

ÜNÜ Yatırım Holding A.Ş. and Its Subsidiaries

**Condensed Consolidated Financial Statements
And Independent Limited Auditor's Report from
the Interim Period 1 January – 30 June 2023**

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



**Building a better
working world**

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

Report on Review of Interim Condensed Consolidated Financial Statements

To the Board of Directors of ÜNLÜ Yatırım Holding Anonim Şirketi,

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Ünlü Yatırım Holding Anonim Şirketi (the Company) and its subsidiaries (the Group) as of 30 June 2023 and the interim condensed consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement cash flows for the six-month period then ended, and explanatory notes. Group management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Turkish Accounting Standards 34, Interim Financial Reporting (TAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

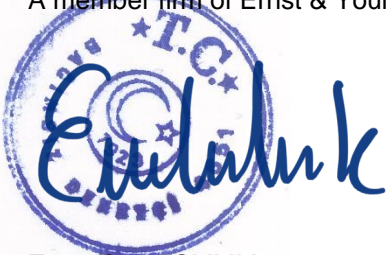
Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with TAS 34.

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



Emre Çelik, SMMM
Partner

16 August 2023
Istanbul, Turkey

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ÜNLÜ YATIRIM HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

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

		Reviewed	Audited
	Notes	30 June 2023	31 December 2022
ASSETS			
Current Assets			
Cash and Cash equivalents	5	990.340.923	264.458.178
Financial investments	6	317.443.733	505.175.109
Derivatives instruments	27	535.828	10.399.016
Trade receivables	8	449.741.951	519.226.371
- Trade receivables due from related parties	4	9.093.811	7.231.857
- Trade receivables due from other parties	8	440.648.140	511.994.514
Other receivables	9	176.204.463	150.915.829
- Other receivables due from related parties	4	335.202	642.672
- Other receivables due from other parties	9	175.869.261	150.273.157
Prepaid expenses	11	10.019.189	11.885.658
Current tax-related assets		--	1.416.723
Other current assets	12	2.763.520	2.854.845
SUBTOTAL		1.947.049.607	1.466.331.729
Assets held for sale	12	309.142	202.198
TOTAL CURRENT ASSETS		1.947.358.749	1.466.533.927
Non-current assets			
Financial investments	6	1.517.254	1.517.254
Investments accounted through equity method	7	21.118.683	16.548.737
Trade receivables	8	195.021.905	161.222.326
Property and equipment	14	22.201.519	20.751.168
Rights of use	14	2.913.292	4.380.562
Intangible assets		42.475.048	43.596.382
- Goodwill	15	29.198.326	29.198.326
- Other intangible assets	15	13.276.722	14.398.056
Other non-current assets		24.948	24.948
Deferred tax assets	24	4.621.591	1.570.266
TOTAL NON-CURRENT ASSETS		289.894.240	249.611.643
TOTAL ASSETS		2.237.252.989	1.716.145.570

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

ÜNLÜ YATIRIM HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

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

	Notes	Reviewed 30 June 2023	Audited 31 December 2022
LIABILITIES			
Short term liabilities			
Short term liabilities	13	878.225.564	546.345.945
Short term portion of long term liabilities	13	43.094.611	22.667.554
- Short term liabilities due to other parties	13	43.094.611	22.667.554
Leasing payables	13	2.993.722	4.338.299
Other financial liabilities	13	3.272.584	7.767.417
Derivatives instruments	27	520.693	7.735.239
Trade payables		10.777.963	11.816.362
- Trade payables due to other parties	8	10.777.963	11.816.362
Other payables	9	33.460.361	27.779.133
- Other payables due to related parties	4	5.931.636	3.193.360
- Other payables due to other parties	9	27.528.725	24.585.773
Short term liabilities for employee benefits	10	19.721.665	73.148.184
Short term provisions		48.096.111	20.072.371
- Provisions for employee benefits	17	46.502.697	18.573.603
- Other Provisions	16	1.593.414	1.498.768
Current period profit tax liability	24	26.131.203	9.410.092
Deferred income		1.127.645	506.716
Other short term liabilities		474.719	--
TOTAL SHORT TERM LIABILITIES		1.067.896.841	731.587.312
Long term liabilities			
Long term liabilities	13	11.760.745	26.372.745
- Long term financial liabilities due to other parties	13	11.760.745	26.372.745
Leasing payables	13	723.316	1.124.897
Long term provisions		3.207.323	4.776.418
- Provisions for employee benefits		3.207.323	4.776.418
Deferred tax liabilities	24	59.198.609	57.904.582
TOTAL LONG TERM LIABILITIES		74.889.993	90.178.642
SHAREHOLDERS' EQUITY			
Equity attributable to owners of the parent		1.094.466.155	894.379.616
Share capital	18	175.000.000	175.000.000
Share premiums		210.450.971	210.450.971
Repurchased shares	18	(15.350.600)	(4.020.977)
Other comprehensive expenses that will not be reclassified to profit or loss		(3.612.541)	(1.698.117)
- Remeasurement (losses)/profit of defined benefit plans	18	(3.612.541)	(1.698.117)
Other comprehensive income that will be reclassified to profit or loss		120.329.012	89.820.089
- Foreign currency translation differences	18	65.873.777	50.635.368
- Revaluation gain on financial assets at fair value through other comprehensive income	18	54.455.235	39.184.721
Retained earnings	18	374.827.650	156.004.538
Net income for the period		232.821.663	268.823.112
Non-controlling interests		--	--
TOTAL SHAREHOLDERS' EQUITY		1.094.466.155	894.379.616
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2.237.252.989	1.716.145.570

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

ÜN LÜ YATIRIM HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 1 JANUARY – 30 JUNE 2023

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

	Notes	Reviewed 1 January – 30 June 2023	Non-Audited 1 April- 30 June 2023	Reviewed 1 January – 30 June 2022	Non-Audited 1 April- 30 June 2022
PROFIT OR LOSS					
Financial sector activities revenue	19	14.359.178.158	10.397.057.912	4.192.622.946	1.924.572.037
Cost of financial sector activities (-)	19	(13.857.828.580)	(10.141.206.469)	(3.937.565.912)	(1.781.988.435)
Gross profit from financial sector activities		501.349.578	255.851.443	255.057.034	142.583.602
General administrative expenses (-)	20	(343.488.819)	(183.939.373)	(171.305.625)	(92.457.228)
Marketing, selling and distribution expenses (-)	20	(28.394.949)	(14.014.842)	(13.295.077)	(7.935.595)
Other operating income	21	1.153.400	473.487	2.959.554	2.766.070
Other operating expense (-)	21	--	--	(6.401)	(3.853)
Operating profit		130.619.210	58.370.715	73.409.485	44.952.996
Gain on investments for using the equity method	3	4.569.946	4.438.525	(352.047)	(482.100)
Income from investing activities	22	119.550.562	86.882.910	53.224.933	26.292.977
Expense from investing activities (-)	22	(8.190.790)	493.291	(20.137.595)	(2.694.662)
Profit before financial income		246.548.928	150.185.441	106.144.776	68.069.211
Financial income	23	180.185.845	121.570.793	133.876.667	81.420.319
Financial expenses (-)	23	(148.244.163)	(84.599.778)	(118.309.207)	(77.130.479)
Profit before tax		278.490.610	187.156.456	121.712.236	72.359.051
Tax expense					
- Tax expense for the period	24	(50.140.162)	(27.470.737)	(25.313.640)	(17.948.734)
- Deferred tax income/ (expense)	24	4.471.215	(283.163)	(10.777.812)	(7.538.866)
Net profit for the period		232.821.663	159.402.556	85.620.784	46.871.451
Profit/loss attributable to:					
Equity holders of the parent		232.821.663	159.402.556	85.634.795	46.877.396
Non-controlling interests		--	--	(14.011)	(5.945)
Net profit for the period		232.821.663	159.402.556	85.620.784	46.871.451
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to profit or loss		(1.914.424)	(1.619.083)	(722.179)	(1.248.418)
Remeasurement gains of defined benefit plans		(2.552.571)	(2.175.491)	(888.280)	(1.535.554)
Deferred tax income / (expense)	24	638.147	556.408	166.101	287.136
Items that will be reclassified to profit or loss		30.508.923	28.434.749	12.931.356	8.339.490
Change in fair value of financial assets at fair value through other comprehensive income		18.622.578	17.452.394	4.580.694	4.580.694
Change in fair value of financial assets at fair value through other comprehensive income, tax effect		(3.352.064)	(3.106.326)	(916.139)	(916.139)
Currency translation differences	18	15.238.409	14.088.681	9.266.801	4.674.935
Other comprehensive income / (expense)		28.594.499	26.815.666	12.209.177	7.091.072
Total comprehensive income		261.416.162	186.218.222	97.829.961	53.962.523
Total comprehensive income attributable to:					
Equity holders of the parent		261.416.162	186.218.222	97.843.972	53.968.468
Non-controlling interests		--	--	(14.011)	(5.945)
Total comprehensive income		261.416.162	186.218.222	97.829.961	53.962.523

