

iŞ INVESTMENT

ANNUAL REPORT



2022



01 JANUARY 2022 – 31 DECEMBER 2022

İŞ YATIRIM MENKUL DEĞERLER A.Ş.

BOARD OF DIRECTORS ACTIVITY REPORT

**PREPARED IN ACCORDANCE WITH
THE CAPITAL MARKETS BOARD COMMUNIQUÉ
SERIAL NO II-14.1 ON
PRINCIPLES OF FINANCIAL REPORTING IN
CAPITAL MARKETS**

01 JANUARY 2022 – 31 DECEMBER 2022

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1. IS INVESTMENT IN BRIEF

Founded in 1996 by İş Bank, İş Investment has been providing domestic and international, individual and institutional investors with high added-value services in the areas of corporate finance, investment advisory, asset management, market making and liquidity providing services as well as traditional brokerage services for 26 years. While we continue to contribute to our country's capital markets and to the Turkish economy, we maintain our outstanding efforts to convert the passage of time into value by constantly following the changing risks, opportunities and the rapid development of technology with our identity as a pioneer and a leader.

Today, we are an intermediary institution with a large corporate and individual customer base serving the Turkish capital markets. We have reached a total of 25 branches, including nine in Istanbul (Ataşehir, Güneşli, Kalamış, Levent, Maltepe, Maslak, Nişantaşı, Taksim, Yeşilyurt), three in Ankara (Ankara, Anadolu and Başkent) and three in İzmir (İzmir, Ege, 9 Eylül), as well as branches in Adana, Antalya, Bodrum, Bursa, Diyarbakır, Eskişehir, Gaziantep, Kayseri, Samsun and Trabzon.

At the end of 2022, our total assets stood at TL 35,810 million with shareholders' equity of TL 6,797 million, and our Company recorded a consolidated net profit of TL 4,332 million, marking an increase of 270% compared to the previous year, while generating an average return on equity of 104%.

The long-term national credit rating of our Company, whose shares have been trading on the stock exchange since May 2007 under the ISMEN ticker as the only brokerage house to currently be included in the Sustainability index, was determined as AAA by Saha Rating, with a short-term national credit rating is A1+. The outlook remains stable for both maturities.

We offer a wide range of services in the field of Corporate Finance, such as equity public offerings, private sector debt securities issuances, mergers and acquisitions, private sector advisory including restructuring and strategic planning, project finance consultancy and venture capital advisory. İş Investment has led the sector by realizing 35 public offerings since its foundation, raising a total of TL 15.3 billion (USD 7.9 billion). In the Private Sector Debt Securities market, we continued to notch up new successes with 119 issuances, raising TL 53 billion in 2022, while mediating in over TL 225 billion of transactions since 2010. We maintain our leading position in the sector, having carried out 159 mergers and acquisitions transactions since 2000 with a total size of over USD 13 billion.

We enable investors to trade from any location with an Internet connection through electronic trading platforms in capital markets, which we began to develop in 2007. The platforms have mobile, desktop and web options.

With the **TradeMaster** platform, our investors are able to access all kinds of information concerning their accounts, examine market data in real time and rapidly conduct transactions in futures and options contracts in the Futures and Options Market (VIOP) and execute transactions for stocks and warrants in the Equity Market.

TradeMaster International offers our investors the opportunity to perform their transactions on stocks and futures contracts in a selection of different stock markets throughout the world easily and quickly without the need for any intermediaries.

TradeMaster FX is offered to our investors as a MetaTrader 4-based electronic trading platform providing 24-hour access to the forex markets under the İş Investment guarantee.

Our launch of Turkey's first hedge fund serves as one of the most important examples of our pioneering and innovative identity when it comes to developing products and services.

Since the İş Investment Warrants (İş Varant) began trading on the Stock Exchange in Istanbul in 2010, we have held the distinction of being the first domestic brokerage company to offer warrants to investors, and we have led the warrant market. We issued the first oil warrants in 2015, the first GBP/USD warrants in 2017 and the first cotton warrants on the Borsa Istanbul in 2020. In order to enable warrant investors to invest more easily in foreign markets, our Dow Jones and S&P500 based warrants began to be traded on the Istanbul Stock Exchange in the first quarter of 2021. Our İş Varant Mobile application was also offered to investors in the same period. The app allows investors to follow the warrants issued by İş Investment on a real-time basis free of charge, to select the appropriate warrant with the smart warrant filter, calculate the target price and gain experience of warrants by consulting training content and using the demo account.

Being the leader in the first foreign company offering on the Borsa Istanbul, the first brokerage house to issue its own debt instruments with its publicly offered financial bonds, intermediating in the first domestic private sector lease certificate (sukuk) public offering in TL and being the first liquidity provider on the Borsa Istanbul are just some of our activities which have reinforced our identity as a pioneer in the sector with our experience which dates back more than a quarter of a century.

2. CONSOLIDATED SUMMARY STATEMENT OF FINANCIAL POSITION AND PROFIT/LOSS

Summary Balance Sheet (x1,000 TL)	31 December 2022	31 December 2021
Assets		
Current Assets	35,356,746	13,943,176
Non-Current Assets	452,857	270,068
Total Assets	35,809,603	14,213,244
Liabilities		
Short-Term Liabilities	28,147,607	10,963,103
Long-Term Liabilities	394,308	178,025
Non-Controlling Interests	470,652	310,198
Shareholders' Equity of Parent Company	6,797,036	2,761,918
Total Liabilities	35,809,603	14,213,244
Summary Income Statement (x1,000 TL)		
	1 January - 31 December 2022	1 January - 31 December 2021
Sales Revenues, Net	1,549,361	797,328
Interest and Derivative Income from Operating Activities, Net	1,029,052	387,496
Income from Services, Net	1,665,565	879,007
Other Operating Income, Net	3,322,519	321,745
Gross Profit	7,566,497	2,385,576
Operating Expenses	(1,322,583)	(718,815)
Other Income/(Expenses), Net	(985,062)	(72,121)
Operating Profit	5,258,852	1,594,640
Share of Profit/(Loss) of Equity	36,456	12,609
Financial Income / (Expenses), Net	129,376	(46,473)
Profit before Tax from Continuing Operations	5.424.684	1.560.776
Tax Expense	(895,077)	(327,299)
Period Profit/Loss	4,529,607	1,233,477
Non-Controlling Interests	197,975	62,573
Net Profit (Equity Holders of the Company)	4,331,632	1,170,904
Earnings per Share from Continuing Operations (TL)	12.2018	3.2983

The financial statements and footnotes to the financial statements of İş Investment are available at www.isinvestment.com.

Financial Ratios (Consolidated)	31 December 2022	31 December 2021
Current Assets/Short-Term Liabilities	1.3	1.3
Total Liabilities / Total Equity	3.9	3.6
Return on Equity (%)*	104.1	52.1

*Calculated according to the Shareholder's Equity average for the last 5 quarters.

3. CORPORATE VALUES MISSION AND VISION

CORPORATE VALUES

CUSTOMER ORIENTATION

To be close to our customers, to be able to correctly carry out risk-reward analysis in compliance with investor expectations, to be able to provide a service providing the necessary and desired quality with the aim of building our customers' assets in line with this analysis.

MARKET FOCUS

To be able to generate the highest possible added value for our corporation and investors in line with developments by instantly monitoring domestic and foreign capital markets.

DYNAMISM AND INNOVATION

To constantly seek the better and the newer with an infinite energy for the continuous development of our products, services and values by remaining loyal to our corporate policies in a manner which is most appropriate for market conditions with human resources which are competent and specialized in their field.

CONFIDENTIALITY

To comply with the principles of confidentiality within the scope of the laws, our corporate policies and ethical values in areas which qualify as inside information that may affect the value of our shares and the identities and transactions of our customers.

REPUTATION

To remain a representative of the feelings of trust and success created by the brand "İş" which we proudly represent in the capital markets.

VALUE TO THE STAFF

To ensure the continuous training and development of our specialized personnel which we have incorporated with an understanding of corporate social responsibility in compliance with our values; to apply a human resources policy within a comfortable, safe and certain career plan by providing equal rights to those who are under equal circumstances without discrimination on the basis of religion, language, race or gender.

TEAM WORK

To bring productivity to the highest levels by creating a synergy that combines the division of labor and cooperation, efficient sharing and solidarity.

RESPECT FOR THE LAWS, CORPORATE GOVERNANCE PRINCIPLES AND ETHICAL VALUES

To be able to realize the best international application in terms of compliance with the principles of corporate governance with an effective risk management and internal control mechanism, transparent governance to ensure success in our financial performance and market sustainability in compliance with the laws and our ethical values.

PERFECTIONISM

To remain aware that by seeking perfection at all times, anyone can be better.

OBJECTIVITY AND IMPARTIALITY

To be able to realize the best international application in terms of compliance with the principles of corporate governance with an effective risk management and internal control mechanism, transparent governance to ensure success in our financial performance and market sustainability in compliance with the laws and our ethical values.

SOCIAL RESPONSIBILITY

In seeking to fulfill our aims of growth and obtaining profit, to exert maximum effort for the maximum benefit to our employees, the environment and other internal and external factors.

MISSION

- To provide all kinds of investment banking services under one roof
 - To produce qualified information, to establish information-based strategies and to create value
 - To be innovative in product and service development
 - To lead the development of the capital markets
 - To follow technological developments and incorporate technology into our activities
 - To ensure customer satisfaction
- To increase the value created for shareholders

VISION

To be the most preferred leader and reliable investment institution in Turkey and the region

4. CHAIRPERSON'S MESSAGE

Esteemed Stakeholders,

Inflation was the most important item on the agenda for the global economy throughout 2022. The war between Russia and Ukraine and the sanctions imposed against Russia, supply shocks and consumer behavior in the wake of the pandemic all played an important role in the rise of international commodity prices around the world. Although inflation retreated in some countries, notably in the USA, in the final months of the year as tight monetary policies were implemented and energy prices eased on the back of the mild winter, inflation is expected to take some time to decline. In light of these developments, global growth is estimated to have come in at 3.4% in 2022.

The annual rate of consumer inflation in Türkiye edged down to 64.3% in December. Inflation is expected to decline to around 40% by the end of 2023 despite the high base effect, following the steeper-than-expected monthly inflation in January 2023, the likelihood of further supply problems and expansionary policies. After the strong growth in the first two quarters of the year, GDP grew by 5.6% in 2022 due to the slowdown in economic activity driven by foreign demand in the second half of the year.

In what was a year riven by uncertainty, İş Investment succeeded in increasing its consolidated net profit by 270% in 2022 when compared to 2021 thanks to the improvement it achieved in operational efficiency without compromising on its corporate sustainability principles, and carried its financial performance further by raising its average return on equity to 104%. In parallel with these fine financial results, the inclusion of our ISMEN shares, which posted a successful performance in 2022, in the BIST Sustainability Index which includes the shares of companies with a high corporate sustainability performance, also stands out as a gratifying development.

Tragedy struck early in the new year on February 6 with the earthquake, which inflicted such grievous losses and destruction, and deeply wounded us all. We immediately set about ensuring that our colleagues and their families in the regions affected by the earthquake were quickly settled in safe areas. In addition, we contributed to the comprehensive support offered by the İş Group to support our citizens who were harmed during the earthquake and to extend support to meet the needs arising in the affected regions. I have no doubt that with social solidarity and assistance, we will overcome the wounds caused by the earthquake, which shook us all, the pain of which we share from the bottom of our hearts.

İş Investment, which has reached its current juncture with the support, trust and efforts of our shareholders, customers and employees, especially our founder and main partner, Türkiye İş Bankası A.Ş., will continue to generate value for a sustainable future in line with its ethical values, its approach to risk management and its goals for growth in 2023.

Yours Respectfully,

Hasan Cahit Çınar
İş Investment
Chairperson

5. CEO's MESSAGE

Esteemed Shareholders,

Although the various shocks caused by surging commodity prices due to the war between Russia and Ukraine and the international sanctions imposed against Russia in response took their toll on the Turkish economy, the expansionary policies implemented supported growth during year. Even though transaction volumes were relatively thin compared to expectations in the first months of the year, the Equity Market in particular demonstrated an impressive performance in the second half of the year, as it was seen as an effective financial instrument by the retail investors to hedge against high inflation.

İş Investment continued to expand during 2022 in line with its sustainable growth strategy, reaching 25 branches nationwide with the opening of three new branches in Samsun, Bodrum and Trabzon, while obtaining the necessary permits in January 2023 to open branches in Beylikdüzü and Mersin, which are planned to start operation in due course.

In a year that brought opportunities as well as challenges, our consolidated operational revenues posted an annual increase of 217% to reach TL 7,566 million in 2022 with a net profit of TL 4,332 million, an increase of 270% thanks to our increased efficiency and competitiveness. We realized an average return on equity of 104%, vastly higher than our cost of equity. Never deviation from the ethics and techniques embellished with the İş emblem, İş Investment therefore once again demonstrated that its successful performance is sustainable under all circumstances.

The first part of 2023 has unfortunately been marked by the earthquake which struck in February and saddened us all, leaving our country with devastating losses. We first sought to ensure that our colleagues and their families in the region were quickly settled in safe areas outside the area affected by the earthquake. We have contributed to the comprehensive support provided by the İş Group in order to meet the needs arising in the relevant regions. I would also like to emphasize that we are fully confident that we will soon heal from the wounds caused by this disaster, which has deeply hurt each and every one of us.

As we leave behind 2022, a year in which we achieved our goals and managed to raise the bar of our success even higher, we look forward to 2023 with our increased productivity, continuous development, our commitment to our corporate values and our disciplined business culture, despite the hectic agenda ahead. I would like to express my gratitude to our shareholders, our customers who we felt were always on our side in achieving sustainable achievements, and to the employees of İş Investment who walked with us by creating value in line with the strategy we have set out.

Yours Respectfully,

Rıza İhsan Kutlusoy

İş Investment

Board Member and CEO

6. INFORMATION ON THE BOARD OF DIRECTORS, EXECUTIVE BOARD AND SHARES

BOARD OF DIRECTORS

Hasan Cahit Çınar	Chairperson
Ertuğrul Bozgedik	Vice Chairperson
Rıza İhsan Kutlusoy	Board Member and CEO
Hilmi Selçuk Çepni	Board Member
Tuba Tepret	Board Member
Dr. Cansel Nuray Aksoy	Board Member
Hasan Emre Aydın	Board Member (Independent)
Prof. Dr. Ali Hakan Kara	Board Member (Independent)
İzzet Selim Yenel	Board Member (Independent)

Members of the Board of Directors were elected to their posts in the Annual General Meeting held on 24 March 2022 and are to remain in their positions until 31 March 2023. Ms. Cansel Nuray Aksoy was appointed as a member of the Board of Directors on 2 September 2022 to replace Mr. Volkan Kublay who left the Board of Directors on the same date, to be submitted for the approval of the first General Meeting in accordance with Article 363 of the Turkish Commercial Code.

Board Member Mr. Rıza İhsan Kutlusoy also serves as the Chief Executive Officer.

AUDIT COMMITTEE

Prof. Dr. Ali Hakan Kara	Head
Hasan Emre Aydın	Member
İzzet Selim Yenel	Member

CORPORATE GOVERNANCE COMMITTEE

İzzet Selim Yenel	Head
Dr. Cansel Nuray Aksoy	Member
Kenan Ayvaci	Member

RISK COMMITTEE

Hasan Emre Aydın	Head
Dr. Cansel Nuray Aksoy	Member

EXECUTIVE COMMITTEE

Rıza İhsan Kutlusoy	Board Member and CEO
Murat Kural	Deputy CEO
Özgür İlke Yerlikaya	Deputy CEO
Ömer Hakan Yamaçoğuz	Deputy CEO
Kenan Ayvaci	Deputy CEO

Issued Capital: TL 355,000,000*

Registered Capital: TL 750,000,000

* Yönetim Kurulumuzun 08.12.2022 tarihli kararı uyarınca kayıtlı sermaye tavanının 2023-2027 dönemi (5 yıl) için 750.000.000 TL'den 3.000.000.000 TL'ye yükseltilmesi için Esas Sözleşme'nin 6. maddesinin tadil edilmesine yönelik Sermaye Piyasası Kurulu ve T.C Ticaret Bakanlığı izin süreçleri tamamlanmış olup, 23 Mart 2023 tarihli Olağan Genel Kurul'da pay sahiplerinin onayına sunulacaktır.

INFORMATION CONCERNING SHARES

Ownership Structure (31,12,2022 - Public Disclosure Platform)

Commercial Title	Share (TL)	Share (%)
Türkiye İş Bankası A.Ş.*	233,393,402.61	65.74
Other	121,606,597.39	34.26
Total	355,000,000.00	100.00

*The Ownership structure of Türkiye İş Bankası A.Ş. can be accessed at www.isbank.com.tr.

Information on Shares Representing the Capital

Class	Registered/ Bearer	Total Nominal Value (TL)	Share in Capital (%)	Privileges	Stock Exchange Listing
A	Registered	150,000*	0.04	Six Board members are nominated by a majority of Class A shareholders	Not Listed
B	Bearer	354,850,000	99.96	None	103.580.467** shares are listed (Free Float rate 29.2%)
Total		355,000,000	100.00		

*New Class A shares cannot be created in any capital increase

**Central Registry Agency data dated 31/12/2022

Capital Market Instruments Traded on the Stock Exchange

Type of Capital Market Instrument Traded	Date Trading Started	Related Market
Shares	18.05.2007	Equity Market - BIST Financial / BIST Stars / BIST Dividend / BIST Dividend 25 / BIST Sustainability / BIST ALL-100 / BIST ALL / BIST Brokerage Houses
Debt Securities*	16.04.2012	Debt Securities Market - Outright Purchases and Sales Market / Offering Market for Qualified Investors
Warrants*	01.11.2010	Equity Market - Collective Investment Products and Structured Products

*The dates specified are the first issue dates. Both warrants including and debt instruments, including structured instruments, are issued by our institution under different terms and conditions.

7. GENERAL REVIEW

In an environment of strong global demand, Russia Ukraine war and the West's imposition of sanctions triggered a surge in international commodity prices throughout 2022, while post-pandemic consumer behavior as well as supply shocks precipitated a gradual rise in inflation. Prioritizing price stability, global central banks resorted to tight monetary policies in the face of price increases, ushering in a process of rapid increases in interest rates throughout the world. A decrease in energy prices as a result of tight monetary policies and a relatively mild winter led to a decline in inflation in some developed and developing countries, especially in the USA, in the closing months of the year meanwhile the economic activity better than than the expectations sign that the decline in inflation will be seen in a spread over time.

The slowdown in global economic activity is expected to become more evident in 2023. According to the recently announced IMF's Global Economic Prospects Report, the that global economy is projected to grow by 2.9% in 2023, with the US economy growing by 1.2%, the Eurozone by 0.7%, the Chinese economy by 5.2% and the Middle East region by 3.2% in 2023..

The Turkish economy was buffeted by the shocks experienced in the first half of the year in the form of higher inflation and a wider current account deficit, intensive portfolio outflows and a fall in the value of the Turkish lira. However, the volatility in the dollar/TL exchange rate eased later in the year as the Lira stabilized, inflation slowed, CDS premium declined on the back of fund inflows from Russia and Gulf countries, pressures from commodity prices eased and the effects of the selective macroprudential regulations on loans were seen.

GDP growth was realized at 7.5% in the first quarter and 7.7% in the second quarter before receding to 3.9% in the third quarter as the slowdown in economic activity caused by faltering external demand became apparent. The slowdown in growth continued in the last quarter by 3.5% and realized by 5.6% 2022 as a whole.

We entered 2023 in an environment where growth had been supported by expansionary policies, and while annual inflation receded due to the base effect, monthly price increases were materialized at historically high levels while the current account balance deteriorated. While the devastating earthquakes are expected to have had a negative impact on some macroeconomic balances, the downside risk to our 2023 growth forecast, which stands at 2.6%, is limited.

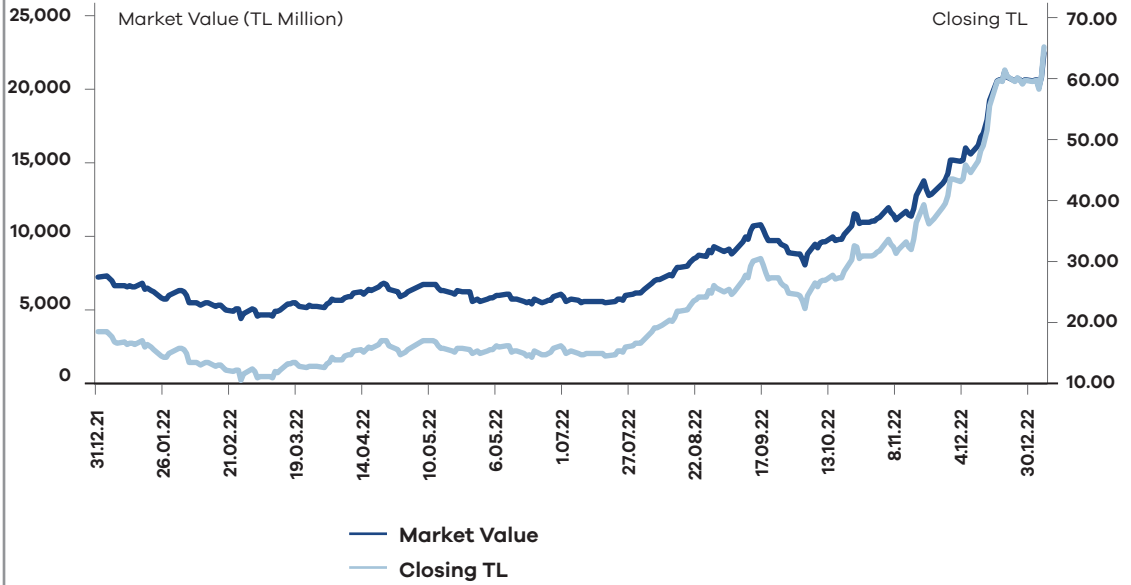
After peaking at 85.5% in October, annual consumer inflation eased back to 64.3% in December and 57.7% in January 2023. However, January's monthly inflation far exceeded estimates to come in at 6.6%, and the various supply issues due to the earthquake and additional expansionary policies pose an upside risk to our year-end inflation forecast of 40%, despite the high base effect.

We estimate a current account deficit of USD 48.8 billion for the year 2022 (5.8% of the estimated GDP). Wide foreign trade deficit observed in January indicates that the current account balance had already deteriorated ahead of the earthquake, while in view of the additional imports required for reconstruction activities and direct decline in net exports in the earthquake-affected regions, we now forecast a current account deficit of USD 33 billion (3.6% of GDP) for 2023, an upward revision of USD 5 billion.

8. INVESTOR RELATIONS

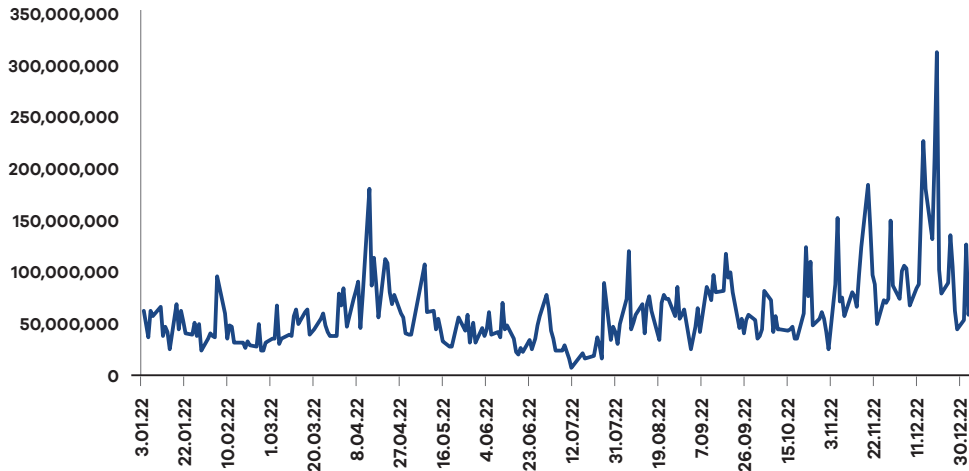
Our Investor Relations activities continued to be carried out effectively in 2022. A number of meetings were held with both domestic and foreign corporate and individual investors during the period in the form of videoconferences and teleconferences.

ISMEN shares ended the year 2022 with a share price of TL 65.00 and a market capitalization of TL 23.1 billion. The shares yielded a return of 195%, performing in parallel with the BIST 100 index.



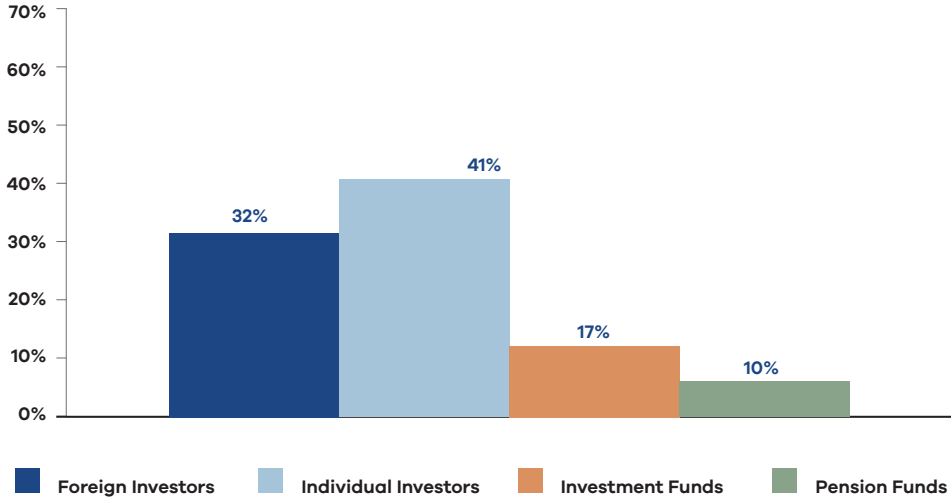
SHARE PRICE PERFORMANCE OF ISMEN - 2022

The average daily trading volume of ISMEN shares in 2022 increased by 23% compared to the TL 48.8 million level recorded in 2021, to reach TL 60.2 million.



ISMEN DAILY TRANSACTION VOLUME (TL) - 2022

At the end of the year, 29% of our capital classed as free float; , 32% were held by foreign investors, 17% held by mutual funds, 10% by pension funds and 41% by individual investors.



ISMEN FREE FLOAT SHAREHOLDING STATUS - 31 DECEMBER 2022

Continuing to create value for a sustainable future, İş Investment was included in the BIST Sustainability Index, which includes companies with high corporate sustainability performances, with effect from October 2022 as a result of the steps it had taken to continuously improve its environmental, social and corporate governance practices.

According to the profit distribution decision taken in accordance with our dividend policy at the Annual General Meeting dated March 24, 2022, a dividend of TL400 million, corresponding to 34.2% of the distributable net profit for the year 2021, was distributed to shareholders in May.

Our company did not acquire any of its own shares during the period.

Our Company's long-term national credit rating of AAA and short-term national credit rating of A1+ was reconfirmed by SAHA Rating on 19 September 2022 with a stable outlook.

Our Company's public disclosure obligations were fully fulfilled and the electronic environment continued to be used as an effective information tool.

Consolidated İş Investment Subsidiaries

Name	Equity Stake	Equity Stake (%)*	Nominal Value
Maxis Investments Ltd.	GBP 6,500,000	100.0	GBP 6,500,000
Maxis Girişim Sermayesi Portföy Yön. A.Ş.	TL 8,000,000	100.0	TL 8,000,000
Efes Varlık Yönetim A.Ş.*	TL 130,000,000	85.1	TL 110,685,714
İş Portföy Yönetimi A.Ş.	TL 65,000,000	70.0	TL 45,500,000
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	TL 74,652,480	29.0	TL 21,655,428
İş Yatırım Ortaklığı A.Ş.**	TL 160,599,284	28.9	TL 46,454,101

*Our consolidated share is 91.1%.

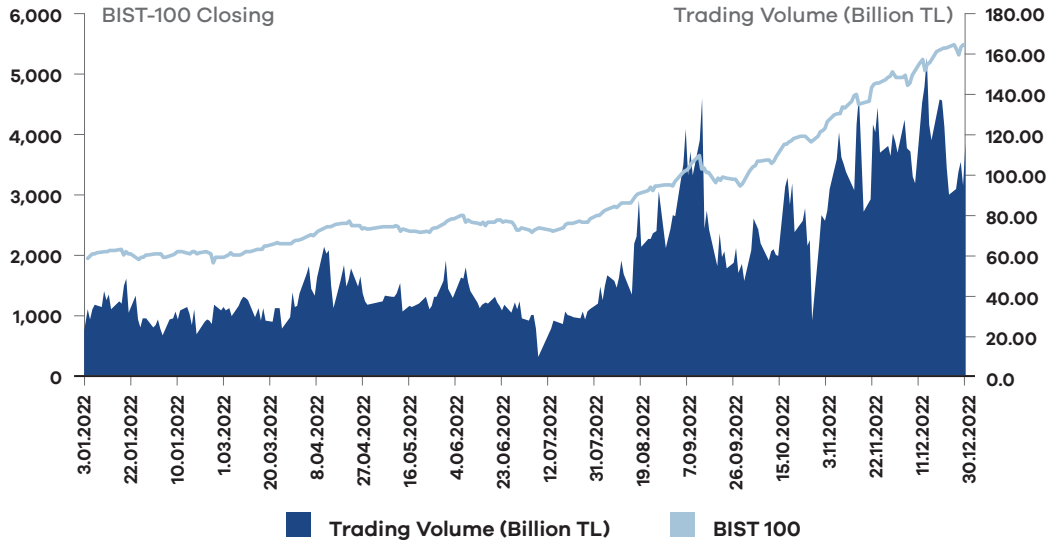
**Our consolidated share is 29.4%.

The decision of our Board of Directors to establish an "Asset Leasing Company" with all its capital belonging to our company was announced to the public on 22.12.2022.

9. DOMESTIC CAPITAL MARKETS

EQUITY MARKET

Closing the year 2022 at 5,509 with an increase of 197%, the BIST 100 index reached an all-time high in TL terms and demonstrated the best return performance among the leading global equity markets. The index, which has produced the biggest gains in the last 20 years, often recorded an average daily trading volume of over TL 100 billion, especially in recent months.



BIST 100 INDEX 2022 PERFORMANCE

While positive sentiment buoyed the Equity Market, a more negative trend was observed in global markets amid factors such as the Russian-Ukrainian war, supply chain issues, tight monetary policies and the impact of these factors on companies' activities. Despite the weakness in international indices, the Equity Market has been seen as an important investment area for domestic investors seeking to protect their savings from low interest rates, high inflation and a depreciating Turkish lira.

