

ÜNÜ Yatırım Holding A.Ş. And Its Subsidiaries

**Consolidated Financial Statements
As at and for the Year Ended 31 December 2022
With Independent Auditors' Report Thereon**

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



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

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of ÜNLÜ Yatırım Holding Anonim Şirketi

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of ÜNLÜ Yatırım Holding Anonim Şirketi (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, 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 2022, 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 2022 the Group has non-performing loans accounted under trade receivables account with total net present value of TL 224.832.145 (31 December 2021: TL222.679.036); 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.

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

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

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

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

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

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

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

B) Report on Other Legal and Regulatory Requirements

- 1) Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on March 8, 2023.
- 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 2022 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

8 March 2023
Istanbul, Turkey

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ÜNLÜ YATIRIM HOLDİNG A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2022 and 2021

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

	<i>Notes</i>	Audited 31 December 2022	Audited 31 December 2021
ASSETS			
Current assets			
Cash and cash equivalents	5	264.458.178	271.357.158
Financial investments	6	505.175.109	107.463.865
Derivatives instruments	30	10.399.016	36.513.410
Trade receivables	8	519.226.371	214.018.646
- Trade receivables due from related parties	4	7.231.857	3.311.653
- Trade receivables due from other parties	8	511.994.514	210.706.993
Other receivables	9	150.915.829	64.164.314
- Other receivables due from related parties	4	642.672	1.132.326
- Other receivables due from other parties	9	150.273.157	63.031.988
Prepaid expenses	11	11.885.658	6.957.712
Current tax-related assets	27	1.416.723	--
Other current assets	12	2.854.845	1.337.656
SUBTOTAL		1.466.331.729	701.812.761
Assets held for sale	13	202.198	557.947
TOTAL CURRENT ASSETS		1.466.533.927	702.370.708
Non-current assets			
Financial investments	6	1.517.254	1.517.254
Investments accounted through equity method	7	16.548.737	15.613.749
Trade receivables	8	161.222.326	162.463.189
Other receivables	9	--	264.197
Property and equipment	15	20.751.168	12.883.081
Rights of use	17	4.380.562	7.472.452
Intangible assets		43.596.382	36.207.584
- Goodwill	16	29.198.326	29.198.326
- Other intangible assets	16	14.398.056	7.009.258
Other non-current assets		24.948	11.979
Deferred tax assets	27	1.570.266	162.310
TOTAL NON-CURRENT ASSETS		249.611.643	236.595.795
TOTAL ASSETS		1.716.145.570	938.966.503

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 2022 and 2021

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

	Notes	Audited 31 December 2022	Audited 31 December 2021
LIABILITIES			
Short term liabilities			
Short term liabilities	14	546.345.945	99.171.275
Short term portion of long term liabilities	14	22.667.554	46.548.060
- Short term liabilities due to related parties	4	--	--
- Short term liabilities due to other parties	14	22.667.554	46.548.060
Leasing payables	14	4.338.299	3.863.555
Other financial liabilities	14	7.767.417	8.808.073
Derivatives instruments	30	7.735.239	35.447.142
Trade payables	8	11.816.362	9.187.629
- Trade payables due to other parties	8	11.816.362	9.187.629
Other payables	9	27.779.133	17.291.585
- Other payables due to related parties	4	3.193.360	1.604.100
- Other payables due to other parties	9	24.585.773	15.687.485
Short term liabilities for employee benefits	10	73.148.184	32.625.763
Short term provisions		20.072.371	7.204.147
- Provisions for employee benefits	20	18.573.603	5.428.348
- Other Provisions	18	1.498.768	1.775.799
Tax payable for the period	27	9.410.092	10.519.685
Deferred income		506.716	34.660
TOTAL SHORT TERM LIABILITIES		731.587.312	270.701.574
Long term liabilities			
Long term liabilities	14	26.372.745	24.862.782
- Long term financial liabilities due to other parties	14	26.372.745	24.862.782
Leasing payables	14	1.124.897	4.580.334
Long term provisions		4.776.418	2.369.149
- Provisions for employee benefits	20	4.776.418	2.369.149
Deferred tax liabilities	27	57.904.582	29.601.821
TOTAL LONG TERM LIABILITIES		90.178.642	61.414.086
SHAREHOLDERS' EQUITY			
Equity attributable to owners of the parent			
Share capital	21	175.000.000	175.000.000
Share premium	21	210.450.971	210.450.971
Repurchased shares	21	(4.020.977)	(4.020.977)
Other comprehensive expenses that will not be reclassified to profit or loss		(1.698.117)	(346.835)
- Remeasurement (losses)/profit of defined benefit plans	21	(1.698.117)	(346.835)
Other comprehensive income that will be reclassified to profit or loss		89.820.089	52.269.082
- Foreign Currency translation differences	21	50.635.368	36.625.448
- Revaluation gain on financial assets at fair value through other comprehensive income	21	39.184.721	15.643.634
Retained earnings	21	156.004.538	93.861.359
Net income for the period		268.823.112	79.643.179
Non-controlling interests	32	--	(5.936)
TOTAL SHAREHOLDERS' EQUITY		894.379.616	606.850.843
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1.716.145.570	938.966.503

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 2022 and 2021

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

		Audited	Audited
	Notes	1 January – 31 December 2022	1 January – 31 December 2021
PROFIT OR LOSS			
Financial sector activities revenue	22	10.468.221.098	5.009.492.660
Cost of financial sector activities (-)	22	(9.775.725.499)	(4.709.238.818)
Gross profit from financial sector activities		692.495.599	300.253.842
Marketing, selling and distribution expenses (-)	23	(40.534.381)	(19.551.426)
General administrative expenses (-)	23	(443.052.566)	(226.057.853)
Other operating income	24	5.616.026	1.936.162
Other operating expense (-)	24	(714.507)	(898.226)
Operating profit		213.810.171	55.682.499
Gain on investments for using the equity method	4,7	13.394.878	5.078.113
Income from investing activities	25	160.040.935	28.434.242
Expense from investing activities (-)	25	(52.953.208)	(3.619.068)
Profit before financial income		334.292.776	85.575.786
Financial income	26	248.616.283	189.936.508
Financial expenses (-)	26	(232.243.115)	(165.102.776)
Profit before tax		350.665.944	110.409.518
Tax expense			
- Tax expense for the period	27	(60.755.357)	(30.814.089)
- Deferred tax income/(expense)	27	(21.087.475)	22.820
Profit		268.823.112	79.618.249
Profit attributable to:			
Equity holders of the parent		268.823.112	79.643.179
Non-controlling interests		--	(24.930)
Net income for the period		268.823.112	79.618.249
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss		(1.351.282)	(35.056)
Remeasurement gains of defined benefit plans	20	(1.801.709)	(42.067)
Deferred tax income	27	450.427	7.011
Items that will be reclassified to profit or loss		37.551.007	34.883.780
Change in fair value of financial assets at fair value through other comprehensive income	21	29.798.844	12.790.384
Change in fair value of financial assets at fair value through other comprehensive income, tax effect		(6.257.757)	(2.558.077)
Currency translation differences	21	14.009.920	24.651.473
Currency translation differences tax effect	21	--	--
Other comprehensive income / (expense)		36.199.725	34.848.724
Total comprehensive income		305.022.837	114.466.973
Total comprehensive income attributable to:			
Equity holders of the parent		305.022.837	114.491.903
Non-controlling interests		--	(24.930)
Total comprehensive income		305.022.837	114.466.973

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 2022 and 2021

(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	Remeasurement losses/profits of defined benefit plans	Other accumulated comprehensive income not to be classified in profit or loss	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	Total
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
1 January 2022		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
Transfers		--	--	--	--	--	--	--	2.381.835	77.261.344	(79.643.179)	--	--	--
Net income for the period		--	--	--	--	--	--	--	--	--	268.823.112	268.823.112	5.936	268.829.048
Other comprehensive income		--	--	--	--	(1.351.282)	23.541.087	14.009.920	--	--	--	36.199.725	--	36.199.725
Dividend distributed		--	--	--	--	--	--	--	--	(17.500.000)	--	(17.500.000)	--	(17.500.000)
31 December 2022		175.000.000	210.450.971	(4.020.977)	--	(1.698.117)	39.184.721	50.635.368	19.505.384	136.499.154	268.823.112	894.379.616	--	894.379.616

The public offering of the shares of ÜNLÜ Yatırım Holding A.Ş. (“Group”) took place on the Borsa Istanbul 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 2022 and 2021