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

ÜNLÜ YATIRIM HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 30 JUNE 2023

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

Reviewed attributable to owners of the parent													
Notes	Paid capital	Share premium	Repurchased shares	Remeasurement losses/profits of defined benefit plans	Other accumulated comprehensive income not to be classified in profit or loss	Other accumulated comprehensive income to be classified in profit or loss	Currency translation differences	Retained earnings	Restricted reserves	Net income for the period	Equity of the parent	Non-controlling interests	Total
						Revaluation gains on financial assets at fair value through other comprehensive income							
1 January 2022	175.000.000	210.450.97	1	(4.020.977)	(346.835)	15.643.634	36.625.448	93.861.359	--	79.643.179	606.856.779	(5.936)	606.850.843
Transfers	18	--	--	--	--	--	--	79.643.179	--	(79.643.179)	--	--	--
Net profit for the period	18	--	--	--	--	--	--	--	--	85.634.795	85.634.795	(14.011)	85.620.784
Other comprehensive income	18	--	--	--	(722.179)	3.664.555	9.266.801	--	--	--	12.209.177	--	12.209.177
Dividend paid	18	--	--	--	--	--	--	(17.500.000)	--	--	(17.500.000)	--	(17.500.000)
30 June 2022	175.000.000	210.450.97	1	(4.020.977)	(1.069.014)	19.308.189	45.892.249	156.004.538	--	85.634.795	687.200.751	(19.947)	687.180.804
1 January 2023	175.000.000	210.450.97	1	(4.020.977)	(1.698.117)	39.184.721	50.635.368	136.499.154	19.505.384	268.823.112	894.379.616	--	894.379.616
Transfers	18	--	--	--	--	--	--	263.648.031	5.175.081	(268.823.112)	--	--	--
Net profit for the period	18	--	--	--	--	--	--	--	--	232.821.663	232.821.663	--	232.821.663
Increase due to share-based transactions	18	--	--	(11.329.623)	--	--	--	--	--	--	(11.329.623)	--	(11.329.623)
Other comprehensive income	18	--	--	--	(1.914.424)	15.270.514	15.238.409	--	--	--	28.594.499	--	28.594.499
Dividend paid	18	--	--	--	--	--	--	(50.000.000)	--	--	(50.000.000)	--	(50.000.000)
30 June 2023	175.000.000	210.450.97	1	(15.350.600)	(3.612.541)	54.455.235	65.873.777	350.147.185	24.680.465	232.821.663	1.094.466.155	--	1.094.466.155

(*) Due to the increase in ÜNLÜ Investment Holding's capital from 137.730.842 TL to 175.000.000 TL, a total of 45.533.009 TL nominal value consisting of 45.533.009 shares, including 37.269.158 TL nominal value of 37.269.158 shares to be increased and 8.263.851 TL nominal value of 8.263.851 shares owned by the current shareholder Mahmut Levent Ünlü, have been offered to the public. As a result of the transactions obtained during the public offering process, the emission premiums amounting to 219.888.032 TL were added to the share issuance premiums. The net effect of the increase due to share-based transactions, after offsetting the transaction costs amounting to 9.437.061 TL arising from the public offering process, is 210.450.971 TL.

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

ÜN LÜ YATIRIM HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 30 JUNE 2022

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

		Reviewed 1 January - 30 June 2023	Reviewed 1 January - 30 June 2022
A. Cash flows (used in)/from operating activities		486.747.577	(186.470.533)
Net profit/(loss) for the period		232.821.663	85.634.795
Adjustments for to reconcile net income to net cash provided by operating activities		123.376.276	72.340.100
Adjustments for depreciation and amortization	14,15	8.488.345	6.908.298
Adjustments for provisions		33.331.460	12.016.328
Adjustments for lawsuit provisions	16	94.646	254.216
Adjustments for severance pay provisions		895.934	768.161
Adjustments for vacation provisions		32.340.880	10.993.951
Adjustments for interest income and expenses		48.084.031	12.596.762
Adjustments for unrealized foreign currency translation differences		(25.427.136)	(7.575.341)
Adjustments for fair value gain/(loss)		13.230.629	12.302.601
Adjustments for tax expense		45.668.947	36.091.452
Operating profit before changes in assets and liabilities		130.549.638	(344.445.428)
Changes in financial investments		206.353.954	(181.331.063)
Adjustments for (increase)/decrease in trade receivables		35.684.841	(113.702.225)
- Decrease/(increase) in trade receivables due from related parties		(1.861.954)	133.947
- (Increase)/decrease in trade receivables due from other parties		37.546.795	(113.836.172)
Adjustments for (increase)/decrease in other receivables		(25.288.634)	(5.115.776)
- Decrease/(increase) in other receivables due from related parties		307.470	(105.842)
- Increase in other receivables due from other parties		(25.596.104)	(5.009.934)
Adjustments for (increase)/decrease in other current/non-current assets		1.957.794	1.002.676
Adjustments for (decrease)/increase in trade payables		(1.038.399)	245.173
Adjustments for decrease in other payables		(29.563.948)	(13.554.640)
- Decrease in other payables due to related parties		(30.937.805)	(14.770.323)
- Increase in other payables due to other parties		1.373.857	1.215.683
Adjustments for increase/(decrease) in other liabilities		(14.657.819)	(10.085.135)
Payments made within the scope of provisions for employee benefits		(11.289.601)	(526.517)
Other changes related to activities		393.778	(2.023.243)
Taxes paid/refunded		(32.002.328)	(19.354.678)
B. Cash flows used in investing activities		(7.113.351)	5.346.565
Dividend received		14.473	18.699
Interest received		--	9.561.130
Purchase of property and equipment	14	(4.859.328)	(1.054.554)
Purchase of intangible assets	15	(2.268.496)	(3.178.710)
C. Cash flows from/(used in) financing activities		219.080.476	42.652.975
Cash from financial borrowings		249.881.271	63.817.575
Cash outflows from financial leasing transactions		(2.966.838)	(3.664.600)
Dividend paid	18	(50.000.000)	(17.500.000)
Capital increase		--	--
Cash inflows from the issuance of shares, net	18	(11.329.623)	--
Interest received		33.495.666	--
D. The effect of foreign translation differences on cash and cash equivalent		25.427.136	9.851.621
Net increase in cash and cash equivalents (A+B+C+D)		724.141.838	(128.619.372)
E. Cash and cash equivalents at the beginning of the period		264.155.039	271.054.085
Cash and cash equivalents at the end of the period (A+B+C+D+E)		988.296.877	142.434.713

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

ÜNLÜ YATIRIM HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 30 JUNE 2023

(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; Maslak Mah. Ahi Evran Caddesi Polaris Plaza No:21 İç Kapi No:11 – 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 letter numbered E-50035491-431.04-00062112491, 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 19 March 2021 and numbered 10291.

In addition to the changes in other Articles of Association, the Company; registered capital system and the registered capital ceiling has been determined as TL 650.000.000, and the current paid-in capital TL 175.000.000 has been divided into share groups as follows.

Group A Share nominal: TL 55.092.337 wholly owned by Mahmut Levent ÜNLÜ and its ratio to the paid-in capital is 31,48%. Group B Share nominal : TL. 58.143.258 Mahmut levent ÜNLÜ has a share of 33,23% of the capital. Group B Share nominal : TL 61.764.405 Other shareholders, its ratio to the capital is 35,29%.

Within the public offering plans, ÜNLÜ Yatırım Holding A.Ş. applied to the Capital Markets Board for the Public Offering Prospectus on 12 March 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. After the public offering, share capital of the Company has reached TL 175.000.000. 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 ÜNLÜ Yazılım ve Teknoloji Hizmetleri A.Ş. ("ÜNLÜ Teknoloji") details of all direct and indirect subsidiaries were given in the note 2.C.(a).

ÜNLÜ YATIRIM HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 30 JUNE 2023

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

1 ORGANISATION AND NATURE OF OPERATIONS (continued)

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

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

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

On October 27, 2014, by the Ordinary General Assembly meeting, decision was taken to increase the Company's share capital from TL 2.683.330 to TL 10.000.000 to amend 6th section (related to issued capital) of the Articles of Association and to approve new capital structure as stated above, issued capital increase and to apply to CMB and Ministry of Industry and Trade to get required authorization about the amendment of Articles of Association. TL 7.316.670 of increased issued capital was fully covered by internal resources. The decision of issued capital increase was declared on Trade Registry Gazette No: 8688 dated November 6, 2014.

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.

On May 21, 2019, by the Ordinary General Assembly meeting, decision was taken to increase the Company's share capital from TL 10.000.000 to TL 15.000.000 to amend 6th section (related to issued capital) of the Articles of Association and to approve new capital structure as stated above, issued capital increase and to apply to CMB and Ministry of Industry and Trade to get required authorization about the amendment of Articles of Association. TL 5.000.000 of increased issued capital was paid in cash by Ünlü Yatırım Holding A.Ş.. The decision of issued capital increase was declared on Trade Registry Gazette No: 9844 dated June 10, 2019.

On April 25, 2022, by the Ordinary General Assembly meeting, Company's share capital from TL 15.000.000 to TL 35.000.000 to amend 6th section (related to issued capital) of the Articles of Association and to approve new capital structure as stated above, issued capital increase and to apply to CMB and Ministry of Industry and Trade to get required authorization about the amendment of Articles of Association. TL 20.000.000 of increased issued capital was paid in cash by Ünlü Yatırım Holding A.Ş.. The decision of issued capital increase was declared on Trade Registry Gazette No: 10570 dated April 29, 2022.

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.

ÜNLÜ YATIRIM HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 30 JUNE 2023

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

1 ORGANISATION AND NATURE OF OPERATIONS (continued)

As of 23 November 2021, within the capital ceiling of TL 10.000.000, the issued capital of the Company was increased from TL 5.000.000 to TL 1.000.000 by 16,6667%, to TL 6.000.000; It was decided to cover the entire capital of TL 1.000.000 increased from Other Capital Reserves. Within the capital ceiling of 10.000.000 TL, the issued capital of the company was increased by 4.000.000 TL from 6.000.000 TL to 10.000.000 TL; The entire increased capital of 4.000.000 TL held by ÜNLÜ Yatırım Holding A.Ş. as the sole shareholder, was decided to be covered by the company and it was registered and announced in the Turkish Trade Registry Gazette dated 25 July 2022 and numbered 10624.

Capital of İstanbul Varlık and its subsidiaries Plato Finans and Plato Teknoloji which belong to ÜNLÜ Menkul Değerler A.Ş. with amount of TL 10.000.000 which has TL 10.000.000 nominal capital amount has been transferred to ÜNLÜ Yatırım Holding A.Ş. which registry number of 792072 with cash paid amount of TL 16.999.996 as the date of 5 August 2016. Related transfer transaction has been registered İstanbul Registry of Commerce as the date of 11 August 2016, related announcement had been made in Turkish Trade Registry Gazette with numbered 9139, as the date of 17 August 2016. Within the year 2017, the capital of İstanbul Varlık has been paid up to TL 10.000.000 and it has been increased to TL 20.000.000 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 TL 30.000.000 was increased to TL 50.000.000 by being provided from extraordinary reserve funds and published in the Turkish Trade Registry Gazette dated 2 September 2021 and numbered 10400. Plato Finansal Danışmanlık Servisleri A.Ş., which is registered with the registry number 708921-0 in the İstanbul Trade Registry Office with the decision of the Board of Directors dated 26 September 2022 and numbered 19, will be dissolved without liquidation on the balance sheet and records dated 30 June 2022, together with all its assets and liabilities. It has been decided to merge with the Company by taking over as the complete successor.