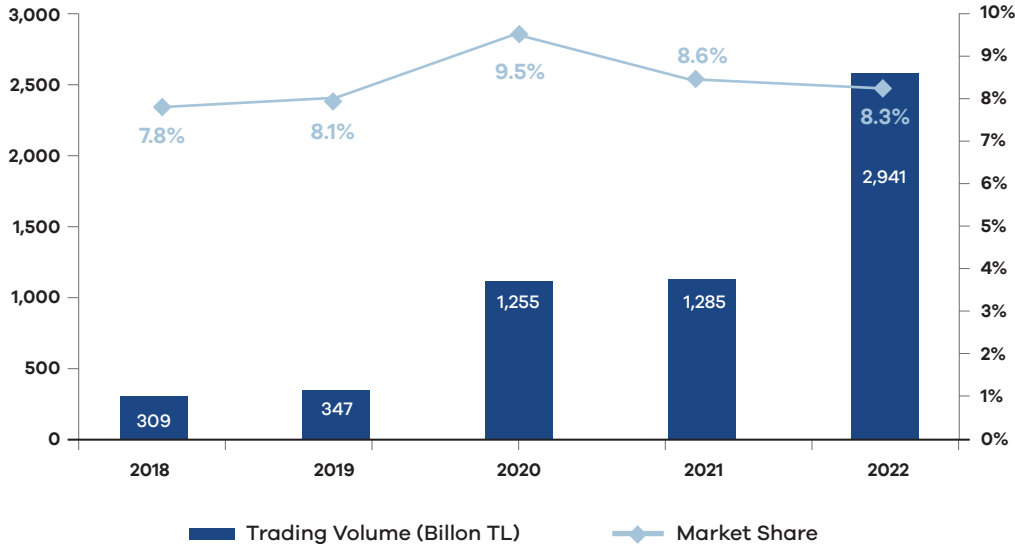
The increase in trading volumes and yields on the Equity Market also encouraged initial public offerings, with the number of equity market investors reaching approximately 3.8 million, an increase of 1.4 million compared to the previous year, supported by the impact of the 40 IPOs held throughout the year.

Looking at the gains in the BIST100 index on a sector-by-sector basis, the highest return was realized in the transportation index (537.5%), while the banking index yielded a return of 215.1%. While no sector suffered a negative performance, the weakest performance was observed in the metal main industry, with a 70% return.

The year 2022 was one of significant developments in terms of institutional investor activity. Mutual funds and pension funds achieved significant growth in their portfolio size and in terms of the number of investors, while also playing an important role in terms of balancing the market. Foreign institutional investors were sellers almost throughout the year; the foreign investor clearing rate, which started 2022 at 40.6%, decreased to 29.6% by the end of the year.

Looking ahead to 2023, with the election to be held and the economic policies to be followed will be decisive in terms of the direction of the Equity Market. Globally, it is thought that the interest rate decisions of the central banks, the course of the commodity markets, the developments in energy prices, and the risk appetite of institutional investors will be closely followed by the markets.

İş Investment ranked third in the Borsa Istanbul Equity Market with a trading volume of TL 2,941 billion and a market share of 8.3% in 2022.



İŞ INVESTMENT EQUITY MARKET TRADING VOLUME AND MARKET SHARE

On the other hand, İş Investment ranked first in the Takasbank Equity Lending Market in 2022 with a trading volume of TL 39.4 billion and a market share of 20.9%.

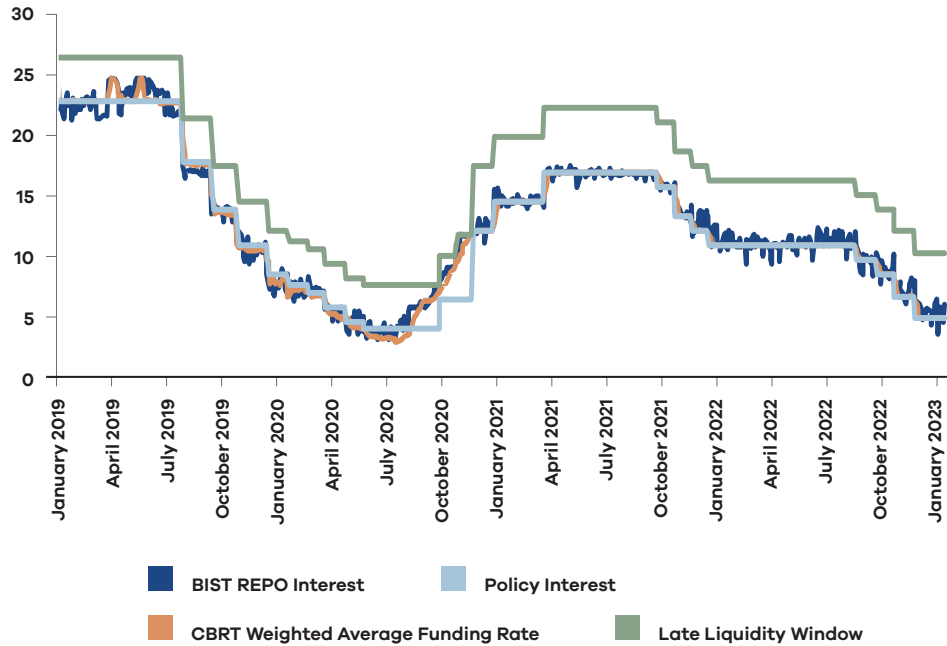
DEBT SECURITIES MARKET

Hazine ve Maliye Bakanlığı, açıkladığı iç borç stratejileri doğrultusunda 2022 yılında yaklaşık In line with the domestic debt strategies announced by the Ministry of the Treasury and Finance, domestic borrowing of approximately TL 676 billion was realized in 2022. 48% of the auctions were fixed coupon TL bonds, 14% were CPI indexed bonds, 13.7% were TL lease certificates, 10.6% were floating rate bonds, 4.2% were non-coupon bonds, 4.2% were FX fixed coupon bonds, 1.8% were gold lease certificates, 1.4% were TLREF indexed bonds, 1.1% were gold government bonds, and 1% were income indexed bonds. Thus, the Treasury placed more weight on fixed-rate instruments in its debt composition in 2022.

In the Debt Instruments Market, with the rising inflation in the first half of the year, the yield on benchmark bonds and 10-year bonds has risen up to 28% levels. However, with the macro-prudential decisions taken as of the second quarter, the demand of banks for fixed coupon and long-term government debt securities in Turkish Lira has increased significantly and the yield has declined to 9.5% in benchmark bonds and to 9.8% in 10-year bonds. The benchmark bond closed the year with a yield of 9.97% while the 10-year bond ended the year with a 9.83% yield.

The CBRT lowered the policy rate, which it kept constant at 14% in the first half of the year, to 12% with 100 basis points reductions in August and September, and to 9% with 150 basis points reductions each in October and November.

İş Investment ranked fifth among the brokerage houses with TL 140.9 billion of trading volume and a 5.7% market share in the Debt Securities Market – Outright Purchases and Sales in 2022.

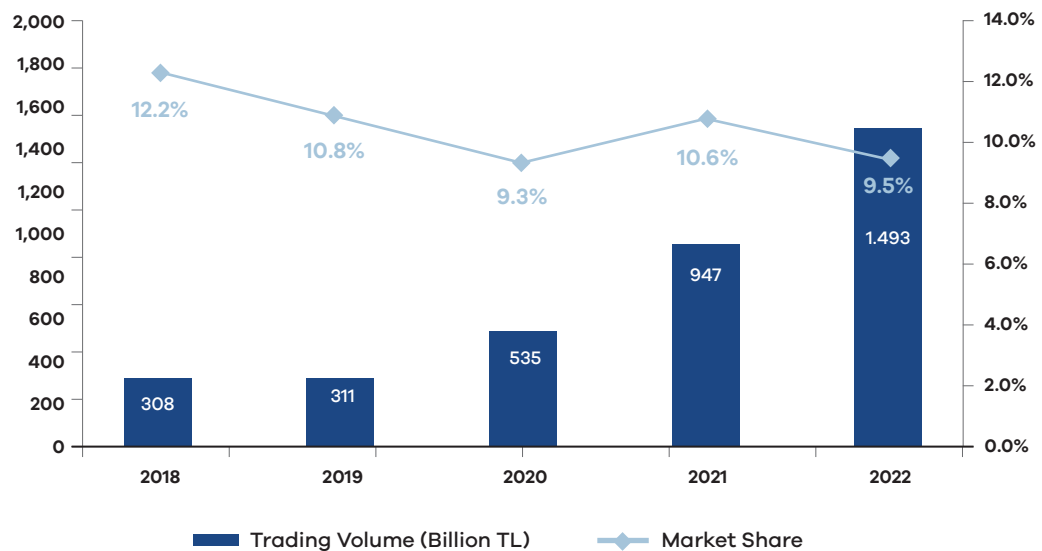


CBRT FUNDING RATES

DERIVATIVES MARKET

The total trading volume of the Borsa Istanbul Derivatives Market (VIOP) increased by 76% YoY to TL 17,775 billion in 2022.

Market making activities in equity futures and index option contracts continued on the VIOP. Supported by its market making activities, İş Investment ranked second in equity futures contracts and first in equity options contracts with a market share of approximately 28% in 2022. İş Investment finished the year in second place in terms of total transaction volume on the VIOP with a transaction volume of TL 1,493 billion and a market share of 9.5%.



İŞ INVESTMENT VIOP TRADING VOLUME AND MARKET SHARE

Our Company maintained its pioneering and leading position in the Warrant Market. With our underlying assets launched in 2022, our market making activities in 35 different underlying assets in four different underlying asset groups continued we rounded off the period in first place with a market share of approximately 75%.

İş Investment has been working with dedication to extend the formation and depth of the Warrant Market in Türkiye with the “İş Varant” brand for the last 12 years. A transparent, accessible and easily understandable market has been created with the content offered to investors through isvariant.com, the Warrant Academy and the Warrant Support Line. In addition, the Company aims to help investors create effective investment strategies in line with their own expectations when investing in warrants, with informative videos on the Warrant Market which started in the pre-pandemic period with such efforts continuing to expand through social media. Our İş Varant Mobile app, first offered to warrant investors in 2021, continued its development process in 2022 in line with the feedback from investors. The İş Varant Mobile app allows investors to track the warrants issued by İş Investment at real-time prices, select warrants appropriate for them with the smart warrant filter, calculate the target price and gain experience in warrants by using educational content and demo account facility.

10. INTERNATIONAL CAPITAL MARKETS

Stagnation concerns triggered by the tight monetary policies implemented to combat high inflation throughout 2022 and mounting supply chain issues due to geopolitical risks set the stage for high volatility, especially in commodity prices. The FED's uncompromising stance in tackling inflation increased the risk of recession in the global economy, leading to a drastic decline in yield expectations. While rising costs resulted in production halts in Europe as Russia cut off the energy flow to Europe, China's zero Covid policy response to the pandemic piled immense pressure on the global supply/demand balance. On the other hand, a mild winter in Europe offered relief for the energy crisis to be overcome more easily than expected thanks to high energy stocks, allowing for an improvement in inflation and demand conditions. The economic recovery brought about by the ending China's zero Covid policy led to brighter expectations for demand conditions in 2023.

INTERNATIONAL EQUITY MARKETS

Global equity markets closely followed the course of inflation and the policies implemented by central banks in 2022. Savers and companies lowered their earnings expectations against a backdrop of the geopolitical tensions brought about by the war between Russia and Ukraine, the high volatility in commodity prices and the inflationary environment. There was a significant decrease in households' purchasing power, especially in the last quarter of the year, on the back of rising interest rates and decreasing real wages. This erosion in purchasing power paved the way for an increase in the share of basic consumption items such as food in household budgets and a decrease in the share of products such as electronic goods and motor vehicles. This negative change in aggregate demand forced many sectors to postpone their investment plans and projects. Developments such as the relative normalization in the supply chain crisis, lower-than-expected inflation and signs of an easing in monetary policies signaled a recovery in the stock indices, which nevertheless ended the year in negative territory with the S&P 500 index down 19.4% on the year, the Dow Jones index down 8.8% and the Frankfurt DAX Index down 11.9%. The energy sector was one of the few sectors to have ended the year with positive gains.

FUTURES & LONDON METAL EXCHANGE (LME)

The period witnessed a significant jump in prices of commodities such as oil, natural gas, wheat, coal, palladium, for which Russia is an important supplier. Although Europe's dependence on Russia, especially in energy, sparked a near quadrupling in European natural gas prices, the annual increase in energy prices was limited to just 8% as a result of declining prices thanks to the relatively mild winter.

After rising by around 40% in the first half of the year and reaching their highest levels since 2008, there was a decline in oil prices in the third quarter amid concerns over demand. Meanwhile, the rise in industrial metal prices due to the impact of the Russia-Ukraine war, as well as low inventory levels and rising production costs, in the first quarter of the year gave way to a decline as concerns of an impending recession started to take hold in the second quarter. Reports that the London Metal Exchange would impose restrictions on metals originating in Russia towards the end of the year precipitated a short-term increase in prices of aluminum, copper and nickel, but these movements proved short-lived when the exchange did not introduce the anticipated sanctions. Having broken new records after rising to over USD 4,000/ton in March, aluminum prices ended the year at USD 2,378/ton - a 15% decrease compared to the beginning of the period. Prices of agricultural commodities, especially wheat, soared in the first quarter before declining after the second quarter with wheat prices ending the year just 3% high, while prices of soy and corn increased by 13%.

EUROBONDS

Turkish Treasury eurobonds followed the negative performance in global markets and traded mainly on sales, with the rise in US Treasury bond yields in the first three quarters of the year and the pressure exerted by geopolitical risks on developing countries. In the last quarter,

along with the decline in global inflation, there was a slowdown in the rate of increase in the interest rates of the central banks, especially the FED. At the end of the year, while the FED reduced the interest rate hikes to 25 basis points, the US 10-year bond yields ended the year at 3.88%, although it declined to 3.68% in December.

Turkey's 5-year country risk premium, which approached 900 during the year, decreased to 500 by the end of the year. While the Treasury borrowed approximately USD 1.5 billion in November with the issuance of bonds with a maturity of 15.01.2028, at the beginning of December, another USD 2 billion was borrowed via the tap issuance method on the same asset and the total issuance size was realized as USD 3.5 billion. New issuances are expected in response to the redemptions of Treasury and company assets in 2023.

LEVERAGED TRANSACTIONS

In 2022, while strict monetary policy practices created volatility on FX and precious metals, gains in the Dollar Index came to the fore. The index, which gained value in the first three quarters of the year and rose to the level of 114.00, closed the year at 103.50 with the increasing recession rumors and FED signals in the last quarter. Although the EUR/USD parity tested below parity level during the year, it ended the year at approximately 1,070 level with the gains in the last quarter of the year.

XAU/USD and XAG/USD were the most traded products in leveraged FX transactions, especially with the increased volatility in precious metals and the level of risk appetite that fluctuated throughout the year. Precious metals were followed by the EUR/USD parity, with the Euro being the currency with the largest share in the Dollar Index.

In the last quarter of the year, especially in the US indices, the volatility decreased and moved in a narrow band, causing the volume to decline in index CFDs. The most traded index CFDs were contracts based on Nasdaq 100 and Dow 30. While the downward trend prevailed in oil prices in the second half of the year, the lowest levels were seen at the end of the year. In parallel, the interest in CFD contracts based on Brent oil in the first half of the year decreased in the second half.

11. ASSET MANAGEMENT

The total size of consolidated assets managed by our subsidiary, İŞ Asset Management, increased by 82% YoY to TL 170.6 billion, with a market share of 10.9% as of the end of 2022. The size of mutual funds under management increased by 97% YoY to TL 80.3 billion, with a market share of 10.5%. The size of pension funds under the Company's management increased by 77% YoY reaching TL 73.8 billion, attaining a market share of 17%.

FUND TYPE	ASSETS UNDER MANAGEMENT (MILLION TL)*		ANNUAL CHANGE
	31.12.2021	31.12.2022	(%)
MUTUAL FUNDS	40,664	80,310	97
PENSION FUNDS	41,674	73,803	77
OTHER	11,536	16,484	43
TOTAL	93,874	170,597	82

*Size of assets managed by our subsidiary İŞ Asset Management.

12. DOMESTIC SALES & MARKETING

The promotion of our Company's products and services continued on digital platforms throughout 2022.

The "Communiqué on Remote Identification Methods to be Used by Intermediary Institutions and Portfolio Management Companies and Establishment of a Contractual Relationship in the Electronic Environment" entered force on March 8, 2022, enabling investors who hold the new Turkish ID card and a phone with NFC (Near Field Communication) capability to open accounts remotely via video calls. As such, where an application was submitted by clicking the "Become a Customer" button on our TradeMaster Mobile app, the video call step is performed after the authentication phase, thus allowing customers to open an İŞ Investment account remotely and easily, with contracts approved in the electronic environment. In addition, in August, transactions such as "Withdrawal and Deposits", "VIOP Collateral Withdrawal and Deposits" and "Bank Account Defining" were offered for the interactive use of investors on our TradeMaster WEB platform.

Our sales organization continued to grow in 2022 as well. We opened branches in Samsun, Bodrum and Trabzon during the year, taking our total number of branches to 25.

The number of subscribers and followers on digital platforms continued to increase with our YouTube channel attracting 20,865 new subscribers throughout the year, taking the total number of subscribers to 149,308, while our Twitter account gained a net of 45,886 new followers, taking the total number of followers to 339,488. According to BoomSocial 2022 data, our YouTube channel ranked sixth in the YouTube Türkiye Finance league, and our Twitter account ranked sixth in the Twitter Türkiye Finance league.

In 2022, eight more universities were included in the TradeMaster Campus project, which has been successfully carried out since 2013, enabling the establishment of finance laboratories to provide applied education to university students, increasing the number of universities supported to 45.

The 13th and 14th editions of the TradeMaster Investment League, a virtual portfolio competition among universities organized by İŞ Investment twice a year, were completed in April and December. A total of 405 groups from 35 universities competed in the 13th Investment League while 358 groups from 30 universities competed in the 14th Investment League. The top three ranking teams were rewarded.

As in previous years, speaker support continued to be provided to universities in 2022 in various topics.

13. INSTITUTIONAL SALES

DOMESTIC INSTITUTIONAL SALES

Our company continued to provide investment advisory services to portfolio management companies, collective investment companies, insurance and reinsurance companies, private pension companies, pension funds, foundations and other capital market institutions.

In addition, investment advisory services continued to be offered to corporate clients including holding companies, joint stock companies and Family Offices, In addition to providing intermediary services for the debt instrument issues of İşbank and Group companies in 2022, the Company intermediated in the issuance of 370-day maturity Arçelik bonds raising TL 700 million, the Koç Fiat Kredi Bond with a maturity of 182 days amounting to TL 150 million, also with a maturity of 371 days amounting to TL 140 million, 368-day maturity Tat Gıda bonds raising a total of TL 100 million, 270-day maturity Otokoç bonds raising a total of TL 200 million and 382-day maturity Mercedes-Benz Financing bonds raising TL 500 million, as well as Şişecam bonds and bills with a total issuance of TL 5,850,000,000 in various maturities. Our company also mediated in the Deva Holding bond issuance, with a size of TL 75 million.

Informative meetings continued to be held with corporate customers in line with the needs of the economy and the markets with the participation of specialists from the international capital markets and research departments.

FOREIGN INSTITUTIONAL SALES

The striking development in 2022 was the decline in the rate of foreign investor ownership in the Equity Market, from 40.6% at the beginning of 2022 to a historically low level of 29.6% at the end of the year, as foreign investor interest in the Equity market waned despite some indications of a recovery in August.

Following revisions to the MSCI index, there was a resurgence in momentum in Equity Market transaction volumes in the last two months of the year. Foreign sales activities continued throughout the year, with informative meetings and thematic conferences organized to bring foreign investors together with leading Borsa Istanbul-listed companies. Our first face-to-face investor conference after a long break was held in Istanbul between 28-30 September with the participation of 25 Turkish companies, attracting considerable interest. Moreover, there was a significant increase in both the number of international institutional investors visiting Türkiye and in the number of visits to foreign investors by publicly traded companies in the second half of the year. Foreign investor meetings with a number of companies were also organized in this vein.

The total transaction volumes on the Futures and Options market (VIOP) increased by 76% in 2022, with an annual increase of 86% in the foreign investor transaction volume. The high volatility in the Equity Market was one of the factors behind the increase in futures trading volumes. Foreign investor transaction volume constituted 37.3% of the VIOP's total transaction volume in 2022.

14. CORPORATE FINANCE

EQUITY PUBLIC OFFERINGS

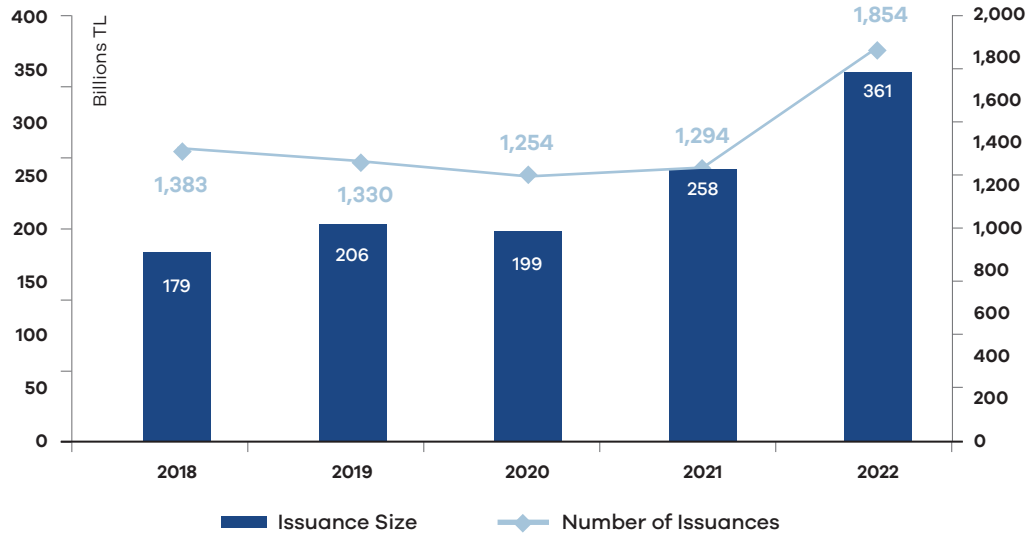
Initial public offerings for 40 companies were realized in the market in 2022, raising total proceeds of TL 19.3 billion.

İş Investment mediated in the public offerings of the following companies as a consortium member throughout the year:

Company Offered to the Public	Size of Offering (TL Million)
Smart Güneş Enerjisi Teknolojileri Araştırma Geliştirme Üretim Sanayi ve Ticaret A.Ş.	534.9
Suwen Tekstil Sanayi Pazarlama A.Ş.	425.5
Kimteks Poliüretan Sanayi ve Ticaret A.Ş.	957.0
Yayla Agro Gıda Sanayi ve Ticaret A.Ş.	887.5
Makim Makina Teknolojileri Sanayi ve Ticaret A.Ş.	158.4
Kocaer Çelik Sanayi ve Ticaret A.Ş.	1,542.8
Ahlatıcı Doğalgaz Dağıtım Enerji ve Yatırım A.Ş.	3,481.5

ISSUANCE OF PRIVATE SECTOR DEBT SECURITIES

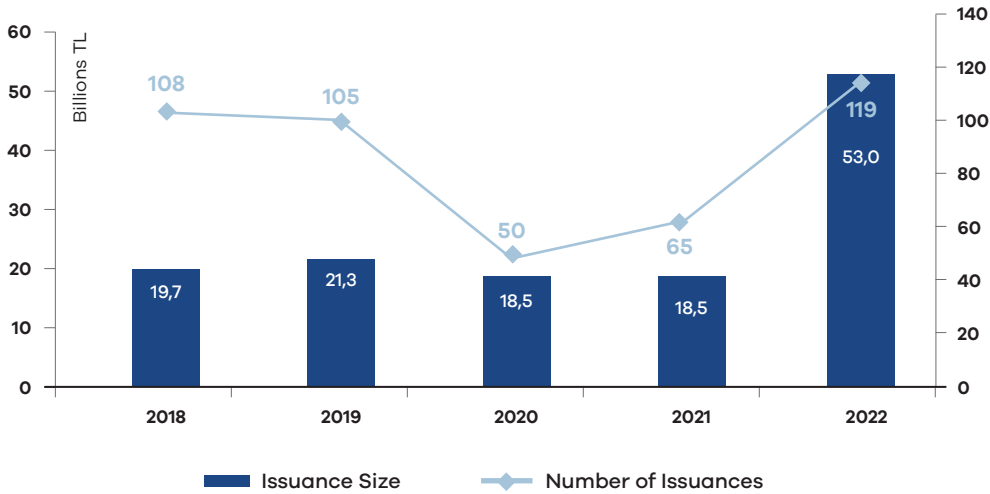
The total size of private sector debt security issuances in the market reached TL 361.4 billion in 2022, marking an increase of 40% compared to the previous year for 1,854 issuances.



PRIVATE SECTOR DEBT SECURITY ISSUANCE SIZE AND NUMBER OF ISSUANCES (EXCLUDING PRIVATE PLACEMENTS)

Banks accounted for 34.5% of the total volume of primary market issuances, while non-bank financial institutions and real-sector firms accounted for 52.7% and 12.8% of the total, respectively. In terms of the weighted average term of issuances realized, banks borrowed for an average term of 143 days, non-banking financial institutions for 125 days and real sector companies for 246 days. Of these issuances, 1,795 issuances were offered to qualified investors and 59 through the public offering method.

In 2022, İş Investment intermediated 119 issuances with a nominal size of TL 53 billion and rounded off the year with a market share of 14.7%.



DEBT SECURITY ISSUES ARRANGED BY İŞ INVESTMENT (EXCLUDING PRIVATE PLACEMENTS)

MERGERS & ACQUISITIONS

As of the end of 2022, a total of 212 M&A transactions (disclosed) worth USD 11.8 billion had taken place, an increase of 17% compared to 2021. Domestic investors accounted for a 75% share of transaction volumes during the year, with a 72% share in terms of the number of transactions.

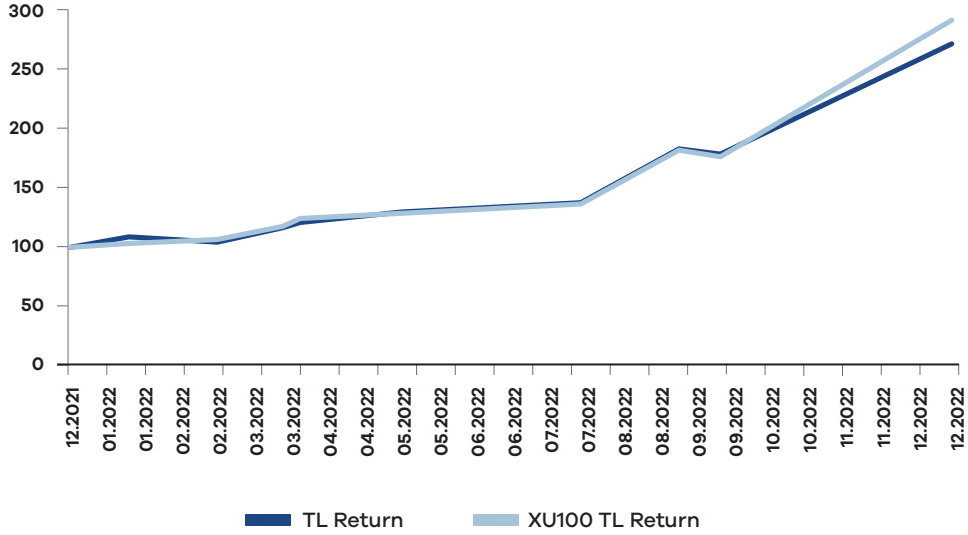
M&A transactions centered around the e-commerce, renewable energy, banking, production and infrastructure sectors, while there was continued volatility in the technology and fintech sectors amid the ongoing impact of the pandemic. While fund managers continued to seek new investments, they also resorted to the method of reducing or exiting their shares by public offerings or selling companies in their portfolios.

In 2022, İş Investment provided consultancy services on the sale of 50% of CEZ's shares of AKCEZ Enerji A.Ş., a partnership between Akkök Holding A.Ş. and CEZ, to the Torunlar Group. The Share Sale Agreement and Partnership Agreements were signed and the transaction is now awaiting approval from EMRA and the Competition Authority. In addition to this transaction, we are also actively working on M&A projects from different sectors where buyer and seller side consultancy is carried out.

A process of consolidation is expected to continue with new investments in the fintech, technology, renewable energy and exporting sectors in 2023. Share sales and exits from non-strategic business lines may be seen in companies lagging behind in terms of competitiveness, while companies with a high level of market dominance, export strength and strong capital structure may benefit from greater purchasing opportunities.

15. RESEARCH

In addition to publishing high value-added reports in the fields of macroeconomics and the equity markets, regular reports were published for 53 companies constituting 58% of the actual circulation value of the Borsa Istanbul Equity Market, while the Research Department continued to issue recommendations in the form of "Buy-Sell-Hold". The Model Portfolio, which includes a selection of companies for which İş Investment has issued a "Buy" recommendation, underperformed the BIST 100 index by 4% in 2022.



RETURN OF İŞ INVESTMENT MOST RECOMMENDED STOCK LIST COMPARED TO BIST 100-2022

In addition to macro-economic reports for institutional and qualified investors, comprehensive reports on equities and investment strategies were prepared in Turkish and English. Strategy meetings were held with institutional investors and portfolio management companies throughout Türkiye.

Active participation in domestic sales activities continued throughout 2022. Meetings were held with investors to introduce companies listed on the stock exchange to foreign investors. Meetings were held with investors with the participation of the sales teams to discuss the country's macroeconomic prospects and the outlook for shares and strategies.

The need for opinions and reports on capital market instruments and the macroeconomic outlook is expected to grow further in 2023.

16. RISK MANAGEMENT

Operating under the Board of Directors, the Risk Management Department continued to regularly inform the Risk Committee at monthly meetings. The Committee evaluated the market, asset-liability, credit, operation and other risks arising as a result of the Company's activities and ensured that risk-reducing measures were taken.

The "Value at Risk (VaR)" methodology is used in the calculation of corporate risk. The Company's total risk arising from market making transactions, money market activities, hedge positions and all trading transactions are calculated on a daily basis and separated on the basis of the departments and presented to the relevant managers by the Risk Management Department. Backtesting studies continued in order to test the effectiveness of measured VaR values. Stress tests and Scenario Analysis were applied in order to determine the extent to which the Company's portfolio would be affected by the unusual market movements with the aim of preventing potential losses, and the results were reported to the Board of Directors. In addition, corporate risk reports are submitted on a monthly basis and consolidated risk reports, including the risk measurements carried out by our subsidiaries, are submitted on a quarterly basis for informative purposes and for evaluation by İş Bank, our main shareholder.