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

		Audited 1 January - 31 December 2022	Audited 1 January - 31 December 2021
	Not		
A. Cash flows (used in)/from operating activities		1.504.907	30.904.265
Net profit for the period		268.823.112	79.643.179
Adjustments for to reconcile net income to net cash provided by operating activities		138.382.774	41.495.323
Adjustments for depreciation and amortization	15,16,17	13.004.777	10.005.095
Adjustments for provisions		15.595.278	1.375.092
Adjustments for provision for employee benefits		15.872.309	3.214.653
Adjustments for lawsuit provisions	18	(277.031)	337.259
Adjustments for other provisions		--	(2.176.820)
Adjustments for interest income and expenses		34.476.519	5.535.446
Effect of exchange rate changes on cash and cash equivalents		(15.342.383)	(4.617.914)
Adjustments for fair value gain/(loss)		8.805.751	(1.593.665)
Adjustments for tax expense		81.842.832	30.791.269
Operating profit before changes in assets and liabilities		(405.700.979)	(90.234.237)
Adjustments for (increase)/decrease in trade receivables	8	(303.966.862)	(69.224.517)
- Decrease in trade receivables due from related parties	4	(3.920.204)	(426.597)
- (Increase)/decrease in trade receivables due from other parties	8	(300.046.658)	(68.797.920)
Adjustments for (increase)/decrease in other receivables	9	(86.487.318)	(18.839.052)
- Decrease in other receivables due from related parties	4	489.654	(871.318)
- (Increase)/decrease in other receivables due from other parties	9	(86.976.972)	(17.967.734)
Adjustments for (increase)/decrease in other current assets		(6.458.104)	(1.206.470)
Adjustments for (decrease)/increase in trade payables		2.628.733	2.387.899
Adjustments for decrease in other payables		33.669.687	19.777.698
- Decrease in other payables due to related parties		24.771.399	12.752.988
- (Decrease)/increase in other payables due to other parties		8.898.288	7.024.710
Adjustments for increase/(decrease) in other liabilities		20.316.052	5.882.543
Employment benefits paid	20	(2.121.494)	(7.459.190)
Taxes paid/refunded		(63.281.673)	(21.553.148)
B. Cash flows used in investing activities		(356.309.730)	(21.725.560)
Dividend received	26	353.871	199.680
Interest received		34.545.360	27.858.265
Changes in financial investments		(367.912.400)	(34.401.272)
Cash inflows from sales of non-current assets held for sale		--	--
Purchase of property and equipment	15	(12.245.005)	(9.186.487)
Purchase of intangible assets	16	(11.051.556)	(6.195.746)
C. Cash flows from/(used in) financing activities		332.563.394	116.444.751
Capital increase		--	37.269.158
Cash inflows from issuing shares, net		--	210.450.971
Cash from financial borrowings		32.601.092.263	1.501.041.687
Cash outflows from debt payments		(32.177.327.834)	(1.595.327.283)
Interest paid		(66.303.982)	(30.561.318)
Cash outflows from financial leasing transactions		(7.397.053)	(6.428.464)
Dividends Distributed		(17.500.000)	--
D. The effect of change in foreign exchange rates on cash and cash equivalents		15.342.383	32.833.203
Net increase in cash and cash equivalents (A+B+C+D)		(6.899.046)	158.456.659
E. Cash and cash equivalents at the beginning of the period	5	271.054.085	112.597.426
Cash and cash equivalents at the end of the period (A+B+C+D+E)	5	264.155.039	271.054.085

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 2022 and 2021

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

1 ORGANISATION AND NATURE OF OPERATIONS

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

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

The address of the Company is; Ahi Evran Cad. Polaris Plaza B Blok No: 21 Kat: 1 34485 Maslak, Sarıyer Istanbul.

The company 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 2022 and 2021

(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 2022 and 2021

(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.

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 2022, there are 486 (31 December 2021: 476) employees in the Group.

The consolidated financial statements for the year ended 31 December 2022 were approved by the Board of Directors on 8 March 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022 and 2021

(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/IFRS”) published by the Public Oversight Accounting and Auditing Standards Authority (“KGG”), 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/IFRS published by KGG.

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.

According to TAS 29 Financial Reporting Standard in Hyperinflationary Economies, enterprises whose functional currency is the currency of a hyperinflationary economy report their financial statements according to the purchasing power of money at the end of the reporting period. TAS 29 defines characteristics that may indicate that an economy is a hyperinflationary economy. At the same time, all entities reporting in the currency of a hyperinflationary economy in accordance with IAS 29 are required to apply this Standard from the same date. For this reason, as stated in TAS 29, it is expected that all businesses will start to implement TAS 29 at the same time, with the announcement to be made by the Public Oversight Accounting and Auditing Standards Authority in order to ensure consistency in practice across the country. However, POA has not made a statement regarding whether an adjustment will be made within the scope of TAS 29 in the consolidated financial statements for the accounting period ending on 31 December 2022. Therefore, TAS 29 has not been applied and no inflation adjustment has been made in the consolidated financial statements as of 31 December 2022.

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 of December 31, 2022 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, 2022 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022 and 2021

(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, 2022 are as follows:

Amendments to TFRS 3 – Reference to the Conceptual Framework

In July 2020, 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 must be applied prospectively. The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TAS 16 – Proceeds before intended use

In July 2020, 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 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. The amendments did not have a significant impact on the financial position or performance of the Group.

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

In July 2020, POA issued amendments to TAS 37 Provisions, Contingent Liabilities and Contingent assets. The amendments 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). The amendments did not have a significant impact on the financial position or performance of the Group.

Annual Improvements – 2018–2020 Cycle

In July 2020, 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.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022 and 2021

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

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

A. BASIS OF PRESENTATION (Continued)

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

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

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

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

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. 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

In January 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity’s right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period (“future covenants”), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity’s right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa. The 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 2022 and 2021

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

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

A. BASIS OF PRESENTATION (Continued)

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

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of ‘accounting estimates’. The amendments 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, 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 TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments 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 2022 and 2021

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

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

A. BASIS OF PRESENTATION (Continued)

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

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

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under “Subsequent measurement of the lease liability” heading after the commencement date in a sale and leaseback transaction, the seller lessee determines ‘lease payments’ or ‘revised lease payments’ in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining ‘lease payments’ that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16. The Group is in the process of assessing the impact of the amendments 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 2022 and 2021

(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.

B. CHANGES IN ACCOUNTING ESTIMATES AND ERRORS

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

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation

Subsidiaries

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

ÜNLÜ YATIRIM HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022 and 2021

(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 2022 and 2021:

Name of the company	Country	Functional Currency	Main activity and service line	Final share ratio	
				31 December 2022	31 December 2021
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
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
ÜNLÜ Portföy Dokuzuncu Serbest (TL) Fon ⁽⁴⁾	Turkey	TRY	Fund	% 95,00	--
ÜNLÜ Yazılım ve Teknoloji Hizmetleri A.Ş. (“ÜNLÜ Yazılım”)	Turkey	TRY	Software Services	% 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) With the decision of its Board of Directors of dated September 26, 2022 and numbered 19, Plato Finansal Danışmanlık Servisleri A.Ş., registered in the Istanbul Trade Registry Directorate with registration number 708921-0, was merged with İstanbul Varlık Yönetim A.Ş. by taking over all its assets and liabilities as a full successor through dissolution without liquidation based on the balance sheet and records dated June 30, 2022.

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

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

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

ÜNLÜ YATIRIM HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022 and 2021

(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)

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 2022

Name	Effective holding ratio	Total Assets	Total Equity	Profit/(loss) for the period
ÜNLÜ Menkul Değerler A.Ş. (consolidated)	100,00%	721.853.687	219.261.126	95.984.870
ÜNLÜ Portföy Yönetimi A.Ş.	100,00%	22.848.957	15.950.223	2.793.246
ÜNLÜ Yazılım ve Teknoloji Hizmetleri A.Ş.(“ÜNLÜ Yazılım”)	100,00%	551.983	449.773	(50.227)
İstanbul Varlık Yönetim A.Ş.	100,00%	372.564.188	154.750.927	79.306.393
ÜNLÜ Alternative Asset Management Ltd.	100,00%	32.708.488	31.086.596	(4.258.274)
Turkish Alternative Investments Limited	100,00%	17.200.377	8.544.643	10.676.172
ÜNLÜ Portföy Dokuzuncu Serbest (TL) Fon	95,00%	394.456.501	394.184.726	21.988.714

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
ÜNLÜ Yazılım ve Teknoloji Hizmetleri A.Ş.(“ÜNLÜ Yazılım”)	--	--	--	--
ÜNLÜ Portföy Dokuzuncu Serbest (TL) Fon	--	--	--	--

ÜNLÜ YATIRIM HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022 and 2021

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022 and 2021

(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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2022 and 2021**

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022 and 2021

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022 and 2021

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022 and 2021

(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)

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

(e) Explanations on netting of financial assets

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

(f) Trade payables

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

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

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

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2022 and 2021**

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

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

ÜNLÜ YATIRIM HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022 and 2021

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

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 2022, foreign currency at the end of the period for EUR transactions is TL 19.9349, for USD transactions, it is TL 18.6983, for GBP transactions, it is TL 22.4892 (31 December 2021: EUR: 15.0867, USD: 13.3290, GBP: 17.9667).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022 and 2021

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

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 50.635.368 is recognized in “Currency translation differences” account under the equity in the balance sheet (31 December 2021: TL 36.625.448 foreign currency gain).

(m) Provisions, contingent liabilities and assets

In accordance with the Turkish Accounting Standard 37 (“TAS 37”) “Provisions, Contingent Assets and Liabilities”, Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in the financial statements and treated as “Contingent assets or liabilities” (Note 18).

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

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

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

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

Right 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.

ÜNLÜ YATIRIM HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022 and 2021

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

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Leasing Obligations

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

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022 and 2021

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

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Subsequent events

Subsequent events cover any events which arise between the reporting date and the balance sheet date, even if they occurred after any declaration of the net profit for the period or specific financial information publicly disclosed. The Group adjusts its consolidated financial statements if such subsequent events arise which require an adjustment to the financial statements (Note 34).

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022 and 2021

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

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 2022 is 21-25%, tax rate is used 21-25% for temporary differences that are expected to be realized / closed in the current period, 21-25% for temporary differences that are expected to occur / close in 2022, and 20-25% for temporary differences that are expected to occur / close after 2022 (As of December 31, 2021: The effective corporate tax rate 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).

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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022 and 2021

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

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Earning per share

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

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

D. SIGNIFICANT ACCOUNTING ASSESSMENTS, ESTIMATES AND ASSUMPTIONS

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

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

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

Note 8 - Trade receivables and payables

Note 15 - Property and equipment

Note 16 - Intangible assets

Note 17 - Rights of use

Note 18 - Provisions, contingent assets and liabilities

Note 20 - Provision for employee benefits

Note 22 - Cost of sales

Note 27 - Tax assets and liabilities

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

3 SEGMENT REPORTING

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022 and 2021

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

3 SEGMENT REPORTING (Continued)

As at 31 December 2022 and 2021, segment reporting is prepared based on the brokerage, portfolio management activities and consultancy services.