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

UAAM was founded in 2006 on the Isle of Man. It operates at 2nd Floor St Mary's Court 20 Hill Street Douglas 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.

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

ÜNLÜ Yazılım ve Teknoloji Hizmetleri A.Ş. was established on August 26, 2022, with an initial capital of 1.000.000 Turkish Lira (TL). The company's formation was published in the Trade Registry Gazette with number 10649 on August 29, 2022. It was subsequently decided to increase the company's authorized capital from TL 1.000.000 to TL 5.000.000, and this resolution was registered and announced in the Turkey Trade Registry Gazette with number 10772 on March 3, 2023.

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 30 JUNE 2023**

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

1 ORGANISATION AND NATURE OF OPERATIONS (continued)

In accordance with the decision of the Board of Directors dated September 20, 2022, 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 30 June 2023, there are 494 (31 December 2022: 486) employees in the Group

The consolidated financial statements for 30 June 2023 were approved by the Board of Directors on 16 August 2023.

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

A. BASIS OF PRESENTATION

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

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

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

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

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

The Group has prepared its condensed consolidated financial statements for the interim period ended 30 June 2023 in accordance with TAS 34 “Interim Financial Reporting”. The interim condensed consolidated financial statements do not contain all the information and explanations that should be included in the annual consolidated financial statements and should be read together with the annual consolidated financial statements of the Group as of 31 December 2022.

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.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 30 JUNE 2023**

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

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

A. BASIS OF PRESENTATION (continued)

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

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 30 June 2023. Therefore, TAS 29 has not been applied and no inflation adjustment has been made in the consolidated financial statements as of 30 June 2023.

The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at 30 June 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2023. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

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

Amendments to TAS 8 - Definition of Accounting Estimates

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 30 JUNE 2023**

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

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

A. BASIS OF PRESENTATION (continued)

The new standards, amendments and interpretations (continued)

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

Amendments to TAS 1 - Disclosure of Accounting Policies

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

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

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

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

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

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

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 30 JUNE 2023**

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

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

A. BASIS OF PRESENTATION (continued)

The new standards, amendments and interpretations (continued)

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

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2024 with the announcement made by the POA. The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

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

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

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

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under “Subsequent measurement of the lease liability” heading after the commencement date in a sale and leaseback transaction, the seller lessee determines ‘lease payments’ or ‘revised lease payments’ in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 30 JUNE 2023**

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

A. BASIS OF PRESENTATION (continued)

The new standards, amendments and interpretations (continued)

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

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

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.

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

The following amendments to IAS 12 as well as IAS 7 and IFRS 7 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments are issued and become effective under TFRS.

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

In May 2023, IASB issued amendments to IAS 12, which introduce a mandatory exception in IAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that IAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. Overall, the Group expects no significant impact on its balance sheet and equity.

Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued in May 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. Overall, the Group expects no significant impact on its balance sheet and equity.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 30 JUNE 2023**

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

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

A. BASIS OF PRESENTATION (continued)

(b) Functional and presentation currency

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

(c) Offsetting

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

(d) Going Concern

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

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

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

B. CHANGES IN ACCOUNTING ESTIMATES AND ERRORS

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

ÜNLÜ YATIRIM HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 30 JUNE 2023

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

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In the preparation of the condensed consolidated financial statements of the Group, except for the new accounting standards and interpretations that are valid for the accounting periods beginning on 1 January 2023 or the new accounting standards and interpretations applied early by the Group and the accounting policies regarding new transactions and practices, accounting policies, presentation and calculation principles for the year ended 30 June 2023 have been used.

(a) Basis of consolidation

Subsidiaries

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.

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 30 June 2023 and 31 December 2022:

Name of the company	Country	Functional Currency	Main activity and service line	Final share ratio	
				30 June 2023	31 December 2022
Subsidiaries					
ÜNLÜ Menkul Değerler A.Ş. (“ÜNLÜ Menkul”) ⁽¹⁾	Turkey	TRY	Brokerage Services	% 100,00	% 100,00
ÜNLÜ Portföy Yönetimi A.Ş. (“ÜNLÜ Portföy”)	Turkey	TRY	Portfolio Management	% 100,00	% 100,00
İstanbul Varlık Yönetim A.Ş. (“İstanbul Varlık”)	Turkey	TRY	Asset Management	% 100,00	% 100,00
ÜNLÜ Securities Inc. (“ÜNLÜ Securities US”) ⁽¹⁾	USA	USD	Brokerage Services	% 100,00	% 100,00
ÜNLÜ Securities UK Limited (“ÜNLÜ Securities UK”) ⁽¹⁾	United Kingdom	GBP	Brokerage Services	% 100,00	% 100,00
ÜNLÜ Alternative Asset Management Ltd. (“UAAM”)	Man Island	USD	Financial Advisory	% 100,00	% 100,00
Turkish Alternative Investments Limited (“TAIL”) ⁽²⁾	Guernsey	TRY	Investment Company	% 100,00	% 100,00
Ünlü Portföy Dokuzuncu Serbest (TL) Fon	Turkey	TRY	Fund	% 98,00	% 95,00
ÜNLÜ Yazılım ve Teknoloji Hizmetleri A.Ş. (“ÜNLÜ Yazılım”)	Turkey	TRY	Software Services	% 100,00	100,00
Associates accounted with equity pick-up method					
ÜNLÜ LT Investments Limited Partnership (“ÜNLÜ LT”) ⁽²⁾	Guernsey	TRY	Venture Capital	% 4,76	% 4,76
212 Limited (Cayman Island)	Cayman Islands	USD	Venture Capital	% 32,5	% 32,5

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

⁽²⁾ TAIL owns 4.76% share of ÜNLÜ LT (31 December 2022: 4,76%).

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 30 JUNE 2023**

(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)

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. 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.

(b) 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 24).

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.

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

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

With the "Law on Amendments to the Tax Procedure Law and the Corporate Tax Law" adopted on the agenda of the Turkish Grand National Assembly on January 20, 2022, inflation accounting application has been postponed to start from the balance sheet dated December 31, 2023.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 30 JUNE 2023**

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

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax

Deferred income tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The rates enacted, or substantively enacted, at the balance sheet date are used to determine deferred income tax (Note 24).

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. Tax asset or liability has been calculated by using a tax rate of 20%-25%, with the exception of Restructuring of Certain Receivables and Amending Certain Laws, published in the Official Gazette No. 7256, dated 17.11.2020.

While deferred tax liability is calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by generating taxable profit in the future.

Deferred tax charges except for the ones that are recognised under the equity in the form of other reserves and the current tax balances accrued for the related reporting periods are directly recognized as income or expense in the statement of income.

Transfer pricing

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

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

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 14 - Property and equipment

Note 15 - Intangible assets

Note 16 - Provisions, contingent assets and liabilities

Note 19 - Financial sector activities revenue and cost

Note 24 - Tax assets and liabilities

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

3 SEGMENT REPORTING

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

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

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3 SEGMENT REPORTING (continued)

As at 30 June 2023 and 2022, segment reporting is prepared based on the brokerage, portfolio management activities and consultancy services.

30 June 2023	Brokerage, corporate finance, and portfolio management services	Asset management financial advisory and investment services	Venture capital	Investment Holding Services	Elimination	Total
Financial sector activities revenue	14.125.822.480	191.645.007	--	44.216.364	(2.505.693)	14.359.178.158
Income from securities trading						
Transactions	13.911.494.537	--	--	--	--	13.911.494.537
Income from brokerage	184.156.064	--	--	--	(240.000)	183.916.064
Income from non-performing						
Loans	--	189.916.856	--	--	--	189.916.856
Corporate finance income	--	--	--	43.918.703	--	43.918.703
Consulting income	--	1.728.151	--	--	--	1.728.151
Portfolio management incomes	11.071.622	--	--	--	--	11.071.622
Other financial incomes	19.118.108	--	--	297.661	(2.265.693)	17.150.076
Discounts from financial						
income (-)	(17.851)	--	--	--	--	(17.851)
Cost of financial sector activities (-)	(13.857.828.580)	--	--	--	--	(13.857.828.580)
Cost of securities trading						
transactions (-)	(13.857.828.580)	--	--	--	--	(13.857.828.580)
Gross profit	267.993.900	191.645.007	--	44.216.364	(2.505.693)	501.349.578
General administrative, marketing, selling and distribution expense	(175.544.828)	(135.487.542)	(477.467)	(63.839.857)	3.465.926	(371.883.768)
Other operating income/expenses	1.033.878	831.281	--	248.474	(960.233)	1.153.400
Operating profit/(loss)	93.482.950	56.988.746	(477.467)	(19.375.019)	--	130.619.210
Share of profit of investment accounted through equity method	--	--	4.569.946	--	--	4.569.946
Income from operation activities	15.953.667	33.491.250	--	70.105.645	--	119.550.562
Expense from operation activities	(4.064.192)	--	--	(4.126.598)	--	(8.190.790)
Profit/(loss) before financial services	105.372.425	90.479.996	4.092.479	46.604.028	--	246.548.928
Financial income	120.944.827	6.824.488	318.234	53.177.592	(1.079.296)	180.185.845
Financial expenses	(106.259.473)	(24.206.296)	(595.593)	(18.262.097)	1.079.296	(148.244.163)
Profit before tax	120.057.779	73.098.188	3.815.120	81.519.523	--	278.490.610
Tax expense	(32.567.713)	(16.001.112)	--	(1.571.337)	--	(50.140.162)
Deferred tax income/(expense)	6.486.327	72.244	--	(2.087.356)	--	4.471.215
Net profit/(loss) for the period	93.976.393	57.169.320	3.815.120	77.860.830	--	232.821.663
Other comprehensive income/(expense)	4.368.673	10.869.736	--	13.356.090	--	28.594.499
Total comprehensive income/(expense)	98.345.066	68.039.056	3.815.120	91.216.920	--	261.416.162
Operating segment assets (30 June 2023)	959.196.582	592.644.274	21.770.852	734.152.610	(70.511.329)	2.237.252.989
Operating segment liabilities (30 June 2023)	630.708.312	335.339.447	361.691	178.753.195	(2.375.811)	1.142.786.834