17. AGENDA OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS OF İŞ YATIRIM MENKUL DEĞERLER A.Ş. DATED MARCH 23, 2023

1. Opening and chairing the council
2. Reading and deliberation of Board of Directors' Annual Report for the year 2022
3. Reading, deliberation of the financial statements and Independent Auditor's report of 2022 and approval of the financial statements
4. Approval of members assigned to the Board of Directors in the period
5. The individual acquittal of members of the Board of Directors for their fiduciary responsibilities for 2022
6. Deliberation and decision on the profit distribution of 2022
7. Election of members of the Board of Directors and determination of the membership period
8. Determination of the salaries to be paid to the members of the Board of Directors
9. Selection of the auditor
10. Amendment of article 6 of the Articles of Association
11. Presentation of information on the resolution of Board of Directors dated February 14, 2023 regarding the share buy-back
12. Presentation of information on the donations made in 2022
13. Approval of the resolution of the Board of Directors regarding TL 55.000.000 amount of donation made to the Ministry of Interior Disaster and Emergency Management residency (AFAD) on February 15, 2023 and determination of upper limit for donations will be made in 2023

18. DIVIDEND DISTRIBUTION PROPOSAL OF THE BOARD OF DIRECTORS

The decision was taken to submit a proposal on the following issues at the Annual General Meeting:

- The distribution of a gross dividend of TL 755,000,000 in cash, to be paid from our Company's distributable profit for the period 1 January 2022 – 31 December 2022, as reported in the financial statements and legal records prepared in accordance with the provisions of Communiqué II-14.1 of the Capital Market Board and in accordance with the Company's Dividend Distribution Policy, on May 26, 2023,
- The distribution of TL 1,145,000,000 in the form of bonus shares to be added to the capital,
- The allocation of TL 101,056,448 in accordance with the provisions of Article 325/A of the Tax Procedure Law and Article 10 of the Corporate Tax Law; and TL 33,895 in accordance with Article 3 of the Law on Supporting Research, Development and Design Activities, a total of TL 101,090,343, in special funds for use in venture capital fund investments.

19. DIVIDEND DISTRIBUTION TABLE FOR 2022 (TL)

İŞ YATIRIM MENKUL DEĞERLER A.Ş. PROFIT DISTRIBUTION TABLE FOR 2022 SUBMITTED BY THE BOARD OF DIRECTORS TO THE APPROVAL OF THE ORDINARY GENERAL MEETING (TL)

1.	Paid-in / Issued Capital	355.000.000,00	
2.	Total Legal Reserves (According to Legal Records)	184.398.994,49	
Information on privileges in dividend distribution, if any, in Articles of Association			None
		Based on CMB Regulations	Based on Legal Records
3.	Current Period Profit	5.424.683.761,63	4.881.894.910,37
4.	Taxes Payable (-)	(895.076.976,00)	(802.919.498,00)
5.	Net Current Period Profit	4.331.632.300,63	4.078.975.412,37
6.	Losses in Previous Years (-)	0,00	0,00
7.	Primary Legal Reserves (-)	0,00	0,00
8.	NET DISTRIBUTABLE CURRENT PERIOD PROFIT	4.331.632.300,63	4.078.975.412,37
9.	Donations Made During the Year	51.734,11	
10.	Donations-Added Net Distributable Current Period Profit	4.331.684.034,74	
11.	First Dividend to Shareholders		
	- Cash	755.000.000,00	
	- Stock	1.145.000.000,00	
	- Total	1.900.000.000,00	
12.	Dividend Distributed to Owners of Privileged Shares	0,00	
13.	Dividend Distributed to Members of the Board of Directors, Employees, etc.	0,00	
14.	Dividend Distributed to Owners of Redeemed Shares	0,00	
15.	Second Dividend to Shareholders	0,00	
16.	Secondary Legal Reserves (-)	73.725.000,00	
17.	Statutory Reserves	0,00	
18.	Special Reserves	101.090.343,00	
19.	EXTRAORDINARY RESERVES	2.256.816.957,63	2.004.160.069,37
20.	Other Distributable Resources		
	- Previous Year's Profit		
	- Extraordinary Reserves		
	- Other Distributable Reserves as per the Law and the Articles of Association		

DIVIDEND RATIO TABLE

NET	GROUP	TOTAL DIVIDEND AMOUNT		TOTAL DIVIDEND AMOUNT / NET DISTRIBUTABLE	DIVIDEND PER SHARE FOR 1-TL NOMINAL VALUE	
		CASH (TL)	SHARES (TL)	PROFIT RATIO (%)	AMOUNT (TL)	SHARE (%)
NET	A	287.112,68	483.802,82	0,02	5,139437	513,9437
	B	679.212.887,32	1.144.516.197,18	42,10	5,139437	513,9437
	TOTAL	679.500.000,00*	1.145.000.000,00	42,12	5,139437	513,9437

(*) TL 755.000.000 gross cash dividend

20. İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AMENDMENT OF ARTICLES OF ASSOCIATION

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AMENDMENT OF ARTICLES OF ASSOCIATION

Old Version	New Version
CAPITAL AND TYPE OF STOCKS	CAPITAL AND TYPE OF STOCKS
<p>Article 6 - The Company has adopted registered capital system as per the provisions of the Capital Markets Law, and has started to implement the authorization, dated 24.12.2009, dated 37/1096, of the Capital Markets Board.</p> <p>The upper limit of registered capital of the Company amounts to TL 750.000.000.- (Seven Hundred and Fifty Million Turkish Liras), and the said capital has been divided into 750.000.000 (Seven Hundred and Fifty Million) shares each having a nominal value of TL 1 (One Turkish Lira).</p> <p>The authorization for the registered capital upper limit granted by the Capital Markets Board shall be valid and effective for the period between 2018-2022 (5 years). Even in the event that the upper limit of the registered capital, for which authorization has been granted, could not be achieved as of 2022, in order for the board of directors' adoption of a resolution for the increase of the capital after 2022, it shall be mandatory to obtain authorization for a further period from the general assembly by obtaining authorization from the Capital Markets Board for the previously authorized upper limit or for a further upper limit. In the event that such authorization could not be obtained, then the Company can not increase its capital by a board of directors resolution.</p> <p>The issued capital of the Company amounts to TL 355.000.000 (Three Hundred Fifty Five Million Turkish Liras) which has been fully paid-up. The mentioned capital has been divided into 355.000.000 (Three Hundred Fifty Five Million) shares each having a value of TL 1.00- (One Turkish Lira). 150.000 (One Hundred Fifty Thousand) of those shares comprise of Group (A), and 354.850.000 (Three Hundred Fifty Four Million Eight Hundred Fifty Thousand) of the same comprise of Group (B) shares.</p> <p>In case of capital increase, no Group (A) shares may be created, but Group (B) shares shall be issued to represent such increased capital.</p> <p>Group (A) shares are registered shares, and Group (B) shares are bearer shares.</p> <p>In respect of share transfers, no restriction shall be applicable in accordance with the provisions prescribed by the Capital Markets Legislation.</p> <p>Share transfers are subject to the provisions of the Turkish Commercial Code and Capital Markets Law.</p> <p>The provisions of the second sentence of the second paragraph of article 497 of the Turkish Commercial Code and of paragraph 3 thereof are hereby reserved.</p> <p>The foregoing provisions shall apply to all shares including bearer shares which are monitored as registered.</p> <p>The provisions of article 379 et seq. of the Turkish Commercial Code and of the Capital Markets Law governing acquisition of own shares by the Company are hereby reserved.</p> <p>In the event that preemptive rights have been exercised, then the remaining shares, or in the event that exercise of the preemptive rights are subject to any restriction, then all recently issued shares shall be offered to public pursuant to the provisions of the Capital Markets Legislation, at market price, not to be less than the nominal value.</p> <p>The Board of Directors shall be entitled to increase the issued capital by issuing new shares up to the registered upper limit of the capital, in accordance with the provisions of the Capital Markets Law. Resolutions adopted by the Board of Directors regarding capital increases shall be announced to the public by virtue of material disclosures.</p> <p>Provisions of the Capital Markets Legislation governing requirements, authorizations, notifications and declarations pertaining to the transfer of shares as well as any and all rights associated therewith and to changes to the shareholding structure of the company are hereby reserved.</p> <p>The shares representing the capital shall be monitored as registered.</p>	<p>Article 6 - The Company has adopted registered capital system as per the provisions of the Capital Markets Law, and has started to implement the authorization, dated 24.12.2009, dated 37/1096, of the Capital Markets Board.</p> <p>The upper limit of registered capital of the Company amounts to TL 3.000.000.000.- (Three Billion Turkish Liras), and the said capital has been divided into 3.000.000.000 (Three Billion) shares each having a nominal value of TL 1 (One Turkish Lira).</p> <p>The authorization for the registered capital upper limit granted by the Capital Markets Board shall be valid and effective for the period between 2023-2027 (5 years). Even in the event that the upper limit of the registered capital, for which authorization has been granted, could not be achieved as of 2027, in order for the board of directors' adoption of a resolution for the increase of the capital after 2027, it shall be mandatory to obtain authorization for a further period from the general assembly by obtaining authorization from the Capital Markets Board for the previously authorized upper limit or for a further upper limit. In the event that such authorization could not be obtained, then the Company can not increase its capital by a board of directors resolution.</p> <p>The issued capital of the Company amounts to TL 355.000.000 (Three Hundred Fifty Five Million Turkish Liras) which has been fully paid-up. The mentioned capital has been divided into 355.000.000 (Three Hundred Fifty Five Million) shares each having a value of TL 1.00- (One Turkish Lira). 150.000 (One Hundred Fifty Thousand) of those shares comprise of Group (A), and 354.850.000 (Three Hundred Fifty Four Million Eight Hundred Fifty Thousand) of the same comprise of Group (B) shares.</p> <p>In case of capital increase, no Group (A) shares may be created, but Group (B) shares shall be issued to represent such increased capital.</p> <p>Group (A) shares are registered shares, and Group (B) shares are bearer shares.</p> <p>In respect of share transfers, no restriction shall be applicable in accordance with the provisions prescribed by the Capital Markets Legislation.</p> <p>Share transfers are subject to the provisions of the Turkish Commercial Code and Capital Markets Law.</p> <p>The provisions of the second sentence of the second paragraph of article 497 of the Turkish Commercial Code and of paragraph 3 thereof are hereby reserved.</p> <p>The foregoing provisions shall apply to all shares including bearer shares which are monitored as registered.</p> <p>The provisions of article 379 et seq. of the Turkish Commercial Code and of the Capital Markets Law governing acquisition of own shares by the Company are hereby reserved.</p> <p>In the event that preemptive rights have been exercised, then the remaining shares, or in the event that exercise of the preemptive rights are subject to any restriction, then all recently issued shares shall be offered to public pursuant to the provisions of the Capital Markets Legislation, at market price, not to be less than the nominal value.</p> <p>The Board of Directors shall be entitled to increase the issued capital by issuing new shares up to the registered upper limit of the capital, in accordance with the provisions of the Capital Markets Law. Resolutions adopted by the Board of Directors regarding capital increases shall be announced to the public by virtue of material disclosures.</p> <p>Provisions of the Capital Markets Legislation governing requirements, authorizations, notifications and declarations pertaining to the transfer of shares as well as any and all rights associated therewith and to changes to the shareholding structure of the company are hereby reserved.</p> <p>The shares representing the capital shall be monitored as registered.</p>

21. CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE STATEMENT

Increasing the quality and quantity of international capital directed to Türkiye is of tremendous importance in our developing economy. Global and regional developments in recent years have highlighted the importance of good corporate governance practices for companies, investors and all related parties. Good governance practices will continue to be one of the most important factors in the growth of companies and the sustainability of their activities in the coming periods, as in 2022.

İş Investment upholds the corporate approach in its sector, as associated with the “İş” emblem in our society. The Company recognizes that good governance practices can be achieved through various initiatives, including the formulation of the management strategy, the establishment of an effective risk management and internal control mechanism, the description of ethical rules, a high-quality performance in investor relations activities and the due fulfillment of the public disclosure obligation and the transparent execution of the activities of the Board of Directors. To this end, İş Investment observes the standards of accountability, equality, transparency and responsibility which constitute the universal components of the concept of corporate governance in the exercise of its rights and responsibilities to its shareholders in particular, and its employees, clients and all stakeholders in general, while maintaining effective management and supervision. With this approach, İş Investment complies with all of the regulations of the Capital Markets Board regarding compulsory corporate governance and also complies with a number of principles which are not mandatory.

Conducting its business in accordance with the Turkish Commercial Code, the Capital Market Law and applicable legislation, as well as its corporate ethical rules, İş Investment believes that compliance with corporate governance is just as important as financial performance in providing long-term added value for its investors.

In accordance with the decision taken by the Capital Markets Board on 10 January 2019 and numbered 2/49, “The Corporate Governance Compliance Report (URF)” which sets out the status of the Company’s compliance with the principles whose applications are voluntary in the Corporate Governance Principles and the “Corporate Governance Information Form (KYBF)” which provides information concerning our existing corporate governance practices, and the “Sustainability Report”, which reviews the compliance with the sustainability principles and which are voluntary in accordance with the decision dated 23 June 2022 and numbered 34/977, was disclosed on the Public Disclosure Platform at <https://www.kap.org.tr/tr/sirket-bilgileri/ozet/1533-is-yatirim-menkul-degerler-a-s> on 31 January 2023. These notifications will be updated if necessary. In addition, detailed explanations are provided concerning the Company’s compliance with the Corporate Governance Principles and the Sustainability Principles in the “Sustainability Principles Compliance Framework” section of this Annual Report.

22. SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK

A. GENERAL PRINCIPLES

As an integral part of İş Investment's Sustainability Policy, and complimentary to this Policy, the following policies were set out in accordance with a decision taken by the Board of Directors and publicly disclosed on the website;

- Human Rights and Human Resources Policy,
- Environmental and Social Impacts Policy,
- Anti-Bribery and Anti-Corruption Policy and
- Gift and Hospitality Policy

These Policies may be accessed from the Investor Relations/Corporate Governance/Sustainability Policies section of our website.

İş Investment's Sustainability Policy and the Policies which are complementary to this Policy are implemented by the Head Office units under the supervision of the Corporate Governance Committee. These Policies are regularly reviewed by the Corporate Governance Committee in line with any changes in the requirements and operating conditions, and any updates and changes which are deemed necessary, and enter effect following approval by the Board of Directors upon the recommendation of the Corporate Governance Committee. The coordination of sustainability efforts within executive bodies is overseen by the Investor Relations Department.

In order to generate long-term value within the scope of Sustainability Policies during the period, a Sustainability Board consisting of relevant unit managers was established under the leadership of the responsible Deputy General Manager in 2021 in order to ensure that environmental and social factors are applied in the company's activities and decision mechanisms in accordance with corporate governance principles, and to effectively carry out studies in the area of sustainability by identifying and managing any risks which may arise in these areas. The Sustainability Board is required to convene at least four times a year, with the development report to be prepared once a year following the submission of these studies to the Corporate Governance Committee. The Sustainability Board held its meetings during the period and evaluated İş Investment's level of compliance with sustainability principles and issues which could be improved upon in the short-medium-long term. Accordingly, our current key performance indicators have been reclassified within the scope of Sustainability Policies.

The progress report on the sustainability work carried out in the previous period was presented to the Corporate Governance Committee and the Board of Directors in February 2022.

The operational and financial status, position, performance and development of the Company are disclosed in our quarterly financial statements, annual reports and investor presentations and published on our website. In addition, our website serves as an information tool for all stakeholders, providing all kinds of information of a general nature, from corporate policies to general assembly information. Both our website and our reports directly meet the needs of different stakeholders.

Ensuring the highest level of compliance with the Corporate Governance Principles, İş Investment, discloses all important developments in a timely, complete, accurate and simultaneously accessible manner to all stakeholders through the Company website and the Public Disclosure Platform, in line with the importance it attaches to transparency.

Within the scope of Sustainability Principles, our Company's activities and policies are implemented in line with the United Nations Sustainable Development Goals including Decent

Work and Economic Growth, Sustainable Cities and Communities, Life on Land and Partnerships for Purposes.

There were no violations of environmental legislation in the Company's activities. In this context, no legal action was taken against our Company regarding environmental, social and corporate governance issues in general, and we have not been exposed to any legal sanctions that will significantly affect our activities in respect to our Sustainability Policies.

B. ENVIRONMENTAL PRINCIPLES

İş Investment aims to provide development in energy consumption, water use, gas emissions, waste generation and recycling in accordance with the Environmental and Social Effects Policy announced on its website.

The İş Towers complex was designed to minimize its environmental impact. Tower 1 in the complex holds a BREEAM In-use Excellence certificate. The application for the LEED-EBOM certificate submitted for Tower 2, which is home to our Head Office, is currently awaiting approval. Meanwhile, work on the "Zero Waste Management" process has got underway, with necessary applications being lodged by the operating company to gain a zero-waste certificate by dissociating the waste collection areas and classifying the wastes in accordance with the Zero Waste Regulation. Work to start measuring other environmental indicators such as recycling is planned to get underway in the coming periods, with the results behind disclosed on a periodical basis.

The process of moving our data center, located in the same building as our Head Office, to İşbank's Atlas Data Center, was completed in 2021. The Atlas Data Center was specially designed to incorporate green IT applications which will minimize environmental impacts and provide energy efficiency. In addition to being environmentally friendly, the Atlas Data Center, which operates with state-of-the-art technology and the highest security standards, holds the LEED v4 Gold certification for Data Centers and was the first data center in Türkiye to meet these standards.

The Atlas Data Center, which is the new home of our Company's data center, offers the following features;

- All waste is sorted and recycled within the scope of the ISO14001 Environmental Management System Standard.
- Energy consumption is reduced by using energy generated during cooling in the heating of office spaces.
- The data rooms housing IT cabinets are air-cooled with package type cooling devices on an uninterrupted basis in line with the principle of redundancy.
- After cabinets are cooled, heated air is mixed with outdoor air and is used for the heating of air conditioning systems, thus saving energy.
- Rain water is collected and reused after being treated.

Thanks to the above features, the transfer of our data center, which has a significant impact on energy consumption, to the Atlas Data Center has minimized the environmental impact of our operations. The move paved the way for an 82% reduction in electricity consumption in 2022 when compared to the period before the move.

As a responsible corporate citizen, İş Investment is aware of the effects of climate change on our daily lives and has been reporting its greenhouse gas inventory since 2021. Figures pertaining to the energy consumption of our entire organization, including our branches, for 2022 and Scope 1, Scope 2, Scope 3 data on greenhouse gas emissions are presented in the tables below. In addition, the methodology and other detailed information regarding emission measurements is set out in our Greenhouse Gas Report on our website.

İş Investment Total Energy Consumption, MWh

	2019	2020	2021	2022
Electricity Consumption	MWh	MWh	MWh	MWh
Fuel & electricity in the Buildings	1,525.2	1,361.3	1,228.5	1,208.6
Electricity purchased from the grid	1,101.5	978.5	300.1	353.9
Renewable electricity supply*	0	0	372.5	312.5
Natural Gas	413.6	371.1	551.0	542.2
Generator (diesel)	10.1	11.7	4.9	0.0
Vehicle fuels	719.6	502.7	506.4	404.8
Diesel	234.4	267.2	333.5	137.1
Gasoline	485.2	235.5	172.9	267.7
TOTAL	2,244.8	1,864.0	1,734.9	1,613.4

* I-REC certified electricity purchased from renewable energy sources.

İş Investment Total Energy Consumption, GJ

	2019	2020	2021	2022
Electricity Consumption	GJ	GJ	GJ	GJ
Fuel & electricity in the Buildings	5,490.8	4,900.7	4,422.6	4,351.0
Electricity purchased from the grid	3,965.6	3,522.7	1,080.3	1,274.2
Renewable electricity supply*	0	0	1,341.2	1,125.0
Natural gas	1,489.0	1,336.0	1,983.5	1,951.8
Generator (diesel)	36.2	42.0	17.6	0.0
Vehicle fuels	2,590.6	1,809.6	1,823.0	1,457.4
Diesel	843.7	962.0	1,200.7	493.5
Gasoline	1,746.9	847.6	622.3	963.9
TOTAL	8,081.4	6,710.3	6,245.6	5,808.4

* I-REC certified electricity purchased from renewable energy sources.

İş Investment Emissions by Scope, tCO₂e

	2019	2020	2021	2022
Greenhouse Gas Emissions	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e
Scope 1	275	211	247	216
Scope 2	566	467	137	124
Scope 3	103	20	21*	70**
TOTAL	944	698	405	410

* Only business trips (flights) are calculated as Scope 3 (GHG Protocol-Category 6).

** Only mains water use and business travel (flights) scope 3 (GHG Protocol- Category 5 and 6) are calculated.

Scope 1: Scope 1 emissions are emissions which include the Company's direct emissions. Broadly speaking, the fuel consumption of buildings and company vehicles and generator consumption are calculated within this scope. İŞ Investment's Scope 1 emissions for 2022 totalled 216 tCO₂e, a decrease of 21% compared to the base year of 2019.

Scope 2: Scope 2 emissions are emissions which include the Company's indirect energy emissions. Greenhouse gas emissions from the consumption of electricity are calculated under Scope 2. İŞ Investment's Scope 2 emissions for 2022 stood at 124 tCO₂e, marking a drop of 78% when compared to the base year of 2019.

Scope 3: Scope 3 emissions are emissions which include other indirect emissions from the Company. Emissions from business trips and mains water are calculated under this scope. İŞ Investment's Scope 3 emissions for 2022 stood at 70 tCO₂e, a 32% decrease compared to the base year of 2019.

According to the greenhouse gas emission measurements in 2022, the Scope 1, Scope 2 and Scope 3 values for 2022 were calculated to total 410 tCO₂e, marking a fall of 57% compared to the reference year of 2019.

Our total energy consumption in 2022 stood at 5,808.4 GJ, 28% lower than in the reference year, 2019.

On the other hand, İŞ Investment consumed a total of 312.5 MWh of I-REC certified green electricity with its 12 branches switching to I-REC certified electricity consumption in 2022, in line with their goal of increasing the consumption of I-REC certified electricity generated from renewable energy sources. As of March 2023, necessary applications were submitted for at least three more İŞ Investment branches to switch to I-REC certified green electricity consumption.

Our company's total water consumption stood at 1,820 cubic meters in 2022, a decrease of 5% when compared to 2021 and by 48% when compared to 2019, the reference year. Mains water provided by local governments is used for water consumption. The volume of waste water discharged was as much as the amount of water consumed in 2022. Waste water is discharged into infrastructures such as treatment plants as directed by local governments.

İŞ Investment Water Consumption Data, m³

	2019	2020	2021	2022
Total Water Consumption	3,476.5	2,039.6	1,920.8	1,820.0

The operating company of the Tower 2 premises, where our Head Office is located, has ISO14001 certificate.

İŞ Investment mediated the offering of the "Renewable Energy Venture Capital Investment Fund" and the "Renewable Energy Technologies Venture Capital Investment Fund", which were established in 2019 and 2022 by its subsidiary İŞ Asset Management, in which our Company holds a 70% stake, to investors.

İŞ Investment offers its employees the option of using public transportation (personnel service) in order to reduce the environmental impact which may occur due to personnel transportation, and covers 100% of the cost incurred for this service for incentive purposes.

Companies provided with financial advisory services by İŞ Investment will be informed of the assessment of environmental and social impacts and sustainability issues and taking measures, if deemed necessary. This will ensure that customers and other stakeholders involved in the process will also be integrated into our Environmental and Social Impacts Policy.

In its Environmental and Social Impacts Policy announced to the public, İş Investment declared that it would seek to regularly measure greenhouse gas emissions, which are the main cause of climate change, and to also carry out mitigation activities as a result of its mitigation commitments in the following periods.

Carbon credits are not yet used from the carbon offset market in exchange for greenhouse gas emissions.

C. SOCIAL PRINCIPLES

The “Human Rights and Human Resources Policy”, in which İş Investment declares that it will strive to fulfill the requirements of the international conventions to which our country is a party, in particular the basic principles such as labour rights, human rights and social justice as set out by the United Nations Universal Declaration of Human Rights and the International Labor Organization, was drafted following the decision taken by the Board of Directors, and is disclosed to the public on our website.

This Policy is regularly reviewed by the Corporate Governance Committee in line with the changes in the requirements and operating conditions, and the updates and changes deemed necessary are approved by the Board of Directors upon the recommendation of the Corporate Governance Committee before entering force. An internal audit is carried out to monitor compliance with the provisions of the Human Rights and Human Resources Policy.

The full text of our Human Rights and Human Resources Policy, which is based on principles such as the provision of equal opportunity for all under equal conditions, with no discrimination on the basis of race, religion, language, sect or any belief, gender, age, cultural or social class among employees, respect for human rights, the protection of employees from physical, mental and emotional abuse within the institution, applying a fair and competitive pay policy, succession planning and placing importance on occupational health and safety and training can be accessed in the Investor Relations, Corporate Governance and Sustainability Policies sections of our website.

No complaints of discrimination or mistreatment were reported by our employees.

As of the end of 2022, there were 468 employees in the entire organizational structure of the Company and 47% of the total number of employees were women. Women accounted for 45% of our senior management level and 47% of our middle management level, with 46% for the total of these two groups. Women also accounted for 38% of the employees newly joining us in 2022.

Our company’s employee turnover rate was 23% in 2022 .

İş Investment does not employ any form of forced labor. All types of work are completely voluntary and there is no restriction for any employee to work for a certain period of time against their will or to terminate their employment contract.

The employment of child labor is strictly prohibited at İş Investment, a company operating in the capital markets where the legal framework, including the basic qualifications of the employed employee (university degrees, licensing documents, seniority, etc.), is fully determined in accordance with the regulations concerning personnel regulations and corporate policies of the Company.

Employee job descriptions and performance and compensation criteria are determined by managers and announced to employees. Our performance evaluation system is a mixed system where goals and competencies are evaluated together. Performance evaluation is based on objective studies and syntheses which investigate the extent to which our employees comply with the requirements and qualifications of the job, while seeking to determine business success. Job descriptions regarding the title and activities and the application principles regarding performance and compensation criteria have been set out in writing at İş Investment and are announced to our employees.

¹ Turnover Rate: [Number of Employees Who Left the Company /Average Number of Employees (Number of Employees at the Beginning of the Period + Number of Employees at the End of the Period)/2]*100

Open positions within the Company are primarily sourced from internal sources. The Company adopts the principle of providing equal opportunity for all under equal conditions in setting out recruitment policies and preparing career plans.

All employees may submit their wishes, complaints and suggestions through the Human Resources Committee, departmental managers, the Human Resources Department and the Board of Inspectors.

Employees who refuse to pay bribes within the framework of our Anti-Bribery and Anti-Corruption Policy or who report actions or undertakings which are contrary to the principles of this Policy in good faith, and who are acting in line with the principles of honesty and transparency, shall not be subjected to any penalties and / or maltreatment.

In order to monitor the needs and expectations of employees more closely, a Leave Board is in place consisting of employer and employee representatives.

None of our employees experienced any situation which led to more serious consequences, such as injury or death due to occupational accidents. The employee injury rate during the period was 1.07 . Likewise, there was no loss of working days for any of our employees as a result of activities carried out.

The salaries of İŞ Investment employees are determined in a fair and competitive manner, taking into consideration the Company's remuneration principles, as well as the duties and titles of the employees, together with their qualifications such as their education and experience within the framework of the Remuneration Policy. İŞ Investment's Remuneration Policy currently in effect was approved by the Board of Directors and was presented for the purpose of informing shareholders in the Company's first Annual General Meeting. İŞ Investment rejects all forms of discrimination in any of its processes and practices involving its employees within the framework of its Human Rights and Human Resources Policy, with all employees receiving remuneration in accordance with the principles of the Remuneration Policy, the Human Rights and Human Resources Policy and Personnel Regulations.

Our Company's publicly disclosed Remuneration Policy applies to managers and employees at all levels. In line with the Remuneration Policy, cash payments are provided at regular intervals and continuously in fixed amounts at certain periods of the year, regardless of performance. Such pay is determined by taking into account the financial position of the Company and are mainly paid to all employees based on merit, their length of service, title and the nature of the work carried out. Variable pay, on the other hand, includes all forms of cash and non-cash payments other than fixed pay, and includes performance-based incentive payments and premiums. Performance-based pay is only offered to certain employees, taking into account the Company's performance and the contribution of the relevant unit and employee. Variable pay is determined in a manner which does not weaken the Company's equity, which takes into account current and potential risks, the capital and liquidity situation of the Company and the probability and timing of revenues planned to be realized in the future. The full text of the Remuneration Policy may be accessed from the Investor Relations / Corporate Governance / Corporate Policies sections of our website. As set out in the Company's financial statements dated 31 December 2022, a total of TL 507 million in personnel expenses was provided in the form of wages and similar rights in 2022.

It is the duty and responsibility of the Corporate Governance Committee to determine the principles, criteria and practices to be used in the remuneration of managers with administrative responsibility and to submit suggestions to the Board of Directors on these issues.

In cases where it is foreseen that the process of Chief Executive and other executive officers reshuffles could cause disruption to the management of the Company, succession planning is applied for the determination of new executives to be appointed by the Board of Directors. Besides, in the event that critical positions become vacant for various reasons, the subject of this planning shall be to predetermine which employees fill such vacant positions among the

² Total Employee Injury Rate: (Total Number of Injuries/Total Working Hours of Employees)*1,000,000
Total Working Hours: Total Number of Employees *2,000

current personnel, to equip the employees determined for the key positions with the qualifications required by the relevant positions and to train the relevant employees as the future managers. In this context, the Board of Directors is authorized to determine the managers to be appointed and/or promoted to key positions, to evaluate the managers who contribute to the realization of the Company's strategic goals and to assign them to the relevant positions.

In order to reduce greenhouse gas emissions and to support the UN's Sustainable Development Goal No. 3 titled "Health and Quality Life" physical participation in foreign business trips, meetings, training, seminars, conferences, etc. is minimized except for necessary situations, with a preference for electronic participation in such events, especially those held outside the city and country. In addition, a hybrid working system started to be implemented in 2022 where employees could work in the office on certain days of the month and at home on certain days, taking into account the current conditions.

The İş Investment Compensation Policy is set out in writing and disclosed to the public in the Investor Relations, Corporate Governance/Corporate Policies sections of our website.

Employees benefit from Private health insurance which is offered by the Company free of charge. In addition, doctors and health personnel are present in the premises where our Head Office is located, so our employees may undergo examinations when required. Other fringe benefits provided to employees include employer-contributed group pension plans and support in events such as marriage, birth, natural disasters. These benefits are publicly disclosed on the Human Resources section of our website.