31 December 2022	Brokerage, corporate finance and portfolio management services	Asset management consultancy and services	Private equity	Investment holding services	Eliminations (*)	Total
Financial sector activities						
revenue	10.132.837.194	290.268.067	-	51.676.981	(6.561.144)	10.468.221.098
Income from securities trading transactions	9.851.941.583	-	-	-	-	9.851.941.583
Income from brokerage	197.629.173	-	-	-	-	197.629.173
Income from non-performing Loans	-	287.031.660	-	-	-	287.031.660
Warrant income	22.710.225	-	-	-	-	22.710.225
Public offering commission income	13.571.972	-	-	-	-	13.571.972
Corporate finance income	13.160.699	-	-	51.676.981	-	64.837.680
Consulting income	-	3.236.407	-	-	-	3.236.407
Portfolio management incomes	10.308.676	-	-	-	-	10.308.676
Other financial incomes	23.552.329	-	-	-	(6.561.144)	16.991.185
Discounts from financial income (-)	(37.463)	--	--	--	--	(37.463)
Cost of financial sector activities	(9.775.725.499)	-	-	-	-	(9.775.725.499)
Cost of securities trading transactions (-)	(9.775.725.499)	--	--	--	--	(9.775.725.499)
Cost of consulting income (-)	--	--	--	--	--	--
Gross profit	357.111.695	290.268.067	--	51.676.981	(6.561.144)	692.495.599
General administrative, marketing, selling and distribution expense	(232.993.763)	(172.364.971)	(569.982)	(86.493.207)	8.834.976	(483.586.947)
Other operating income/expenses, net	885.921	3.416.122	-	2.873.308	(2.273.832)	4.901.519
Operating profit/(loss)	125.003.853	121.319.218	(569.982)	(31.942.918)	--	213.810.171
Share of profit of investment accounted through equity method	-	-	13.394.878	-	-	13.394.878
Income from operation activities	13.116.735	8.786.489	-	138.137.711	-	160.040.935
Expense from operation activities	(11.123.880)	(721.327)	-	(41.108.001)	-	(52.953.208)
Profit/(loss) before						
Financial expenses	126.996.708	129.384.380	12.824.896	65.086.792	--	334.292.776
Financial income	69.268.291	12.657.400	148.019	176.978.358	(10.435.785)	248.616.283
Financial expenses	(159.538.695)	(27.679.826)	(2.366.389)	(53.093.990)	10.435.785	(232.243.115)
Profit before tax	36.726.304	114.361.954	10.606.526	188.971.160	--	350.665.944
Tax expense	(32.950.035)	(12.812.866)	-	(14.992.456)	-	(60.755.357)
Deferred tax income/(expense)	(3.250.888)	(18.501.781)	-	665.194	-	(21.087.475)
Net profit	525.381	83.047.307	10.606.526	174.643.898	--	268.823.112
Other comprehensive income/(expense)	2.815.710	11.194.210	-	22.189.805	-	36.199.725
Total comprehensive income/(expense)	3.341.091	94.241.517	10.606.526	196.833.703	--	305.022.837
Operating segment assets (31 December 2021)	760.375.026	405.272.676	17.200.377	632.857.358	(99.559.867)	1.716.145.570
Operating segment liabilities (31 December 2021)	525.163.677	220.683.752	8.655.734	111.210.566	(43.947.775)	821.765.954

(*) As of 31 December 2022, it consists of intra-group financial advisory income/expenses of TL 6.561.144 and intra-group interest income/expenses of TL 10.435.785.(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 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 2020)	311.906.123	323.407.873	15.736.830	441.145.655	(153.229.978)	938.966.503
Operating segment liabilities (31 December 2020)	201.724.772	198.828.632	17.868.359	35.811.832	(122.117.935)	332.115.660

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4 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a) Balances with related parties

	31 December 2022	31 December 2021
Financial investments		
Financial assets at fair value through profit or loss (*)		
- ÜNLÜ Portföy Para Piyasası (TL) Fonu	37.044.870	--
- ÜNLÜ Portföy İkinci İstatistik Arbitraj Serbest Fon	6.335.704	--
- ÜNLÜ Portföy Ar-Ge Girişim Sermayesi Yatırım Fonu	2.001.757	--
- ÜNLÜ Portföy Birinci Girişim Sermayesi Yatırım Fonu ⁽¹⁾	1.266.844	655.864
- ÜNLÜ Portföy Üçüncü Değişken Fon (1)	--	2.887.523
Total	46.649.175	3.543.387
Receivables		
Trade receivables (Note 8)		
ÜNLÜ Portföy İkinci İstatistiksel Arbitraj Serbest Fon ⁽¹⁾	2.415.430	3.440
ÜNLÜ Portföy İkinci Gayrimenkul Yatırım Fonu ⁽¹⁾	2.338.882	1.636.141
ÜNLÜ Portföy Birinci Gayrimenkul Yatırım Fonu ⁽¹⁾	1.231.508	953.218
ÜNLÜ Portföy İdacapital İvmelendirme Girişim Sermayesi Yat.Fonu ⁽¹⁾	245.254	-
ÜNLÜ Portföy Dokuzuncu Serbest (TL) Fon ⁽¹⁾	188.158	-
ÜNLÜ Portföy Birinci Değişken Fon ⁽¹⁾	149.406	206.951
ÜNLÜ Portföy Dördüncü Serbest Fon ⁽¹⁾	129.495	61.479
ÜNLÜ Portföy Hisse Senedi Fonu ⁽¹⁾	85.844	67.025
ÜNLÜ Portföy Para Piyasası Fonu ⁽¹⁾	69.838	94.976
ÜNLÜ Portföy Mutlak Getiri Hedefli Serbest Fon ⁽¹⁾	68.027	55.277
ÜNLÜ Portföy Beşinci Serbest Özel Fon ⁽¹⁾	62.985	52.292
ÜNLÜ Portföy Yedinci Serbest Özel Fon ⁽¹⁾	59.765	39.963
ÜNLÜ Portföy Birinci Girişim Sermayesi Yatırım Fonu ⁽¹⁾	52.358	28.515
ÜNLÜ Portföy Üçüncü Değişken Fon ⁽¹⁾	27.830	36.064
ÜNLÜ Portföy Sekizinci Serbest (Döviz) Fon ⁽¹⁾	24.117	774
ÜNLÜ Portföy Altıncı Serbest Özel Fon ⁽¹⁾	18.269	12.132
ÜNLÜ Portföy İstatistiksel Arbitraj Serbest Fon ⁽¹⁾	18.225	46.253
ÜNLÜ Portföy Boncuk Serbest Özel Fon ⁽¹⁾	17.812	710
ÜNLÜ Portföy Birinci Hisse Senedi Serbest Fonu ⁽¹⁾	13.695	774
ÜNLÜ Portföy İkinci Değişken Fon ⁽¹⁾	7.642	8.262
ÜNLÜ Portföy AR-GE Girişim Serm. Yat.Fonu ⁽¹⁾	4.092	-
ÜNLÜ Portföy Altın Fonu ⁽¹⁾	3.225	-
ÜNLÜ Portföy Zümrüt Hisse Senedi Serbest Özel Fon ⁽¹⁾	-	5.258
ÜNLÜ Portföy Has-Kar Serbest Özel Fon ⁽¹⁾	-	710
Other	-	1.439
Total	7.231.857	3.311.653

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

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

4 BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

a) Balances with related parties (Continued)

	31 December 2022	31 December 2021
Other receivables (Note 9)		
- Receivables from personnel	514.936	1.132.326
-Receivables from related parties	127.736	--
Total	642.672	1.132.326
Short term other payables (Note 9, 10)		
- Payables to personnel within the scope of benefits	38.230.846	17.455.976
- Borsa İstanbul A.Ş. ^{(1) (*)}	3.059.871	1.546.140
- Other payables to personnel	85.628	57.960
- Other payables to related parties	47.861	--
Total	41.424.206	19.060.076

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

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

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4 BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