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3 SEGMENT REPORTING (continued)

30 June 2022	Brokerage, corporate finance, and portfolio management services	Asset management financial advisory and investment services	Venture capital	Investment Holding Services	Elimination	Total
Financial sector activities revenue	4.052.408.838	120.330.791	--	21.182.994	(1.299.676)	4.192.622.947
Income from securities trading Transactions	3.957.005.188	--	--	--	--	3.957.005.188
Income from brokerage	65.564.418	--	--	--	--	65.564.418
Income from non-performing Loans	--	118.520.141	--	--	--	118.520.141
Corporate finance income	--	--	--	21.182.994	--	21.182.994
Consulting income	--	1.489.365	--	--	--	1.489.365
Public offering brokerage commissions	13.571.972	--	--	--	--	13.571.972
Portfolio management incomes	6.397.334	--	--	--	--	6.397.334
Other financial incomes	9.887.224	321.285	--	--	(1.299.676)	8.908.833
Discounts from financial income (-)	(17.298)	--	--	--	--	(17.298)
Cost of financial sector activities (-)	(3.937.565.913)	--	--	--	--	(3.937.565.913)
Cost of securities trading transactions (-)	(3.937.565.913)	--	--	--	--	(3.937.565.913)
Gross profit	114.842.925	120.330.791	--	21.182.994	(1.299.676)	255.057.034
General administrative, marketing, selling and distribution expense	(83.807.191)	(68.331.551)	(285.477)	(33.476.159)	1.299.676	(184.600.702)
Other operating income/expenses	58.627	1.379.001	--	1.515.525	--	2.953.153
Operating profit/(loss)	31.094.361	53.378.241	(285.477)	(10.777.640)	--	73.409.485
Share of profit of investment accounted through equity method	--	--	(352.047)	--	--	(352.047)
Income from operation activities	--	1.283.363	--	--	51.941.570	53.224.933
Expense from operation activities	--	--	--	--	(20.137.595)	(20.137.595)
Profit/(loss) before Financial expenses	31.094.361	54.661.604	(637.524)	(10.777.640)	31.803.975	106.144.776
Financial income	121.850.840	2.459.797	109.373	84.213.128	(74.756.471)	133.876.667
Financial expenses	(113.746.898)	(14.416.755)	(1.919.829)	(16.460.620)	28.234.895	(118.309.207)
Profit before tax	39.198.303	42.704.646	(2.447.980)	56.974.868	(14.717.601)	121.712.236
Tax expense	(12.119.231)	(4.017.229)	--	(9.177.180)	--	(25.313.640)
Deferred tax income/(expense)	1.156.857	(12.392.198)	--	457.529	--	(10.777.812)
Net profit/(loss) for the period	28.235.929	26.295.219	(2.447.980)	48.255.217	(14.717.601)	85.620.784
Other comprehensive income/(expense)	1.651.663	7.615.138	--	2.942.376	--	12.209.177
Total comprehensive income/(expense)	29.887.592	33.910.357	(2.447.980)	51.197.593	(14.717.601)	97.829.961
Operating segment assets (30 June 2022)	464.290.210	308.821.953	13.016.451	465.985.358	(143.842.918)	1.108.271.054
Operating segment liabilities (30 June 2022)	300.807.781	164.885.343	17.574.930	26.553.071	(88.730.875)	421.090.250

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4 RELATED PARTY DISCLOSURES

a) Related party balances

	30 June 2023	31 December 2022
Financial investments		
Financial assets at fair value through profit or loss (*)		
- ÜNLÜ Portföy İkinci İstatistik Arbitraj Serbest Fon ⁽¹⁾	7.922.413	6.335.704
- ÜNLÜ Portföy Ar-Ge Girişim Sermayesi Yatırım Fonu ⁽¹⁾	2.719.240	2.001.757
- ÜNLÜ Portföy Birinci Girişim Sermayesi Yatırım Fonu ⁽¹⁾	1.905.652	1.266.844
- ÜNLÜ Portföy Para Piyasası (TL) Fonu ⁽¹⁾	--	37.044.870
Total	12.547.305	46.649.175
Receivables		
Trade receivables (Note 8)		
Receivables from ÜNLÜ Portfolio Investment Funds ⁽¹⁾	9.093.811	7.231.857
Total	9.093.811	7.231.857

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

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4 RELATED PARTY DISCLOSURES (continued)

a) Related party balances (continued)

	30 June 2023	31 December 2022
Other receivables (Note 9)		
- Receivables from employees	335.202	514.936
- Other receivables from related parties	--	127.736
Total	335.202	642.672
Short term other payables (Note 9,10)		
- Short term liabilities for employee benefits	4.554.765	38.230.846
- Borsa İstanbul A.Ş. ^{(1) (*)}	4.253.779	3.059.871
- Payables to employees	1.344.210	85.628
- Other liabilities to related parties	333.647	47.861
Total	10.486.401	41.424.206

(1) It is an establishment which the partner of the Group is a mandatory shareholder.

(*) It consists of debts arising from service expenses.

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4 RELATED PARTY DISCLOSURES (continued)

b) Related party transactions

	1 January- 30 June 2023	1 April- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2022
Income from related parties				
Service income (Commission income) (*)				
- Service Revenues from ÜNLÜ Portfolio Investment Funds ⁽¹⁾	19.188.759	11.588.843	9.251.762	6.476.497
Total	19.188.759	11.588.843	9.251.762	6.476.497
Income from investments accounted through equity method				
- ÜNLÜ LT ⁽²⁾	4.569.946	4.438.525	(352.047)	(482.100)
Total	4.569.946	4.438.525	(352.047)	(482.100)

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

(2) Group’s subsidiary

(*) It consists of fund management fee income.

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4 RELATED PARTY DISCLOSURES (continued)

b) Related party transactions (continued)

	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Expenses to related parties				
General and administrative expenses (Note 20)				
- Şebnem Kalyoncuoğlu Ünlü ⁽¹⁾	384.259	197.926	242.980	139.855
Total	384.259	197.926	242.980	139.855

⁽¹⁾ She is a member of the board of directors of the Group

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

Top management consists of general manager, vice general managers, directors and other top management members. For the year ended 30 June 2023, the total amount of salary and other benefits provided to the top management by the Group is TL 64.162.196 (1 January - 30 June 2022: TL 31.350.886).

5 CASH AND CASH EQUIVALENTS

	30 June 2023	31 December 2022
Cash	7.821	7.909
Cash at banks	985.496.417	256.454.336
- Demand deposit	161.434.235	86.900.830
- Time deposit ⁽²⁾	824.062.182	169.553.506
Futures and options market guarantees	4.680.244	7.767.417
Receivables from reverse repurchase agreements ⁽¹⁾	156.441	228.516
Total	990.340.923	264.458.178

(1) As of 30 June 2023, the maturity of reverse repurchase agreements amounting to TL 156.441 is less than one month and the average interest rate of reverse repurchase agreements is 16,5% (31 December 2022: Less than one month, TL 228.516, 10,30%)

(2) As of June 30, 2023, the Group's time deposits have maturities of less than 3 months, with interest rates ranging from 1,20% to 41,00% (December 31, 2022: less than 3 months, 1,00% - 32,00%).

Cash and cash equivalents of the Group are shown in cash flow statements in 30 June 2023 and 2022 by deducing interest accruals and customer deposits:

	1 January - 30 June 2023	1 January - 30 June 2022
Cash and cash equivalents	990.340.923	146.737.734
Interest accruals (-)	(1.904.642)	(83.051)
Restricted deposit (-)	(139.404)	(4.219.970)
Total	988.296.877	142.434.713

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6 FINANCIAL INVESTMENTS

Short term financial investments

	30 June 2023	31 December 2022
Financial assets at fair value through profit or loss	249.948.128	456.302.082
Financial assets at fair value through other comprehensive income	67.495.605	48.873.027
Total	317.443.733	505.175.109

As at 30 June 2023 and 31 December 2022, financial assets at fair value through profit or loss are as follows:

	30 June 2023		
	Nominal	Fair value	Interest rate (%)
Investment funds	488.027.050	91.533.027	--
FX-Protected deposit	--	87.708.170	35,00%
Eurobond USD	1.250.400	32.497.464	6,89-9,27%
Asset-Backed Securities	17.335.000	18.619.507	31,49%
Private sector bonds	--	12.604.958	33,12%
Common stocks	--	5.641.877	--
Discounted bank bonds	5.000.000	1.343.125	21,68%
Total		249.948.128	

	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 bonds	5.000.000	7.111.155	13,43-13,59%
Asset-Backed Securities	6.000.000	6.257.888	29,54-39,42%
Common stocks	--	5.149.737	--
Private sector bonds	--	4.123.227	1,00-33,12%
Government bonds	2.000.000	1.985.720	17,79-18,33%
Total		456.302.082	

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6 FINANCIAL INVESTMENTS (continued)

Short term financial term investments (continued)

As of 30 June 2023 and 31 December 2022, the securities given as collateral at Takasbank are as follows (Note16):

	30 June 2023		31 December 2022	
	Nominal value	Fair value	Nominal value	Fair value
Eurobond USD	800.000	20.844.458	651.000	11.955.121
Government bonds	--	--	2.000.000	1.985.720
Total		20.844.458		13.940.841

As at 30 June 2023 and 31 December 2022, details of financial assets at fair value through other comprehensive income are as follows:

	30 June 2023		31 December 2022	
	Share (%)	Share Amount (TL)	Share (%)	Share Amount (TL)
212 Capital Partners I Coöperatief U.A. ⁽¹⁾	3,31	67.495.605	3,31	48.873.027
Total		67.495.605		48.873.027

⁽¹⁾ As of June 30, 2023, the Company has classified its equity stake of 3,31% in 212 Capital Partners I Coöperatief U.A. as a financial asset carried at fair value through other comprehensive income. 212 Capital Partners I Coöperatief U.A. has committed to future contributions for all shareholders subject to increases, with a total commitment amount of 30.200.000 US Dollars. Until the year 2021, 212 Capital Partners I Coöperatief U.A. has made various commitment payments, and ÜNLÜ Investment Holding A.Ş. has participated in these payments from January 2011 to June 30, 2023, with a total of 1.000.000 US Dollars (December 31, 2022: It started participating in payments from January 2011 and had a total participation of 1.000.000 US Dollars until December 31, 2022.) (Note 16).