Discovering talent, bringing the right talent to İş Investment and ensuring our competitive strength is sustainable forms the basis of our approach to talent management.

The calibre and number of staff in our sector is at a level such that there is no need for functions such as unionization or collective bargaining, and none of our employees were represented by a union in 2022. However, our Company does not have any prohibitive regulations or practices in this area.

The subject of training is an important element of the Work/Life balance at İş Investment. Our basic training policy is centered around contributing to the professional and personal development of our employees who adopt continuous learning as a philosophy of life, and to provide equal opportunities to employees in this regard. Our training plans aimed at ensuring that our employees develop appropriate behavioral patterns in accordance with the corporate culture, while helping them fulfill their duties as well as possible by developing their professional competencies and improving their management skills. Our employees are encouraged to participate in national and international training and certificate programs and all forms of support are provided. With this approach, we continued to ensure the participation of employees in training programs in line with our Company's managerial strategies in 2022. During the period, our training activities were carried out in five different structures: management development programs, seminars, technical and vocational training programs, external training with individual participation and the e-learning platform. In 2022, a total of 23 hours of training was provided per employee, with a total of 10,574 employee-hours of training provided.

Occupational Health and Safety is one of the key elements of our Human Rights and Human Resources Policy. Employees are regularly offered training in matters related to Occupational Health and Safety with necessary information provided by raising awareness in these areas. In this context, a total of 904 hours of training was provided to employees on Occupational Health and Safety during the term. Our internal regulation on Occupational Health and Safety has been prepared in writing and is announced to our employees. The occupational health and safety strategy and the regulation is implemented by the Occupational Health and Safety Committee, which is made up of a health and safety specialist, a doctor, representatives from the human resources department and other relevant members of the management.

In order to enhance the social and economic benefit in the performance of capital market activities, to protect and advance the reputation of the capital market brokerage profession and to prevent unfair competition, İŞ Investment has presented the code of ethics created by the Board of Directors in line with the regulations of the Turkish Capital Markets Association in writing in order to inform employees. The full text of the İŞ Investment code of ethics can be accessed in the Investor Relations, Corporate Governance and Corporate Policies sections of our website.

Each employee may express their wishes, complaints and suggestions through the Human Resources Committee, Departmental managers, Human Resources Department and the Inspection Board. The examination of complaints concerning ethical issues is under the responsibility of the Audit Committee. In the event of any incident which contravenes the ethical values of our company, the incident will first undergo examination and evaluation by the Board of Inspectors and the Human Resources Committee and, if deemed necessary, will then be referred to the Audit Committee, which is the committee responsible for ethical values. Necessary measures will then be taken within the framework of the Personnel Regulation, Institutional Policies and relevant legislation.

İşbank, our founder and main shareholder, has been a pioneer in the development of social life as well as economic development since its establishment. The Bank maintains its support for activities regarding the environment, education, culture, the arts and other fields with a deeply rooted understanding of social responsibility. Aware of its social responsibility to society with all of its employees, İŞ Investment aims to realize sustainable projects in accordance with legal regulations and ethical values on issues within the scope of social responsibility. It is able to achieve this goal directly through projects developed by itself and/or by supporting projects developed by İşbank.

In this context, in support of the UN's Sustainable Development Goal (SDG) No. 8 entitled "Decent Work and Economic Growth", İŞ Investment executed the TradeMaster Campus project in order to advance financial literacy among university students and share fundamental information on the dynamics of the capital markets. The project has attracted a number of reputable universities since its establishment in 2013, with the number of universities participating in the project reaching 45 in 2022 with the inclusion of three more universities in the project. In the project, computer laboratories have been established at universities free of charge for the use of students, information is provided on the capital markets and transactions and training is provided.

The digital art workshops and interviews, which were the last in a series of events focused on sustainability and digital art which got underway in 2021 in cooperation with the Eskişehir Odunpazarı Modern Museum (OMM) in support of the UN's SDG No. 11 entitled "Sustainable Cities and Communities", were completed in February 2022. New episodes of the "Near Future" Podcast Series focusing on sustainability, climate change and the future of the planet, the first episodes of which we streamed in 2021 as part of our cooperation, were also released to audiences on our Spotify and YouTube channel in June 2022. A new cooperation was established with OMM, which started in October 2022 and will continue in 2023, and educational programs for both children and adults have got underway. Interactive workshops are held with activities for children offered by instructors and artists who are experts in their fields under the titles of Paper Works, Upcycling, Body and Movement, Architecture and Children, and Archeology. The activities for adults include discussions of various topics related to contemporary art. Training is given by experts on the Roles of Institutions in Art and Culture Management, Biennials and Curation, Seminars on Modern and Contemporary Art, Sustainable Cultural Policies and Urbanism.

In addition to the projects mentioned above, an important step was taken to reduce the use of paper in 2022 in line with our sustainability mission, with the rollout of digital business cards. With the application, our employees were able to transfer the information on printed business cards to smartphones using NFC technology. Another measure in this area was the distribution of glass decanters and porcelain cups to all our employees, with the awareness that disposable cups in our working environment cannot be recycled and threaten our health because they contain plastic materials. In addition, our cardboard box given as a gift to em-

ployees joining us, which contained amenities which would be useful for them in their jobs was replaced with a cloth bag, within the framework of our sustainability approach.

İş Investment employees, with the awareness of social responsibility and volunteering, carried out a donation campaign in 2022 on behalf of children in need who do not have access to education and educational materials to support their development, and participated in the 43rd Istanbul Marathon for the benefit of the Mother Child Education Foundation (AÇEV).

İş Investment upholds the rights and responsibilities among all its stakeholders with the understanding of accountability, equality, transparency, fairness and responsibility.

Customer complaints may be forwarded to addresses which are clearly indicated on our website. The “Principles of Practice on Investor Complaints and Requests” were set out in writing in 2020 with a “Customer Solution Center” established to resolve customer complaints. In addition, our “Investor Rights”, “Conflicts of Interest” and “Order Execution” policies are disclosed to the public on our website. Our customers are also able to convey their expectations and suggestions through the investment advisors assigned to them, while those who wish to do so may also communicate on our social media channels. İş Investment conducted a satisfaction survey on the services provided to its customers opening an account between April - December 2022, with 38% of the customers taking part in the survey. The survey found an average satisfaction rate of 4.6 (92%) out of 5 points.

Stakeholder communication is carried out continuously and transparently. As a company whose shares are traded on the stock exchange, both customers and shareholders are contacted constantly and informative meetings are held.

In addition, relations with relevant non-governmental organizations and public organizations are managed on a balanced and continuous basis.

Transparent communication is established between employees, who have the most important place among stakeholders, in a wide of matters including job descriptions, the performance system, professional development and the exercise of employee rights.

Our company has not yet adopted international reporting standards as set out by the Carbon Disclosure Project (CDP), the Global Reporting Initiative (GRI), the International Integrated Reporting Council (IIRC) or the Sustainability Accounting Standards Board (SASB). On the other hand, we are not a member or a signatory to international organizations or principles such as the Equator Principles, the United Nations Environment Program Finance Initiative (UNEP-FI), the United Nations Global Compact (UNGC) or the United Nations Principles for Responsible Investment (UNPRI). We shall evaluate our inclusion in the principles and organizations mentioned above in the coming periods.

D. CORPORATE GOVERNANCE PRINCIPLES

SHAREHOLDERS

The Investor Relations department is the unit responsible for informing investors and other parties with an interest in the Company’s operational and financial performance, fulfilling the obligation of public disclosure within the scope of capital market legislation, corporate governance, sustainability practices and for the coordination of relations with investors and stakeholders in general. The Investor Relations Department is responsible for the coordination of the İş Investment Disclosure Policy, which is approved by the Board of Directors and disclosed to the public.

Ever since its establishment, the Investor Relations Department has responded in detail to requests for information received by phone, email and/or in one-to-one meetings with inves-

tors within the framework of the İş Investment Information Policy, while also participating in conferences held in Turkey and abroad, and has organized teleconferences. Questions from individual investors are responded to when necessary on subjects such as operational performance, interpretation of financial results, the dividend distribution policy, the performance of subsidiaries and share price performance for certain periods. Domestic and foreign institutional investors generally prefer to direct their questions in one-to-one meetings. The contact information for the Investor Relations executives, which is also disclosed on the corporate website, is presented below:

Kenan Ayvacı

Deputy CEO

Tel : 212- 350 25 00
Fax : 212- 350 20 01
E-Mail : kayvaci@isyatirim.com.tr

Fatih Mehmet Yılmaz

Financial Director

Tel : 212- 350 22 50
Fax : 212- 350 22 51
E-Mail : fyilmaz@isyatirim.com.tr

Ozan Altan

Investor Relations Manager

Tel : 212 - 350 28 72
Fax : 212 - 350 28 73
E-Mail : oaltan@isyatirim.com.tr

Investor Relations Department

E-Mail : investorrelations@isyatirim.com.tr

Pursuant to Clause 2 of Article 11 of the Corporate Governance Communiqué (II-17.1) published by the Capital Markets Board, Investor Relations communication information was most recently disclosed to the KAP on October 13, 2020.

All İş Investment shareholders are treated equally. The Investor Relations Department strives to facilitate the protection and exercise of shareholder rights with a particular focus on the right to obtain and review information.

Requests submitted by investors during the period were responded to as quickly and accurately as possible within the scope of the "İş Investment Information Policy" disclosed to the public. Care has been taken to ensure that such information does not include insider information.

The electronic environment is used efficiently in relation to providing information of events which have a potential impact on the exercise of shareholders' rights. Material event statements and other notices announced through the Public Disclosure Platform (KAP) are also posted on the İş Investment website simultaneously. Any changes in the Company's organization shall forthwith be announced on the corporate website, and investor presentations are updated on a quarterly basis. Additionally, İş Investment's share price performance, capital increases and dividend payment information are also made available on our corporate website for the purpose of informing investors. Furthermore, information is provided in regard to shareholder attendance in Annual General Meetings and the principles of electronic general meetings under the new Turkish Commercial Code.

There have been no implementations in our Company which would complicate the right of shareholders to obtain and review information, and efforts have been taken to facilitate the exercise of such rights.

As the new Turkish Commercial Code explicitly addresses the matter of requesting the appointment of a special auditor, this request was not stipulated in our Articles of Association.

İş Investment held its Annual General Meeting for the 2021 fiscal year on 24 March, 2022. Invitations for the Annual General Meeting, including the meeting date and agenda, were published on 1 March 2022 within the scheduled time as defined in the applicable legislation and the Corporate Governance Principles of the Capital Markets Board, on the Public Disclosure Platform (KAP), the corporate website and in the Electronic General Meeting System (e-GEM) of the Central Registry Agency (in Turkish: MKK), and were also sent by post to registered shareholders. It was also announced in the Turkish Trade Registry Gazette dated 2 March 2022 and numbered 10528.

Based on the examination of the list of those attending the Annual General Meeting, it was established that out of the Company's shares with a total nominal value of TL 355,000,000, of which shares with a total nominal value of TL 150,000 consist of Class A shares, and shares with a total nominal value of TL 354,850,000.00 consist of Class B shares, shareholders holding a total nominal value of TL 276,368,728.43 in shares were represented, thus, the meeting quorum stipulated in both the relevant law and the Articles of Association.

The invitation, agenda, sample proxy form and minutes of the Annual General Meeting were published on the KAP. These documents are constantly made available on our Turkish and English websites for the purpose of informing shareholders and stakeholders. The CVs of the Members of the Board of Directors nominated and elected at the Annual General Meeting are also published on our website.

Invitations to attend the Annual General Meeting are distributed at least three weeks prior to the date of the meeting, excluding the date of such announcement and the date of such meeting. In accordance with the Articles of Association, each share with a nominal value of TL 1.00 shall hold one vote and shareholders may exercise their rights of vote during general meetings in proportion to the overall nominal value of the shares which they hold (with each one share holding one voting right). There is no cumulative voting right.

Article 13 / d of the Articles of Association states that the quorum for general meetings and for the resolutions to be adopted shall be governed by the provisions of the Turkish Commercial Code as well as the Capital Markets Law. In respect of the general meetings to be held in relation to the matters prescribed under the 1st and the 3rd paragraphs of Article 421 of the Turkish Commercial Code, the quorum for meeting specified under Article 418 of the Turkish Commercial Code shall prevail. Accordingly, general meetings convene with the presence of the shareholders or their representatives who meet at least one quarter of the capital, except for the cases where a heavier quorum is stipulated in the Turkish Commercial Code or the Articles of Association. This quorum must be maintained throughout the meeting. Where the mentioned quorum is not met in the first meeting, the quorum is not sought for the second meeting to be held. Resolutions are adopted with the majority of the votes present at the meeting. Decisions pertaining to amendments to the articles of association are taken by a majority of the votes present at the general meeting whereby at least half of the Company's capital is represented unless otherwise stipulated in the law and the Articles of Association. Where the meeting quorum stipulated by law cannot be met in the first meeting, a second meeting may be held, provided that it is held within one month of the first. In the second meeting, the new quorum stipulates that at least one-third of the Company's capital is represented in the meeting. On the other hand, resolutions to amend the Articles of Association pertaining to issues such as completely changing the Company's area of business, the issue of privileged shares and limiting the transfer of registered shares are taken with the affirmative votes of the shareholders or their representatives who constitute at least seventy-five percent of the capital.

Pursuant to Article 8 of the Articles of Association, in the event that the capital is increased, the existing shareholders shall be entitled to exercise preemptive rights in relation to purchasing new shares at the portion of their shareholding with regard to the capital of the Company. The terms of exercise in relation to such preemptive rights shall be determined by the Board of Directors. Due care is taken to ensure that general meetings are held in a manner which will not cause inequality among shareholders and ensure the participation of shareholders at the lowest possible cost in order to increase the participation of shareholders. General Meetings are held in Istanbul, where the Company's head office is located, as set out in our Articles of

Association. Istanbul is also the city where shareholders are most concentrated in proportional terms.

The Chair of the meeting shall exercise care to communicate the topics on the agenda impartially, clearly, and in detail during the General Meeting. Shareholders are offered the opportunity to voice their opinions and direct their questions with equal conditions. The Chair of the meeting ensures that every question asked by the shareholders at the General Meeting, and which would not involve trade secrets or inside information, is directly answered during the General Meeting. If the question asked is irrelevant to the agenda or is too complex to be answered instantly, it is responded to in writing by the Investor Relations Department within a maximum of 15 days. Within this framework, members of the Board of Directors, relevant senior executives and the investor relations manager, officials responsible for the preparation of financial statements and auditors attend the General Meeting to provide necessary information and respond to questions regarding the issues that are special on the agenda. In accordance with our Information Policy, our shareholders, investors and other interested parties have the opportunity to direct their questions, suggestions and criticisms by means of e-mail, letter, telephone and face-to-face meetings outside the General Meeting. The necessary information and feedback is provided within the framework of the relevant legislation and in accordance with the principles of protecting internal information.

No proposal for the agenda for the General Meeting was submitted by the shareholders. In addition, since no decisions requiring the affirmative vote of a majority of independent members were passed during the reporting period, no subjects were incorporated in the general meeting agenda. The electronic General Meeting process was successfully carried out in parallel with the physical General Meeting.

As the information was presented at the Annual General Meeting dated March 24, 2022, with separate agenda item, donations and grants amounting to TL 184,654.00 provided to various educational institutions and TL 21,150.00 to the TEMA Foundation in 2021. The total amount of these donations and grants totaled 0.00014% of the sales revenue for the relevant period. Auditors also attend our General Meetings. No request was sent by the stakeholders to participate in the meeting as an observer.

No one with administrative responsibility or any shareholder with control over the management engaged in any transactions with our Company or its subsidiaries which may have led to any conflict of interest; furthermore, our Company and/or its subsidiaries did not, on behalf of themselves or others, conduct any transactions of a commercial business nature falling under their field of activity, or participate in another company engaged in the same kind of commercial affairs in the capacity of unlimited partners.

Voting rights do not incorporate any privileges. However, holders of Class A shares enjoy privileges solely with respect to the election of members of the Board of Directors. Six Board members are nominated by Class A shareholders, and three by Class B shareholders.

There are no companies with which İŞ Investment has cross shareholding interests. Minority shareholders did not nominate any members to the Board of Directors. The Articles of Association do not stipulate minority rights to be less than one-twentieth of the capital.

ENTITLEMENT TO DIVIDENDS, DIVIDEND DISTRIBUTION POLICY AND TIMING,

There are no privileged shares in terms of founder redeemed shares and dividends.

İŞ Investment's Dividend Distribution Policy was presented for the purpose of informing shareholders in the first Annual General Meeting that was convened as a publicly held company on 28 April 2008. Updated within the framework of applicable legislation, our dividend policy was approved in the Annual General Meeting convened on March 25, 2014. Our Dividend Distribution Policy is made public on our Turkish and English websites (www.isyatirim.com.tr / & www.isinvestment.com) at all times and through our annual and interim activity reports.

Since the IPO, İŞ Investment has distributed dividends every year in accordance with its dividend distribution policy.

The final decision on the distribution of the profit is taken by the General Meeting in line with the proposal of the Board of Directors, taking into consideration the provisions of the Turkish Commercial Code, the Capital Market Law and other legislation governing the Company. In its aim of securing a high dividend yield for its shareholders as a publicly held company, as well as expanding the Company's business lines and service range, the Board of Directors takes into account the considerations set out below within the framework of the applicable legislation:

a) The need to preserve the delicate balance between shareholders' expectations and the Company's need to grow,

b) The absence of any adverse economic conditions in the world and in the country, the need to maintain the Company's financial structure and the capital adequacy ratios at the required levels and the overall profitability of the Company,

It is prescribed that the Company will distribute at least 30% of its distributable net profit in cash and/or in the form of bonus shares.

Within the framework of capital markets legislation, the Company may pay advances on cash dividends, restricted to the relevant fiscal period, provided that the Board of Directors has been duly authorized by the General Meeting.

If the General Meeting passes a decision to distribute profit, the cash dividend will be distributed no later than the end of the second month following the date of the General Meeting in which the decision to distribute profit was taken. The distribution of dividends in the form of bonus shares will take place upon receipt of legal authorization.

No dividends may be paid to members of the Board of Directors or Company employees until and unless the cash dividend allocated for shareholders in the decision taken during the General Meeting has been distributed.

If there is to be no distribution of profit, the grounds for such a decision and the purpose for which the undistributed profit will be used shall be publicly disclosed.

On 24 May 2022, İş Investment distributed cash dividends totaling a gross amount of TL 400,000,000 from its 2021 profit, corresponding to 34.2% of the distributable profit, in accordance with its Dividend Policy.

The Articles of Association stipulate that there are no restrictions on the transfer of shares within the framework of requirements stipulated by the capital market legislation.

PUBLIC DISCLOSURE AND TRANSPARENCY

The latest updated version of the İş Investment Information Policy, which was approved by the Board of Directors on May 17, 2007, was disclosed to the public on June 26, 2020.

The Board of Directors is authorized and responsible for fulfilling the public disclosure obligation and for monitoring, supervising and improving the Information Policy at İş Investment. The Investor Relations Department and the Deputy CEO reported by this Department have been assigned for the coordination of the Information Policy. The work carried out by these authorities within the scope of the Information Policy is reported to the Corporate Governance Committee.

İş Investment oversees the Corporate Governance Principles in the disclosure and provision of information (with the exception of inside information) regarding developments which could potentially impact the investment decisions of investors and the value of capital market instruments traded on the stock exchange, within the framework of the Capital Market Law, the Turkish Commercial Code and applicable legislation.

Having espoused a proactive approach to the adoption and implementation of Corporate Governance Principles, İş Investment strives to introduce international best corporate governance principles in its public disclosure and information

The full text of the Information Policy is accessible on our website at www.isinvestment.com

İş Investment's websites, which offer content in Turkish and English, are accessible from the addresses of www.isyatirim.com.tr and www.isinvestment.com. Both websites were renewed

in the first quarter of 2017 and are actively used for the purposes of public disclosure. The information posted on these websites is constantly updated.

The “Investor Relations” headings of our websites in Turkish and English contain all subjects mentioned in the relevant section of the CMB Corporate Governance Principles.

Our annual reports contain information specified in applicable legislation, the CMB Corporate Governance Principles and the Sustainability Principles Compliance Framework. No special events which could affect the rights of partners, creditors and other interested persons and organizations took place in the Company after the end of the activity year. There is no additional information which the management body deemed appropriate for disclosure in the annual report.

There are no over-arching non-corporate controlling shareholder(s) at İş Investment.

STAKEHOLDERS

İş Investment informs its stakeholders, which include a broad range of groups including employees, potential investors, analysts and media outlets on subjects which concern them as quickly and accurately as possible.

Material event statements concerning İş Investment, which are disclosed over the KAP, are also posted on the corporate websites simultaneously. Furthermore, press releases are submitted to media outlets following material event statements concerning topics which are considered to be of interest to the public.

Stakeholders are adequately informed of corporate policies and business processes. In addition, our Ethical Values and Our Policy on Anti-Financial Crimes and Sanctions are constantly published both on the corporate website and on the Intranet. Complaints received by the Company within this framework are submitted to the Audit Committee after being reviewed by the authorized departments in chronological order.

The Articles of Association stipulate that stakeholders are entitled to invite the Board of Directors to hold a meeting by communicating this request to the Chairperson of the Board, and that the Chairperson may bring up the topic subject to invitation for discussion at the next Board meeting, if the Chairperson decides that an immediate meeting is not necessary. This method has served to establish a mechanism by which the Board of Directors and the related committee may follow up important feedback and complaints from stakeholders. The Board of Directors did not receive any requests for such a meeting during the reporting period.

Furthermore, we directly seek the views of our employees in matters of general concern, thus enabling direct participation of employees in certain decisions to be adopted.

This right provides İş Investment employees, who hold a very special place among the stakeholders, with the means to communicate their opinions and suggestions concerning Company management through both the Human Resources Department and their own managers.

İş Investment delivers its capital market services to investors within the framework of ethical values and based on a client-focused approach to investment banking. In this vein, the Company aims to analyze evolving client demands and changing market conditions in order to identify needs and to develop products and services which will best meet these needs. Keeping client secrets in confidence within the framework of the legislation is a much-valued corporate attribute.

Relations with clients are handled through investment advisors. The objective of all investment advisors is to invest assets in the investment instruments which best fit the respective client's risk-reward profiles.

In addition to the Company's Information Security Policy and the Personal Data Protection and Privacy Policy implemented within the framework of the Personal Data Protection Law No. 6698, work on the SIEM (Security Information and Event Management) solution continued in 2022 within the scope of information security, and the solution is planned to be implemented in 2023. SIEM works by collecting event logs and log data generated by all data sources. This solution aims to improve the detection of suspicious situations which may present a security breach or threat by running correlation rules over the logs collected from the system. In addition, training has been provided to employees on the protection of personal data.

BOARD OF DIRECTORS

Pursuant to the Articles of Association, the Company is represented and managed by the Board of Directors, which consists of nine members elected by the General Meeting in accordance with the provisions of the Turkish Commercial Code and which possess the characteristics specified in the relevant regulations of the capital markets legislation.

The term of office for the Members of the Board of Directors is one year at most. Members of the Board of Directors whose term of office has expired may be re-elected as a Member of the Board of Directors.

In the performance of its activities, the Board of Directors adheres to the principles of transparency, accountability, fairness and responsibility. The distribution of tasks between the members of the Board of Directors is presented to shareholders and stakeholders for informative purposes on the Public Disclosure Platform (KAP), the corporate website and in annual reports.

The Board of Directors leads efforts to maintain an effective channel of communication between the Company and its shareholders and is responsible for the elimination and resolution of any possible conflicts while coordinating the activities of the Investor Relations department and Sustainability activities through the Corporate Governance Committee for this purpose.

İş Investment Board Members Competency Table for 2022

Name Surname	Position	Gender	Profession	Positions Held in the Company in the Last 5 Years	Independent Member of the Board of Directors	Committees And Duties	Number of Meetings Attended / Number of Meetings Held
Hasan Cahit Çınar	Chairperson	Male	Finance Professional	Chairperson	Not an Independent Member	-	11/11
Ertuğrul Bozgedik	Vice Chairperson	Male	Finance Professional	Member of the Board of Directors	Not an Independent Member	-	10/11
Rıza İhsan Kutlusoy*	Member of the Board of Directors and the Chief Executive Officer	Male	Finance Professional	Chief Executive Officer	Not an Independent Member	-	9/9
Hilmi Selçuk Çepni	Member of the Board of Directors	Male	Finance Professional	Member of the Board of Directors	Not an Independent Member	-	10/11
Tuba Tepret	Member of the Board of Directors	Female	Finance Professional	Member of the Board of Directors	Not an Independent Member	-	11/11
Hasan Emre Aydın	Member of the Board of Directors	Male	Finance Professional	Member of the Board of Directors	Independent Member	Head of the Risk Committee and Member of the Audit Committee	11/11
Prof. Dr. Ali Hakan Kara	Member of the Board of Directors	Male	Economist/ Faculty Member	Member of the Board of Directors	Independent Member	Head of the Audit Committee	11/11
İzzet Selim Yenel	Member of the Board of Directors	Male	Ambassador (P)	Member of the Board of Directors	Independent Member	Head of the Corporate Governance Committee and Member of the Audit Committee	11/11
Dr. Cansel Nuray Aksoy**	Member of the Board of Directors	Female	Finance Professional	-	Not an Independent Member	Member of the Corporate Governance Committee and Member of the Risk Committee	4/4
Volkan Kublay***	Member of the Board of Directors (P)	Male	Finance Professional	Member of the Board of Directors	Not an Independent Member	Previous Member of the Corporate Governance Committee and Member of the Risk Committee	7/7
İşıl Dadaylı****	Member of the Board of Directors (P)	Female	Finance Professional	Member of the Board of Directors	Not an Independent Member	-	2/2

*Mr. Rıza İhsan Kutlusoy attended all nine Board meetings held in 2022 after being elected as a Member of the Board of Directors at the Annual General Meeting dated March 24, 2022.

**Ms. Cansel Nuray Aksoy attended all four Board meetings held in 2022 after being appointed as a Board Member on September 2, 2022 to replace Mr. Volkan Kublay, who resigned from the Board of Directors Membership on the same date.

***Mr. Volkan Kublay resigned from his position as a Member of the Board of Directors on September 2, 2022 and participated in all seven Board meetings held in 2022 until this date.

****Ms. İşıl Dadaylı participated in two Board of Directors meetings held in 2022 until the Annual General Meeting dated March 24, 2022.

Members of the Board of Directors were elected to their posts in the Annual General Meeting held on 24 March 2022 and are to remain in their positions until 31 March 2023. Ms. Cansel Nuray Aksoy was appointed as a member of the Board of Directors on 2 September 2022 to replace Mr. Volkan Kublay, who left the Board of Directors on the same date, to be submitted for the approval of the first General Meeting in accordance with Article 363 of the Turkish Commercial Code.

Board Member Mr. Riza İhsan Kutlusoy also serves as the General Manager and is the Chief Executive. It is stipulated in the Articles of Association that the General Manager cannot be the Chairman of the Board of Directors at the same time.

The qualifications required by the Independent Board Members are specified in the Corporate Governance Communiqué. Statements of Independence from İş Investment Independent Board Members are included in the annual reports.

Women members currently account for a 22% proportion of the members in our Board of Directors.

All of our members are executives which hold a Bachelor's degrees from a university with experience in their respective fields. In addition, our Articles of Association stipulate that half of the Board Members plus one must hold university degrees.

Hasan Cahit Çınar
Chairperson

Mr. H. Cahit Çınar graduated from International Relations Department of Ankara University, Faculty of Political Sciences in 1988. He attended Munich Ludwig-Maximilians University between 1989-1990. Mr. Çınar began his career at İşbank as Assistant Specialist at Economic Research Division in 1991 and joined the Board of Inspectors as Assistant Inspector in 1992. Appointed to the Commercial Loans Division in 2001 as Assistant Manager, Mr. Çınar was assigned as the Regional Manager of Commercial Loans Division in 2007, Head of Commercial Loans Underwriting Division in 2010 and Manager of Güneşli Corporate Branch in 2013. He was appointed as Chief Executive Officer at İşbank AG on 25 March 2016. Mr. Çınar has been serving as Deputy Chief Executive of İşbank since October 2018. He was elected to the Board of Directors of İş Investment on September 21, 2021 and assumed the position of Chairperson of the Board from this date. Mr. Çınar is also Chairperson of Maxi Digital GmbH, İş Enerji Yatırımları A.Ş., Enaş Enerji Yatırımları A.Ş., Türkiye İş Bankası Research Institute of Banking and Commercial Law and also Vice Chairperson of Türkiye Şişe ve Cam Fabrikaları A.Ş., İşbank AG and Trakya Yatırım Holding A.Ş.



Ertuğrul Bozgedik
Vice-Chairperson

Mr. Ertuğrul Bozgedik graduated from Ankara University, Faculty of Political Science, Department of Economics. He began his career as an Assistant Inspector on the Board of Inspectors at İşbank in 1986. He was appointed as Assistant Manager in II. Loans Department in 1995, Regional Manager at I. Loans Department in 1999, Regional Manager in NonPerforming Loans Department in 2002 and Head of Corporate Loans Department in 2004. Mr. Bozgedik was promoted to Chair of the Board of Inspectors in 2008 and to the post of Deputy Chief Executive in 2011. Mr. Bozgedik, who was elected as a member of İşbank's Board of Directors on 31 March 2017 and as the Vice-Chairperson of the Board on 1 April 2019, served till 31 March 2020. Mr. Bozgedik was appointed to the Board of Directors of İş Investment as of June 29, 2020 and elected as Vice-Chairperson as of March 24, 2022.



Rıza İhsan Kutlusoy
Board Member and Chief Executive Officer

Mr. Rıza İhsan Kutlusoy graduated from the Department of Business Administration at the Middle East Technical University. He joined İşbank in 1988 as an assistant Inspector on the Board of Inspectors. He was appointed as Assistant Manager in the Capital Markets Division in 1996 and became Unit Manager in the same Division in 1998 and Manager in 2002. He was appointed as the Manager of the Galata Branch in 2006 and as the Head of the Risk Management Division in 2008. He was promoted to the Deputy Chief Executive of İşbank in April 2011. Mr. Kutlusoy has been Chief Executive Officer of İş Investment since March 2016 while selected as the member of the Board of Directors as of March 24, 2022. Mr. Kutlusoy is also the Chairperson of Efes Varlık Yönetim A.Ş., Maxis Girişim Sermayesi Portföy Yönetimi A.Ş., İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. and the Board Member of Maxis Investments Ltd. and Softtech Ventures Teknoloji A.Ş.