b) Transactions with related parties

	1 January - 31 December 2022	1 January - 31 December 2021
Income from related parties		
Service income (Commission income) (*)		
ÜNLÜ Portföy İkinci İstatistiksel Arbitraj Serbest Fon ⁽¹⁾	6.193.156	4.633
Ünlü Portföy İkinci Gayrimenkul Yatırım Fonu ⁽¹⁾	2.338.882	1.636.141
Ünlü Portföy Birinci Değişken Fon ⁽¹⁾	1.630.392	2.548.143
Ünlü Portföy Birinci Gayrimenkul Yatırım Fonu ⁽¹⁾	1.231.508	953.218
Ünlü Portföy Dördüncü Serbest Fon ⁽¹⁾	1.185.939	369.310
ÜNLÜ Portföy İdadcapital İvmelendirme Girişim Sermayesi Yatırım Fonu	1.002.261	
Ünlü Portföy Beşinci Serbest Özel Fon ⁽¹⁾	684.118	360.807
Ünlü Portföy Mutlak Getiri Hedefli Serbest Fon ⁽¹⁾	677.887	432.113
Ünlü Portföy Hisse Senedi Fonu ⁽¹⁾	633.760	525.926
Ünlü Portföy Para Piyasası Fonu ⁽¹⁾	620.837	584.489
Ünlü Portföy Has-Kar Serbest Özel Fon ⁽¹⁾	573.688	-
Ünlü Portföy Yedinci Serbest Özel Fon ⁽¹⁾	550.568	237.601
Ünlü Portföy Dokuzuncu Serbest (TL) Fon ⁽¹⁾	479.610	-
ÜNLÜ Portföy İstatistiksel Arbitraj Serbest Fon ⁽¹⁾	365.788	154.262
Ünlü Portföy Üçüncü Değişken Fon ⁽¹⁾	264.373	656.823
Ünlü Portföy Boncuk Serbest Özel Fon ⁽¹⁾	225.468	-
Ünlü Portföy Sekizinci Serbest (Döviz) Fon ⁽¹⁾	225.135	-
ÜNLÜ Portföy Zümrüt Hisse Senedi Serbest Özel Fon ⁽¹⁾	221.239	4.332
Ünlü Portföy Altıncı Serbest (Döviz) Özel Fon ⁽¹⁾	172.640	25.191
ÜNLÜ Portföy Birinci Girişim Sermayesi Yatırım Fonu ⁽¹⁾	170.905	49.518
Ünlü Portföy Birinci Hisse Senedi Serbest Fon ⁽¹⁾	118.996	-
Ünlü Portföy İkinci Değişken Fon ⁽¹⁾	69.257	67.538
Ünlü Portföy Ar-Ge Girişim Sermayesi Yatırım Fonu ⁽¹⁾	4.092	-
Ünlü Portföy Altın Fonu ⁽¹⁾	3.226	3.973
Ünlü LT Investments Limited Partnership	(2.474.778)	4.465
Total	17.168.947	8.618.483
Income from investments accounted through equity method		
- ÜNLÜ LT ⁽³⁾	13.314.134	4.940.218
- 212 Limited ⁽²⁾	80.744	137.895
Total	13.394.878	5.078.113

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

(2) Group's subsidiary

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

(*) It consists of fund management fee income.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022 and 2021

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

4 BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

b) Transactions with related parties (Continued)

	1 January - 31 December 2022	1 January - 31 December 2021
Expenses to related parties		
General and administrative expenses (Note 23)		
- Şebnem Kalyoncuoğlu Ünlü ⁽²⁾	502.814	372.569
Financial expenses		
- Standard Bank South Africa ^{(1) (*)}	--	71.313
Total	502.814	443.882

⁽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 2022, the total amount of salary and other benefits provided to the top management by the Group is TL 117.468.820 (1 January - 31 December 2021: TL 61.463.393).

5 CASH AND CASH EQUIVALENTS

	31 December 2022	31 December 2021
Cash	7.909	27.499
Cash at banks	256.454.336	262.642.434
- Demand deposit	86.900.830	32.349.594
- Time deposit	169.553.506	230.292.840
Futures and options market guarantees	7.767.417	8.575.795
Receivables from reverse repurchase agreements ⁽¹⁾	228.516	111.430
Total	264.458.178	271.357.158

⁽¹⁾ As of 31 December 2022, the maturity of reverse repurchase agreements amounting to TL 228.516 is less than one month and the average interest rate of reverse repurchase agreements is 10,30% (31 December 2021: TL 111.430, 18%)

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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 2022 and 2021 by deducing interest accruals and customer deposits:

	1 January - 31 December 2022	1 January - 31 December 2021
Cash and cash equivalents	264.458.178	271.357.158
Interest accruals (-)	(169.406)	(182.356)
Restricted deposit (-)	(133.733)	(120.717)
Total	264.155.039	271.054.085

As at 31 December 2022 and 2021, the interest rates and maturity of the time deposits are as follows

31 December 2022			
Currency	Original amount	Amount (TL)	Interest rate (%)
TL	161.341.699	161.341.699	6,50-32,00
USD	439.174	8.211.807	1,10-4,00
Total		169.553.506	

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	

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6 FINANCIAL INVESTMENTS

Short term financial investments

	31 December 2022	31 December 2021
Financial assets at fair value through profit or loss	456.302.082	88.389.682
Financial assets at fair value through other comprehensive income	48.873.027	19.074.183
Total	505.175.109	107.463.865

As at 31 December 2022 and 2021, financial assets at fair value through profit or loss are as follows:

31 December 2022			
	Nominal	Fair value	Interest rate (%)
Eurobond	--	262.374.562	3,25-25,00%
Fx protected deposit	--	101.774.939	15,00%
Investment funds	--	67.524.854	--
Bank bonus	5.000.000	7.111.155	13,43-13,59%
Asset backed securities	6.000.000	6.257.888	29,54-39,42%
Shares	--	5.149.737	--
Private sector corporate bonds	--	4.123.227	1,00-33,12%
Government bonds	2.000.000	1.985.720	17,79-18,33%
Total		456.302.082	
31 December 2021			
	Nominal	Fair value	Interest rate (%)
Eurobond	--	53.100.249	6,00-10,80
Investment funds	--	13.600.062	--
Shares	--	9.367.943	--
Private sector bonds	--	8.059.300	18,64-22,49
Government Bonds	4.520.000	4.262.128	9,84-11,70
Total		88.389.682	

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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 2022 and 2021, securities given as collateral are as follows (Note 18):

	31 December 2022		31 December 2021	
	Nominal value	Fair value	Nominal value	Fair value
Government bonds	2.000.000	1.985.720	550.000	518.100
Total	2.000.000	1.985.720	550.000	518.100

As at 31 December 2022 and 2021, details of financial assets at fair value through other comprehensive income are as follows:

	31 December 2022		31 December 2021	
	Share (%)	Share amount (TL)	Share (%)	Share amount (TL)
212 Capital Partners I Coöperatief U.A. ⁽¹⁾	3,31	48.873.027	3,31	19.074.183
Total		48.873.027		19.074.183

⁽¹⁾ As of 31 December 2022, 212 Capital Partners I Coöperatief UA, one of the shares that the Company classified as financial assets with a fair value difference of 3.31% reflected on other comprehensive income, will be subject to increase in the future periods, the total commitment amount for all shareholders It is 30.200.000 USD. 212 Capital Partners I Coöperatief U.A. has made commitment payments on different dates until 2021 and ÜNLÜ Yatırım Holding A.Ş. participated in these payments with a total of USD 1.000.000 from January 2011 to December 31, 2022 (31 December 2021: Ünlü Yatırım Holding A.Ş. participated in these payments with a total of USD 1.000.000 from January 2011 to December 31, 2021) (Note 18).

Long term financial investments

	31 December 2022	31 December 2021
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 2022	31 December 2021
ÜNLÜ LT ⁽¹⁾	16.110.017	15.117.900
212 Limited (Cayman Island) ⁽²⁾	438.720	495.849
Total	16.548.737	15.613.749

⁽¹⁾ As of 31 December 2022, 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 (2021: USD 6.000.000) corresponding to 4,76% (2021: 4,76%) of total commitments. TAIL has made total payments of USD 5.166.666 as of 31 December 2022 (2021: USD 5.166.666) (Note 18).

⁽²⁾ As of December 31, 2022 It is an investment classified as investments valued by equity method, in which the Group has a share of 32,50% (2021: 32,50%)

Associates	Main activity	31 December 2022 Share %	31 December 2021 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 2022	31 December 2021
Financial investments	335.698.380	286.783.166
Cash and cash equivalents	3.596.974	31.478.803
Trade and other payables(-)	(849.513)	(659.036)
Net assets	338.445.741	317.602.933
Share in net assets of the associate	16.110.017	15.117.900
Total share of the Company in the net assets of the subsidiaries	16.110.017	15.117.900
	1 January - 31 December 2022	1 January - 31 December 2021
Increase/(decrease) in value of financial assets	284.614.014	104.752.941
Other income/(expense)	(4.905.323)	(3.606.917)
Net income/(loss) for the period	279.708.691	101.146.024
Company's total share of net period profit	13.314.134	4.814.551

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8 TRADE RECEIVABLES AND PAYABLES

	31 December 2022	31 December 2021
Short term trade receivables		
Receivables from customers on credit ⁽²⁾	399.194.582	132.665.935
Overdue receivables ⁽¹⁾	63.609.819	60.215.847
Receivables form customer	29.873.946	3.823.560
Receivables on consultancy services	13.160.699	9.834.421
<i>Receivables on consultancy services ⁽³⁾</i>	<i>13.160.699</i>	<i>9.834.421</i>
Receivables from leveraged buy and sell transactions	6.148.566	4.147.510
Trade receivables due from related parties (Note 4)	7.231.857	3.311.653
Other	6.902	19.720
Total	519.226.371	214.018.646
Long term trade receivables		
Overdue receivables ⁽¹⁾	161.222.326	162.463.189
Total	161.222.326	162.463.189

⁽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 224.832.145 (December 31, 2021: 222.679.036) as of December 31, 2022 In accordance with TFRS 9, there is no impairment occurring after the purchase Group loan portfolio amounting to a total of 4.160.346.000 TL from banks and finance companies in Turkey has purchased by paying 368.137.000 TL (December 31, 2021: loan portfolio in the amount of 4.009.211.000 amount purchased by paying 350.137.000 TL).

⁽²⁾ As of 31 December 2022, the interest rate applied by the Group to loans extended to its customers is between 45,26% and 10,26% (31 December 2021: 29,16% - 14,16%). As of 31 December 2022, the Group has received guarantees from its customers with a fair value of TL 719.478.136 (31 December 2021: TL 241.107.786) for the loans granted.