Long term financial investments

	30 June 2023	31 December 2022
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⁾ Shares have been valued at the latest price announced by Borsa İstanbul AŞ.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 30 JUNE 2023

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7 INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

Investments in associates

	30 June 2023	31 December 2022
ÜN LÜ LT ⁽¹⁾	20.679.963	16.110.017
212 Limited (Cayman Island) ⁽²⁾	438.720	438.720
Total	21.118.683	16.548.737

⁽¹⁾ As of 30 June 2023, TAIL's commitment amount in ÜNLÜ LT Investments Limited Partnership, which is classified as investments valued with the equity method in TAIL's financials, is USD 6.000.000 (2022: USD 6.000.000) corresponding to 4,76% (2022: 4,76%) of total commitments. TAIL has made total payments of USD 5.166.666 as of 30 June 2023 (2022: USD 5.166.666) (Note 16).

⁽²⁾ As of 30 June 2023, It is an investment classified as investments valued by equity method, in which the Group has a share of 32,50% (2022: 32,50%)

Associates	Main activity	30 June 2023 Share %	31 December 2022 Share %
ÜN LÜ LT	Venture capital	4,76	4,76
212 Limited	Venture capital	32,50	32,50

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8 TRADE RECEIVABLES AND PAYABLES

	30 June 2023	31 December 2022
Short term trade receivables		
Receivables from credit customers ⁽²⁾	323.926.586	399.194.582
Overdue receivables ⁽¹⁾	72.178.667	63.609.819
Receivables from customers	26.632.317	29.873.946
Receivables from consultancy services	14.134.928	13.160.699
<i>Receivables from consultancy services ⁽³⁾</i>	<i>14.134.928</i>	<i>13.160.699</i>
Trade receivables from related parties (Note 4)	9.093.811	7.231.857
Receivables from leveraged buy and sell transactions	840.395	6.148.566
Other	2.935.247	6.902
Total	449.741.951	519.226.371
Long term trade receivables		
Overdue receivables ⁽¹⁾	195.021.905	161.222.326
Total	195.021.905	161.222.326

- ⁽¹⁾ The Group, reflects the non-performing loans and receivables net 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. As of June 30, 2023 the net book value of non-performing loans is TL 267.200.572 (31 December 2022: TL 224.832.145). The Group has purchased a loan portfolio amounting to TL 4.389.184.000 from banks and financing companies residing in Turkey by paying TL 419.737.000 (31 December 2022: purchased the loan portfolio amounting to TL 4.160.346.000 by paying TL 368.137.000).
- ⁽²⁾ As of June 30, 2023, the Group applies interest rates ranging between 57,90% and 71,40% on loans extended to customers (December 31, 2022: 10,26% and 45,26%). The Group has received collateral from customers with a total fair value of 795.310.769 TL against the loans granted as of June 30, 2023 (December 31, 2022: 719.478.136 TL).
- ⁽³⁾ As of June 30, 2023, the Group has un-invoiced consulting services, in accordance with TFRS 15, where the services have been fully rendered during the current period but have not yet been invoiced. The amount of receivables for consultancy services stands at 14.134.928 TL (December 31, 2022: 13.160.699 TL).

	30 June 2023	31 December 2022
Short term trade payables		
Miscellaneous payables (*)	6.783.221	7.510.216
Expense accruals (**)	1.490.610	2.535.673
Other trade payables	2.504.132	1.770.473
Total	10.777.963	11.816.362

(*) Miscellaneous payables are due to the Group's commercial activities with other organizations.

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

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9 OTHER RECEIVABLES AND PAYABLES

	30 June 2023	31 December 2022
Short term other receivables		
Stock guarantee given to Takasbank	82.513.498	75.531.565
Guarantees given to Interactive Broker LLC and IG Markets LTD	39.880.069	38.053.405
Other deposits and guarantees given	1.730.434	5.317.389
Collateral Provided to Takasbank Debt Instruments and Money Market	29.699.344	13.586.785
Margin Deposits Provided to Futures and Options Markets	14.497.861	16.798.339
Other receivables from related parties (Note 4)	335.202	642.672
Other	7.548.055	985.674
Total	176.204.463	150.915.829
	30 June 2023	31 December 2022
Other short-term payables		
Other payables to third parties (*)	8.752.721	12.414.447
Taxes and funds payables	17.871.479	11.193.747
Other payables to related parties (Note 4)	5.931.636	3.193.360
Other	904.525	977.579
Total	33.460.361	27.779.133

(*) The payables to sellers arise from the Group's non-core liabilities with other entities.

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10 SHORT TERM LIABILITIES FOR EMPLOYEE BENEFITS

	30 June 2023	31 December 2022
Short term liabilities for employee benefits		
Social security premiums payable	9.779.186	7.295.557
Taxes and funds payables	5.387.714	27.621.781
Due to personnel (Note 4)	4.554.765	38.230.846
Total	19.721.665	73.148.184

11 PREPAID EXPENSES

	30 June 2023	31 December 2022
Short term prepaid expenses		
Prepaid expenses ⁽¹⁾	9.262.392	10.109.635
Advances given	756.797	1.776.023
Total	10.019.189	11.885.658

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

12 ASSETS HELD FOR SALE AND DISPOSAL GROUPS

	30 June 2023	31 December 2022
Assets held for sale	309.142	202.198
Total	309.142	202.198

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13 SHORT AND LONG-TERM LIABILITIES AND LEASING PAYABLES

	30 June 2023	31 December 2022
Short term liabilities		
Payables to Stock Exchange Money Market	493.871.172	150.082.190
Bank loans	199.195.548	310.616.165
Issued securities	185.155.205	85.647.590
Leveraged trading transactions reserve collateral	3.272.584	7.767.417
Leasing payables	2.993.722	4.338.299
Other	3.639	--
Total	884.491.870	558.451.661
Short portion of long term liabilities		
Bank loans	43.094.611	22.667.554
Total	43.094.611	22.667.554
Long term liabilities		
Bank loans	11.760.745	26.372.745
Leasing payables	723.316	1.124.897
Total	12.484.061	27.497.642

⁽¹⁾ As of June 30, 2023, the maturity of debts to the Stock Exchange Money Market is less than one month and the interest rate is 21.6%. (December 31, 2022: 10.00%).

Details of issued securities are as follows:

ISIN Code	Issue date	Nominal	Book value	Maturity date	Sales method	Coupon period
TRFDUUM72315	02.03.2023	50.000.000	55.055.479	12.07.2023	Qualified investor	Payment on maturity
TRFUNCO72318	27.03.2023	120.000.000	130.099.726	20.07.2023	Qualified investor	Payment on maturity
Total		170.000.000	185.155.205			

14 PROPERTY AND EQUIPMENT AND RIGHTS OF USE

As of June 30, 2023, office equipment amounting to 1.429.187 TL, special costs of 2.422.001 TL, and fixed assets acquisition of 1.008.140 TL have been realized (June 30, 2022: 1.054.554 TL).

The depreciation of tangible assets amounting to 3.408.977 TL (June 30, 2022: 2.346.654 TL) for the period ending on June 30, 2023, is included in general administrative expenses.

As of June 30, 2023, there is a total of 8.409.881 TL in collateral on vehicles, out of the Group's tangible fixed assets (June 30, 2022: 5.686.669 TL).

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15 INTANGIBLE ASSETS

A. OTHER INTANGIBLE ASSETS

As of June 30, 2023, licenses and computer programs amounting to TL 2.268.496 have been purchased. (30 June 2022: TL 3.178.710).

Depreciation of property, plant and equipment, amounting to TL 3.384.947 for the period ending on June 30, 2023 is included in general administrative expenses. (30 June 2022: TL 1.288.384)

As of June 30, 2023 and 2022, the Group has no internally created intangible assets.

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 cancelled. 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 2021 and 31 December 2028. Five-year discount rate used in future cash flow estimations has been determined as 23% in the calculation model of the fair value. As of 30 June 2023, 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 2022: There is no impairment)

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16 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

(i) Short term provisions

	30 June 2023	31 December 2022
Provisions for lawsuits ⁽¹⁾	1.593.414	1.498.768
Total	1.593.414	1.498.768

⁽¹⁾ As of 30 June 2023, the provision amounting to TL 1.593.414 (31 December 2022: TL 1.498.768) was set aside for 100% of possible future liabilities regarding the reemployment and other lawsuits filed against the Group.

(ii) Assets kept on behalf of customers

	30 June 2023	31 December 2022
Investment funds	2.649.883.312	3.014.460.197
Common stock	1.875.964.558	1.843.217.196
Eurobond	953.358.600	1.563.397.721
Private sector corporate bond, treasury bills and government bonds	87.727.300	305.082.445
Warrant	124.272	1.480.927
Structured debt instruments	150.000	62.500

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

16 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 30 June 2023 and 31 December 2022 are as follows in original currencies:

	30 June 2023		
	TL Equivalent	USD	TL
A. Total amount of TRIKs given on behalf of their own legal entity	672.442.529	--	672.442.529
B. Total amount of TRIKs Given in favor of partnerships included in full consolidation	18.834.066	729.350	--
C. Total amount of TRIKs given by third parties for the purpose of carrying out their ordinary commercial activities	37.940.447	--	37.940.447
D. Total amount of other TRIKs given	--	--	--
i) Total amount of TRIKs Given in favor of the main partner	--	--	--
ii) Total amount of TRIKs given in favor of other group companies that are not in the scope of B and C	--	--	--
iii) Total amount of TRIKs given in favor of third parties that are not in the scope of article C	--	--	--
Total	729.217.042	729.350	710.382.976
	31 December 2022		
	TL Equivalent	USD	TL
A. Total amount of TRIKs given on behalf of their own legal entity	222.739.247	500.000	213.390.097
B. Total amount of TRIKs Given in favor of partnerships included in full consolidation	9.721.500	729.350	--
C. Total amount of TRIKs given by third parties for the purpose of carrying out their ordinary commercial activities	37.940.447	--	37.940.447
D. Total amount of other TRIKs given	--	--	--
i) Total amount of TRIKs Given in favor of the main partner	--	--	--
ii) Total amount of TRIKs given in favor of other group companies that are not in the scope of B and C	--	--	--
iii) Total amount of TRIKs given in favor of third parties that are not in the scope of article C	--	--	--
Total	270.401.194	1.229.350	251.330.544

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16 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

(iv) Contingent liabilities

As of June 30, 2023, the Company classifies the shares of ÜNLÜ LT Investments Limited Partnership, valued using the equity method, which represents 4,76% of the subsidiary TAIL (2022: 4,76%). The total commitment amount for all shareholders subject to future increases is 6.000.000 US Dollars (2022: 6.000.000 US Dollars), and as of 2023, 5.166.666 US Dollars have been paid (2022: 5.166.666 US Dollars) (Note 7).