Hilmi Selçuk Çepni
Board Member

Mr. Hilmi Selçuk Çepni graduated with a degree in Business Administration from Marmara University in 1992. He began his career at İşbank as assistant inspector trainee on the Board of Inspectors in the same year. He was appointed as the assistant manager of the Human Resources Division in 2000 and became a group head in the same division in 2003. He started to work as Assistant Director of Board of Inspectors in 2004. He worked as a branch manager at the Altunizade Branch and Altunizade Commercial Branch between 2007-2008 and served as the Commercial Banking Product Division manager in 2011 and the Credit Portfolio Division manager in 2012. Having worked as the manager of the Gebze Corporate Branch in 2015 and Maslak Corporate Branch in 2016, Mr. Çepni has been working as the manager of Kozyatağı Corporate Branch since May 2018. Mr. Çepni was appointed to the Board of Directors of İş Investment in March 23, 2016.



Tuba Tepret
Board Member

Ms. Tuba Tepret graduated from the Department of Computer Technology and Information Systems at Bilkent University and completed her second degree at the Faculty of Economics in Anadolu University. Starting her career at İş Bank in 1993 at the Yenica-mi Branch, Ms. Tepret became the Unit Manager in the Private Banking Marketing and Sales Department in 2011, the Istanbul Private Banking Branch Manager in 2017, and the Head of Private Banking Marketing and Sales Department in 2019. Ms. Tepret has been a Member of the Board of Directors of İş Investment since July 3, 2019.



Dr. Cansel Nuray Aksoy
Board Member

Ms. Cansel Nuray Aksoy, who completed her undergraduate and graduate studies at Gazi University, Department of Business Administration, completed her undergraduate studies at Istanbul Commerce University Finance Institute in 2018. She joined İşbank in 1999 in Corporate and Commercial Branches' Marketing and Foreign Exchange departments and continued with Internal Department Branch audits, Human Resources Department Business Processes and Analysis, Recruitment and Orientation Training and HR transformation programs. Ms. Aksoy, who is currently the Unit Manager in İşbank's Subsidiaries Department, has been appointed as the Member of the Board of Directors on September 2, 2022 where she has been serving as a member of the Corporate Governance Committee and Early Detection of Risk Committee. Ms. Aksoy is also Member of the Board of Directors of İş Yatırım Ortaklığı A.Ş., İş Girişim Sermayesi Yatırım Ortaklığı A.Ş., Efes Varlık Yönetim A.Ş., Yatırım Finansman Menkul Değerler A.Ş., Trakya Yatırım Holding A.Ş., İş Enerji Yatırımları A.Ş., Enaş Enerji Yatırımları A.Ş. and Batı Karadeniz Elektrik Dağıtım ve Ticaret A.Ş.

Hasan Emre Aydın
Independent Board Member

Having graduated with a BA degree in economics from Middle East Technical University, Mr. Hasan Emre Aydın completed an MBA and a degree in International Trade from the Southern New Hampshire University. He began his banking career at Société Générale SA at Corporate Credit and Marketing Division in 1992. He then assumed various positions for corporate and financial institutions in the marketing, foreign trade, cash management, e-banking and investment banking lines at Citibank NA, ABN AMRO NV and the Royal Bank of Scotland PLC. He held a position of Deputy General Manager as well as Board memberships, with responsibilities for the Eastern Europe, Middle East, and Africa regions. He implemented a number of projects which were recognized with a number of international awards, including the long-term financing of banks, by using the method of deriving Asset-Backed Securities collateralized by credit cards debt, letter of credits based on foreign sales of companies, receivables and commodity stocks, optimization of technology and banking services to increase the efficiency of cash flows of globally operating Turkish companies, digitalization of corporate banking services and entered cooperation with a number of international technology platforms to provide SMEs with access early collection opportunities. He served as the CEO of Ubiq and Dataplan, which had operations in US and UK based supply chains, and receivable financing since 2015. In 2019, he joined the Financial Technology Venture Company, Faturalab, and Elsan Elektrik Companies, family companies, as a member of the Board of Directors, providing companies with working capital optimization and easy access to finance. On 20 March 2020, Mr. Aydın was appointed to the Board of Directors of İş Investment where he also serves as the Chair of the Risk Committee and as a member of Audit Committee.



Prof. Dr. Ali Hakan Kara
Independent Board Member

Having graduated with a Bachelor degree in Electrical and Electronics Engineering from Middle East Technical University, Ali Hakan Kara completed his MA degree in Economics at Bilkent University and Ph.D. degree in Economics at New York University. He began his career at Central Bank of Republic of Turkey (CBRT) in 2002. After holding various managerial positions he became General Manager of Research and Monetary Policy between 2008-2012 and Chief Economist between 2012-2019. He played a leading role in the analysis, design, and implementation of monetary and macroprudential policies in Turkey in the called period. Then he became Assistant Professor in Economics in 2012. He gave lectures at New York University and Middle East Technical University while invited to numerous academic conferences, panels and international conferences as lecturer. His research works deal with Turkish Economy and Monetary Policy published by many reviews and books which referred by more than 2.000 researchs. He served as an editor of Central Bank Review and a member of the management committee of the International Journal of Central Banking and member of the board of trustee of ODTÜ Parlar Vakfı. Ali Hakan Kara, who had joined Bilkent University as Professor of Monetary Policy and Financial Markets Practice at Department of Economics in February 2020, teaching on Monetary Economics, Turkish Economy and Financial Markets. Mr.Kara was elected to the Board of Directors of IS Investment as an Independent Board Member in March 20, 2020 where he has been serving as Chair of the Audit Committee.





İzzet Selim Yenel
Independent Board Member

İzzet Selim Yenel entered the Ministry of Foreign Affairs (MFA) in 1979. His first posting was to represent the Turkish Delegation to the OECD in Paris between 1981 and 1984. After serving at the Turkish Embassy in Kabul, Turkey, he returned to the Ministry of Foreign Affairs and was appointed to the United Nations delegation to represent Turkey in New York (1988-1992). Mr. Yenel, who served in Turkey's delegation to the European Union in Brussels between 1994 and 1999, returned to Ankara and dealt with EU issues until the beginning of Turkey's accession process (1999-2005). Subsequently, in December 2005, he was posted to Vienna as an Ambassador until October 2009 when he returned to Ankara as Deputy Under-Secretary for Bilateral Political Affairs and Public Diplomacy. Between December 2011 and January 2017, he was posted as an Ambassador and Permanent Delegate of Turkey to the European Union. Upon his return to Ankara, he became the Undersecretary at the Ministry of EU Affairs until July 2018 when the Ministry for EU affairs merged with the Foreign Ministry. In 2019 he was appointed as First Deputy Secretary General at the Black Sea Economic Cooperation (BSEC) Organization. In January 2020 he became President of Global Relations Forum. Mr. Yenel, the writer of a science-fiction book and also the writer of a book on relations between the EU and Türkiye, was appointed to the Board of Directors of İş Investment as an Independent Member on March 20, 2020 where he also serves as the Chair of the Corporate Governance Committee and as a member of the Audit Committee.

DECLARATION OF INTEREST

TO THE BOARD OF DIRECTORS OF İŞ YATIRIM MENKUL DEĞERLER A.Ş.,

I hereby declare the following for the purpose of my candidacy for taking on the position of Independent Member of the Board of Directors during the Annual General Meeting of İş Investment (“Company”) on 24 March 2022:

- Neither I, my wife nor any other relatives of second degree kinship or affinity by marriage have held any employment relationship with or have taken on any important positions or functions in the Company’s management or in the management of important partners or shareholders of company or other legal persons under the control of these partners or shareholders within the last five years. Neither I, my wife nor any other relative of second degree kinship or affinity by marriage have owned or co-owned more than 5% of the capital, voting rights or privileged shares of the entities listed above at any time within the last five years, nor have we entered any commercial relationship of a significant nature with these entities,
- I have not held more than 5% of the shares or have taken up any important management functions or responsibilities in the following associated companies in the last five years when a sale or purchase relationship was in effect, in companies which undertake the Company’s monitoring, rating or consultancy, or in other companies from which the Company purchases important goods or services and also sells to in the framework of signed contracts,
- I possess the necessary professional education, knowledge and experience to successfully undertake the tasks assigned to the independent board member position,
- In the event that I am elected as an Independent Board Member I will not work in any other full time position in public institutions.
- According to the Income Tax Law, I am officially registered in Turkey,
- I possess the highest ethical standards in my position and the highest professional reputation, and hold the necessary experience to positively contribute to the Company’s undertakings. I will assume an impartial position in the event that any conflict of interest should arise between the Company and shareholders,
- I will allocate sufficient time to the work which needs to be undertaken for the Company, such as closely following the Company’s activities and fulfilling all duties assigned to myself in my full capacity,
- I have not been a member of the board of directors of the Company for more than six years within the last ten years,
- I have not served as an independent board member at more than three of the companies in which the Company or the Company’s partners or shareholders hold management functions. In addition, I have not served as an independent board member at more than five publicly traded companies in Turkey,
- I have not been announced or registered in the name of any legal person elected as a board member.

Yours sincerely,

Hasan Emre Aydın

DECLARATION OF INTEREST

TO THE BOARD OF DIRECTORS OF İŞ YATIRIM MENKUL DEĞERLER A.Ş.,

I hereby declare the following for the purpose of my candidacy for taking on the position of Independent Member of the Board of Directors during the Annual General Meeting of İş Investment (“Company”) on 24 March 2022:

- Neither I, my wife nor any other relatives of second-degree kinship or affinity by marriage have held any employment relationship with or have taken on any important positions/functions in the Company’s management or in the management of important company partners/shareholders or other legal persons under the control of these partners/shareholders within the last five years. Neither I, my wife nor any other relative of second degree kinship or affinity by marriage have owned or co-owned more than 5% of the capital, voting rights or privileged shares of the entities listed above in the last five years, nor have we entered any commercial relationship of a significant nature with these entities,
- I have not owned more than 5% of the shares or have taken up any important management functions or responsibilities in the following associated companies in the last five years when a sale/purchase relationship was in effect, in companies that undertake the Company’s monitoring, rating and consultancy, or in other companies from which the Company purchases important goods or services and also sells to in the framework of signed contracts,
- I possess the necessary professional education, knowledge and experience to successfully undertake the tasks assigned to the independent board member position,
- In the event that I am elected as an Independent Board Member, I will not work in any other full-time position in any public institutions. This excludes my current position as a lecturer at my university,
- According to the Income Tax Law, I am officially registered in Turkey,
- I possess the highest ethical standards in my position, professional reputation and hold the necessary experience to positively contribute to the Company’s undertakings. I will assume an impartial position in the event that any conflict of interest should arise between the Company and shareholders,
- I will allocate sufficient time to the work that needs to be undertaken for the Company, such as closely following the Company’s activities and fulfilling all duties assigned to myself in full capacity,
- I have not been a member of the board of directors of the Company for more than six years within the last ten years,
- I have not served as an Independent board member at more than three of the companies in which the Company or the Company’s partners/shareholders hold management functions. In addition, I have not served as an Independent board member at more than five publicly traded companies in Turkey to date,
- I have not been announced or registered in the name of any legal person elected as a board member.

Yours sincerely,

Prof. Dr. Ali Hakan Kara

DECLARATION OF INTEREST

TO THE BOARD OF DIRECTORS OF İŞ YATIRIM MENKUL DEĞERLER A.Ş.,

I hereby declare the following for the purpose of my candidacy for taking on the position of Independent Member of the Board of Directors during the Annual General Meeting of İş Investment (“Company”) on 24 March 2022:

- Neither I, my wife nor any other relatives of second-degree kinship or affinity by marriage have held any employment relationship with or have taken on any important positions or functions in the Company’s management or in the management of important company partners or shareholders, or other legal persons under the control of these partners or shareholders within the last five years. Neither I, my wife nor any other relative of second-degree kinship or affinity by marriage have owned or co-owned more than 5% of the capital, voting rights or privileged shares of the entities listed above in the last five years, nor have we entered any commercial relationship of a significant nature with these entities,
- I have not owned more than 5% of the shares or taken up any important management functions or responsibilities in the following associated companies within the last five years when a sale or purchase relationship was in effect, in companies which undertake the Company’s monitoring, rating and consultancy, or in other companies from which the Company purchases important goods or services or also sells to in the framework of signed contracts,
- I possess the necessary professional education, knowledge and experience to successfully undertake the tasks assigned to the independent board member position,
- In the event that I am elected as an Independent Board Member, I will not work in any other full-time position in public institutions,
- According to Income Tax Law, I am officially registered in Turkey,
- I possess the highest ethical standards in my position, professional reputation and hold the necessary experience to positively contribute to the Company’s undertakings. I will assume an impartial position in the event that any conflict of interest should arise between the Company and its shareholders,
- I will allocate sufficient time to the work that needs to be undertaken for the Company, such as closely following the Company’s activities and fulfilling all duties assigned to myself in full capacity,
- I have not been a member of the board of directors of the Company for more than six years within the last ten years,
- I have not served as an independent board member at more than three of the companies in which the Company or the Company’s partners or shareholders hold management functions. In addition, I have not served as an independent board member at more than five publicly traded companies in Turkey to date,
- I have not been appointed or registered in the name of any legal person elected as a board member.

Yours sincerely,

İzzet Selim Yenel

Executive Board

Name Surname	Position	Profession	Positions Held in the Company in the last 5 years	Most recent External Positions Held
Riza İhsan Kutlusoy	Member of the Board of Directors and the Chief Executive Officer	Finance Professional	Chief Executive Officer	Efes Varlık Yönetim A.Ş. Chairperson/ Maxis Girişim Sermayesi Portföy Yönetimi A.Ş., Chairperson/ İş Girişim Sermayesi Yatırım Ortaklığı A.Ş., Chairperson / Maxis Investments Ltd., Member of the Board of Directors / Softtech Ventures Teknoloji A.Ş. Member of the Board of Directors
Murat Kural	Deputy Chief Executive Officer	Finance Professional	Deputy Chief Executive Officer	Maxis Investments Ltd. Member of the Board of Directors
Özgür İlke Yerlikaya	Deputy Chief Executive Officer	Finance Professional	Deputy Chief Executive Officer	-
Ömer Hakan Yamaçoğuz	Deputy Chief Executive Officer	Finance Professional	Deputy Chief Executive Officer	-
Kenan Ayvacı	Deputy Chief Executive Officer	Finance Professional	Member of the Board of Directors and the Deputy Chief Executive Officer	-



Rıza İhsan Kutlusoy
Board Member and Chief Executive Officer

Mr. Rıza İhsan Kutlusoy graduated from the Department of Business Administration at the Middle East Technical University. He joined İşbank in 1988 as an assistant Inspector on the Board of Inspectors. He was appointed as Assistant Manager in the Capital Markets Division in 1996 and became Unit Manager in the same Division in 1998 and Manager in 2002. He was appointed as the Manager of the Galata Branch in 2006 and as the Head of the Risk Management Division in 2008. He was promoted to the Deputy Chief Executive of İşbank in April 2011. Mr. Kutlusoy has been Chief Executive Officer of İş Investment since March 2016 while selected as the member of the Board of Directors as of March 24, 2022. Mr. Kutlusoy is also the Chairperson of Efes Varlık Yönetim A.Ş., Maxis Girişim Sermayesi Portföy Yönetimi A.Ş., İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. and the Board Member of Maxis Investments Ltd. and Softtech Ventures Teknoloji A.Ş.



Murat Kural
Deputy Chief Executive Officer

Mr. Murat Kural got his bachelor's degree in electronics and communication engineering from İstanbul Technical University in 1987 and his master's degree from the Institute of Business Administration at Bilkent University in 1989. He started working at the Prime Ministry Privatization Administration in 1990 and held his post until 1997 when he became the President of Treasury. The same year he transferred to the World Bank in the capacity of an advisor. In 1999, he joined İş Investment as the Corporate Finance Manager, undersigning many public offering and privatization projects. Since 2002, he has been serving as Deputy Chief Executive Officer responsible for public offerings, M&A and research and also the coordination with our subsidiary İş Girişim Sermayesi. Mr. Kural is also the Board Member of Maxis Investments Ltd.



Özgür İlke Yerlikaya
Deputy Chief Executive Officer

Graduated from the Department of Business Administration in 1997 and completed a Master's degree from the Accounting and Finance Department of the Dokuz Eylül University in 2000. Started his professional career as an investment advisor in İzmir. After serving managerial positions between 2003 and 2011, he joined İş Investment in 2011 as İzmir Branch Manager. He became Director who is responsible for local branches in 2015. Since 2018, he has been serving as Deputy Chief Executive Officer of İş Investment responsible for branches, marketing, corporate communication & digital assets, product management and domestic sales.

Ömer Hakan Yamaçoğuz
Deputy Chief Executive Officer

Mr. Yamaçoğuz graduated with a degree in Business Administration from Boğaziçi University in 1996, and from the Finance Department of Texas A&M University in 1997. Between 2001 and 2003, he attended the University of Texas in Austin to carry out his doctoral studies. He attended the MAP program in INSEAD in 2014. After starting his career at ABN AMRO Hoare Govett in 1997, he continued his career at İş Investment between 1998 and 2001, which he resumed after completing his doctorate studies in 2003. Mr. Yamaçoğuz, who was the Director responsible for the Treasury Department, has been serving as Deputy Chief Executive Officer since May 2019 responsible for domestic capital markets, international capital markets and treasury & portfolio management.



Kenan Ayvacı
Deputy Chief Executive Officer

Mr. Kenan Ayvacı graduated with a degree in Business Administration from the Faculty of Administrative Sciences at the Middle East Technical University in 1997. He joined İşbank as an assistant inspector on the Board of Inspectors in 1998 and was appointed as the Assistant Manager of the Capital Markets Division in 2006. He completed a graduate degree at Galatasaray University and was appointed as a Unit Manager in 2010. He became the Head of the Capital Markets Division in 2016 and was also appointed as a member of the Board of Directors of İş Investment in June 2016. Mr. Ayvacı has been serving as Deputy Chief Executive Officer since May 2019 responsible for financial reporting, investor relations, foreign institutional sales, financial institutions, operations, institutional investors and also coordination with our subsidiaries İş Portföy ve İş Yatırım Ortaklığı.



RISK MANAGEMENT AND INTERNAL CONTROL MECHANISM

Efficient risk management forms the basis of the successful delivery of today's financial intermediation services in line with the growing needs of shareholders, regulatory bodies and clients. At the same time, the bar is constantly being raised in what defines efficient risk management activities in the evolving world of risk management. At İŞ Investment, risk measurement and management activities are incorporated with the main business lines. Risk Management operates independently of the executive units in its activities.

During the course of management of functional activities, İŞ Investment may be exposed to various integrated risk groups. To this end, proactive control and management activities are carried out in relation to the market, credit, liquidity and operational risk classes.

The full text of the Risk Management Policy may be accessed in the Investor Relations / Corporate Governance/ Corporate Policies section of our website.

İŞ Investment has set up an efficient internal audit system which incorporates internal control and inspection activities. The organization plan in place at İŞ Investment and all related principles and procedures is monitored for the purposes of orderly, efficient and effective execution of all acts and transactions undertaken by İŞ Investment, including those of its peripheral organization, in line with the management strategy and policies within the framework of existing legislation and rules, ensuring the integrity and reliability of bookkeeping and record keeping systems, assuring timely and accurate availability of information in the data system, and preventing and identifying errors, fraud and irregularities.

In addition, inspectors audit compliance with the legislation and corporate policies based on the needs of the management, independently of İŞ Investment's day-to-day operations. Within this context, an audit system has been established which encompasses all activities and units of İŞ Investment, with a particular focus on the operation of the internal audit system, which allows evaluation of these fields, and covers the systematic audit process associated with the reporting and examination of evidence and findings used in the evaluations.

Moreover, all units in the Company, and the Compliance Department in particular, exercise the greatest care in relation to regulatory obligations, compliance with corporate policies, customer satisfaction, reputation and reliability in the protection of the Company's reputation within the context of reputation risk and legal risk management.

There are no active material lawsuits in progress against our Company, nor were there any material penalties imposed by public authorities during the period. In addition, there were no administrative or judicial sanctions imposed on any members of our company or the governing body due to practices which contravene the provisions of the legislation. No special audit took place except for the internal audit, independent audit and group functions during the period.

In addition, consultancy, audit and rating services are obtained from different institutions, ensuring that there is no conflict of interest in this area

The assets and liabilities of the companies involved in the consolidation are audited and reconciled within the scope of general internal audit practices.

OPINION OF THE AUDIT COMMITTEE REGARDING THE INTERNAL CONTROL SYSTEM

Re : Financial statements dated 31 December 2022
Date : 31 January 2023

1. No negative findings were identified with regard to the operation or effectiveness of İŞ Investment's accounting and internal control systems, and we reached the conclusion that the conduct was proper with due engagement.

2. We have reviewed the financial statements for the period of 1 January 2022 - 31 December 2022, and in view of the fact that no negative findings were raised by the responsible managers of the Company or by the independent auditor with regard to the Company's accounting principles or the factuality and accuracy of these reports to be publicly disclosed, the decision was taken to present the Company's financial statements for perusal by the Board of Directors.

Hasan Emre Aydın
Member

İzzet Selim Yenel
Member

Ali Hakan Kara
Head

AUTHORITY AND RESPONSIBILITIES OF THE MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVES

As specified in İŞ Investment's Articles of Association, İŞ Investment is managed and externally represented by the Board of Directors. The Board of Directors may delegate its management and representation duties and powers, in part or in whole, under the Turkish Commercial Code to managing directors to be designated from among its members or to managers who are not necessarily shareholders.

The Board of Directors conducts its activities subject to the Turkish Commercial Code, the Capital Market Law and applicable legislation.

OPERATING PRINCIPLES OF THE BOARD OF DIRECTORS

The Board of Directors at İŞ Investment convenes on a monthly basis at the minimum, and may convene at more frequent intervals as and when necessary. The meeting agenda is determined upon the proposal of the Chief Executive Officer and approval by the Chairperson of the Board. The meeting invitation is issued by the Chairperson or the Vice-Chairperson of the Board of Directors.

In 2022, the Board of Directors convened 11 times, while the average rate of attendance of Board Members in meetings was 98%.

A Deputy Chief Executive has been assigned as a "Rapporteur" in order to ensure that members of the Board of Directors are kept informed and to ensure sound communication.

Board members were not granted weighted voting rights or negative/affirmative vetoing rights at the meeting.

The General Meeting did not take any decisions on account of related party or material transactions. In addition, there is no measure taken or avoided for the benefit of the controlling company or a company affiliated to it during the period. Explanations regarding transactions with related parties during the period are presented in detail in footnote 6 of the financial statements disclosed to the public.

The operating principles of the Board of Directors and committees, including information such as meetings and decision quorums, are published in the Investor Relations/ Corporate Governance/Corporate Policies section of our website. The Company has purchased a group insurance policy to cover any losses that members of the Board may incur to the Company due to misconduct.

PROHIBITION OF CARRYING OUT BUSINESS AND COMPETING WITH THE COMPANY

The issue concerning our members of the Board of Directors being able to take on other duties outside İş Investment is subject to the general provisions. However, the Articles of Association stipulate that members of the Board of Directors may not seek authorization for any exemption of the prohibition on conducting business or competing with İş Investment in Annual General Meeting.

NUMBER, STRUCTURES AND INDEPENDENCE OF COMMITTEES REPORTING TO THE BOARD OF DIRECTORS

In order to ensure that the duties and responsibilities of the Board of Directors are performed correctly, the Articles of Association stipulates that committees and units may be established as deemed fit and necessary by the relevant legislation, and that the Corporate Governance Principles of the Capital Markets Board will be taken into consideration in the formation of such committees and units.

Within the scope of Corporate Governance Principles, an Audit Committee, Corporate Governance Committee and Risk Committee all function at İş Investment. All members of the Audit Committee and the heads of the Corporate Governance and Risk Committees are independent members.

AUDIT COMMITTEE

Prof. Dr. Ali Hakan Kara	Head
Hasan Emre Aydın	Member
İzzet Selim Yenel	Member

The Audit Committee convenes at least four times a year on a quarterly basis. The results of the committee are recorded in the minutes and presented to the Board of Directors. The Committee convened on 11 occasions in 2022.

The Audit Committee also evaluates issues and processes related to internal control every month, and did not identify any unusual situations in 2022.

CORPORATE GOVERNANCE COMMITTEE

İzzet Selim Yenel	Head
Dr. Cansel Nuray Aksoy	Member
Kenan Ayvaci	Member

The Corporate Governance Committee has also assumed the responsibilities of the Nomination and Remuneration Committees. The Committee convenes at least four times a year on a quarterly basis. The results of the committee are recorded in the minutes and presented to the Board of Directors. The Committee convened on four occasions in 2022.

RISK COMMITTEE

Hasan Emre Aydın	Head
Dr. Cansel Nuray Aksoy	Member

The Risk Committee convenes at least four times a year on a quarterly basis. The results of the committee are recorded in the minutes and presented to the Board of Directors. The Committee convened on 11 occasions in 2022.

The Rapporteur of the Board of Directors also carries out the work of the committees.

The other committees, which are structured under the chairmanship of a responsible Board Member determined in a decision taken by the Board of Directors', shall convene when necessary.

The committees may seek the views of independent experts with the approval of the Board of Directors on matters which require expertise and are deemed necessary regarding their activities. The Company covers the cost of consultancy services required by the committees.

The duties and responsibilities of the committees and their operating procedures and principles are publicly disclosed on the KAP and in the Investor Relations/Corporate Governance / Corporate Policies section of our website.

The Articles of Association set out that the decision-making process regarding material transactions defined in the Corporate Governance Principles of the Capital Markets Board and other matters concerned with related parties shall be handled in accordance with the corporate governance requirements of the Capital Markets Board.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OVERVIEW FOR THE YEAR 2022

The strategic goals set out by the Executive Committee in relation to İş Investment's activities are presented in a report to the Board of Directors. This report covers information and forecasts concerning national and international markets, as well as macroeconomic assessments. The strategic goals determined within the framework of the aforementioned information and forecasts are approved by the Board of Directors upon necessary assessments following discussion of the prior period performance.

Despite the volatile and challenging conditions, thanks to the diversity of its activity and income structure, astute planning, efficiency and its strategic management approach based on risk management, İş Investment managed to increase its consolidated net profit by 270% compared to 2021, maintaining its strong performance in 2022, while generating an average return on equity of 104%. İş Investment's important achievements were a result of its efforts made to comply with environmental, social and corporate governance principles in line with the goals set within the framework of sustainability. With this approach, İş Investment, aware of its responsibilities given the possible effects of climate change, started to disclose the Greenhouse Gas Report to the public starting from 2021.

The Board of Directors concluded that the committees had also worked efficiently in accordance with their job descriptions.

There were no significant legislative amendments which could affect the Company's strategic objectives during the reporting period.

On the other hand, İş Investment submitted a total of 8 assessments and evaluations to the Capital Markets Board, Borsa Istanbul and the Turkish Capital Markets Association in 2022 on legislative amendments and revisions regarding its activities in support of the UN's Sustainable Development Goal No. 17, entitled "Partnerships for Purposes".

MISSION, VISION AND CORPORATE VALUES

İş Investment's Vision, Mission and Corporate Values have been approved by the Board of Directors and are publicly disclosed in the Investor Relations/Corporate Governance section of our website.

FINANCIAL RIGHTS EXTENDED TO THE BOARD OF DIRECTORS

It is stipulated in the Articles of Association that the monthly wages, premiums, bonuses and attendance fees for members of the Board of Directors shall be determined by the General Meeting.

Based on the decisions passed during the Company's Annual General Meeting held on 24 March 2022, it was determined that a monthly gross attendance fee of TL 27,500 would be paid to members of the Board of Directors. The minutes of the Annual General Meeting have been publicly disclosed in the form of a material event statement and also posted on the corporate website. A performance-based rewarding system is not implemented for the determination of Board Members' financial rights. The total benefits provided to the Members of the Board of Directors and senior executives such as travel, accommodation and representation expenses, cash facilities, insurance and similar benefits (consolidated) amounted to TL69.3 million, corresponding to 0.031% of the sales revenue in 2022.

There were no transactions such as lending of money, extending of credit or provision of guarantees between İş Investment and the Board Members or its executives.

23. AFFILIATE REPORT AND RELATED PARTY TRANSACTIONS

The related party transactions of our Company are set out in detail in the footnotes of our financial statements.

AFFILIATE REPORT RESULT

The commercial transactions which the Company realized with its controlling shareholder, İşbank and Group companies affiliated to İşbank in the fiscal year covering the period 1 January – 31 December 2022, were required in line with the Company's activity and carried out on an arm's length basis. The controlling company neither led any decisions to the detriment of the controlling company, subsidiary thereof or the Company, nor did they carry out any transactions which would result in any loss to the controlling company or a subsidiary of the Company..

Board of Directors
İş Investment

İŞ YATIRIM MENKUL DEĞERLER A.Ş.

www.isyatirim.com.tr

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Central registration System No: 0481-0096-3940-0064

Branches: <https://www.isyatirim.com.tr/tr-tr/iletisim/Sayfalar/default.aspx#page-2>

24. INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL ACTIVITY REPORT OF THE BOARD OF DIRECTORS

To the Board of Directors of İş Yatırım Menkul Değerler A.Ş.

1) Opinion

With the exception of the issue mentioned in the Basis of the Limited Positive Opinion section, in our opinion, the consolidated financial information included in the annual report of the Board of Directors and the evaluations carried out by the Board of Directors on the status of the Group are consistent, with the full audited set of consolidated financial statements in all material respects, and the information which we obtained during the independent audit, and reflect the truth.

2) Basis of the Limited Positive Opinion

As stated in Note 23 of the Explanations and Footnotes Related to the Consolidated Financial Statements on Contingent Assets and Liabilities, the accompanying consolidated financial statements prepared as of December 31, 2022 include free provisions which do not meet the accounting criteria of TAS 37 "Provisions, Contingent Liabilities and Contingent Assets" amounting to TL 1,000,000,000, which was set aside by the Group management in the current period, taking into account the global economic conditions and possible developments in the markets, within the scope of the prudence principle.

We conducted our audit in accordance with the standards on auditing as set out by the Capital Markets Board and Independent Auditing Standards (InAS) which form part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in detail in the Independent Auditor's Responsibilities Regarding the Independent Audit section of our Annual Report. We declare that we are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Ethical Rules) as issued by the POA and the ethical provisions as set out in the legislation on independent auditing. We have also fulfilled our other responsibilities related to ethics within the scope of the Code of Ethics and legislation. We believe that the findings of the audit which we have obtained is sufficient and appropriate in providing a basis for our opinion.

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

We have expressed a positive opinion in our auditor's report dated 31/01/2023 regarding the full set of the Group's consolidated financial statements for the 1 January 2022 - 31 December 2022 fiscal period.