⁽³⁾ As of 31 December 2022, a portion of TL 13.160.699 consists of consultancy services that the Group has completed in 2022 and fulfilled its performance obligations in accordance with TFRS 15, but has not yet been invoiced. (31 December 2021: TL 9.834.4321)

	31 December 2022	31 December 2021
Short term trade payables		
Miscellaneous payables (*)	5.825.966	7.010.653
Expense accruals (**)	2.535.673	2.139.448
Other trade payables	3.454.723	37.528
Total	11.816.362	9.187.629

(*)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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9 OTHER RECEIVABLES AND PAYABLES

	31 December 2022	31 December 2021
Short term other receivables		
Stock guarantee given to Takasbank	75.531.565	9.586.339
Guarantees given to Trade Tech Alpha LTD and IG Markets LTD	38.053.405	42.159.854
Other deposits and guarantees given	18.904.174	8.543.945
Guarantees given to derivatives market	16.798.339	2.262.116
Other receivables due from related parties (Note 4)	642.672	1.132.326
Other	985.674	479.734
Total	150.915.829	64.164.314
Other long term receivables		
Deposits and guarantees given	--	264.197
Total	--	264.197
	31 December 2022	31 December 2021
Other short term payables		
Other payables to suppliers(*)	12.414.447	6.154.928
Taxes and funds payables	11.193.747	8.770.562
Other payables to related parties (Note 4)	3.193.360	1.604.100
Other	977.579	761.995
Total	27.779.133	17.291.585

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

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	31 December 2022	31 December 2021
10 PAYABLES WITHIN THE SCOPE OF EMPLOYEE BENEFITS		
Payables within the scope of employee benefits		
Due to personnel (Note 4)	38.230.846	17.455.976
Taxes and funds payables	27.621.781	13.054.991
Social security premiums payable	7.295.557	2.114.796
Total	73.148.184	32.625.763
11 PREPAID EXPENSES		
Short term prepaid expenses		
Prepaid expenses ⁽¹⁾	10.109.635	4.720.040
Advances given	1.776.023	2.237.672
Total	11.885.658	6.957.712
⁽¹⁾ Prepaid expenses consist of future health insurance, data processing and data publication expenses.		
12 OTHER ASSETS AND LIABILITIES		
Other current assets		
Deposits given	2.814.295	805.715
Deferred VAT	40.550	531.941
Total	2.854.845	1.337.656

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13 ASSETS HELD FOR SALE AND DISPOSAL GROUPS

	31 December 2022	31 December 2021
Assets held for sale ⁽¹⁾	202.198	557.947
Total	202.198	557.947

⁽¹⁾ TL 202.198 of assets held for sale consists of the vehicles and real estates acquired during the collection of loans by İstanbul Varlık (31 December 2021: TL 557.947).

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

	31 December 2022	31 December 2021
Assets held for sale and disposal groups		
Beginning of the period	557.947	122.099
Purchases during the period	--	435.848
Sales made during the period ⁽¹⁾	(355.749)	--
Total	202.198	557.947

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14 SHORT AND LONG-TERM LIABILITIES AND LEASING PAYABLES

	31 December 2022	31 December 2021
Short term liabilities		
Bank loans	310.616.165	53.450.741
Payables to Stock Exchange Money Market ⁽¹⁾	150.082.190	45.720.534
Issued securities	85.647.590	--
Leveraged trading transactions reserve collateral	7.767.417	8.808.073
Leasing payables	4.338.299	3.863.555
Total	558.451.661	111.842.903
Short portion of long term liabilities		
Bank loans	22.667.554	46.548.060
Total	22.667.554	46.548.060
Long term liabilities		
Bank loans	26.372.745	24.862.782
Leasing payables	1.124.897	4.580.334
Total	27.497.642	29.443.116

(1) As of 31 December 2022, the maturity of debts to the Exchange Money Market is less than one month and the interest rate is 10,00% (31 December 2021: 17,00%).

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

The details of the loans are as follows:

31 December 2022			
Currency of loans	Original amount	Amount (TL)	Interest rate (%)
TL	359.656.464	359.656.464	13,44-27,60
Total		359.656.464	
31 December 2021			
Currency of loans	Original amount	Amount (TL)	Interest rate (%)
TL	124.861.583	124.861.583	18-21,50
Total		124.861.583	

Repayment due dates of the loans are as follows:

	31 December 2022	31 December 2021
Within 1 year	333.283.719	99.998.801
Within 1-2 years	14.312.406	13.933.931
Within 2-3 years	5.724.066	8.496.748
Within 3-4 years	4.147.966	2.432.103
Longer than 4 years	2.188.307	--
Total	359.656.464	124.861.583

Movement tables of loans are as follows:

	2022	2021
As of 1 January	124.860.625	224.564.997
Additions received during the period	32.478.427.655	1.498.551.079
Principal and interest paid during the period	(32.243.631.816)	(1.599.825.986)
Foreign exchange difference (profit) / loss	--	1.571.493
31 December	359.656.464	124.861.583

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

The details of leasing payables are as follows:

	31 December 2022	31 December 2021
Leasing payables		
Less than 1 year	4.338.299	3.863.555
1-3 years	1.124.897	4.580.334
Total	5.463.196	8.443.889

The movement table of leasing payables is as follows;

	2022	2021
1 January	8.443.889	11.722.084
Additions	1.872.569	1.794.803
Interest expenses	2.677.326	1.256.551
Foreign exchange difference (profit) / loss	(133.535)	98.915
Payments related to leases	(7.397.053)	(6.428.464)
31 December	5.463.196	8.443.889

The average borrowing cost used by the Group in TFRS 16 calculations is the highest 27.31% and the lowest 19.60% for TL, the highest is 0.80% and the lowest is 0.75% for the GBP.

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15 PROPERTY AND EQUIPMENT

31 December 2022	Office equipment	Vehicles	Furniture and fixtures	Other tangible asset	Special costs	Total
Net book value, 1 January 2022	4.171.698	5.738.509	1.865.246	104.574	1.003.054	12.883.081
Additions	3.319.250	4.352.338	4.553.417	--	20.000	12.245.005
Disposals (net)	--	--	--	--	--	--
Depreciation charge	(1.546.585)	(1.663.686)	(845.313)	(22.901)	(298.433)	(4.376.918)
Net book value	5.944.363	8.427.161	5.573.350	81.673	724.621	20.751.168
Cost	14.415.608	10.390.773	11.178.826	509.613	4.986.752	41.481.572
Accumulated depreciation	(8.471.245)	(1.963.612)	(5.605.476)	(427.940)	(4.262.131)	(20.730.404)
Net book value	5.944.363	8.427.161	5.573.350	81.673	724.621	20.751.168
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

As of 31 December 2022, the Group has pledges on vehicles amounting to TL 9.304.193 (31 December 2021: TL 5.686.669).

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16 INTANGIBLE ASSETS

A. OTHER INTANGIBLE ASSETS

	1 January 2022	Additions	Disposals	31 December 2022
Cost	14.595.426	11.051.556	--	25.646.982
Accumulated amortization	(7.586.168)	(3.662.758)	--	(11.248.926)
Net book value (*)	7.009.258	7.388.798	--	14.398.056

	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

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

As at 31 December 2022 and 2021, the Group does not have any internally generated intangible assets.

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16 INTANGIBLE ASSETS (Continued)

B. GOODWILL

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

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

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

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

The acquisition transaction is accounted in consolidated financial statements by purchasing method in accordance with TFRS 3 Business Combinations Standard. As a result of the related recognition, goodwill amounting to TL 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 2023 and 31 December 2029. 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 2022, 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 2021: No impairment has been identified).

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17 RIGHTS OF USE ASSETS

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

31 December 2022	Buildings	Vehicles	Total
Cost			
1 January 2022	17.162.595	390.205	17.552.800
Additions	1.728.886	144.325	1.873.211
Disposals	--	--	--
Closing	18.891.481	534.530	19.426.011
Accumulated depreciations			
1 January 2022	(9.792.791)	(287.557)	(10.080.348)
Period depreciation	(4.853.379)	(111.722)	(4.965.101)
Disposals	-	-	-
Closing	(14.646.170)	(399.279)	(15.045.449)
Net book value as of 31 December 2022	4.245.311	135.251	4.380.562
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

ÜNLÜ YATIRIM HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022 and 2021

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

18 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

(i) Short term provisions

	31 December 2022	31 December 2021
Provisions for lawsuits ⁽¹⁾	1.498.768	1.775.799
Total	1.498.768	1.775.799

⁽¹⁾ As of 31 December 2022, the provision amounting to TL 1.498.768 (31 December 2021: TL 1.775.799) 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 2022 and 2021 is as follows:

	31 December 2022	31 December 2021
Provision for lawsuits		
Beginning of the period	1.775.799	1.438.540
Provision for the period	--	668.107
Reversal provision for the period	(277.031)	(330.848)
End of the period	1.498.768	1.775.799

(ii) Assets kept on behalf of customers

	31 December 2022	31 December 2021
Investment funds	3.014.460.197	2.965.788.104
Common stocks	1.843.217.196	2.288.014.054
Eurobond	1.563.397.721	380.248.000
Private sector corporate bond, treasury bills and government bonds	305.082.445	217.768.000
Warrant	1.480.927	1.059.656
Structured debt instruments	62.500	312.503

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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, 2022 and 2021 are as follows in original currencies:

31 December 2022				
	TL Equivalent	USD	Euro	TL
A. The total amount of GPMs given on behalf of their own legal entity	236.376.852	1.229.350	--	213.390.097
B. The total amount of GPMs that are given in favor of the partnerships included in the scope of full consolidation	--	--	--	--
C. The total amount of GPMs given by third parties for borrowing purposes for the purpose of carrying out their ordinary commercial activities	37.940.447			37.940.447
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	274.317.299	1.229.350		251.330.544

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

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18 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

(iv) Contingent liabilities

As of 31 December 2022, 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% (2021: 4.76%) 6.000.000 USD (2021: 6.000.000 USD) and as of 2022, 5.166.666 USD of this has been paid (2021: 5.166.666 USD) (Note 7).