As of June 30, 2023, for 500 Startups Istanbul Fund II Cooperatif U.A., which is one of the investments that Ünlü Yatırım Holding will reflect in the profit/loss statement for fair value differences under TFRS 9, the total commitment amount of 300.000 Euros has been paid as of June 30, 2023, with a payment of 163.381 Euros made on May 15, 2023.

As of June 30, 2023, for 212 Regional Fund II, which is another investment that Ünlü Yatırım Holding will reflect in the profit/loss statement for fair value differences under TFRS 9, the total commitment amount of 250.000 Euros has reached 116.743 Euros, with a payment of 11.250 Euros made on April 11, 2023 (2022: 105.493 Euros). The total commitment payment of 100.000 US Dollars for the investment in 212 II - A SERIES OF 212 I, LLC was made on December 17, 2020 (2022: 100.000 US Dollars).

On September 6, 2021, the Company signed a participation agreement with Revo Capital Management B.V. for the shares of the Venture Capital Fund "Revo Capital Fund II B.V." The amount of 500.000 Euros in commitments has been partially paid, with 126.000 Euros paid in 2021, 117.399 Euros paid in 2022, and 73.893 Euros paid in 2023.

17 PROVISIONS FOR EMPLOYEE BENEFITS

	30 June 2023	31 December 2022
Short term employee benefits		
Bonuses provision	27.986.342	6.841.841
Unleased leave provision	18.516.355	11.731.762
Total	46.502.697	18.573.603
Long term employee benefits		
Severance pay provision	3.207.323	4.776.418
Total	3.207.323	4.776.418

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17 PROVISIONS FOR EMPLOYEE BENEFITS (continued)

Severance pay provision

According to Turkish laws, the Group is obliged to pay severance pay to employees who have completed one year of service and are terminated or retired without cause, to those who have completed 25 years (20 years for females) and have earned the right to retire (at the age of 58 for females and 60 for males), to those called for military service, or to the heirs of deceased employees. The severance pay obligation is not legally subject to any funding. The provision for severance pay is calculated based on the estimated present value of the Group's potential future obligation arising from its employees' retirement.

The following assumptions have been used in calculating the total obligation.

	30 June 2023	31 December 2022
Discount rate (%)	0,92	2,53
Turnover rate for estimating retirement probability (%)	55,01	69,97

The basic assumption is that the determined value for every working year increases proportional to inflation. Using this assumption, the existing discount ratio shows the real ratio, unaffected by inflation. The severance pay ceiling is revised every six months, and the ceiling amount of 23.490 TL is taken into account in the Group's severance pay calculations, which is valid since July 1, 2023 (December 31, 2022: 15.371 TL). The movements of personnel benefits and bonuses provisions for the periods ending on June 30, 2023, and December 31, 2022, are as follows:

	30 June 2023	30 June 2022
Beginning of the period	6.841.841	124.085
Provisions allocated / reversed during the period, net	24.592.000	8.000.000
Payments made during the period (-)	(3.447.499)	(124.085)
End of period	27.986.342	8.000.000

Movements in unused leave provisions for the periods ending on June 30, 2023, and 2022, are as follows:

	30 June 2023	30 June 2022
Beginning of the period	11.731.762	5.304.263
Provisions allocated / reversed during the period, net	7.748.880	2.993.951
Payments made during the period (-)	(964.287)	(846.826)
End of period	18.516.355	8.298.214

Movements in severance pay provisions for the periods ending on June 30, 2023, and 2022, are as follows:

	30 June 2023	30 June 2022
Beginning of the period	4.776.418	2.330.823
Service cost	482.227	498.743
Interest cost	413.707	269.418
Actuarial loss / (gain)	2.552.571	888.280
Payments made during the period (-)	(6.877.815)	(402.432)
Previous period service cost (*)	1.860.215	--
End of the period	3.207.323	3.584.832

(*) The effect of the victims of delayed pension age regulation, which became law on March 3 2023, on termination benefit obligation.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 30 JUNE 2023

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18 EQUITY

Capital

As of June 30, 2023, and December 31, 2022, the capital structure of the parent Company is as follows:

Partner name	Group	30 June 2023		31 December 2022		
		Share amount (TL)	Share rate (%)	Share amount (TL)	Share rate (%)	
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
Other	B	48.266.217	27,58	B	48.266.217	27,58
Total		175.000.000	100,00		175.000.000	100,00

As a result of the transactions obtained during the public offering process, emission premiums amounting to 219.888.032 TL were added to the share issuance premiums. The net effect of the increase due to share-based transactions, after offsetting transaction costs of 9.437.061 TL arising from the public offering process, is 210.450.971 TL.

On September 4, 2012, an Ordinary General Assembly Resolution was passed to increase ÜNLÜ Investment Holding Inc.'s (formerly known as "ÜNLÜ Finansal Yatırımlar A.Ş.") capital from 50.000 TL to 32.000.000 TL. The entire capital increase was covered by Mahmut Levent Ünlü. This capital increase decision was registered on September 11, 2012, and published in the Trade Registry Gazette No. 8154 dated September 17, 2012.

On May 23, 2014, as a result of the Ordinary General Assembly meeting, the Company's paid-in capital was increased from 32.000.000 TL to 32.153.606 TL, and Article 6 of the Company's Articles of Association related to capital was amended. This capital increase was made through the issuance of bonus shares, with Mahmut Levent Ünlü and Kamil Attila Köksal waiving their pre-emption rights and not participating in the capital increase. The capital increase decision was registered on June 3, 2014, and published in the Trade Registry Gazette No. 8586 dated June 9, 2014.

On September 29, 2015, as a result of the Extraordinary General Assembly meeting, the Company's paid-in capital was increased from 32.153.606 TL to 32.182.966 TL, and Article 6 of the Company's Articles of Association related to capital was amended. This capital increase was made through the issuance of bonus shares, with several shareholders waiving their pre-emption rights and not participating in the capital increase. The capital increase decision was registered on September 30, 2015, and published in the Trade Registry Gazette No. 8918 dated October 5, 2015.

On October 20, 2015, as a result of the Ordinary General Assembly meeting, the Company's paid-in capital was increased from 32.182.966 TL to 33.858.378 TL, and Article 6 of the Company's Articles of Association related to capital was amended. The portion of the increased capital exceeding 1,675,412 TL was added to the legal reserves as share issuance premiums. In this capital increase, the existing shareholders of the Company waived their pre-emption rights, and the entire amount of the increase was covered by Standard Bank Group Ltd. The capital increase decision was registered on October 21, 2015, and published in the Trade Registry Gazette No. 8934 dated October 27, 2015."

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18 EQUITY (continued)

Capital (continued)

On February 12, 2016, as a result of the Extraordinary General Assembly meeting, the Company's paid-in capital was increased from 33.858.378 TL to 37.578.666 TL, and Article 6 of the Company's Articles of Association related to capital was amended. The entire increased capital was paid by The Wellcome Trust Limited as Trustee of the Wellcome Trust. The portion of the increased capital exceeding 3.720.288 TL, totaling 48.455.772 TL, was paid in cash and added to the legal reserves as share issuance premiums.

The Company's shareholders, Standard Bank Group Limited, Mahmut Levent Ünlü, Kağan Çevik, Tunç Yıldırım, Mehmet Batur Özyar, Simge Ündüz, Can Ünalın, İbrahim Romano, Tahir Selçuk Tuncalı, Vedat Mizrahi, Hakan Ansen, Mehmet Sait Sezgin, Demet Kargin, and Kamil Attila Köksal, waived their pre-emption rights and did not participate in the capital increase. The capital increase decision was registered on February 17, 2016, and published in the Trade Registry Gazette No. 9017 dated February 23, 2016.

As a result of the Ordinary General Assembly meeting related to the year 2015 held on June 29, 2016, the Company's paid-in capital was increased from 37.578.666 TL to 37.663.341 TL, and Article 6 of the Company's Articles of Association related to capital was amended. The capital increase decision was registered on July 13, 2016, and published in the Trade Registry Gazette No. 9118 dated July 19, 2016.

As a result of the Ordinary General Assembly meeting related to the year 2016 held on December 19, 2017, the Company's paid-in capital was increased from 37.663.341 TL to 37.960.531 TL, and Article 6 of the Company's Articles of Association related to capital was amended. The capital increase decision was registered on December 20, 2017, and published in the Trade Registry Gazette No. 9481 dated December 26, 2017.

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

Within the public offering plans, ÜNLÜ Yatırım Holding A.Ş. applied to the Capital Markets Board for the Public Offering Prospectus on March 12, 2021, with the permission of the Capital Markets Board dated 27.05.2021 and numbered E-29833736-105.01.01.01-6608, as a result of the IPO, which was carried out with the "Fixed Price Bookbuilding" method between 31.05.2021 and 01.06.2021, capital at a price of TL 6.90 each. A total of 45,533,009 Group "B" shares were sold, of which 37,269,158 shares were offered to the public through the sale of shareholders, and 8,263,851 shares were offered to the public through the sale of partner Mahmut Levent Ünlü. Group "B" shares offered to the public Borsa İstanbul A.Ş. It started to be traded on "Star Market" on 07.06.2021.