4) The Responsibility of the Board of Directors in Regard to the Annual Report

According to articles 514 and 516 of the Turkish Commercial Code (TCC) numbered 6102 and the Communiqué No II-14.1 of the Capital Markets Board ("CMB") "Principles Regarding Financial Reporting in the Capital Markets" ("Communiqué"), with regard to the annual report, the Group management is responsible for the following:

a) To prepare the annual report within three months of the balance sheet date and to submit the report to the general assembly.

b) To prepare the annual report in a manner which reflects the flow of the activities of the Group for that year and its financial status in all aspects accurately, completely, straight-forwardly, truthfully and honestly. In this report, the financial situation is evaluated according to the consolidated financial statements. The report also sets out the developments of the Company and the Group as well as the risks which it may encounter. The views of the Board of Directors regarding these issues are also included in the report.

c) The annual report also includes the following:

- Events which occurred within the Group following the end of the operating year and which are of special importance,
- Research and development activities conducted by the Group,
- Financial benefits such as the salaries, premiums and bonuses paid to the members of the Board of Directors and senior executives, as well as allowances, travel, accommodation and representation expenses, in-kind and in-cash benefits, insurance and similar guarantees.

In the preparation of the annual report, the Board of Directors also takes into account the secondary

legislation regulations drawn up by the Ministry of Customs and Trade and related institutions.

5) The Responsibility of the Independent Auditor in Regard to the Independent Audit of the Annual Report

Our objective is to provide an opinion on whether the consolidated financial statements included in the annual report and the examinations undertaken by the Board of Directors within the framework of the provisions of the TCC and the Communiqué are consistent with the audited, consolidated financial statements of the Group and the information which we obtained during the independent audit and reflect the truth, and to prepare a report setting out this opinion.

Our independent audit was conducted in accordance with the IAS and the independent audit standards published by The Capital Markets Board. These standards require the independent audit to be planned and carried out in order to obtain reasonable assurance that the consolidated financial information included in the annual report and the examinations carried out by the Board of Directors is consistent with the consolidated financial statements and that the information obtained during the audit process reflects the truth, in compliance with ethical provisions.

The auditor responsible for conducting and finalizing this independent audit is Birkan Bilal Avcı.

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

Birkan Bilal Avcı, SMMM
Sorumlu Denetçi

31 January 2023
Istanbul, Türkiye

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED
DECEMBER 31, 2022 WITH INDEPENDENT AUDITORS' REPORT THEREON

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of İş Yatırım Menkul Değerler A.Ş.

A. Report on the Financial Statements

1) Opinion

We have audited the consolidated financial statements of İş Yatırım Menkul Değerler A.Ş. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of profit and loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the same period, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards (TFRS).

2) Basis for Qualified Opinion

As stated in Note 23 Provisions, Contingent Assets and Liabilities to the Consolidated Financial Statements, the accompanying consolidated financial statements as of December 31, 2022 include a free provision amounting to TL 1.000.000.000, which does not meet the recognition criteria of TAS 37 "Provisions, Contingent Liabilities and Contingent Assets", set aside by the Group management in the current period by taking into account the global economic conditions and possible developments in the markets within the prudence principle.

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

INDEPENDENT AUDITORS' REPORT

3) Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. By us; In addition to the matter described in the Basis for Qualified Opinion section, the matters described below have been identified as key audit matters and communicated in our report.

<i>Derivative Financial Instruments</i>	
<p>For the first time derivative financial instruments including foreign exchange contracts, currency and interest rate swaps, currency and interest rate options, futures and other derivative financial instruments are initially recognized on the statement of financial position at fair value and subsequently are re-measured at their fair value.</p> <p>Fair value of the derivative financial instruments is determined by selecting most convenient market data and applying valuation techniques to those particular derivative products. Derivative Financial Instruments are considered by us as a key audit matter because of the subjectivity in the estimates, assumptions and judgements used.</p> <p>Details of derivative financial instruments are explained in Note 39.</p>	<p>In addition to our current audit procedures, our audit procedures include the examination of the fair valuation policies determined by the Company Management, the control of the fair value calculations of the derivative financial instruments selected as the sample by our valuation experts, and the evaluation of the assumptions and estimations used.</p>

4) Responsibilities of Management and Directors for the Financial Statements

The Group management is responsible for the preparation and fair presentation of the financial statements in accordance with the Turkish Accounting Standards ("TAS") and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

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

In an independent audit, the responsibilities of us as independent auditors are:

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

As part of an audit in accordance with BRSA Independent Audit Regulation and ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We are also:

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

INDEPENDENT AUDITORS' REPORT

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

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

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

B. Report on Other Legal and Regulatory Requirements

- 1) The Auditor's Report on the Early Risk Detection System and Committee organized in accordance with the fourth paragraph of Article 398 of the Turkish Commercial Code No. 6102 ("TCC") was presented to the Company's Board of Directors on January 31, 2023.
- 2) In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") no 6102; no significant matter has come to our attention that causes us to believe that the Group's bookkeeping activities for the period January 1 - December 31, 2022 are not in compliance with the code and provisions of the Group's articles of association in relation to financial reporting.
- 3) In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The engagement partner on the audit resulting in this independent auditor's report is Birkan Bilal Avcı.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

A member firm of Ernst & Young Global Limited

Birkan Bilal Avcı, SMMM

Partner

January 31, 2023

Istanbul, Turkey

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022**

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

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

		Audited Current Period	Audited Prior Period
	Notes	31 December 2022	31 December 2021
ASSETS			
Current Assets			
Cash and Cash Equivalents	7	745.695.470	1.552.493.809
Financial Investments	8	14.668.975.078	2.934.296.995
Trade Receivables	11	18.424.791.949	8.424.740.854
<i>Due from Related Parties</i>	6	81.263.902	48.310.956
<i>Other Trade Receivables</i>		18.343.528.047	8.376.429.898
Other Receivables		1.244.779.523	817.293.053
<i>Due from Related Parties</i>	6	574.302	318.637
<i>Other Receivables</i>		1.244.205.221	816.974.416
Derivative Instruments	39	52.050.574	106.295.153
Inventories	14	133.006.265	60.445.125
Prepaid Expenses		47.180.715	22.241.733
Current Tax Assets	35	5.271.296	5.087.475
Other Current Assets	26	31.690.261	15.099.618
SUBTOTAL		35.353.441.131	13.937.993.815
Assets Held For Sale	33	3.304.761	5.182.756
TOTAL CURRENT ASSETS		35.356.745.892	13.943.176.571
Non-current Assets			
Financial Investments	8	179.866.957	89.612.255
Other Receivables	12	5.161.727	196.911
<i>Due From Related Parties</i>	6	150	150
<i>Other Receivables</i>		5.161.577	196.761
Investments in Equity Accounted Investees	17	52.025.717	15.569.311
Right of use Assets	19	74.357.403	49.622.006
Tangible Assets	20	66.223.862	35.390.438
Intangible Assets		62.381.970	61.340.027
<i>Goodwill</i>	18	38.593.847	38.593.847
<i>Other Intangible Assets</i>	21	23.788.123	22.746.180
Prepaid Expenses		5.513.485	368.604
Deferred Tax Assets	35	7.325.803	17.968.018
TOTAL NON-CURRENT ASSETS		452.856.924	270.067.570
TOTAL ASSETS		35.809.602.816	14.213.244.141

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022**

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

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

	Notes	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
LIABILITIES			
Short-Term Liabilities			
Short Term Borrowings	9	10.311.970.919	4.594.784.270
<i>Due to Related Parties</i>		29.701.042	38.393.763
<i>Due to Third Parties</i>		10.251.975.062	4.551.112.376
<i>Lease Payables to Related Parties</i>	6	4.081.125	1.617.753
<i>Lease Payables to Third Parties</i>		26.213.690	3.660.378
Short-Term Portion of Long-Term Borrowings	9	25.795.293	26.093.665
<i>Due to Related Parties</i>		11.056.762	8.597.563
<i>Due to Third Parties</i>		12.127.337	7.579.746
<i>Due to leasing transactions to unrelated parties</i>		2.611.194	9.916.356
Other Financial Liabilities	10	-	150.719
Trade Payables	11	15.369.430.443	5.841.748.222
<i>Due to Related Parties</i>	6	31.857.238	4.396.311
<i>Due to Third Parties</i>		15.337.573.205	5.837.351.911
Payables Related to Employee Benefits		10.532.396	4.524.737
Other Payables	12	74.266.267	60.204.144
<i>Due to Related Parties</i>	6	7.281.798	2.001.413
<i>Due to Third Parties</i>		66.984.469	58.202.731
Derivative Instruments	39	974.751.564	211.472.975
Current Tax Liabilities	35	164.920.099	16.096.447
Short-Term Provisions		1.153.532.457	135.801.857
<i>Provisions for Employee Benefits</i>	25	105.614.476	46.728.059
<i>Other Short-Term Provisions</i>	23	1.047.917.981	89.073.798
Other Current Liabilities	26	62.407.830	72.226.305
TOTAL CURRENT LIABILITIES		28.147.607.268	10.963.103.341
Long-Term Liabilities			
Long-Term Borrowings	9	78.872.590	60.560.619
<i>Due to Related Parties</i>		9.973.967	6.392.968
<i>Due to Third Parties</i>		9.988.170	9.027.286
<i>Lease Payables to Related Parties</i>		20.184.064	21.470.239
<i>Lease Payables to Third Parties</i>		38.726.389	23.670.126
Other Payables	12	2.313.012	2.010.836
<i>Other Payables</i>		2.313.012	2.010.836
Long-Term Provisions		34.816.971	16.168.784
<i>Employee Benefits</i>	25	34.816.971	16.168.784
Deferred Tax Liabilities	35	204.917.800	53.502.595
Other Long Term Liabilities	26	73.387.527	45.782.430
TOTAL NON-CURRENT LIABILITIES		394.307.900	178.025.264
EQUITY			
Total Equity Attributable to Equity Holders of the Company		6.797.036.486	2.761.918.203
Paid in Capital	27	355.000.000	355.000.000
Share Premium		246.823	246.823
Other Comprehensive Income and Expenses to will not be Reclassified to Profit or Loss		126.368.297	44.509.061
<i>Defined Benefit Plans Remeasurement Gains and Losses</i>		(18.882.723)	(6.874.095)
<i>Fair Value Difference</i>	27	145.251.020	51.383.156
Other Comprehensive Income and Expenses to be Reclassified to Profit or Loss		59.352.632	37.585.160
<i>Currency Translation Differences</i>		59.352.632	37.585.160
Other Reserves	27	303.171.294	192.753.848
Restricted Reserves	27	224.396.962	181.812.427
Prior Year's Profit/Loss	27	1.396.868.177	779.106.909
Profit for the Year		4.331.632.301	1.170.903.975
Non-Controlling Interests	27	470.651.162	310.197.333
TOTAL EQUITY		7.267.687.648	3.072.115.536
TOTAL LIABILITIES		35.809.602.816	14.213.244.141

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

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AS OF DECEMBER 31, 2022**

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

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

		Audited Current Period	Audited Prior Period
	Notes	1 January - 31 December 2022	1 January - 31 December 2021
STATEMENT OF PROFIT OR LOSS			
Revenue	28	224.180.671.638	142.406.182.348
Sales Revenue	28	218.163.536.122	140.817.934.711
Interest and Derivative Income from Operating Activities, Net	28	1.029.051.712	387.495.944
Service Income, Net	28	1.665.565.134	879.006.795
Other Operating Income, Net	28	3.322.518.670	321.744.898
Cost of Sales (-)	28	(216.614.174.937)	(140.020.606.448)
GROSS PROFIT/LOSS		7.566.496.701	2.385.575.900
Administrative Expenses (-)	29	(976.615.602)	(515.711.355)
Marketing Expenses (-)	29	(342.213.935)	(199.591.641)
Research and Development Expenses (-)	29	(3.753.302)	(3.511.931)
Other Operating Income	30	96.026.958	35.084.818
Other Operating Expenses (-)	30	(1.081.089.311)	(107.205.874)
OPERATING PROFIT/LOSS		5.258.851.509	1.594.639.917
Share of Profit/Loss of Equity Accounted Investees, Net of Income Tax	17	36.456.406	12.608.793
OPERATING PROFIT/LOSS BEFORE FINANCE COST		5.295.307.915	1.607.248.710
Finance Income	31	244.661.590	96.052.714
Finance Costs (-)	32	(115.285.743)	(142.525.332)
PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS		5.424.683.762	1.560.776.092
Income Tax from Continuing Operations	35	(895.076.976)	(327.299.588)
<i>Current Tax Expense</i>		(737.049.441)	(302.319.924)
<i>Deferred Tax Income/(Expense)</i>		(158.027.535)	(24.979.664)
PROFIT FROM CONTINUING OPERATIONS		4.529.606.786	1.233.476.504
PROFIT FROM DISCONTINUED OPERATIONS		-	-
PROFIT FOR THE YEAR		4.529.606.786	1.233.476.504
Profit Attributable to:			
Non-controlling interests		197.974.485	62.572.529
Equity holders of the company		4.331.632.301	1.170.903.975
		4.529.606.786	1.233.476.504
Earnings per share			
Earnings Per Share from Continuing Operations	36	12,2018	3,2983
Earnings Per Share from Discontinued Operations		-	-
Diluted Earnings Per Share			
Diluted Earnings Per Share from Continuing Operations	36	12,2018	3,2983
Diluted Earnings Per Share from Discontinued Operations		-	-

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

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
AS OF DECEMBER 31, 2022

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)
(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

		Audited Current Period	Audited Prior Period
	Notes	1 January - 31 December 2022	1 January - 31 December 2021
PROFIT FOR THE YEAR		4.529.606.786	1.233.476.504
OTHER COMPREHENSIVE INCOME:			
Items that not to be reclassified to profit or loss	34	91.127.792	6.147.198
Defined benefit plans re-measurement gains		(14.388.995)	(423.028)
Taxes related to comprehensive income that will not be reclassified to profit or loss		108.714.174	6.826.967
<i>Deferred Tax Expense/Income</i>	35	(3.197.387)	(256.741)
Items that are or may be reclassified to profit or loss	34	10.268.885	11.119.883
Change in currency translation reserve		10.268.885	11.119.883
OTHER COMPREHENSIVE INCOME		101.396.677	17.267.081
TOTAL COMPREHENSIVE INCOME		4.631.003.463	1.250.743.585
Total Comprehensive Income Attributable to:			
Non-Controlling Interests		194.666.471	48.687.796
Equity Holders of the Company		4.436.336.992	1.202.055.789
		4.631.003.463	1.250.743.585

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF DECEMBER 31, 2022**

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

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

			Other Comprehensive Income not to be reclassified to be profit or loss		Other Comprehensive Income to be reclassified to be profit or loss
	Paid in Capital	Share Premium	Defined Benefit Plans Re-Measurement Gains and Losses	Gains and losses on revaluation of assets at fair value through other comprehensive income	Currency Translation Difference
Balance on January 1, 2021	355.000.000	1.303.326	(6.243.966)	44.682.529	11.824.581
Transfers to Reserves	-	-	-	-	-
Total Comprehensive Income	-	-	(630.129)	6.021.365	25.760.579
Change in Non-Controlling Interests	-	(1.056.503)	-	679.262	-
Dividends	-	-	-	-	-
Balance on January 31, 2021	355.000.000	246.823	(6.874.095)	51.383.156	37.585.160
			Other Comprehensive Income not to be reclassified to be profit or loss		Other Comprehensive Income to be reclassified to be profit or loss
	Paid in Capital	Share Premium	Defined Benefit Plans Re-Measurement Gains and Losses	Gains and losses on revaluation of assets at fair value through other comprehensive income	Currency Translation Difference
Balance on January 1, 2022	355.000.000	246.823	(6.874.095)	51.383.156	37.585.160
Transfers to Reserves	-	-	-	-	-
Total Comprehensive Income	-	-	(10.868.428)	93.805.647	21.767.472
Change in Non-Controlling Interests	-	-	(1.140.200)	62.217	-
Dividends	-	-	-	-	-
Balance on January 31, 2022	355.000.000	246.823	(18.882.723)	145.251.020	59.352.632

Retained Earnings

	Other Reserves	Restricted Reserves	Prior Year's Profit/Loss	Net Profit/Loss For The Year	Shareholders' Equity	Non-Controlling Interest	Equity
	83.753.848	139.503.482	337.460.212	941.974.320	1.909.258.332	275.156.803	2.184.415.135
	109.000.000	40.037.065	792.937.256	(941.974.320)	-	-	-
	-	-	-	1.170.903.975	1.202.055.790	48.687.796	1.250.743.586
	-	2.271.880	3.709.441	-	5.604.081	11.485.699	17.089.780
	-	-	(355.000.000)	-	(355.000.000)	(25.132.965)	(380.132.965)
	192.753.848	181.812.427	779.106.909	1.170.903.975	2.761.918.203	310.197.333	3.072.115.536

Retained Earnings

	Other Reserves	Restricted Reserves	Prior Year's Profit/Loss	Net Profit/Loss For The Year	Shareholders' Equity	Non-Controlling Interest	Equity
	192.753.848	181.812.427	779.106.909	1.170.903.975	2.761.918.203	310.197.333	3.072.115.536
	110.417.446	42.965.647	1.017.520.881	(1.170.903.975)	(1)	-	(1)
	-	-	-	4.331.632.301	4.436.336.992	194.666.471	4.631.003.463
	-	(381.112)	240.387	-	(1.218.708)	6.023.654	4.804.946
	-	-	(400.000.000)	-	(400.000.000)	(40.236.296)	(440.236.296)
	303.171.294	224.396.962	1.396.868.177	4.331.632.301	6.797.036.486	470.651.162	7.267.687.648

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
AS OF DECEMBER 31, 2022**

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

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

		Audited Prior Year	Audited Prior Year
	Notlar	1 January - 31 December 2022	1 January - 31 December 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit for the year		4.529.606.786	1.233.476.504
Adjustments to reconcile net profit/(loss)			
Adjustments for depreciation and amortization	19-21	55.105.127	47.528.111
Changes in provisions		1.039.523.542	52.545.389
Adjustments for interest income	7-9	(885.438.597)	(409.044.395)
Adjustments for interest expense		1.180.155.516	161.847.873
Adjustments related to share-based payments		(6.469.480)	(4.575.392)
Adjustments related to fair value losses/gains		(39.900.061)	(8.755.466)
Changes in tax loss/income	35	895.076.976	327.299.588
Gain/losses from sales of tangible assets	20-21	(1.860.098)	(630)
Adjustments related to investments accounted for using the equity method	17	(36.456.406)	(12.608.793)
Other adjustments related to profit/loss reconciliation		2.755.510	71.704.535
Changes in net working capital			
Increases/decreases in inventories		(72.561.140)	6.629.934
Increases/decreases in trade receivables		(10.000.051.095)	(2.854.712.359)
Increases/decreases in financial investments		(11.714.665.658)	(896.731.253)
Increases/decreases in other receivables		(469.239.045)	(450.135.010)
Interest received		821.872.372	381.964.504
Changes in restricted deposits	7	(3.037.535)	(330.838)
Change in demand deposits		66.814.735	(186.963.950)
Increases/decreases in trade payables		9.527.682.221	809.700.557
Increases/decreases in other payables		14.292.112	25.182.651
Cash flows from operating activities			
Current tax paid		(584.195.904)	(361.613.983)
Employment termination benefits paid/return		4.359.834	(1.819.807)
B. YATIRIM FAALİYETLERİNDEN KAYNAKLANAN NAKİT AKIŞLARI			
Cash inflow from sales of tangible assets		4.747.520	1.208.616
Cash outflow from purchases of property, plant and equipment	20	(47.084.126)	(15.788.575)
Dividend income	31	6.469.480	4.575.392
Cash outflow from purchases of intangible assets	21	(15.753.590)	(12.294.609)
Other cash inflows (outflows)		(205.379)	278.669
Interest received		20.404.077	23.843.009
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash inflows from borrowings		141.965.979.718	51.567.660.617
Cash outflows related to debt payments		(138.996.556.499)	(49.280.340.525)
Dividends paid	27	(440.236.297)	(380.132.965)
Change in other financial liabilities		732.473.915	(49.626.772)
Financing cash inflows from commercial paper		24.580.782.013	2.332.603.137
Financial cash outflows from commercial paper		(21.815.004.984)	(979.063.493)
Interest paid		(1.149.501.562)	(117.773.868)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES (A+B+C)			
		(830.116.002)	1.025.736.403
D. EFFECTS OF UNREALIZED EXCHANGE LOSS/(GAIN) ON CASH AND CASH EQUIVALENTS			
		21.767.472	25.760.579
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)			
		(808.348.530)	1.051.496.982
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD			
	7	1.554.573.093	503.076.111
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)			
	7	746.224.563	1.554.573.093

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

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)
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1. ORGANIZATION AND OPERATIONS OF THE GROUP

The purpose of İş Yatırım Menkul Değerler Anonim Şirketi ("the Company") is to perform capital market activities in accordance with its Articles of Association of the Capital Markets Law. In this respect, the Company obtained the establishment permission through the Capital Markets Board's (the "CMB") meeting No: 51/1515 on December 5, 1996.

The Company is registered in Turkey and the head quarter of the Company operates at the address below. The contact information of the Company's head quarter and web site is stated below:

Levent Mahallesi, Meltem Sokak, İş Kuleleri, Kule - 2 Kat 13, 34330, Beşiktaş/İstanbul/Turkey

Telephone: + 90 (212) 350 20 00

Fax: + 90 (212) 350 20 01

<http://www.isyatirim.com.tr>

Türkiye İş Bankası AŞ is the main shareholder of the Company. The equity shares of the Company are traded on the stock Exchange.

As of December 31, 2022, the Company has 468 employees (31 December 2021: 438).

As of December 31, 2022, the details of the Company's subsidiaries included in consolidation are as follows:

Subsidiaries:

Company	Place of incorporation	Business Activity
Efes Varlık Yönetim AŞ	İstanbul	Asset management
İş Girişim Sermayesi Yatırım Ortaklığı AŞ ^(*)	İstanbul	Private equity
İş Portföy Yönetimi AŞ	İstanbul	Portfolio management
İş Yatırım Ortaklığı AŞ	İstanbul	Investment trust
Maxis Girişim Sermayesi Portföy Yönetimi AŞ.	İstanbul	Portfolio management
Maxis Investments Ltd	London	Securities brokerage

^(*) Subsidiaries of İş Girişim Sermayesi Yatırım Ortaklığı AŞ are presented in Note 2.1

The Company and its consolidated subsidiaries, jointly controlled entities and associates are referred to as "the Group" in this report. The operations of the subsidiaries included in the consolidation are stated below:

Efes Varlık Yönetim AŞ

The subsidiary is engaged in the purchase and sale of receivables and other assets of deposit banks, participation banks and other financial institutions.

İş Girişim Sermayesi Yatırım Ortaklığı AŞ ("İş Girişim Sermayesi"):

The operations of this subsidiaries are mainly making long-term investments in entrepreneurships founded or to be found in Turkey with a development potential and in need of capital.

İş Portföy Yönetimi AŞ:

The subsidiary engages in the capital market activities specified in its articles of association in accordance with the provisions of the Capital Markets Law and related legislation and provides portfolio management and investment advisory services to institutional investors within the scope of capital market activities.

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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1. ORGANIZATION AND OPERATIONS OF THE GROUP (cont'd)**Subsidiaries (cont'd)**İş Yatırım Ortaklığı AŞ:

The purpose of this subsidiary is to perform capital market activities in accordance with the Capital Markets Law and the related regulation. This subsidiary performs capital market activities and managing its own portfolio.

Maxis Girişim Sermayesi Portföy Yönetimi AŞ:

The subsidiary is engaged in the establishment and management of venture capital investment funds within the framework of the Capital Markets Law and related legislation.

Maxis Investments Ltd.:

The subsidiary, registered by 'The Official Seal Of The Registrar Of Companies' and incorporated in London/ England, operates in the capital markets.

Associates and jointly controlled entities:

Associates are entities on which the Group has significant influence apart from subsidiaries. Significant influence is the participation power to govern the financial and operating policies of an entity without having individually or jointly control power. Joint ventures are controlled by the Group with a contractual agreement and the Group have the authority on strategic, financial and operational decisions of joint ventures by these agreements. The details of Group's associates as of December 31, 2022 are as follows:

Associate

Company Name	Type of Services	Main Operations
Radore Veri Hizmetleri AŞ ("Radore")	Service	Information technology sector, data center management and other works written in the main contract.
Mika Tur Seyahat Acenteliği ve Turizm AŞ ("Mika Tur")	Service	Travel Agency
Ege Tarım Ürünleri Lisanslı Depoculuk AŞ ("Elidaş")	Service	Licensed Warehousing

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS**2.1 Basis of presentation****Financial reporting standards**Approval of Financial Statements

The Group's consolidated financial statements as at and for the year then ended December 31, 2022 have been approved by the Board of Directors and authorization for issue has been given on January 31, 2023. The General Assembly has the authority to amend the consolidated financial statements after publishing.

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1. Basis of presentation (cont'd)

Financial reporting standards (cont'd)

Preparation of Consolidated Financial Statements and Statement of Compliance to TAS

The accompanying consolidated financial statements are prepared in accordance with the Communiqué numbered II-14,1, "Basis for Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on June 13, 2013. According to the Communiqué, financial statements are prepared in accordance with Turkish Accounting Standards ("TAS") which are published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). TAS consists of Turkish Accounting Standards, Turkish Financial Reporting Standards and related appendices and interpretations.

TAS 29 Financial Reporting in Hyperinflationary Economies requires entities whose functional currency is the currency of a hyperinflationary economy to report their financial statements in terms of the purchasing power of money at the end of the reporting period. TAS 29 identifies characteristics that may indicate that an economy is a hyperinflationary economy. At the same time, TAS 29 requires all entities that report in the currency of a hyperinflationary economy to apply the Standard from the same date. Therefore, as stated in TAS 29, it is expected that all entities will start to apply 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 an announcement on whether an adjustment will be made in the financial statements for the period ended December 31, 2022 within the scope of TAS 29. Therefore, TAS 29 has not been applied and inflation adjustment has not been made in the financial statements as at December 31, 2022.

Functional and Reporting Currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TL, which is the functional and presentation currency of the Company.

Foreign currency exchange rates used by the Group are as follows:

	31 December 2022	31 December 2021
USD	18,6983	12,9775
EURO	19,9349	14,6823
GBP	22,4892	17,4530

Assumption of Going Concern

The consolidated financial statements of the Group are prepared on a going concern basis, which presumes the realization of assets and settlement of liabilities of the Company and its consolidated subsidiaries, jointly controlled entities and associates in the normal course of operations and in the foreseeable future.

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1. Basis of presentation (cont'd)

Basis of Consolidation

Subsidiaries:

Subsidiaries are entities controlled by the Group. The Group can control a business when exposure, or rights, to variable returns due to its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns. The financial statements of subsidiaries have been included in the consolidated financial statements from the date control commences until the date that controls end. Non-controlling interests in the net assets of the consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest share of changes in equity since the date of the combination. Even if the non-controlling interests result in a reverse balance, total comprehensive income is attributable to the equity holders of the Company and to the non-controlling interests.

The details of the Company's subsidiaries are as follows:

Subsidiaries	Ownership as at 31 December 2022	Ownership as at 31 December 2021
Efes Varlık Yönetim AŞ	91,14%	91,14%
İş Girişim Sermayesi Yatırım Ortaklığı AŞ	29,01%	29,01%
İş Portföy Yönetimi AŞ	70,00%	70,00%
İş Yatırım Ortaklığı AŞ	29,45%	29,45%
Maxis Girişim Sermayesi Portföy Yönetimi AŞ	100,00%	100,00%
Maxis Investments Ltd.	100,00%	100,00%
Nevotek Bilişim Ses ve İletişim Sis. San. ve Tic. AŞ ("Nevotek") ^(*)	95,37%	95,37%
Ortopro Tıbbi Aletler Sanayi ve Ticaret AŞ ("Ortopro") ^(*)	97,22%	97,22%
Toksöz Spor Malzemeleri Ticaret AŞ ("Toksöz Spor") ^(*)	90,63%	90,63%
Mikla Yiyecek ve İçecek AŞ ("Mikla") ^(*)	83,57%	83,57%

^(*) The subsidiaries of İş Girişim Sermayesi are presented with İş Girişim Sermayesi's ownership percentages.

The accounting policies of subsidiaries are changed as necessary to align them with the policies adopted by the Group.

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Basis of Consolidation (cont'd)

Subsidiaries (cont'd)

Associates and joint ventures:

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Investments in associates and jointly controlled entities are accounted for using the equity method and are recognized initially at cost.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

The details of the Group's associates are as follows:

Associates	Place of incorporation	Share on capital (%)		Main Business Area
		31 December 2022	31 December 2021	
Radore ^(*)	Türkiye	25,50	25,50	Data Services
Mika Tur ^(*)	Türkiye	40,09	40,00	Travel Agency
Elidaş	Türkiye	10,05	10,05	Licensed Warehousing

^(*)The subsidiaries of İş Girişim Sermayesi are presented with İş Girişim Sermayesi's ownership percentages.

Goodwill:

Goodwill represents the excess cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate. Goodwill on acquisitions of associates is included in "Associates or Associates Accounted by Using Equity Method" and is tested for impairment as part of the overall balance. Separately recognized goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.1 Basis of Presentation *(cont'd)*

Basis of Consolidation *(cont'd)*

Goodwill: *(cont'd)*

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocations made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

If the fair value of identifiable assets, liabilities, the fair value of contingent liabilities or the cost of mergers can only be determined temporarily on the carrying amount, hence the accounting of the merger can only be made temporarily at the end of the period which the merger is realized, then the acquirer recognizes the merger at its temporary value. The mentioned temporary recognition should be completed within the following 12 months and all adjustments including goodwill should be made as of the merger date.

Transactions eliminated on consolidation:

Statements of financial positions and profit and loss of the companies who are included in the consolidation are consolidated based on full consolidation method and by netting off their book value within the Company's assets and their shares within the Company's equity. Portion of the net assets of the subsidiaries that are not directly or indirectly controlled by the parent company, is recognized under "Non-Controlling Interests" in the consolidated statement of financial position. In addition, the portion of the net profit or loss of the subsidiaries that are not directly or indirectly controlled by the Parent company, is also recognized under "Non-Controlling Interests" in the consolidated statement of profit or loss. Intragroup balances and transactions of the companies who are included in the consolidation are eliminated. Profit or loss realized due to the transactions between the group companies or joint ventures, are eliminated by using the Group's share ratio of the related company or joint venture.