As of 31 December 2022, 62.500 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 2022. (2021: 42.993 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, 117.399 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 2022. (2021: 126.000.)

19 CONTINGENCIES AND COMMITMENTS

Explanations regarding derivatives

As of 31 December 2022, there are no future contracts.

31 December 2021				
Contract definition	Maturity	Position	Number of contracts	Nominal value
F_USDTRY0221 (Future)	26 February 2022	Short	1580	1.580.000
Net position				1.580.000

20 PROVISION FOR EMPLOYEE BENEFITS

	31 December 2022	31 December 2021x
Short term employee benefits		
Bonus provision	6.841.841	124.085
Unused vacation provision	11.731.762	5.304.263
Total	18.573.603	5.428.348
Long term employee benefits		
Provision for employment termination benefits	4.776.418	2.369.149
Total	4.776.418	2.369.149

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(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 2022	31 December 2021
Discount rate (%)	2,53	3,15
Turnover rate to estimate the probability of retirement (%)	69,97	77,41

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 15.371 which is valid since 1 January 2022 (31 December 2021: TL 8.285).

Movements in the bonus provision for the year ended 31 December 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
Beginning of the period	124.085	5.839.802
Provision during the period	6.841.841	21.622
Payment during the period (-)	(124.085)	(5.737.339)
End of the period	6.841.841	124.085

Movements in the provision for unused vacation for the year ended 31 December 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
Beginning of the period	5.304.263	3.889.119
Provision during the period	7.274.325	2.012.665
Usage during the period (-)	(846.826)	(597.521)
End of the period	11.731.762	5.304.263

Movements in the provision for employment termination benefits for the year ended 31 December 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
Beginning of the period	2.369.149	2.271.046
Service cost	1.100.873	836.228
Interest cost	655.270	344.138
Actuarial gain/(loss)	1.801.709	42.067
Payment during the period (-)	(1.150.583)	(1.124.330)
End of the period	4.776.418	2.369.149

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21 SHAREHOLDERS’ EQUITY

Share capital

As of 31 December 2022 and 2021, share capital structure of the parent Company is as follows:

Namee of the Shareholder	Group	31 December 2022		31 December 2021		
		Amount (TL)	Share (%)	Amount (TL)	Share (%)	
Mahmut Levent Ünlü	A	55.092.337	31,48	A	55.092.337	31,48
Mahmut Levent Ünlü	B	58.143.258	33,23	B	58.143.258	33,23
The Wellcome Trust Ltd. as Trustee of the Wellcome Trust	B	13.498.188	7,71	B	13.498.188	7,71
Others	B	48.266.217	27,58	B	48.266.217	27,58
Total		175.000.000	100,00		175.000.000	100,00

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. Transaction costs amounting to TL 9,437,061 arising from the public offering process transactions have been deducted, and the net effect of the increase due to share-based transactions is TL 210,450,971.

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

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

As a result of the Ordinary General Assembly meeting held on 29 September 2015, the paid-in capital of the Company was increased from TL 32,153,606 to TL 32,182,966 and Article 6 of the Company's Articles of Association was changed. This capital increase was made by issuing shares at a premium, and Mahmut Levent Ünlü, İbrahim Romano, Tahir Selçuk Tuncalı, Kamil Attila Köksal, Kağan Çevik, Tunç Yıldırım, Mehmet Batur Özyar, Vedat Mizrahi and Mehmet Sezgin waived their pre-emptive rights. This capital increase decision had been registered on 30 September 2015 and published on Trade Registry Gazette numbered 8918 dated 5 October 2015.

As a result of the Ordinary General Assembly meeting held on 20 October 2015, the paid-in capital of the Company was increased from TL 32,182,966 to TL 33,858,378 and Article 6 of the Company's Articles of Association was changed. Excess of TL 1,675,412 increased in capital total amount of TL 22,732,588 was added to the statutory reserves as share premium. In this capital increase, all current shareholders of the Company waived their pre-emptive rights, and all of the increase amount was paid by Standard Bank Group Ltd. This capital increase decision had been registered on 21 October 2015 and published on Trade Registry Gazette numbered 8934 dated 27 October 2015.

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21 SHAREHOLDERS' EQUITY (Continued)

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

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

As a result of the Ordinary General Assembly meeting of 2015 held on 29 June 2016, the Company's paid-in capital was increased from TL 37,578,666 to TL 37,663,341 and the article 6 of the Company's Articles of Association was amended. This capital increase decision had been registered on 13 July 2016 and published on Trade Registry Gazette numbered 9118 dated 19 July 2016.

As a result of the Ordinary General Assembly meeting of 2016 held on December 19, 2017, the Company's paid-in capital was increased from TL 37,663,341 to TL 37,960,531 and the article 6 of the Company's Articles of Association was amended. This capital increase decision had been registered on 20 December 2017 and published on Trade Registry Gazette numbered 9481 dated 26 December 2017.

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21 SHAREHOLDERS' EQUITY (Continued)

As a result of the Ordinary General Assembly meeting of 2017 held on December 25, 2018, the Company's paid-in capital was increased from TL 37,960,531 to TL 137,730,842 and the article 6 of the Company's Articles of Association was amended. This capital increase decision has been registered on 27 December 2018 and published on Trade Registry Gazette numbered 9737 dated 3 January 2019. The entire amount of the increase is comprised of the freely available internal resources in the financial statements of the Company, the funds allowed by the legislation to be added to the capital, and the extraordinary reserves.

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

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

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

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

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

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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 2021: TL 4.020.977).

Other comprehensive income

Due to on TAS 19 standard, the Group has actuarial loss amounting to TL 1.698.117 (31 December 2021: TL 346.835 actuarial gain) of net tax comes from employee termination benefit provision.

Currency translation profit amounting to net TL 50.635.368 (31 December 2021: TL 36.625.448 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 2022 and 2021, the movement table for foreign currency translation differences is as follows:

	2022	2021
1 January	36.625.448	11.973.975
Foreign currency translation differences	14.009.920	24.651.473
31 December	50.635.368	36.625.448

As of 31 December 2022 and 2021, the movement table of the difference in revaluation gains of financial assets at fair value through other comprehensive income is as follows:

	2022	2021
1 January	15.643.634	5.411.327
Value increases, net	23.541.087	10.232.307
31 December	39.184.721	15.643.634

Retain Earnings

As of 31 December 2022, the details of the Group's retained earnings are as follows:

	2022	2021
Restricted reserves	19.505.384	17.123.549
Other reserves	44.553.056	44.553.056
Retained earnings	91.946.098	32.184.754
Total	156.004.538	93.861.359

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22

FINANCIAL SECTOR ACTIVITIES REVENUE AND COST

	1 January – 31 December 2022	1 January – 31 December 2021
<i>Income from securities trading transactions</i>	9.851.941.583	4.723.655.991
Sales of eurobond	9.434.267.817	4.287.857.184
Sales of government bonds	275.674.703	277.735.482
Sales of common stocks	52.932.806	80.047.220
Sales of financial bonds	34.819.426	44.571.509
Sales of private sector bonds	34.686.762	19.583.409
Sales of investment fund	19.560.069	13.861.187
<i>Income from non performing loans ⁽¹⁾</i>	287.031.660	142.847.170
<i>Corporate finance income</i>	64.837.680	40.789.852
<i>Portfolio management income</i>	10.308.676	6.470.597
<i>Brokerage income</i>	233.911.370	77.811.118
Interest income from loans		
Domestic stock sales brokerage commission	67.974.316	22.292.066
Foreign stock sales and brokerage commission	56.499.340	21.113.377
Commission on forward and future transactions	37.862.337	17.694.298
Warrant income	30.938.586	12.676.292
IPO brokerage commissions	22.710.225	--
Profits from leveraged trading transactions	13.571.972	--
Commission on custody transactions	2.800.922	2.872.905
Exchange transaction and custody commission	1.533.672	1.162.180
<i>Consulting income</i>	3.236.407	1.591.655
<i>Other financial income</i>	16.991.185	16.351.531
Foreign transaction income	7.177.756	8.788.925
Other service income	9.813.429	7.562.606
<i>Discounts from financial income (-)</i>	(37.463)	(25.254)
Financial service discounts (-)	(37.463)	(25.254)
Financial sector activities revenue	10.468.221.098	5.009.492.660
<i>Cost of securities trading transactions</i>	(9.775.725.499)	(4.709.238.818)
Cost of eurobond (-)	(9.360.420.712)	(4.272.835.412)
Cost of government bonds (-)	(273.647.056)	(277.608.504)
Cost of common stocks (-)	(52.618.526)	(80.957.875)
Cost of financial bonds (-)	(34.813.643)	(44.514.715)
Cost of private sector bonds (-)	(34.670.001)	(19.471.666)
Cost of investment fund (-)	(19.555.561)	(13.850.646)
Financial sector activities cost	(9.775.725.499)	(4.709.238.818)
Gross profit from financial sector activities	692.495.599	300.253.842

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

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23 EXPENSES BY NATURE

	1 January – 31 December 2022	1 January – 31 December 2021
Marketing, sales and distribution expenses		
Marketing and distribution expenses	30.751.730	13.948.292
Advertisement and publicity expenses	6.777.593	4.747.712
Representation expenses	3.005.058	855.422
Total	40.534.381	19.551.426
General administrative expenses		
Personnel expenses	266.182.431	134.677.463
Attorney, consultancy and audit expenses	65.908.127	32.405.375
Tax and sundry expenses	46.508.982	17.538.914
Data line rental expense	15.143.090	7.711.116
Depreciation and amortization expenses (Note 15, 16 ve 17)	13.004.777	10.005.095
Information technology expenses	7.192.964	6.927.947
Office building administrative expenses	4.499.161	2.159.428
Communication expenses	3.445.328	1.669.213
Travel expenses	2.556.675	783.092
Vehicle expenses	1.143.910	1.048.869
Rent expenses	474.661	1.277.842
Other general administrative expenses	16.992.460	9.853.499
Total	443.052.566	226.057.853

24 OTHER OPERATING INCOME AND EXPENSE

	1 January – 31 December 2022	1 January – 31 December 2021
Other operating income		
Sales of non-current assets held for sale	1.061.713	137.357
Reversal of prior period provisions	970.911	1.015.659
Fixed asset sales	355.749	--
Social security premium grants	331.373	--
Other service income	2.896.280	783.146
Total	5.616.026	1.936.162
Other operating expense		
Base increase payments	714.507	457.504
Compensation and lawsuit payments	--	119.631
Other	--	321.091
Total	714.507	898.226

ÜN LÜ YATIRIM HOLDİNG A.Ş.