Mahmut Levent Ünlü who is the one of the shareholder of the company, Ünlü Yatırım Holding A.Ş. as a result of the price stability transactions related to the stocks, between 07/06/2021 and 06/07/2021, the company made purchases with a total nominal amount of TL 5.395.000 at a price range of TL 4,78 - 6,90. With this transaction, Ünlü Yatırım Holding A.Ş. share in the capital has reached 64.71% as of 06.07.2021. In June 2021, the Company increased its issued capital from 137.730.842 TL to 175.000.000 TL through a public offering, resulting in a net income of 210.450.971 TL after this public offering.

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18 EQUITY (continued)

Repurchased Shares

When shares recorded as capital are repurchased, the purchase price, including costs associated with the repurchase after deducting the tax effect, is accounted for as a decrease in equity.

The value of the repurchased shares is 15.350.600 TL (December 31, 2022: 4.020.977 TL).

Other Comprehensive Income

As per TFRS 19, the actuarial loss resulting from the Group's severance pay obligation, after the tax effect, is 3.612.541 TL (December 31, 2022: 1.698.117 TL actuarial loss).

Translation of the equity of investments accounted for under the equity method and consolidated other subsidiaries subject to consolidation, and income and expense items using the year-end closing exchange rates and the use of average annual exchange rates resulted in a net exchange rate gain of 65.873.777 TL accounted for under equity in the "Foreign currency translation differences" account (December 31, 2022: 50.635.368 TL exchange rate gain).

Retained Earnings

As of June 30, 2023, the Group has retained earnings of 374.827.650 TL (December 31, 2022: 156.004.538 TL).

On April 27, 2023, convened at the company headquarters, following negotiations; Within the scope of our Company's articles of association and profit distribution policy; It was decided to distribute, in accordance with the relevant financial statements, the gross amount of 50.000.000,00 TL (net 45.000.000,00 TL) corresponding to gross 0.2857 TL (net 0.2571 TL) cash dividends for each share with a nominal value of 1 TL, equivalent to 17,06% of the total distributable net profit for the 2022 accounting period, starting from May 2, 2023, to the shareholders in accordance with the principles envisaged by the legislation. The relevant dividend distribution table was published on April 27, 2023, on the Public Disclosure Platform. It was approved at the Ordinary General Assembly Meeting for the 2022 accounting period held on April 27, 2023, and distributed to shareholders on May 2, 2023.

As of June 30, 2023, the breakdown of the Group's retained earnings from previous years is as follows:

	30 June 2023	31 December 2022
Appropriated retained earnings	24.680.465	19.505.384
Other reserves	124.916.288	44.553.056
Previous year profit / (loss)	225.230.897	91.946.098
Total	374.827.650	156.004.538

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FINANCIAL SECTOR ACTIVITIES REVENUE AND COST

	1 January – 30 June 2023	1 April – 30 June 2023	1 January – 30 June 2022	1 April – 30 June 2022
Revenue from financial sector activities	13.911.494.537	10.178.373.343	3.957.005.188	1.794.728.640
Eurobond sales	13.506.757.960	9.849.423.350	3.776.830.101	1.709.266.085
Sales of investment fund	326.846.383	304.046.860	15.544.754	3.251.510
Sales of government bonds	41.941.052	6.883.649	98.702.455	46.124.057
Sales of common stocks	25.830.706	11.172.437	31.725.149	19.511.190
Private sector bill sales	9.618.436	6.847.047	21.627.504	11.547.689
Private sector bond sales	500.000	--	12.575.225	5.028.109
Corporate finance income	43.918.703	14.265.553	21.182.994	15.172.124
Portfolio management income	11.071.622	6.410.157	6.397.334	4.118.336
Income from overdue receivables ⁽¹⁾	189.916.856	99.555.947	118.520.141	65.850.018
Income from brokerage transactions	183.916.064	89.686.749	79.136.390	38.775.910
Interest income from loans	85.545.590	45.882.065	21.095.231	11.507.098
Domestic stock sales and brokerage commission	41.125.386	18.381.759	14.389.790	7.190.609
Warrant income	23.092.595	10.391.411	--	--
Foreign stock sales and brokerage commission	16.149.747	8.072.270	16.292.160	11.697.580
Futures and options market commission income	15.441.798	5.549.469	11.310.052	7.045.600
Clearing, transaction, and custody fee	1.499.465	694.771	672.795	335.447
Profits from leveraged trading transactions	1.061.483	715.004	1.804.390	999.576
Public offering brokerage commissions	--	--	13.571.972	--
Consultancy income	1.728.151	906.823	1.489.365	790.138
Other financial income	17.150.076	7.862.354	8.908.832	5.151.799
Foreign transaction income	8.608.359	5.260.515	3.987.231	1.875.613
Other service income	8.541.717	2.601.839	4.921.601	3.276.186
Discounts from financial income (-)	(17.851)	(3.014)	(17.298)	(14.928)
Financial service discounts (-)	(17.851)	(3.014)	(17.298)	(14.928)
Financial sector activities revenue	14.359.178.158	10.397.057.912	4.192.622.946	1.924.572.037
Cost of securities trading transactions				
Cost of Eurobonds	(13.469.184.775)	(9.828.047.955)	(3.756.041.927)	(1.696.686.727)
Cost of investment fund (-)	(310.887.065)	(288.244.279)	(15.542.424)	(3.250.274)
Cost of government bonds (-)	(41.849.054)	(6.881.646)	(98.417.206)	(45.944.402)
Cost of common stocks (-)	(25.789.530)	(11.185.822)	(31.614.754)	(19.385.925)
Costs of private sector bills (-)	(9.618.156)	(6.846.767)	(21.625.090)	(11.545.695)
Cost of private sector bonds (-)	(500.000)	--	(14.324.511)	(5.175.412)
Financial sector activities cost (-)	(13.857.828.580)	(10.141.206.469)	(3.937.565.912)	(1.781.988.435)
Gross profit from financial sector activities	501.349.578	255.851.443	255.057.034	142.583.602

(1) Income from non-performing receivables consists of the revenues of the Group's subsidiary, Istanbul Varlık, from the collections of non-performing receivables and the interest income calculated over the recorded book values of the loan portfolios using the effective interest rate adjusted according to the loan determined at the first purchase. Financing expenses of loans used to finance these non-performing loans are shown in the financial expenses footnote (Note 23).

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20 EXPENSE BY NATURE

	1 January – 30 June 2023	1 April – 30 June 2023	1 January – 30 June 2022	1 April – 30 June 2022
Marketing, sales and distribution expenses				
Marketing and distribution expenses	22.031.403	10.205.315	11.741.646	6.872.432
Advertisement and publicity expenses	5.056.034	3.302.497	809.000	508.975
Representation expenses	1.307.512	507.030	744.431	554.188
Total	28.394.949	14.014.842	13.295.077	7.935.595
General administrative expenses				
Personnel expenses	209.554.728	114.498.024	99.114.610	52.043.870
Attorney, consultancy and audit expenses	39.911.713	18.385.882	26.672.076	16.793.609
Tax and sundry expenses	34.795.772	21.052.078	18.457.635	9.727.950
Data line rental expense	10.478.310	6.266.484	6.331.561	3.390.423
Information technology expenses	10.688.705	5.489.912	4.772.043	2.398.951
Depreciation and amortization expenses (Note 14, 15)	8.488.345	3.747.267	6.908.298	3.238.366
Rent expenses	5.818.041	3.407.309	1.005.756	647.708
Office building administrative expenses	4.007.620	2.008.725	1.902.307	1.071.896
Communication expenses	1.212.544	649.014	1.009.937	644.437
Vehicle expenses	1.106.375	667.943	430.929	254.887
Other general administrative expenses	17.426.666	7.766.735	4.700.473	2.245.131
Total	343.488.819	183.939.373	171.305.625	92.457.228

21 OTHER OPERATING INCOME AND EXPENSE

	1 January – 30 June 2023	1 April – 30 June 2023	1 January – 30 June 2022	1 April – 30 June 2022
Other incomes from main activities				
Income from the sale of non-current assets classified as held for sale	235.778	--	--	--
Contractual expense allocations	--	--	1.302.270	1.302.270
Social security institution incentives	--	--	9.758	5.783
Other service revenues	917.622	473.487	1.647.526	1.458.017
Total	1.153.400	473.487	2.959.554	2.766.070
Other expenses from main activities				
Provision for lawsuits	--	--	6.401	3.853
Total	--	--	6.401	3.853

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INCOMES AND EXPENSES FROM INVESTING ACTIVITIES

	1 January – 30 June 2023	1 April – 30 June 2023	1 January – 30 June 2022	1 April – 30 June 2022
Income from investment activities				
Gains on the sale of financial assets	48.997.042	29.402.391	33.761.736	15.889.740
Increases in the value of financial assets	70.553.520	57.480.519	19.463.197	10.403.237
Total	119.550.562	86.882.910	53.224.933	26.292.977
	1 January – 30 June 2023	1 April – 30 June 2023	1 January – 30 June 2022	1 April – 30 June 2022
Losses from investment activities				
Losses on the sale of financial assets	4.126.598	1.660.532	8.721.480	2.247.699
Decreases in the value of financial assets	4.064.192	(2.153.823)	11.416.115	446.963
Total	8.190.790	(493.291)	20.137.595	2.694.662

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FINANCIAL INCOMES AND EXPENSES

	1 January – 30 June 2023	1 April – 30 June 2023	1 January – 30 June 2022	1 April – 30 June 2022
Foreign exchange gain	105.579.517	95.750.283	27.458.706	16.747.472
Derivative market operations income	39.326.414	2.176.649	96.678.705	55.581.550
Interest income	35.230.902	23.603.320	9.461.825	8.813.879
Other	49.012	40.541	277.431	277.418
Total	180.185.845	121.570.793	133.876.667	81.420.319

	1 January – 30 June 2023	1 April – 30 June 2023	1 January – 30 June 2022	1 April – 30 June 2022
Derivative market operations expense	31.725.775	1.509.774	87.661.022	55.586.689
Interest expenses paid to Money Markets	29.614.606	24.682.073	6.449.025	3.936.976
Loan interest expenses ⁽¹⁾	27.509.747	15.768.028	12.286.732	9.862.610
Issued debt instruments interest expenses	25.977.438	15.453.723	3.322.830	2.276.735
Foreign exchange losses	18.502.340	14.673.866	5.226.876	3.533.311
Other expenses	14.914.257	12.512.314	3.362.722	1.934.158
Total	148.244.163	84.599.778	118.309.207	77.130.479

⁽¹⁾Interest expenses include TL 20.702.374 (30 June 2022: TL 12.880.470) 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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24 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, 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 at 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 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.

