Continued)

	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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(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated)

29 FINANCIAL RISK MANAGEMENT (Continued)

(iii) Information on market risk (Continued)

Foreign currency risk (Continued)

Foreign currency sensitivity analysis

	Profit/loss		Shareholders' equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
31 December 2021				
10% change in USD foreign currency rate				
1. USD net asset/(liability)	13.051.118	(13.051.118)	13.051.118	(13.051.118)
2. Hedged portion against USD risk (-)	--	--	--	--
3. Net effect of USD (1+2)	13.051.118	(13.051.118)	13.051.118	(13.051.118)
10% change in EUR foreign currency rate				
4. EUR net asset/(liability)	228.286	(228.286)	228.286	(228.286)
5. Hedged portion against EUR risk (-)	--	--	--	--
6. Net effect of EUR (4+5)	228.286	(228.286)	228.286	(228.286)
10% change in GBP foreign currency rate				
7. GBP net asset/(liability)	(4.852)	4.852	(4.852)	4.852
8. Hedged portion against GBP risk (-)	--	--	--	--
9. Net effect of GBP (7+8)	(4.852)	4.852	(4.852)	4.852
TOTAL (3+6+9)	13.274.552	(13.274.552)	13.274.552	(13.274.552)


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29 FINANCIAL RISK MANAGEMENT (Continued)
(iii) Information on market risk (Continued)
Foreign currency risk (Continued)

	Profit/loss		Shareholders' equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
31 December 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)

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 2021	31 December 2020
Fixed rate financial instruments		
Financial assets		
Financial assets at fair value through profit or loss		
Government bonds	4.262.128	384.116
Eurobonds	53.100.249	35.795.770
Time deposits and receivables from reverse repurchase agreements	238.980.065	84.532.941
Financial liabilities		
Financial liabilities	119.111.999	189.500.454
Lease obligations	8.443.889	11.722.084
Payables to Money Markets	45.720.534	40.524.979
Floating rate financial instruments		
Financial assets		
Financial assets at fair value through profit or loss		
Private sector bonds	8.059.300	7.150.702
Financial liabilities		
Financial liabilities	5.749.584	35.064.543

The profit before tax of the Group from the financial asset valuation will decrease by TL 1.253.757 (31 December 2020: TL 1.489.869) and increase by TL 1.253.757 (31 December 2020: TL 1.489.869) in the case of 100 basis point decrease/increase in TL market interest rates with all other factors remaining constant as of 31 December 2021.



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29 FINANCIAL RISK MANAGEMENT (Continued)

(iii) Information on market risk (Continued)

Price risk

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

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

	31 December 2021	31 December 2020
	Income Statement	Income Statement
Financial assets at fair value through profit or loss	936.794	951.052
Total, net	936.794	951.052

(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 2021	31 December 2020
Total liabilities	179.390.190	269.416.170
Liabilities from leasing transactions	8.443.889	11.722.084
Minus: Cash and Cash equivalents (Note 5)	(271.357.158)	(113.013.033)
Net financial liability	(83.523.079)	168.125.221
Total equity	606.850.843	244.663.741
Net financial liability / equity ratio	(0,14)	0,69

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30 DERIVATIVE INSTRUMENTS

As of 31 December 2021 and 31 December 2020 details of derivative instruments are follows:

	31 December 2021	
	Assets	Liabilities
Forward operations	36.513.204	(35.189.119)
Option operations	206	(190.368)
Warrant operations	--	(67.655)
Total	36.513.410	(35.447.142)

	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 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 2021	
	Carrying value	Fair value
Financial assets		
Banks	271.329.659	271.329.659
Trade receivables (*)	376.481.835	343.463.835
Financial investments	108.981.119	108.981.119
Other receivables	64.428.511	64.428.511
Financial liabilities		
Financial liabilities (*) (**)	179.390.190	175.753.428
Payables from lease transactions	8.443.889	8.275.011
<hr/>		
	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
Payables from lease transactions	11.722.084	11.487.642

() The risk premium was taken into account as 5% in the fair value calculation of the trade receivables account, and the risk premium as 2% in the fair value calculation of the financial liabilities account (31 December 2020: 6% in the fair value calculation of the trade receivables account, the risk premium as 2% in the fair value calculation of the financial liabilities account). The Group calculated the fair values by discounting the undiscounted estimated cash flows by including the risk premiums stated above on the market interest rates.*

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



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(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 2021	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	27.230.133	61.159.549	--	88.389.682
Financial assets at fair value through other comprehensive income ⁽¹⁾	--	19.074.183	--	19.074.183
Financial assets measured at amortized cost	--	--	343.463.835	343.463.835
Financial liabilities	--	--	175.753.428	175.753.428
Derivative instruments	--	1.066.268	--	1.066.268
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

⁽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 controlling interests
31 December 2021					
Plato Finans	%1,79	(24.930)	(5.936)	--	--
Total		(24.930)	(5.936)	--	--
31 December 2020					
Plato Finans	%1,79	25.796	18.994	--	--
Total		25.796	18.994	--	--

33 FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR'S

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

	31 December 2021	31 December 2020
Independent audit fee for the reporting period (*)	1.765.522	1.018.486
Other assurance services and other non-audit fees	110.000	12.000
Total	1.875.522	1.030.486

(*) As of 31 December 2021, the audit fee for the group auditor is 1.579.416 TL and the audit fee received from other independent audit companies is 186.106 TL (31 December 2020: Group auditor independent audit fee is 980.436 TL and the audit fee received from other independent audit companies is 38,050 TL).

34 SUBSEQUENT EVENTS

With the "Law Amending the Tax Procedure Law and the Corporate Tax Law" published on January 29, 2022, the companies that convert their foreign currencies or various gold resources into Turkish Lira and use the Turkish Lira assets thus obtained in deposits and participation accounts with a maturity of at least three months, interest, dividends and other incomes are exempted from corporate tax. The company made a currency protected deposit with a maturity of 181 days, amounting to TL 27.261.200 on February 14, 2022, TL 19.674.425 on February 15, 2022, and TL 3.711.260 on February 7, 2022. The tax exemption to be incurred within the scope of the regulation is 199.988 TL. Changes in tax laws made after the reporting date are within the scope of "non-adjusting event after the reporting period" in accordance with IAS 10, and the period tax expense of the enterprise is calculated without considering this Law amendment.



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