2.2 Changes in Accounting Estimates, Errors

If the changes in accounting estimates are for only one period, they are applied in the period in which the change is made and if they are for future periods, they are applied both in the period in which the change is made and prospectively in future periods. Significant accounting errors are corrected retrospectively and prior period financial statements are restated.

2.3 Basis of Presentation of the Consolidated Financial Statements

The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of December 31, 2022 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2022 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.3 Basis of Presentation of the Consolidated Financial Statements *(cont'd)*

i) The new standards, amendments and interpretations which are effective as of January 1, 2022 are as follows:

Amendments to TFRS 3 - Reference to the Conceptual Framework

In July 2020, POA issued amendments to TFRS 3 Business combinations. The amendments are intended to replace to a reference to a previous version of the Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing requirements of TFRS 3. At the same time, the amendments add a new paragraph to TFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments must be applied prospectively.

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

Amendments to TAS 16 - Proceeds before intended use

In July 2020, POA issued amendments to TAS 16 Property, plant and equipment. The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and costs of producing those items, in profit or loss. The amendments must be applied retrospectively only to items of PP&E made available for use on or after beginning of the earliest period presented when the entity first applies the amendment.

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

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

In July 2020, POA issued amendments to TAS 37 Provisions, Contingent Liabilities and Contingent assets. The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and also apply a "directly related cost approach". Amendments must be applied prospectively to contracts for which an entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

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

Annual Improvements - 2018-2020 Cycle

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

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

The amendments did not have a significant impact on the financial position or performance of the Group].

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.3 Basis of Presentation of the Consolidated Financial Statements *(cont'd)*

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

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

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

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Group will wait until the final amendment to assess the impacts of the changes.

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted.

The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

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

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

The Company/the Group is in the process of assessing the impact of the amendments on financial position or performance of the Group

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments issued to TAS 8 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.3 Basis of Presentation of the Consolidated Financial Statements *(cont'd)*

ii) Standards issued but not yet effective and not early adopted *(cont'd)*

Amendments to TAS 1 - Disclosure of Accounting Policies

accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date. Earlier application is permitted.

the Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

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

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

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

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

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.3 Basis of Presentation of the Consolidated Financial Statements *(cont'd)*

ii) Standards issued but not yet effective and not early adopted *(cont'd)*

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

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

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

2.4. Comparative Figures

The consolidated financial statements of the Group are prepared comparatively with the prior period in order to enable the determination of the financial position and performance trends. In order to ensure comparability of consolidated financial statement items, prior period financial statements are also classified accordingly.

The Company has made some classification changes in the Statement of Profit or Loss within the framework of its assessment, and in order to ensure comparability, the Statement of Profit or Loss and related footnotes for the year ended December 31, 2021 have been restated taking into account the aforementioned classification changes. The table showing the classification changes and the explanations in this context are given below.

"Interest income received from customers" which was recognized in "Other operating income (net)" under "Revenue" is reclassified to " Interest and Derivative Income from Operating Activities, Net ".

"Securities and cash transaction commissions", "commissions and transaction expenses paid" and "letter of guarantee commissions" under "Other Operating Income", "Other Operating Expenses" and "Financing Expenses", respectively, are reclassified to "Other operating income (net)" and "Interest income" and "Interest received against guarantees" under "Financing Income" are reclassified to " Interest and Derivative Income from Operating Activities, Net ".

Gains and losses on valuation of financial instruments presented in "Revenue" and "Cost of Sales" are classified under "Other operating income (net)".

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.4. Comparative Figures (cont'd)

	Reported	Restated	Classification
	1 January- 31 December 2021	1 January- 31 December 2021	Effect
Revenue	142.503.416.043	142.406.182.348	(97.233.695)
Sales Revenue	141.261.126.476	140.817.934.711	(443.191.765)
Interest and Derivative Income from Operating Activities, Net	(4.803.291)	387.495.944	392.299.235
Other Operating Income, Net	368.086.063	321.744.898	(46.341.165)
Cost of Sales (-)	(140.189.864.090)	(140.020.606.448)	169.257.642
GROSS PROFIT/LOSS	2.313.551.953	2.385.575.900	72.023.947
Other Operating Income	42.412.533	35.084.818	(7.327.715)
Other Operating Expenses (-)	(109.423.145)	(107.205.874)	2.217.271
OPERATING PROFIT/LOSS	1.527.726.414	1.594.639.917	66.913.503
OPERATING PROFIT/LOSS BEFORE FINANCE COST	1.540.335.207	1.607.248.710	66.913.503
Finance Income	164.946.366	96.052.714	(68.893.652)
Finance Costs (-)	(144.505.481)	(142.525.332)	1.980.149

In addition to the above-mentioned reclassification changes, the Company has started to classify the valuation differences related to equity-based financial instruments followed under the "Financial Assets at Fair Value Through Other Comprehensive Income" item under the "Accumulated Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss" item, as a result of the evaluations made within the framework of the relevant legislation, as "Accumulated Other Comprehensive Income or Expenses that will not be Reclassified to Profit or Loss" item. In order to present this classification change in a comparable manner, the relevant parts of the Statement of Financial Position as of December 31, 2021 and the Statement of Other Comprehensive Income and Statement of Changes in Equity as of December 31, 2021 have been restated.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.4. Comparative Figures (cont'd)

	Reported	Restated	
	31 December 2021	31 December 2021	Classification Effect
Equity			
Shareholders' Equity	2.761.918.203	2.761.918.203	-
Other Comprehensive Income not to be reclassified to be profit or loss	(6.874.095)	44.509.061	51.383.156
<i>Defined Benefit Plans Re-Measurement Gains and Losses</i>	(6.874.095)	(6.874.095)	-
<i>Revaluation and Reclassification Gain/Loss</i>	-	51.383.156	51.383.156
Other Comprehensive Income to be reclassified to be profit or loss	88.968.316	37.585.160	(51.383.156)
<i>Currency Translation Difference</i>	37.585.160	37.585.160	-
<i>Revaluation and Reclassification Gain/Loss</i>	51.383.156	-	(51.383.156)
Total Equity	3.072.115.536	3.072.115.536	-
	Reported	Restated	
	1 January-31 December 2021	1 January-31 December 2021	Classification Effect
Other Comprehensive Income not to be reclassified to be profit or loss	(338.422)	6.147.198	6.485.620
Defined Benefit Plans Re-Measurement Gains and Losses	(423.028)	(423.028)	-
Gains and losses on revaluation of assets at fair value through other comprehensive income	-	6.826.967	6.826.967
Taxes on other comprehensive income not to be reclassified to profit or loss	84.606	(256.741)	(341.347)
Other Comprehensive Income to be reclassified to be profit or loss	17.605.503	11.119.883	(6.485.620)
Gains and losses on revaluation of assets at fair value through other comprehensive income	6.826.967	-	(6.826.967)
Currency Translation Difference	11.119.883	11.119.883	-
Taxes on other comprehensive income not to be reclassified to profit or loss	(341.347)	-	341.347
OTHER COMPREHENSIVE INCOME	17.267.081	17.267.081	-

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5. Summary of Significant Accounting Policies

Revenue:

The Group immediately recognizes gain on sale of marketable securities in its portfolio, when proceeds on such sale transactions are deemed to be collectable while dividend and similar type of revenue are recognized when proceeds on such sale transactions are deemed to be collectable at maturity.

Interest income and expenses

Interest income and expenses are recognized in the statement of profit or loss on an accrual basis.

Service income

Revenue generated from a service contract is recognized by reference to the stage of completion of the contractual obligation. In this respect, fees and commissions generated because of the completion of the service contract or service, mutual fund management fees, portfolio management commissions and agency commissions are recognized on an accrual basis.

Dividend income

Dividend income from equity shares is recognized when the shareholders' rights to receive payment have been established.

Private equity

Revenues are comprised of sale of subsidiary and/or associate and income from consultancy services provided to associates. Revenues from sale of subsidiary or associate resulting in change in control are recognized when the sales are realized. Consultancy services given to associates are recognized at the date of the service rendered.

IT, audio and communication systems

Revenue is recognized on an accrual basis by the amount of excess of the fair value if it is probable that the future economic benefits of the revenue will flow to the Group.

The Group recognizes revenue when the Group has available contracts with clients, product or service is delivered, amount of revenue measured reliably, and it is probable that the Group will be receiving economic benefit.

The Group recognizes revenue for license and software solutions after the software is delivered and the service is started to be used by considering the conditions mentioned in the first paragraph.

Trade of orthopedics, medical equipments and sport products

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5. Summary of Significant Accounting Policies (cont'd)

Revenue: (cont'd)

Revenues are calculated by received payments or fair value of payments which will be received. Estimated refunds, discounts, and provisions are deducted from the mentioned amount.

Food and beverage services revenue

Revenue is measured at fair values of the consideration received or receivable. Estimated discount is recognized as a reduction of revenue as the sales are granted.

Food and beverage revenues are recognized as the services are rendered. Revenues that are measured at fair values of the consideration received or receivable and after sale discounts and deductions.

Restaurant sponsorship revenue

Sponsorship revenues are earned as cash and non-cash benefits from sales of food suppliers and other suppliers in respect of their marketing activities. Sponsorship revenues are recognized as the services are rendered related to sponsorship activities performed. Sponsorship revenue related with uncollected part of long-term agreements are deferred until services are rendered. There are no deferred costs related to these revenues.

Restaurant commission revenue

Commission revenues are generated from franchising agreements that were made in order to lease registered trademarks and also restaurants' operating rights to third parties. Commission revenues include both franchise entrance fees and sale commission fees which is computed over the specified rate. Franchise entrance fees are recognized as revenue as a restaurant which is mentioned on the agreement start to operate. Sale commission fees are recognized as revenue when recovery of the consideration is probable and if the entity believes that the payment amount is collectible and there is sufficient evidence that the amount of revenue can be measured.

Sport goods sold

Revenue from the sale of goods during ordinary activities is measured at the fair value of the consideration received and receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of the ownership have been transferred to customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

Inventories:

Inventories are measured at the lower of cost and net realizable value. Costs involved in inventories are comprised of direct material, direct labor used for bringing inventories to their existing condition if applicable and production overheads. Weighted average cost method is used in calculating cost of inventories. Net realizable value is estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5. Summary of Significant Accounting Policies (cont'd)

Tangible Assets:

Items of tangible assets of the Turkish entities purchased before 1 January 2005 are stated at cost adjusted for the effects of inflation during the hyperinflationary period lasted through December 31, 2004, and tangible assets purchased after January 1, 2005 are recorded at their historical costs less accumulated depreciation and accumulated impairment losses.

Depreciation

Depreciation is recognized over the estimated useful lives of the related assets from the date of acquisition or the date of installation, on a straight-line basis.

Leasehold improvements are depreciated over the lower of the periods of the respective leases and useful lives, on a straight-line basis.

The estimated useful lives for the current and comparative periods are as follows:

	Useful life
Machinery and equipment	3-15 years
Vehicles	4-5 years
Furnitures and fixtures	2-15 years
Leasehold improvements	5-10 years
Other tangible assets	5-10 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, were shorter, the term of the relevant lease.

Subsequent expenditure

Expenditure incurred to replace a component of an item of tangible assets that is accounted for separately, including major inspection and overhauls costs, are capitalized. Other subsequent expenditures are capitalized only when it increases the future economic benefits embodied in the item of tangible assets. All other expenditures are recognized in profit or loss as an expense as incurred.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement of the financial lease agreement (for example, as of the date the asset is available for use). Right-of-use assets are calculated by deducting accumulated depreciation and impairment losses from their cost value. In case of revaluation of financial lease debts, this figure is also corrected.

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

- the initial measurement amount of the lease liability,
- any lease payments made on or before the actual commencement date, less any lease incentives received, and
- all initial direct costs incurred by the group.

Unless the transfer of ownership of the underlying asset to the Group at the end of the lease term is reasonably certain, the Group depreciates the right-of-use asset from the actual commencement date to the end of the useful life of the underlying asset.

Right-of-use assets are subject to impairment.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.5. Summary of Significant Accounting Policies *(cont'd)*

Lease liabilities

The Group measures the lease liability over the present value of the unpaid lease payments when the lease commences.

The lease payments included in the measurement of the lease liability at the actual commencement date consist of the following payments to be made for the right to use the underlying asset during the lease term and not paid at the actual commencement date:

- (a) fixed payments,
- (b) variable lease payments based on an index or rate, initially measured using an index or rate at the date the lease actually commences;
- (c) Amounts expected to be paid by the Company/Group under residual value commitments
- (d) If the Company/Group is reasonably certain that it will use the purchase option, the exercise price of this option and
- (e) If the lease term indicates that the Company/Group will use an option to terminate the lease, penalty payments regarding the termination of the lease.

Variable lease payments that are not dependent on an index or rate are recorded as an expense in the period in which the event or condition triggering the payment occurs.

The Group uses the revised discount rate for the remaining part of the lease term, if the implied interest rate in the lease can be easily determined, as this rate; If it cannot be determined easily, the Group determines it as the alternative borrowing interest rate on the date of re-evaluation.

The group measures the lease liability as follows, after the date the lease commences:

- (a) Increases the carrying value to reflect the interest on the lease liability, and
- (b) It reduces the book value to reflect the lease payments made.

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

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Intangible Assets:

Intangible assets are comprised of trademarks and licenses and information technologies and computer software. Intangible assets are carried at restated cost for the effects of inflation in TL units current at December, 31 2004 for the intangible assets acquired before January, 1 2005, and intangible assets acquired after January, 1 2005 are carried at acquisition cost less accumulated amortization and impairment losses. Intangible assets are amortized on a straight-line basis over their estimated useful lives for a period not exceeding 5 years from the date of acquisition.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5. Summary of Significant Accounting Policies (cont'd)

Intangible Assets: (cont'd)

Trademarks and Licenses:

Acquired trademarks and licenses are shown at historical cost. Trademarks and licenses have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives (not exceeding five years).

Computer Software:

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (3 - 5 years).

Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognized as assets are amortized over their estimated useful lives (not exceeding three years).

Intangible Assets Acquired in a Business Combination:

Intangible assets acquired in a business combination are identified and recognized separately from goodwill where they meet the definition of an intangible asset and their fair value can be measured reliably. Cost of such intangible fixed assets is the fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale,
 - The intention to complete the intangible assets and use or sell it,
 - The ability to use or sell the intangible asset,
 - How the intangibles asset will generate probable future economic benefits,
 - The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
 - The ability to measure reliably the expenditure attributable to the intangible asset during its development.
- The amount of intangible money created internally is the total of the expenses given when the intangible fixed asset meets the recognized recognition requirements. When internally created intangible assets cannot be recorded, their expenditures can be written as expense.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.5. Summary of Significant Accounting Policies *(cont'd)*

Intangible Assets: *(cont'd)*

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the differences between the net disposal proceeds and the carrying amount of the asset. The difference is recognized in the statement of profit or loss when the asset is derecognized.

Impairment of Assets:

Assets that have an indefinite useful life, like goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Assets Held for Sale:

Assets that are expected to be recovered primarily through sale or distribution rather than through continuing use are classified as held for sale or distribution. These assets can be an operating unit, sales groups or a separate tangible asset. Assets held for sale are expected to be sold in twelve months following the reporting period. The assets held for sale are measured at the lower of their carrying amount and fair value. In the condition that the carrying amount exceeds the fair value, the impairment is recognized as a loss in the related period's profit or loss statement.

Borrowing Costs:

In the case of assets that require considerable time to be ready for use and sale, the borrowing costs directly attributable to the acquisition, construction or production are included in the cost of the asset until the asset is ready for use or sale. The financial investment income, which is obtained by evaluating the unspent portion of the investment-related loan temporarily in financial investments, is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are recognized under the statement of profit or loss in the period that they occur.

Financial Instruments:

A financial asset or a financial liability is recognized in the statement of financial position only when it is a party to the contract of the financial instrument. Normal purchases or sales of financial instruments are recognized in the financial statements or excluded from the financial statements by using one of the accounting methods on the transaction date or delivery date. The initial recognition and classification of financial instruments depends on the contractual terms and the relevant business model. A financial asset or financial liability other than TFRS 15 Customer Contracts are measured at fair value when first recognized in financial statements. Transaction costs directly attributable to the acquisition or the issuance of financial assets and liabilities, except for the fair value changes recognized in profit or loss, are also added to the fair value or deducted from the fair value.

The classification of financial instruments during the initial recognition depends on the characteristics of the contractual cash flows.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5. Summary of Significant Accounting Policies (cont'd)

Financial Instruments: (cont'd)

The financial assets and liabilities of the Group under TFRS 9 are as follows:

Financial Assets:

Financial investments, except financial assets classified at fair value through profit or loss and financial assets initially recognized at fair value, are recognized at fair value net of directly attributable transaction costs. Investments are recognized and derecognized on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

Financial assets are classified into the following specified categories: "financial assets at fair value through profit or loss ("FVTPL")", "financial assets measured at amortized cost", and "financial assets at fair value through other comprehensive income ("FVTOCI)".

Financial assets at FVTPL

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as financial assets at fair value through profit or loss unless they are designated for hedging purposes.

Financial assets measured at amortized cost

Financial assets are aimed at collecting contractual conditions of the financial asset cause cash flows that include payments due to the principal and principal balance at certain dates are classified as financial assets measured at amortized cost. It is valued at amortized cost using the effective interest method, and provision is set for impairment. Interest income from held to maturity investments is recognized as "interest income" in profit or loss.

Financial assets at FVTOCI

The contractual financial transactions of the financial asset are classified as being non-collected and the financial asset's resulting cash flows that include the average interest rates from the principal and principal balance in terms of the conditions, specifications, nearby principal and principal balance of the assets. Financial assets at fair value through other comprehensive income are initially recognized at their fair value including their transaction costs on the financial statements. However, if the fair value cannot be determined reliably, for those with a fixed maturity, the discount rate is calculated using the internal rate of return method for those who do not have a fixed maturity, they are valued using fair value pricing models or discounted cash flow techniques. Unrealized gains or losses arising from the changes in the fair value of financial assets at fair value through profit and loss is recognized in other comprehensive income are shown below Financial Assets Value Increase/Decrease Fund. In the event that the fair value differences of financial assets that are reflected in other comprehensive income are eliminated, the value in the equity accounts as a result of the fair value application is reflected to the period profit/loss.

Repurchase and reverse repurchase agreements

Marketable securities sold as part of repurchase agreement commitments ("repo") are accounted for in the consolidated financial statements and liabilities to counterparties are presented as payables to customers. Marketable securities held as part of commitments to resale ("reverse repo") are accounted for as funds loaned under marketable securities reverse repurchase agreements and accounted for under cash and cash equivalents in the balance sheet. The difference between purchase and resale prices is accounted for as interest and amortized during the period of the agreement.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5. Summary of Significant Accounting Policies (cont'd)

Financial Instruments: (cont'd)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Impairment of financial assets/expected credit loss

At each reporting period, each financial asset's credit risk within the scope of impairment is assessed from the date which it is first recognized in the financial statements. Within this assessment, the change of the default risk of the financial asset is taken into consideration. The expected loss provision estimate is unbiased, weighted according to probabilities, and includes information that can be supported about past events, current conditions, and forecasts for future economic conditions.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of profit or loss.

With the exception of equity instruments at fair value through other comprehensive income, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of equity securities, any increase in equity instruments at fair value through other comprehensive income, subsequent to an impairment loss is recognized directly in equity.

Trade receivables and provision for doubtful receivables

Trade receivables are written off from the assets if the Group had no future cash flow expectations.

For the calculation of impairment of trade receivables that are measured at amortized cost and has no important financial component (a maturity with less than one year), "Simplified approach" is used. In cases where the trade receivables are not impaired due to certain reasons (except for the realized impairment losses), the provisions for losses related to trade receivables are measured by an amount equal to the "lifetime expected credit loss"

After recognizing allowance for doubtful receivables, if the entire amount or a portion of the entire amount is collected, the amount deducted from the provision for doubtful receivables and the amount is recognized in other operating income.

Financial liabilities:

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.5. Summary of Significant Accounting Policies *(cont'd)*

Financial Instruments: *(cont'd)*

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Forward, Option Contracts and Derivative financial instruments:

As at statement of financial position date, the Group has derivative financial instrument transactions which predominantly consist of positions related to foreign currency forward contracts and Borsa İstanbul indexed futures contracts. The Group uses foreign currency forward contracts and futures to hedge its risks associated with market fluctuations in connection with trading portfolio transactions. The Group participates in derivative transactions indexed to foreign currencies and securities, also performs brokerage activities relating to derivative transactions on behalf of its customers. As at statement of financial position date, transactions related to derivative financial instruments are entered into for trading purposes and measured at fair value. Interest and foreign currency gains and losses on these instruments are accounted for on an accrual basis in the statement of profit or loss.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and presented in the hedging reserve in equity. The amount recognized in other comprehensive income is removed and included in the statement of profit or loss in the same period as the hedged cash flows affect the statement of profit or loss under the same line item in the statement of comprehensive income as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the statement of profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset when the asset is recognized. In other cases, the amount accumulated in equity is reclassified to the statement of profit or loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified in the statement of profit or loss.

Recognition and removal of financial assets and liabilities:

A financial asset or a financial liability is recognized in the statement of financial position only when it is a party to the contract of the related financial instrument. The Company derecognizes a financial asset or a portion of its financial asset only when it loses its control over the rights arising from the contract. The Company derecognizes a financial liability only if the obligation defined in the contract is eliminated, canceled or expired.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**2.5. Summary of Significant Accounting Policies** (cont'd)**Business Combinations:**

The acquisition of subsidiaries and businesses are accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the recognition criteria under TFRS 3, "Business Combinations" are recognized at fair value at the date of acquisition, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with TFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", which are recognized and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss.

The interest of non-controlling interest's shareholders in the acquiree is initially measured at the non-controlling interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

In business combinations under common control, assets and liabilities subject to business combination are accounted for at carrying value in consolidated financial statements. Statements of profit or loss are consolidated starting from the beginning of the fiscal year in which the business combination is realized. Consolidated financial statements of previous fiscal years are restated in the same manner in order to maintain consistency and comparability. Any positive or negative goodwill arising from such business combination is not recognized in the consolidated financial statements. The residual balance calculated by netting off investment in subsidiary and the share acquired in subsidiary's equity is directly accounted for under equity as "effect of the business combinations in entities under common control" and presented in retained earnings.

Impact of Foreign Currency Fluctuations:

Transactions in foreign currencies have been translated into TL at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated into TL at the exchange rates prevailing at the balance sheet date. Exchange gains or losses arising from such transactions are included in the statement of profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into TL at foreign exchange rates ruling at the dates the values were determined.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in TL using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity under "Foreign Currency Translation

Differences". Such exchange differences are recognized in the statement of profit or loss in the period in which the foreign operation is disposed of.

Earnings per Share:

Earnings per share disclosed in the accompanying consolidated statement of profit or loss is determined by dividing net income by the weighted average number of shares circulating during the year concerned.

In Turkey, companies can raise their share capital by distributing "Bonus Shares" to shareholders from retained earnings. In computing earnings per share, such "bonus share" distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.5. Summary of Significant Accounting Policies *(cont'd)*

Events after the Reporting Period:

Events after the reporting period comprise any event between the statement of financial position date and the date of authorization of the consolidated financial statements for publication, even if any event after the balance sheet date occurred subsequent to an announcement on the Group's profit or following any financial information disclosed to public.

If there is evidence of such events as at the statement of financial position or if such events occur after the statement of financial position date and if adjustments are necessary, Group's consolidated financial statements are adjusted according to the new situation. The Group discloses the post-balance sheet events that are not adjusting events but material.

Provisions, Contingent Assets and Liabilities:

Provisions are recognized when the Group has a legal and constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are not recognized in the consolidated financial statements but disclosed in the notes if the possibility of any outflow is low. Contingent assets are not included in consolidated financial statements but explained in the notes if an inflow of economic benefits is probable. If it becomes almost certain that the economic benefit will enter the business, the asset and the related income change are included in the consolidated financial statements on the date of the change.

Related Parties:

For the purpose of the accompanying consolidated financial statements, shareholders, key management and board members, in each case together with companies controlled by or affiliated with them, and associated companies are considered and referred to as related parties. There may be business transactions with related parties due to ordinary operations.

Segment Reporting:

The Group has five business segments determined by the management based on information available for the evaluation of performances and the allocation of resources. These segments are managed separately because they are affected by the economic conditions and geographical positions in terms of risks and returns.

Since the Group predominantly operates in Turkey and only in marketable securities sector, segment information in the accompanying consolidated financial statements are configured according to structure of the Group's operating entities as securities brokerage, investment trust, portfolio management, private equity and asset management (Note 5).

Tax Assets and Liabilities:

Since the Turkish Tax Legislation does not allow the parent company and its subsidiaries to prepare consolidated tax returns, tax provisions have been calculated separately for each company, as reflected in the attached consolidated financial statements.

Income tax expense consists of the sum of current tax and deferred tax expense.

Current Tax

Current tax expense is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted on reporting date.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5. Summary of Significant Accounting Policies (cont'd)

Deferred Tax

The deferred tax liability or asset is determined by calculating the legal differences based on the tax differences between the amounts of the assets and liabilities shown in the financial statements and the amounts considered in the legal tax base account.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are calculated for the Group's subsidiaries, investments in associates, shares in joint ventures of all taxable temporary differences except for controlling removal of temporary differences and disappearance of these differences in the near future is unlikely. Deferred tax assets arising from investments and interest associated with taxable deductible temporary differences are calculated by obtaining sufficient taxable profits in the near future when it is likely to benefit from these differences and it is probable that the disappearance of the differences in the near future.

The carrying amount of deferred tax assets is reviewed at each reporting period. Deferred tax asset or liability is recognized to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Calculated deferred tax receivables and deferred tax liabilities are netted off in the financial statements of different consolidated companies. However, net deferred tax assets and liabilities arising from different companies subject to consolidation are presented separately in assets and liabilities without being offset in the consolidated financial statements.

Retirement pay liability In accordance with the relevant legislation, the Group is obliged to pay severance pay to its employees, who retire, pass away, leave the job due to military service, and whose employment relationship was terminated as specified in the relevant legislation, and to their female employees who leave voluntarily within one year following their marriage. In accordance with the provisions of "TAS 19-Employee Benefits", the Group realizes a provision by estimating the present value of the future probable obligation regarding severance pay. The resulting actuarial losses and gains are accounted for under equity in accordance with TAS 19.

Defined contribution plans

The Company has started to pay private pension contribution for its employees since 2006. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of profit or loss when they are due. The only obligation of the Group with respect to the retirement plan is to make the specified contributions.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

2.5. Summary of Significant Accounting Policies *(cont'd)*

Employee Benefits/Severance Pay

Bonus payments

The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Other short-term benefits

Other short-term benefits include provision for unused vacation. In accordance with existing social legislation in Turkey, employers are obligated to make payment to the employees for unused vacations when the employee leave. Provision for unused vacation is undiscounted amount of obligation of unused vacation days which is deserved and unused by the employee.

Retirement plans

The Group does not provide any postretirement benefit and pension for the employees.

Statement of Cash Flows:

In the statement of cash flows, cash flows are classified according to operating, investment and finance activities.

Cash flows from operating activities reflect cash flows mainly generated from brokerage and portfolio management operations of the Group.

Cash flows from investment activities express cash used in investment activities (direct investments and financial investments) and cash flows generated from investment activities of the Group. Cash flows relating to finance activities express sources of financial activities and payment schedules of the Group.

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments whose maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Share Capital and Dividends:

Common shares are classified as equity. Dividends on common shares are reclassified as dividend payables by netting off from the retained earnings in the period in which they are approved and disclosed.

2.6. Significant Accounting Judgements, Estimates and Assumptions

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. The estimates are used particularly in the following notes:

3. BUSINESS COMBINATIONS

Disclosed in Note 17.