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 10%. 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.

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24 TAX ASSETS AND LIABILITIES (continued)

	30 June 2023	31 December 2022
Current year tax expense	(46.133.906)	(60.755.357)
Increase in the taxable base made with Law No. 7440	(4.006.256)	--
Prepaid tax (-)	24.008.959	52.761.988
Total tax (liability)/asset	(26.131.203)	(7.993.369)

	1 January – 30 June 2023	1 January – 30 June 2022
Current year tax expense	(46.133.906)	(25.313.640)
Increase in the taxable base made with Law No. 7440	(4.006.256)	--
Deferred tax (income)/expense	4.471.215	(10.777.812)
Total tax expense	(45.668.947)	(36.091.452)

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24 TAX ASSETS AND LIABILITIES (continued)

The breakdown of cumulative temporary differences and the related deferred tax assets and liabilities as of 30 June 2023 and 31 December 2022, calculated using the enacted tax rates, are as follows:

	Temporary differences		Deferred tax assets/(liabilities)	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Provision for employment termination benefit and vacation pay liability	49.507.228	19.722.622	10.664.504	4.745.007
Lawsuit provision	1.593.414	1.498.768	398.563	374.901
Leasing obligations	413.028	866.160	98.877	203.184
Financial instruments valuation difference	1.217.640	844.624	304.410	211.156
Deferred tax assets for recognized tax losses	4.614.939	--	830.689	
Other	--	32.361	--	6.796
Deferred tax assets	57.346.249	22.964.535	12.297.043	5.541.044
Loans and receivables valuation differences	(181.229.396)	(166.595.503)	(45.307.350)	(41.648.877)
Value increase in financial assets	(60.600.663)	(58.804.153)	(12.072.719)	(11.175.721)
Income accruals	(14.134.928)	(19.493.757)	(2.544.287)	(4.873.439)
Difference between tax base and carrying value of tangible and intangible assets	(6.699.531)	(6.959.252)	(1.570.887)	(1.661.013)
Valuation differences in derivative instruments	(15.135)	(2.663.777)	(3.783)	(665.944)
Income from investments activities	(430.443)	(432.271)	(107.611)	(86.454)
Other	(20.938.377)	(8.208.321)	(5.267.424)	(1.763.912)
Deferred tax liabilities	(284.048.473)	(263.157.034)	(66.874.061)	(61.875.360)
Net-off	(226.702.224)	(240.192.499)	(54.577.018)	(56.334.316)
Deferred tax assets			4.621.591	1.570.266
Deferred tax liabilities			59.198.609	57.904.582

Movement of deferred tax assets and liabilities as of 30 June 2023 and 2022 is as follows:

	2023	2022
Beginning of the period January,1	(56.334.316)	(29.439.511)
Recognised in income statement	4.471.215	(10.777.812)
Recognised in other comprehensive income	(2.713.917)	(750.038)
End of the period June, 30	54.577.018	(40.967.361)

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24 TAX ASSETS AND LIABILITIES (continued)

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

	30 June 2023	30 June 2022
Profit before tax	278.490.610	121.712.236
Income tax at the applicable tax rate of 23%	(64.052.840)	(27.993.814)
Current period tax losses on which no deferred tax is calculated	2.777.158	992.075
Reversal of previously unrecognised tax losses	(830.689)	--
Non-deductible expenses	(706.061)	(1.513.740)
Tax exempt tax difference	(214.112)	981.584
Other effects	17.357.597	(8.557.557)
Current year tax expense	(45.668.947)	(36.091.452)

25 EARNINGS PER SHARE

Earnings per share is calculated by dividing net income by the weighted average number of Group shares outstanding during the period. Its calculation is as follows:

	1 January- 30 June 2023	1 April- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2022
Net profit for the period	232.821.663	159.402.556	85.634.795	46.877.396
Weighted average number of shares	175.000.000	175.000.000	175.000.000	175.000.000
Earnings per share	1,330	0,461	0,489	0,268

26 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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26 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 30 June 2023, the Group have TL 535.828 receivables from derivative instruments and TL 520.693 payables from derivative instruments (31 December 2022: TL 10.399.016 receivables from derivative instruments and TL 7.735.239 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 30 June 2023 and 31 December 2022:

30 June 2023	Carrying value	Up to 1 month	1 to 3 months	3 months to 1 year	1 year to 5 years	Total contractual cash outflows
Financial liabilities	936.353.504	834.497.859	59.959.329	38.563.508	11.845.208	944.865.904
Leasing payables	3.717.038	257.003	777.506	2.204.928	767.087	4.006.524
Trade payables	10.777.963	--	10.777.963	--	--	10.777.963
Payables from employee benefits	19.721.665	19.721.665	--	--	--	19.721.665
Other payables	33.460.361	33.460.361	--	--	--	33.460.361
Other liabilities	474.719	--	474.719	--	--	474.719
Total	1.004.505.250	887.936.888	71.989.517	40.768.436	12.612.295	1.013.307.136
Derivative cash inflows	535.828	115.649.026	--	--	--	115.649.026
Derivative cash outflows	(520.693)	(115.633.876)	--	--	--	(115.633.876)
Total	1.004.520.385	887.952.038	71.989.517	40.768.436	12.612.295	1.013.322.286
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

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26 FINANCIAL RISK MANAGEMENT (continued)

(iii) Information on market risk

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.

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.

(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.

27 DERIVATIVE INSTRUMENTS

As of 30 June 2023 and 31 December 2022 details of derivative instruments are follows:

	30 June 2023	
	Assets	Liabilities
Option operations	288.086	(288.085)
Forward operations	247.742	(232.608)
Warrant operations	--	--
Swap operations	--	--
Total	535.828	(520.693)
	31 December 2022	
	Assets	Liabilities
Forward operations	9.207.538	(6.354.697)
Swap operations	687.538	(506.760)
Option operations	503.940	(450.130)
Warrant operations	--	(423.652)
Total	10.399.016	(7.735.239)

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28 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.

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

	30 June 2023	
	Carrying value	Fair value
Financial assets		
Banks	990.340.923	990.340.923
Trade receivables (**)	644.763.856	641.530.856
Financial investments	318.960.987	318.960.987
Other receivables	176.204.463	176.204.463
Financial liabilities		
Financial liabilities (*)(**)	936.353.505	939.263.278
Leasing payables	3.717.038	3.717.038
	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
Leasing payables	5.463.196	5.299.196

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

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

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28 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.

30 June 2023	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	97.174.904	154.290.478	--	251.465.382
Financial assets at fair value through other comprehensive income ⁽¹⁾	--	67.495.605	--	67.495.605
Financial assets measured at amortized cost	--	--	641.530.856	641.530.856
Financial liabilities	--	--	939.263.278	939.263.278
Derivative instruments	--	15.135	--	15.135
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

- ⁽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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29 SUBSEQUENT EVENTS

On May 26, 2023, the affiliated subsidiary of the Group, Ünlü Portföy Yönetimi A.Ş., applied to the Capital Markets Board (CMB) with Board Resolution No. 41, dated May 26, 2023. The application sought permission to amend Article 8 of the company's Articles of Association, in order to increase its capital from 10,000,000 Turkish Lira (TL) to 40,000,000 TL, within the registered capital ceiling of 50,000,000 TL set for the years 2023-2027. This increase was to be achieved through a non-cash capital injection of 5,000,000 TL from internal resources, and a paid-in capital of 25,000,000 TL. The CMB granted approval for this application in its letter dated June 14, 2023, with reference number E-12233903-350.05.01-38636, permitting the amendment of Article 8 of the Articles of Association. Subsequently, on June 20, 2023, the Republic of Turkey Ministry of Trade also granted approval with reference number E-50035491-431.02-00086583065. Following these approvals, on June 26, 2023, during the Extraordinary General Assembly meeting for the year 2023, the amendment to the Articles of Association was approved by the General Assembly. This General Assembly decision was officially registered on July 7, 2023, and published in the Trade Registry Gazette under number 10866, dated July 7, 2023.

During the Ordinary General Assembly meeting of Ünlü Yazılım ve Teknoloji Hizmetleri A.Ş. held on July 7, 2023, it was decided to increase Ünlü Teknoloji's capital from 5.000.000 TL to 10.000.000 TL. Ünlü Yatırım Holding A.Ş., as the sole shareholder, committed to fully pay the increased amount, which corresponds to 5.000.000 TL for 5.000.000 shares with a nominal value of 1 TL each. Of the shares committed to be paid in cash, an amount of 1.250.000 TL, corresponding to ¼ of the total, was paid before the registration date of the capital increase. The remaining portion of the shares committed to be paid in cash will be paid within 24 (twenty-four) months following the registration of the company, in accordance with the decisions to be taken by the board of directors. The General Assembly Resolution regarding the capital increase was published in the Trade Registry Gazette with number 146329 dated July 13, 2023.

Amendments were made to the Corporate Tax Law No. 5520 with a Law submitted to the Grand National Assembly of Turkey on 5 July 2023 and published in the Official Gazette dated 15 July 2023. According to this; the corporate tax rate has been increased from 25% to 30% for banks, Companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies, starting from the declarations that will be submitted as of 1 October 2023. In addition, starting from 15 July 2023; 50% tax exception stipulated for immovable assets' sales gains in the Law No. 5520 has been abolished with the amendment. However, the 50% tax exemption ratio will be applied as 25% for the sales of immovable assets of the entities acquired before 15 July 2023. Efforts to determine the effects of these changes on current and deferred tax amounts continue.