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25 INCOMES AND EXPENSES FROM INVESTING ACTIVITIES

	1 January – 31 December 2022	1 January – 31 December 2021
Income from investing activities		
Profit on sales of financial assets	102.272.716	11.070.618
Profit on financial assets at fair value through profit or loss	57.768.219	17.363.624
Total	160.040.935	28.434.242

	1 January – 31 December 2022	1 January – 31 December 2021
Expense from investing activities		
Loss on sales of financial assets	41.829.328	681.390
Loss on financial assets at fair value through profit or loss	11.123.880	2.937.678
Total	52.953.208	3.619.068

26 FINANCIAL INCOMES AND EXPENSES

	1 January – 31 December 2022	1 January – 31 December 2021
Derivative market operations income	154.237.468	96.440.313
Foreign exchange gain	59.351.806	65.565.696
Interest income	34.532.410	27.730.819
Dividend income	353.871	--
Other	140.728	199.680
Total	248.616.283	189.936.508

	1 January – 31 December 2022	1 January – 31 December 2021
Derivative market operations expense	142.685.016	96.349.446
Interest expenses ⁽¹⁾	39.105.097	25.237.308
Issued debt instruments interest expenses	15.699.710	3.960.826
Interest expenses paid to Money Markets	14.578.558	4.068.131
Foreign exchange losses	12.754.132	32.002.597
Other expenses	7.420.602	3.484.468
Total	232.243.115	165.102.776

⁽¹⁾ Interest expenses include TL 20.083.339 (31 December 2021: TL 24.827.202) 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 2022	1 January – 31 December 2021
Current year tax expense	(60.755.357)	(30.814.089)
Prepaid tax (-)	52.761.988	20.294.404
Total tax (liability)/asset	(7.993.369)	(10.519.685)
	1 January – 31 December 2022	1 January – 31 December 2021
Current year tax expense	(60.755.357)	(30.814.089)
Deferred tax expense	(21.087.475)	22.820
Total tax expense	(81.842.832)	(30.791.269)

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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 2022 and 31 December 2021, calculated using the enacted tax rates, are as follows:

	Temporary differences		Deferred tax assets/(liabilities)	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Provision for employment termination benefit and vacation pay liability	19.722.622	7.673.412	4.745.007	1.538.173
Lawsuit provision	1.498.768	1.775.799	374.901	355.159
Leasing obligations	866.160	721.122	203.184	144.226
Financial instruments valuation difference	844.624	--	211.156	--
Other	32.361	--	6.796	--
Deferred tax assets			5.541.044	2.037.558
Loans and receivables valuation differences	(166.595.503)	(112.660.051)	(41.648.877)	(23.089.924)
Value increase in financial assets	(58.804.153)	(22.659.691)	(11.175.721)	(4.365.480)
Income accruals	(19.493.757)	(9.834.421)	(4.873.439)	(2.262.003)
TAS-Legal tax base exchange rate differences	--	(2.421.824)	--	(583.692)
Difference between tax base and carrying value of tangible and intangible assets	(6.959.252)	(2.730.749)	(1.661.013)	(546.150)
Valuation differences in derivative instruments	(2.663.777)	(1.066.268)	(665.944)	(245.242)
Profit from investments activities	(432.271)	(489.799)	(86.454)	(97.960)
Other	(8.208.321)	(1.384.774)	(1.763.912)	(286.618)
Deferred tax liabilities			(61.875.360)	(31.477.069)
Net-off			(56.334.316)	(29.439.511)
Deferred tax assets			1.570.266	162.310
Deferred tax liabilities			57.904.582	29.601.821

Movement of deferred tax assets and liabilities as of 31 December 2022 and 2021 is as follows:

	2022	2021
Beginning of the period January,1	(29.439.511)	(26.911.265)
Recognised in income statement	(21.087.475)	22.820
Recognised in other comprehensive income	(5.807.330)	(2.551.066)
End of the period December, 31	(56.334.316)	(29.439.511)

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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 2022	31 December 2021
Profit before tax	350.665.944	110.409.518
Income tax at the applicable tax rate of 23%/22%	(73.639.848)	(25.394.189)
Current period tax losses on which no deferred tax is calculated	3.473.156	1.340.485
Derecognition of previously recognised tax losses	--	(265.407)
Non-deductible expenses	(13.503.118)	(1.952.024)
Effects of investments in tax exempt countries	1.604.475	359.765
Other effects	222.503	(4.879.899)
Current year tax expense	(81.842.832)	(30.791.269)

Deferred tax that is not recognised in the financial statements

As of 31 December 2022, 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 2022, ÜNLÜ Securities Inc and ÜNLÜ Securities UK Ltd. subsidiary of the Company has TL 22.000.269 accumulated losses. As of 31 December 2022, ÜNLÜ Securities Inc and Ünlü Securities UK Ltd.’s tax losses carried forward and last deduction date is as follows:

	Carry forward tax losses ⁽¹⁾	Last deduction date
2019	3.571.067	31 December 2024
2020	3.420.647	31 December 2025
2021	5.348.496	31 December 2026
2022	9.660.059	31 December 2027
Total	22.000.269	

ÜNLÜ Menkul and its subsidiaries reviewed the business plan as of December 31, 2022 and estimated the risk of not being able to use the financial losses amounting to TL 22.000.269, which can be deducted in the coming years, and as of December 31, 2022, no deferred tax was calculated on the aforementioned accumulated financial losses with the precautionary principle (December 31, 2021: 13.816.488 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 2022	31 December 2021
Adi		
1. Profit from operations attributable to owners of the parent	268.823.112	79.643.179
2. Weighted average number of ordinary shares in issue	175.000.000	159.071.264
3. Earnings per share	1,536	0,501

29 FINANCIAL RISK MANAGEMENT

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

(i) *Information on credit risk*

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

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29 FINANCIAL RISK MANAGEMENT (Continued)

(i) Information on credit risk (continued)

	Receivables					Financial investments ⁽²⁾
	Trade receivables		Other receivables		Bank deposits ⁽¹⁾	
	Related parties	Other parties ⁽³⁾	Related parties	Other parties		
31 December 2022						
Maximum credit risk exposure as of the financial statements date (A+B+C+D)	7.231.857	673.216.840	642.672	150.273.157	264.450.269	451.152.345
Maximum credit risk under guaranteed through net collateral, or etc.	--	--	--	--	--	--
A. Net carrying value of financial assets which are neither impaired nor overdue	7.231.857	448.384.695	642.672	150.273.157	264.450.269	451.152.345
B. Net carrying value of impaired assets collateralized portion of the net exposure	--	224.832.145	--	--	--	--
C. Net book value of assets exposed to impairment loss	--	--	--	--	--	--
- Overdue (gross book value)	--	--	--	--	--	--
- Impairment loss (-)	--	--	--	--	--	--
- The part under guaranteed through net collateral, or etc.	--	--	--	--	--	--
- Not overdue (gross book value)	--	--	--	--	--	--
- Impairment loss (-)	--	--	--	--	--	--
- The part under guaranteed through net collateral, or etc.	--	--	--	--	--	--
D. Off-balance sheet items exposed to credit risk	--	--	--	--	--	--
	Receivables					
	Trade receivables		Other receivables		Bank deposits ⁽¹⁾	Financial investments ⁽²⁾
	Related parties	Other parties ⁽³⁾	Related parties	Other parties		
31 December 2021						
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	--	--	--	--	--	--

⁽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 2022, the Group have TL 10.399.016 receivables from derivative instruments and 7.735.239 payables from derivative instruments (31 December 2021: TL 36.513.410 receivables from derivative instruments and TL 35.447.142 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 2022 and 31 December 2021:

31 December 2022	Carrying value	Up to 1 month	1 to 3 months	3 months to 1 year	1 year to 5 years	Total contractual cash outflows
Financial liabilities	603.153.661	337.540.618	113.737.886	163.807.998	24.250.934	639.337.436
Leasing payables	5.463.196	257.003	777.506	3.927.919	1.388.833	6.351.261
Trade payables	11.816.362	--	11.816.362	--	--	11.816.362
Payables from employee benefits	73.148.184	73.148.184	--	--	--	73.148.184
Other payables	27.779.133	27.779.133	--	--	--	27.779.133
Other liabilities	9.410.092	--	9.410.092	--	--	9.410.092
Total	730.770.628	438.724.938	135.741.846	167.735.917	25.639.767	767.842.468
Derivative cash inflows	10.399.016	1.992.735.402	324.399.317	19.377.615	--	2.336.512.334
Derivative cash outflows	(7.735.239)	(1.999.232.985)	(323.557.925)	(19.138.123)	--	(2.341.929.033)
Total	733.434.405	432.227.355	136.583.238	167.975.409	25.639.767	762.425.769

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

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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 2022 and 31 December 2021 in original currency and total TL equivalents are as follows:

	31 December 2022			
	TL equivalent (functional currency)	USD	Euro	Other
1. Trade receivables	1.032.111	37.741	5.093	10.000
2a. Monetary financial assets	77.461.212	3.691.273	183.944	212.270
2b. Non-monetary financial assets	--	--	--	--
3. Other	68.229.977	3.618.800	22.821	4.875
4. CURRENT ASSETS	146.723.300	7.347.814	211.858	227.145
5. Trade receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	--	--	--	--
8. NON-CURRENT ASSETS	--	--	--	--
9. TOTAL ASSETS	146.723.300	7.347.814	211.858	227.145
10. Trade payables	(15.218.449)	(517.333)	(155.709)	(108.548)
11. Financial Liabilities	--	--	--	--
12a. Other Monetary Liabilities	(3.058.716)	(112.983)	--	(42.070)
12b. Other Non-monetary Liabilities	--	--	--	--
13. SHORT TERM LIABILITIES	(18.277.165)	(630.316)	(155.709)	(150.618)
14. Trade payables	--	--	--	--
15. Financial Liabilities	--	--	--	--
16a. Other Monetary Liabilities	--	--	--	--
16b. Other Non-monetary Liabilities	--	--	--	--
17. LONG TERM LIABILITIES	--	--	--	--
18. TOTAL LIABILITIES	(18.277.165)	(630.316)	(155.709)	(150.618)
19. Off-balance sheet derivative instruments net position (19a-19b)	(91.816.405)	(2.512.339)	(2.249.319)	-
19a. Derivative assets	1.140.696.483	56.468.035	4.155.347	89.100
19b. Derivative liabilities	(1.232.512.888)	(58.980.374)	(6.404.666)	(89.100)
20. Net foreign currency position	(110.093.570)	(3.142.655)	(2.405.028)	(150.618)
21. Net foreign currency position of monetary items position (1+2a+5+6a-10-11-12a-14-15-16a)	36.629.730	4.205.159	(2.193.170)	76.527
22. Financial instruments used for currency hedging total fair value	--	--	--	--
23. Amount of hedged portion of foreign currency assets	--	--	--	--
24. Amount of hedged portion of foreign currency liabilities	--	--	--	--

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29 FINANCIAL RISK MANAGEMENT (Continued)

(iii) Information on market risk (Continued)

Foreign currency risk (Continued)

	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)
22. Financial instruments used for currency hedging total fair value	--	--	--	--
23. Amount of hedged portion of foreign currency assets	--	--	--	--
24. Amount of hedged portion of foreign currency liabilities	--	--	--	--

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29 FINANCIAL RISK MANAGEMENT (Continued)

(iii) Information on market risk (Continued)

Foreign currency risk (Continued)

Foreign currency sensitivity analysis

	Profit/loss		Shareholders' equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
31 December 2022				
10% change in USD foreign currency rate				
1. USD net asset/(liability)	7.862.932	(7.862.932)	7.862.932	(7.862.932)
2. Hedged portion against USD risk (-)	--	--	--	--
3. Net effect of USD (1+2)	7.862.932	(7.862.932)	7.862.932	(7.862.932)
10% change in EUR foreign currency rate				
4. EUR net asset/(liability)	(4.372.061)	4.372.061	(4.372.061)	4.372.061
5. Hedged portion against EUR risk (-)	--	--	--	--
6. Net effect of EUR (4+5)	(4.372.061)	4.372.061	(4.372.061)	4.372.061
10% change in GBP foreign currency rate				
7. GBP net asset/(liability)	172.103	(172.103)	172.103	(172.103)
8. Hedged portion against GBP risk (-)	--	--	--	--
9. Net effect of GBP (7+8)	246.884	(172.103)	172.103	(172.103)
TOTAL (3+6+9)	3.662.974	(3.662.974)	3.662.974	(3.662.974)

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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 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)

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 2022	31 December 2021
Fixed rate financial instruments		
Financial assets		
Financial assets at fair value through profit or loss		
Eurobonds	262.374.562	53.100.249
Fx-protected deposit	101.774.939	--
Bank Bond	7.111.155	--
Government bonds	1.985.720	4.262.128
Private sector bonds	4.123.227	8.059.300
Asset backed securities	6.257.888	--
Time deposits and receivables from reverse repurchase agreements	177.549.439	238.980.065
Financial liabilities		
Financial liabilities	356.263.172	119.111.999
Lease obligations	5.463.196	8.443.889
Payables to Money Markets	150.082.190	45.720.534
Floating rate financial instruments		
Financial liabilities		
Financial liabilities	3.393.292	5.749.584
Issued securities	85.647.590	--

The profit before tax of the Group from the financial asset valuation will decrease by TL 1.548.165 (31 December 2021: TL 1.253.757) and increase by TL 1.548.165 (31 December 2021: TL 1.253.757) in the case of 100 basis point decrease/increase in TL market interest rates with all other factors remaining constant as of 31 December 2022.

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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 2022	31 December 2021
	Income Statement	Income Statement
Financial assets at fair value through profit or loss	7.267.459	936.794
Total, net	7.267.459	936.794

(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 2022	31 December 2021
Total liabilities	603.153.661	179.390.190
Liabilities from leasing transactions	5.463.196	8.443.889
Minus: Cash and Cash equivalents (Note 5)	(264.458.178)	(271.357.158)
Net financial liability	344.158.679	(83.523.079)
Total equity	894.379.616	606.850.843
Net financial liability / equity ratio	0,38	(0,14)

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30 DERIVATIVE INSTRUMENTS

As of 31 December 2022 and 31 December 2021 details of derivative instruments are follows:

	31 December 2022	
	Assets	Liabilities
Option operations	503.940	(450.130)
Warrant operations	--	(423.652)
Swap operations	687.538	(506.760)
Forward operations	9.207.538	(6.354.697)
Total	10.399.016	(7.735.239)

	31 December 20201	
	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 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 2022	
	Carrying value	Fair value
Financial assets		
Banks	264.458.178	264.458.178
Trade receivables (*)	680.448.697	663.360.697
Financial investments	506.692.363	506.692.363
Other receivables	150.915.829	150.915.829
Financial liabilities		
Financial liabilities (*) (**)	603.153.661	606.666.559
Payables from lease transactions	5.463.196	5.299.196

	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

(*)The risk premium was taken into account as 6% in the fair value calculation of the trade receivables account, and the risk premium as 2% in the fair value calculation of the financial liabilities account (31 December 2021: 5% in the fair value calculation of the trade receivables account, the risk premium as 2% in the fair value calculation of the financial liabilities account). The Group calculated the fair values by discounting the undiscounted estimated cash flows by including the risk premiums stated above on the market interest rates.

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

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31 FINANCIAL INSTRUMENTS (Continued)

Fair value of the financial instruments (Continued)

Fair value hierarchy

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

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

31 December 2022	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	83.908.973	372.393.109	--	456.302.082
Financial assets at fair value through other comprehensive income ⁽¹⁾	--	48.873.027	--	48.873.027
Financial assets measured at amortized cost	--	--	663.360.697	663.360.697
Financial liabilities	--	--	606.666.559	606.666.559
Derivative instruments	--	2.663.777	--	2.663.777
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

- ⁽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 ton on controlling interests
31 December 2022					
Plato Finans	--	--	--	--	--
Total		--	--	--	--
31 December 2020					
Plato Finans	% 1,79	(24.930)	(5.936)	--	--
Total		(24.930)	(5.936)	--	--

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 2022	31 December 2021
Independent audit fee for the reporting period	3.553.577	2.242.823
Other assurance services and other non-audit fees	55.000	110.000
Total	3.608.577	2.352.823

34 SUBSEQUENT EVENTS

An earthquake occurred in the southeastern part of Turkey that affected many of our provinces. Since the ultimate severity of this earthquake, which caused the death and injury of thousands of people, is currently uncertain, efforts to measure the impact on the Company's operations and financial condition continue.

On February 7, 2023, at Muratpaşa/Antalya address, "ÜNLÜ Menkul Değerler A.Ş. The permission to open a branch under the title of "Antalya Branch" has been obtained from the Capital Markets Board and the branch opening works have been started.

On 08.03.2023, an application was made to the Capital Markets Board for permission in order to increase the registered capital ceiling of our Subsidiary ÜNLÜ Portföy Yönetimi A.Ş. from TL10.000.000 to TL 50.000.000.

It was decided to increase the issued capital of our Subsidiary ÜNLÜ Yazılım ve Teknoloji Hizmetleri A.Ş. from TL 1.000.000 to TL 5.000.000 and the situation was registered and announced in the Turkish Trade Registry Gazette dated 03.03.2023 and numbered 10772. has been done.

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34 SUBSEQUENT EVENTS (continued)

The regulation abolishing the retirement age requirement for employees who entered employment before 8 September 1999 was published in the Official Gazette on 3 March 2023. Accordingly, those who completed the number of premium days and insurance period among the relevant employees were entitled to retire. This arrangement is expected to have an impact on the timing and probability of settlement of severance payments. Studies to measure the effects of the said regulation on the Group's financial position or performance are ongoing.

Taking into account the resolution of the Board of Directors on the Capital Markets Legislation and the Capital Markets Board's bulletin dated 14.02.2023 and numbered 2023/10, on 15.02.2023, the resolution of the Board of Directors regarding the share repurchase transactions, the maximum value of the Company's shares was determined in order to support the formation of a healthy price in the share market. It has been decided that the maximum amount of funds will be determined as 35.000.000 TL and the maximum number of shares to be purchased will not exceed 5.000.000, valid for a period of 3 months, and that the funds to be allocated will be met from our Company's equity. In this context, shares with a nominal value of TL 100,000, representing 0.057% of the capital of Ünlü Yatırım Holding A.Ş were repurchased.