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4. GROUP ENTITIES

As of December 31, 2022 and 2021, summary financial information of the Group's subsidiaries is as follows:

31 December 2022		
	İş Yatırım Ortaklığı AŞ	İş Portföy Yönetimi AŞ
Non-Current Assets	897.250	65.125.065
Current Assets	319.553.699	443.052.550
Long Term Liabilities	1.166.805	5.956.645
Short Term Liabilities	5.684.067	50.620.792
Net Assets	313.600.077	451.600.178
Carrying Value of Non-Controlling Interests	-	-
Revenue	265.033.667	410.995.742
Profit/(Loss)	80.245.106	224.749.279
Non-Controlling Interests	-	-
Total Comprehensive Income	79.896.007	251.082.735
Comprehensive Income	-	-
Cash Flows Related to Operating Activities	(1.351.028)	294.257.888
Cash Flows Related to Investing Activities	(185.418)	(110.027.254)
Cash Flows Related to Financing Activities	(40.611.936)	(40.000.000)
Net Increase/(Decrease) on Cash and Cash Equivalents	(42.148.382)	80.025.844
31 December 2021		
	İş Yatırım Ortaklığı AŞ	İş Portföy Yönetimi AŞ
Non-Current Assets	430.745	55.080.905
Current Assets	275.155.041	218.942.817
Long Term Liabilities	683.276	4.701.549
Short Term Liabilities	1.048.619	28.804.730
Net Assets	273.853.891	240.517.443
Carrying Value of Non-Controlling Interests	-	-
Revenue	287.298.679	199.447.237
Profit/(Loss)	50.811.337	97.016.196
Non-Controlling Interests	-	-
Total Comprehensive Income	50.797.824	98.653.331
Comprehensive Income	-	-
Cash Flows Related to Operating Activities	(62.858.078)	89.688.780
Cash Flows Related to Investing Activities	(59.507)	(3.918.890)
Cash Flows Related to Financing Activities	(25.437.823)	(25.000.000)
Net Increase/(Decrease) on Cash and Cash Equivalents	(88.355.408)	31.270.833

İş Girişim Sermayesi Yatırım Ortaklığı AŞ (Consolidated)	Efes Varlık Yönetim AŞ	Maxis Girişim Sermayesi Portföy Yönetimi AŞ	Maxis Investments Ltd.
182.256.433	10.557.956	7.731.297	4.942.459
512.361.500	203.480.196	21.628.675	1.059.261.232
59.919.901	6.034.244	4.523.687	-
499.855.397	31.415.770	5.887.145	929.570.668
134.842.635	176.588.138	18.949.140	134.633.023
1.512.641	-	-	-
850.384.209	151.442.199	53.637.214	64.410.190
94.847.113	51.054.083	8.969.493	31.374.296
67.331.965	-	-	-
77.159.412	51.054.083	9.031.706	31.374.296
1.453.270	-	-	-
(16.177.186)	48.525.463	18.088.655	31.910.331
(6.317.783)	783.709	(1.906.191)	(3.527.836)
(30.643.805)	(59.896.609)	(1.482.699)	1.268.301
111.440	(11.969.742)	12.346.927	29.650.796

İş Girişim Sermayesi Yatırım Ortaklığı AŞ (Consolidated)	Efes Varlık Yönetim AŞ	Maxis Girişim Sermayesi Portföy Yönetimi AŞ	Maxis Investments Ltd.
109.648.844	9.727.589	2.527.224	1.242.154
255.828.288	204.477.437	12.299.561	315.917.241
43.842.898	13.117.095	2.036.715	-
270.338.503	75.870.979	2.872.636	240.367.027
51.295.731	125.216.952	9.917.434	76.792.368
(10.022.827)	-	-	-
381.129.203	97.475.253	12.477.309	32.564.223
(5.530.993)	22.553.768	4.691.085	12.240.487
(3.926.452)	-	-	-
23.291.759	22.553.768	4.786.130	12.240.487
951.232	-	-	-
10.578.150	-	612.427	28.640.530
9.839.961	548.416	(119.801)	(1.042.607)
11.247.042	14.869.922	3.000.000	(4.568.365)
11.041.549	(29.399.549)	3.798.797	23.029.558

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5. SEGMENT REPORTING

Segments	Securities Brokerage 1 January- 31 December 2022	Investment Trust 1 January- 31 December 2022	Portfolio Management 1 January- 31 December 2022
Revenue			
Sales revenue	217.023.993.296	251.337.445	37.821.172
Interest and derivative income from operating activities (net)	872.118.940	13.696.222	-
Services income (net)	1.298.106.054	-	380.505.386
Other operating income (net)	3.251.026.736	16.624.672	46.306.398
Cost of sales (-)	(215.856.793.655)	(216.348.217)	(17.447.082)
GROSS PROFIT/LOSS	6.588.451.371	65.310.122	447.185.874
Administrative expenses (-)	(705.830.403)	(7.517.512)	(156.574.541)
Marketing expenses (-)	(211.161.152)	(6.832.385)	(4.456.500)
Research and development expenses (-)	-	-	-
Other operating income	81.474.153	-	1.934.697
Other operating expenses (-)	(1.017.529.827)	-	(10.936)
OPERATING PROFIT/LOSS	4.735.404.142	50.960.225	288.078.594
Share of profit/(loss) of equity accounted investees	221.497	-	-
OPERATING PROFIT/LOSS BEFORE FINANCE COSTS	4.735.625.639	50.960.225	288.078.594
Finance income	180.777.799	29.284.881	17.147.688
Finance costs (-)	(2.912.699)	-	(2.873.277)
PROFIT OR LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS	4.913.490.739	80.245.106	302.353.005
Tax income/(expense) from continuing Operations	(802.933.342)	-	(68.634.233)
- Current tax expenses	(646.730.927)	-	(71.361.225)
- Deferred tax income/(expense)	(156.202.415)	-	2.726.992
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	4.110.557.397	80.245.106	233.718.772
PROFIT FOR DISCONTINUED OPERATIONS	-	-	-
PROFIT/(LOSS) FOR THE YEAR	4.110.557.397	80.245.106	233.718.772
Profit/(Loss) attributable to:			
Non-Controlling interests	-	56.612.922	67.424.784
Equity holders of the Company	4.110.557.397	23.632.184	166.293.988
	4.110.557.397	80.245.106	233.718.772

Private Equity	Asset Management	Elimination Adjustments	Total
1 January- 31 December 2022	1 January- 31 December 2022	1 January- 31 December 2022	1 January- 31 December 2022
850.384.209	-	-	218.163.536.122
-	142.881.335	355.215	1.029.051.712
-	-	(13.046.306)	1.665.565.134
-	8.560.864	-	3.322.518.670
(523.585.983)	-	-	(216.614.174.937)
326.798.226	151.442.199	(12.691.091)	7.566.496.701
(52.754.793)	(59.872.283)	5.933.930	(976.615.602)
(127.011.543)	-	7.247.645	(342.213.935)
(3.753.302)	-	-	(3.753.302)
13.655.537	-	(1.037.429)	96.026.958
(38.297.853)	(25.250.695)	-	(1.081.089.311)
118.636.272	66.319.221	(546.945)	5.258.851.509
36.234.909	-	-	36.456.406
154.871.181	66.319.221	(546.945)	5.295.307.915
56.632.738	1.087.224	(40.268.740)	244.661.590
(102.176.742)	(7.323.025)	-	(115.285.743)
109.327.177	60.083.420	(40.815.685)	5.424.683.762
(14.480.064)	(9.029.337)	-	(895.076.976)
(6.889.853)	(12.067.436)	-	(737.049.441)
(7.590.211)	3.038.099	-	(158.027.535)
94.847.113	51.054.083	(40.815.685)	4.529.606.786
-	-	-	-
94.847.113	51.054.083	(40.815.685)	4.529.606.786
67.331.965	4.523.392	2.081.422	197.974.485
27.515.148	46.530.691	(42.897.107)	4.331.632.301
94.847.113	51.054.083	(40.815.685)	4.529.606.786

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5. SEGMENT REPORTING (cont'd)

Segments	Securities Brokerage	Investment Trust	Portfolio Management
Balance sheet information	31 December 2022	31 December 2022	31 December 2022
Assets	34.322.152.830	320.450.949	537.537.587
Cash and cash equivalents	347.946.078	38.640.121	218.418.367
Financial investments (short term)	14.239.671.660	255.804.598	152.713.241
Financial investments (long term)	371.857.657	1	54.893.521
Trade receivables	17.990.340.185	25.075.260	81.675.657
Other receivables	1.239.473.907	-	6.509.289
Derivative instruments	52.050.574	-	-
Investment in equity accounted investees	2.137.393	-	-
Other assets	78.675.376	930.969	23.327.512
Liabilities	27.905.001.633	6.850.872	66.988.269
Financial liabilities	10.137.697.098	801.471	10.303.215
Other financial liabilities	-	-	-
Trade payables	15.145.773.645	4.812.269	-
Other payables	62.294.514	173.472	6.533.351
Derivative instruments	974.751.564	-	-
Other liabilities	1.584.484.812	1.063.660	50.151.703
Net assets	6.417.151.197	313.600.077	470.549.318

Private Equity	Asset Management	Elimination adjustments	Total
31 December 2022	31 December 2022	31 December 2022	31 December 2022
694.617.933	214.038.152	(279.194.635)	35.809.602.816
138.873.448	1.817.456	-	745.695.470
12.596.636	8.188.943	-	14.668.975.078
-	-	(246.884.222)	179.866.957
176.110.076	179.811.371	(28.220.600)	18.424.791.949
8.013.020	-	(4.054.966)	1.249.941.250
-	-	-	52.050.574
49.888.324	-	-	52.025.717
309.136.429	24.220.382	(34.847)	436.255.821
559.775.298	37.450.014	(34.150.918)	28.541.915.168
252.345.466	15.491.552	-	10.416.638.802
-	-	-	-
251.869.773	1.069.493	(34.094.737)	15.369.430.443
4.128.222	3.505.901	(56.181)	76.579.279
-	-	-	974.751.564
51.431.837	17.383.068	-	1.704.515.080
134.842.635	176.588.138	(245.043.717)	7.267.687.648

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5. SEGMENT REPORTING (cont'd)

Segments	Securities Brokerage	Investment Trust	Portfolio Management
	1 January- 31 December 2021	1 January- 31 December 2021	1 January- 31 December 2021
Revenue			
Sales revenue	140.163.028.909	256.869.337	13.537.562
Interest and derivative income from operating activities (net)	271.370.298	23.496.637	-
Services income (net)	714.526.769	-	168.740.284
Other operating income (net)	295.496.834	6.932.705	19.520.574
Cost of sales (-)	(139.549.651.564)	(219.257.838)	-
GROSS PROFIT/LOSS	1.894.771.246	68.040.841	201.798.420
Administrative expenses (-)	(363.414.484)	(4.736.399)	(77.444.393)
Marketing expenses (-)	(140.340.200)	(2.395.075)	(3.032.214)
Research and development expenses (-)	-	-	-
Other operating income	22.931.732	-	142.943
Other operating expenses (-)	(77.255.305)	-	(5.103)
OPERATING PROFIT/LOSS	1.336.692.989	60.909.367	121.459.653
Share of profit/(loss) of equity accounted investees	375.851	-	-
OPERATING PROFIT/LOSS BEFORE FINANCE COSTS	1.337.068.840	60.909.367	121.459.653
Finance income	43.976.304	696.493	25.832.657
Finance costs (-)	(1.429.677)	(10.794.523)	(12.842.542)
PROFIT OR LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS	1.379.615.467	50.811.337	134.449.768
Tax income/(expense) from continuing Operations	(290.996.641)	-	(32.742.487)
- Current tax expenses	(263.656.005)	-	(34.015.048)
- Deferred tax income/(expense)	(27.340.636)	-	1.272.561
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	1.088.618.826	50.811.337	101.707.281
PROFIT FOR DISCONTINUED OPERATIONS	-	-	-
PROFIT/(LOSS) FOR THE YEAR	1.088.618.826	50.811.337	101.707.281
Profit/(Loss) attributable to:			
Non-Controlling interests	-	35.847.398	29.104.859
Equity holders of the Company	1.088.618.826	14.963.939	72.602.422
	1.088.618.826	50.811.337	101.707.281

Private Equity	Asset Management	Elimination Adjustments	Total
1 January- 31 December 2021	1 January- 31 December 2021	1 January- 31 December 2021	1 January - 31 December 2021
381,129,203	3,119,380	250,320	140,817,934.711
-	94,355,873	(1,726,864)	387,495,944
-	-	(4,260,258)	879,006,795
(205,215)	-	-	321,744,898
(251,697,046)	-	-	(140,020,606.448)
129,226,942	97,475,253	(5,736,802)	2,385,575,900
(34,317,343)	(37,644,601)	1,845,865	(515,711,355)
(56,429,487)	-	2,605,335	(199,591,641)
(3,511,931)	-	-	(3,511,931)
12,201,085	-	(190,942)	35,084,818
(9,924,107)	(20,021,359)	-	(107,205,874)
37,245,159	39,809,293	(1,476,544)	1,594,639,917
12,232,942	-	-	12,608,793
49,478,101	39,809,293	(1,476,544)	1,607,248,710
47,635,320	1,119,111	(23,207,171)	96,052,714
(102,563,136)	(14,895,454)	-	(142,525,332)
(5,449,715)	26,032,950	(24,683,715)	1,560,776,092
(81,278)	(3,479,182)	-	(327,299,588)
(952,089)	(3,696,782)	-	(302,319,924)
870,811	217,600	-	(24,979,664)
(5,530,993)	22,553,768	(24,683,715)	1,233,476,504
-	-	-	-
(5,530,993)	22,553,768	(24,683,715)	1,233,476,504
(3,926,452)	1,998,264	(451,540)	62,572,529
(1,604,541)	20,555,504	(24,232,175)	1,170,903,975
(5,530,993)	22,553,768	(24,683,715)	1,233,476,504

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5. SEGMENT REPORTING (cont'd)

Segments	Securities Brokerage	Investment Trust	Portfolio Management
Balance sheet information	31 December 2021	31 December 2021	31 December 2021
Assets	13.338.065.571	275.585.786	288.850.507
Cash and cash equivalents	1.259.189.433	80.700.763	126.886.305
Financial investments (short term)	2.695.399.073	170.388.280	58.249.514
Financial investments (long term)	289.141.721	-	44.885.156
Trade receivables	8.109.434.499	24.012.689	43.826.237
Other receivables	812.361.555	39.320	319.711
Derivative instruments	106.295.153	-	-
Investment in equity accounted investees	1.915.896	-	-
Other assets	64.328.241	444.734	14.683.584
Liabilities	10.724.177.369	1.731.895	38.415.630
Financial liabilities	4.397.617.482	500.003	6.934.237
Other financial liabilities	150.719	-	-
Trade payables	5.781.862.280	600.250	674.096
Other payables	54.148.465	93.316	2.555.827
Derivative instruments	209.746.111	-	1.726.864
Other liabilities	280.652.312	538.326	26.524.606
Net assets	2.613.888.202	273.853.891	250.434.877

Private Equity	Asset Management	Elimination adjustments	Total
31 December 2021	31 December 2021	31 December 2021	31 December 2021
365.477.132	214.205.026	(268.939.881)	14.213.244.141
71.930.110	13.787.198	-	1.552.493.809
10.260.128	-	-	2.934.296.995
-	-	(244.414.622)	89.612.255
91.117.154	182.665.300	(26.315.025)	8.424.740.854
2.944.765	-	1.824.613	817.489.964
-	-	-	106.295.153
13.653.415	-	-	15.569.311
175.571.560	17.752.528	(34.847)	272.745.800
314.181.401	88.988.074	(26.365.764)	11.141.128.605
205.982.200	70.404.632	-	4.681.438.554
-	-	-	150.719
84.136.795	717.498	(26.242.697)	5.841.748.222
2.897.699	2.642.740	(123.067)	62.214.980
-	-	-	211.472.975
21.164.707	15.223.204	-	344.103.155
51.295.731	125.216.952	(242.574.117)	3.072.115.536

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6. RELATED PARTY TRANSACTIONS

The immediate parent and ultimate controlling party of the Group is Türkiye İş Bankası AŞ incorporated in Turkey. Transactions between the Company and its subsidiaries, related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. The details of transactions between the Group and other related parties are disclosed below.

Deposits in Türkiye İş Bankası AŞ	31 December 2022	31 December 2021
Demand Deposits	92.165.517	4.361.060
Times Deposits	5.101.939	57.369.514
	97.267.456	61.730.574
Borrowings from Türkiye İş Bankası AŞ	31 December 2022	31 December 2021
Loans	38.399.904	45.539.898
	38.399.904	45.539.898
İş Faktoring AŞ	31 December 2022	31 December 2021
Factoring debt	12.331.867	7.844.396
	12.331.867	7.844.396
Payables from leases	31 December 2022	31 December 2021
Türkiye İş Bankası AŞ	5.853.628	5.440.211
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	17.844.901	15.115.653
TİB Men. Mun. Sos. Güv. Ve Yard. San. Vakfı	-	1.809.619
Milli Reasürans TAŞ	566.660	722.509
	24.265.189	23.087.992

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6. RELATED PARTY TRANSACTIONS (cont'd)

	31 December 2022			
	Receivables		Payables	
	Trading	Non- Trading	Trading	Non- Trading
Balances with related parties				
Türkiye İş Bankası AŞ	6.707.021	-	25.504.902	2.318.283
Anadolu Anonim Türk Sigorta Şirketi	10.562.150	15.107	458.493	1.591.026
Anadolu Hayat Emeklilik AŞ	26.655.619	-	-	-
Funds Founded and Managed	33.814.715	559.195	-	-
SoftTech Yazılım Tekn. Araş. Gel. ve Paz. Tic. A.Ş.	704.880	-	5.746.431	398.628
İş Net Elektronik Bilgi Üretim Dağ. Tic. ve İlet. Hiz. AŞ	-	-	54.836	1.233.134
İş Merkezleri Yönetim ve İşletim AŞ	-	-	52.877	1.702.825
Milli Reasürans TAŞ	2.806.636	-	-	-
Other	12.881	150	39.699	37.902
	81.263.902	574.452	31.857.238	7.281.798
	31 December 2021			
	Receivables		Payables	
	Trading	Non- Trading	Trading	Non- Trading
Balances with related parties				
Türkiye İş Bankası AŞ	2.385.432	-	2.200.861	740.175
Anadolu Anonim Türk Sigorta Şirketi	8.280.899	-	187.937	17.971
Anadolu Hayat Emeklilik AŞ	11.735.952	-	-	2.803
Funds Founded and Managed	22.182.487	279.317	40.393	-
SoftTech Yazılım Tekn. Araş. Gel. ve Paz. Tic. A.Ş.	2.500.000	-	1.935.687	-
Milli Reasürans TAŞ	1.150.610	-	-	-
Other	75.577	39.470	31.433	1.240.464
	48.310.956	318.787	4.396.311	2.001.413

In addition, the Group has 1,13% share in İş Gayrimenkul Yatırım Ortaklığı A.Ş., which is classified as financial asset at fair value through other comprehensive income, with a balance sheet value of TL 153.210.005 as of the report date.

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6. RELATED PARTY TRANSACTIONS (cont'd)

	1 January- 31 December 2022			
Related party transactions (income)	Fee and brokerage commission income	Interest income on time deposits	Dividend received	Other
Türkiye İş Bankası AŞ	346.435.327	9.356.899	2.245.941	3.036
Anadolu Hayat Emeklilik AŞ	62.965.411	41.393	-	3.845
İş Finansal Kiralama AŞ	9.733.410	-	-	2.542
Anadolu Anonim Türk Sigorta Şirketi	21.380.444	-	-	-
İş Faktoring AŞ	6.612.679	-	-	-
T.Şişe ve Cam Fabrikaları AŞ	12.940.496	-	8.952.383	-
İş Gayrimenkul Yatırım Ortaklığı AŞ	2.776.205	52.139	-	-
Kurucusu ve Yöneticisi Olunan Fonlar	288.509.470	-	-	-
Diğer	4.121.011	-	3.587	-
	755.474.453	9.450.431	11.201.911	9.423

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6. RELATED PARTY TRANSACTIONS (cont'd)

	1 January- 31 December 2021			
	Fee and brokerage commission income	Interest income on time deposits	Dividend received	Other
Related party transactions (income)				
Türkiye İş Bankası AŞ	165.307.456	16.333.516	-	-
Anadolu Hayat Emeklilik AŞ	34.631.569	-	-	18.453
Anadolu Anonim Türk Sigorta Şirketi	9.409.362	-	-	-
Türkiye Sınai Kalkınma Bankası AŞ	-	154.589	-	-
T.Şişe ve Cam Fabrikaları AŞ	1.449.118	-	26.162	-
İş Faktoring AŞ	3.017.954	664.561	-	-
İş Finansal Kiralama AŞ	4.722.732	610.622	-	-
Kurucusu ve Yöneticisi Olunan Fonlar	128.849.786	-	-	-
Diğer	3.784.261	401.002	3.574	-
	351.172.238	18.164.290	29.736	18.453
		1 January- 31 December 2022	1 January- 31 December 2021	
Compensation of key management personnel				
Salaries and other short-term benefits		69.347.378	40.548.240	
		69.347.378	40.548.240	

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6. RELATED PARTY TRANSACTIONS (cont'd)

1 January- 31 December 2022				
Related party transactions (expenses)	Letters of guarantee commission expenses	Custody commission expenses	Interest on borrowings	Other interest expenses
Türkiye İş Bankası AŞ	1.599.633	1.617.645	9.747.545	1.575.616
İş Gayrimenkul Yatırım Ortaklığı AŞ	-	-	-	-
Anadolu Anonim Türk Sigorta Şirketi	-	-	-	79.559
Anadolu Hayat Emeklilik AŞ	-	-	-	1.484
İş Merkezleri Yönetim ve İşletim AŞ	-	-	-	-
İş Net Elektronik Bilgi Ür. Dağ. Tic. ve İlet. Hiz. AŞ	-	-	-	-
İş Faktoring AŞ	-	-	2.754.217	343.240
Türkiye İş Bankası Kültür Yayınları İş - Türk Ltd. Şti.	-	-	-	-
SoftTech Yazılım Tekn. Araş. Gel. ve Paz. Tic. A.Ş.	-	-	-	-
Other	-	-	-	136.396
	1.599.633	1.617.645	12.501.762	2.136.295

(*) Payments made under TFRS 16

1 January- 31 December 2021				
Related party transactions (expenses)	Letters of guarantee commission expenses	Custody commission expenses	Interest on borrowings	Other interest expenses
Türkiye İş Bankası AŞ	778.077	996.482	8.743.043	1.253.871
İş Gayrimenkul Yatırım Ortaklığı AŞ	-	-	-	525.222
Anadolu Anonim Türk Sigorta Şirketi	-	-	-	282.223
Anadolu Hayat Emeklilik AŞ	-	-	-	61
İş Merkezleri Yönetim ve İşletim AŞ	-	-	-	-
İş Net Elektronik Bilgi Ür. Dağ. Tic. ve İlet. Hiz. AŞ	-	-	-	-
İş Faktoring AŞ	-	-	424.693	253.131
Türkiye İş Bankası Kültür Yayınları İş - Türk Ltd. Şti.	-	-	-	-
SoftTech Yazılım Tekn. Araş. Gel. ve Paz. Tic. A.Ş.	-	-	-	-
Other	-	-	-	160.753
	778.077	996.482	9.167.736	2.475.261

(*) Payments made under TFRS 16

Transaction commission expenses	Personnel insurance contribution	Office insurance	Rent expenses (*)	Administrative expenses	Technical service and consultancy expenses
71.823.477	-	-	3.925.816	-	128.678
-	-	-	9.954.577	-	-
-	4.893.608	.122.959	-	30.843	-
-	1.331.452	-	-	-	-
-	-	-	-	1.063.902	-
-	-	-	-	-	18.586.299
-	-	-	-	-	-
-	-	-	1.294.868	-	-
-	-	-	-	-	28.399.478
3.249	-	-	447.620	1.213.999	369.614
71.826.726	6.225.060	2.122.959	15.622.881	12.308.744	47.484.069

Transaction commission expenses	Personnel insurance contribution	Office insurance	Rent expenses (*)	Administrative expenses	Technical service and consultancy expenses
33.844.732	-	-	3.136.035	6.006	247.209
-	-	-	6.019.760	458.278	-
-	4.203.103	669.080	-	27.622	-
-	873.887	54.137	-	-	-
-	-	-	-	4.434.100	-
-	-	-	-	-	6.489.385
-	-	-	-	-	-
-	-	-	855.890	-	-
-	-	-	-	-	16.441.359
-	-	-	-	93.465	138.784
33.844.732	5.076.990	723.217	10.011.685	5.019.471	23.316.737

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7. CASH AND CASH EQUIVALENTS

	31 December 2022	31 December 2021
Cash	57.722	83.088
Cash at banks	299.590.013	1.090.347.683
<i>Demand deposits</i>	192.440.977	259.255.712
<i>Time deposits (with maturities less than three months)</i>	107.149.036	831.091.971
Receivable from reverse repurchase agreements	190.933.200	224.438.602
Other cash equivalents	40.133.986	227.253.625
Receivables from money market placements	215.515.733	13.943.530
Expected loss provision	(535.184)	(3.572.719)
	745.695.470	1.552.493.809

Cash and cash equivalents in the Group's consolidated statement of cash flows as of December 31, 2022 and December 31, 2021 are presented by netting off interest accruals and time deposits:

	31 December 2022	31 December 2021
Cash and cash equivalents	745.695.470	1.552.493.809
Interest accrual	(133.904)	(1.693.435)
Restricted deposits	127.813	200.000
Expected loss provision	535.184	3.572.719
	746.224.563	1.554.573.093

Maturities and interest rates of time deposits as of December 31, 2022 and December 31, 2021 are as follows:

31 December 2022				
	Interest Rate (%)	Maturity	Currency Type	Amount (TL)
Time deposit in TL	20,50-27,00	02.01.2023-31.01.2023	TL	107.039.118
Money market placements	10,85-11,90	02.01.2023	TL	40.110.000
Interest accrual				133.904
				147.283.022
31 December 2021				
	Interest Rate (%)	Maturity	Currency Type	Amount (TL)
Time deposit in FX	1,00	11.01.2022	USD	1.965.775
Time deposit in FX	0,35	04.01.2022-24.01.2022	GBP	49.566.520
Time deposit in TL	13,75-25,00	03.01.2022-11.02.2022	TL	778.552.422
Money market placements	16,40-17,00	03.01.2022	TL	227.123.304
Interest accrual				1.137.575
				1.058.345.596

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7. CASH AND CASH EQUIVALENTS (cont'd)

Maturities and interest rates of reverse repurchase agreements as of 31 December 2022 and 31 December 2021 are as follows:

31 December 2022				
	Interest Rate (%)	Maturity	Cost	Carrying Value
Reverse repurchase agreement	4,71-10,34	02.01.2023-20.01.2023	190.844.193	190.933.200
			190.844.193	190.933.200
31 December 2021				
	Interest Rate (%)	Maturity	Cost	Carrying Value
Reverse repurchase agreement	12,75-15,01	03.01.2022	224.362.901	224.438.602
			224.362.901	224.448.685

8. FINANCIAL INVESTMENTS

Current financial assets	31 December 2022	31 December 2021
Time deposits with maturities more than three months and settlement and custody bank money market receivables	100.000	44.615.703
Financial assets at fair value through profit or loss	14.668.875.078	2.889.681.292
	14.668.975.078	2.934.296.995
Non-current financial assets	31 December 2022	31 December 2021
Available for sale financial assets	179.866.957	70.233.526
Financial assets at fair value through profit or loss	-	19.378.729
	179.866.957	89.612.255
Financial assets at fair value through profit or loss	31 December 2022	31 December 2021
Government bonds and treasury bills	172.839.678	407.631
Private sector bonds	115.191.571	195.646.112
Equity shares	10.803.479.367	2.234.487.694
Foreign currency securities	293.206.830	112.180.842
Investment funds ^(*)	3.284.157.632	366.337.742
	14.668.875.078	2.909.060.021

^(*) 86.35% of mutual funds are venture capital mutual funds (31 December 2021: 80.23%).

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8. FINANCIAL INVESTMENTS (cont'd)

Annual interest rate ranges of government bonds and treasury bills held for trading purposes as of December 31, 2022 are 12,72%. (31 December 2021: 18,86%).

The details of financial assets at fair value through other comprehensive income are as follows:

Financial Assets at Fair Value Through Other Comprehensive Income	31 December 2022	
	Ownership Rate (%)	Carrying value
Listed Entities		
İş Gayrimenkul Yatırım Ortaklığı AŞ	1,13	153.210.005
Unlisted Entities		
İstanbul Takas ve Saklama Bankası AŞ	0,87	11.543.400
Borsa İstanbul AŞ	0,38	15.096.668
Yatırım Finansman Menkul Değ. AŞ	0,06	16.884
		179.866.957
Financial assets available for sale	31 December 2021	
	Ownership Rate (%)	Carrying value
Listed Entities		
İş Gayrimenkul Yatırım Ortaklığı AŞ	1,13	43.576.574
Unlisted Entities		
İstanbul Takas ve Saklama Bankası AŞ	0,87	11.543.400
Borsa İstanbul AŞ	0,38	15.096.668
Yatırım Finansman Menkul Değ. AŞ	0,06	16.884
		70.233.526

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9. FINANCIAL PAYABLES

Financial Payables	31 December 2022	31 December 2021
Payables to Stock Exchange Money Market	5.376.321.000	2.054.153.000
Payables from bills	4.119.316.673	1.353.539.644
Short-term bank loans	750.941.579	1.138.321.141
Long-term bank loans	19.962.137	15.420.254
Short-term portion of long-term bank loans	23.118.484	16.087.705
Interest accruals on payables to Stock Exchange Money Markets	9.673.160	19.426.022
Interest accruals on bank loans	13.591.453	16.311.540
Short-term debts from lease transactions	12.731.375	5.278.131
Long-term debts from lease transactions	58.588.506	45.140.365
The short-term portion of long-term leases	20.062.569	9.916.356
Financial leasing and factoring debts	12.331.866	7.844.396
	10.416.638.802	4.681.438.554

Of the factoring and leasing debts amounting to TL 12.331.866 in financial debts, TL 3.537.910 is in US Dollars.

As of December 31, 2022 and December 31, 2021, interest rates and maturities of bank borrowings are as follows:

31 December 2022				
Description	Currency Type	Interest Rate (%)	Maturity	Amount TL
Principal	TL	0,01-35,00	02.01.2023-30.03.2023	710.204.328
Interest accrual				11.345.812
Principal	USD	2,26-16,40	05.01.2023 -20.08.2050	83.817.872
Interest accrual				2.245.641
				807.613.653

31 December 2021				
Description	Currency Type	Interest Rate (%)	Maturity	Amount TL
Principal	TL	17,25-30,00	04.01.2022-13.12.2024	1.137.452.197
Interest accrual				15.828.411
Principal	USD	2,26-7,50	03.01.2022-20.08.2050	32.376.903
Interest accrual				483.129
				1.186.140.640

As of December 31, 2022 the maturity and interest rates of the debt securities issued by the Group are as follows:

31 Aralık 2022				
Description	Currency Type	Interest Rate (%)	Maturity	Amount TL
Principal	TL	20,00-23,25	03.01.2023-02.02.2023	4.028.494.257
Interest accrual	TL			90.822.416
				4.119.316.673

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9. FINANCIAL PAYABLES (cont'd)

31 Aralık 2021				
Description	Currency Type	Interest Rate (%)	Maturity	Amount TL
Principal	TL	17,30-22,90	02.03.2022-03.03.2022	1.337.419.733
Interest accrual	TL			16.119.911
				1.353.539.644

As of December 31, 2022 and December 31, 2021, interest rates and maturities of payables to stock exchange money market are as follows:

31 December 2022				
Description	Currency Type	Interest Rate (%)	Maturity	Amount TL
Principal	TL	8,05-14,50	02.01.2023-16.01.2023	5.376.321.000
Interest accrual	TL			9.673.160
				5.385.994.160

31 December 2021				
Description	Currency Type	Interest Rate (%)	Maturity	Amount TL
Principal	TL	16,50-20,00	03.01.2022-17.02.2022	2.054.153.000
Interest accrual	TL			19.426.022
				2.073.579.022

10. OTHER FINANCIAL LIABILITIES

	31 December 2022	31 December 2021
Liabilities from short selling transactions	-	150.719
	-	150.719

11. TRADE RECEIVABLES AND PAYABLES

Current trade receivables	31 December 2022	31 December 2021
Receivables from customers	8.773.942.749	1.260.517.925
Receivables from clearing houses on derivative transactions	4.216.672.498	2.627.797.681
Receivables from clearing houses	1.333.423.036	2.654.049.185
Receivables from credit customers	3.830.655.691	1.645.731.823
Purchase of nonperforming loans	179.811.371	182.665.300
Due from related parties (Note 6)	81.263.902	48.310.956
Commission and fund management fee receivables	5.989.192	3.560.742
Other trade receivables	3.033.510	2.107.242
Doubtful trade receivables	54.050.733	62.725.881
Provisions for doubtful trade receivables (-)	(54.050.733)	(62.725.881)
	18.424.791.949	8.424.740.854

As of December 31, 2022, the Group holds the equity shares of the listed entities as collaterals received in relation to receivables from customers on margin trading with an amount of TL 8.333.771.108 (December 31, 2021: TL 3.361.258.685).

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11. TRADE RECEIVABLES AND PAYABLES (cont'd)

As of December 31, 2022, the Group holds letters of guarantee with an amount of TL 259.296.317 in relation to the derivative transactions of its customers (December 31, 2021: TL 136.017.178).

Doubtful Trade Payables Transactions	31 December 2022	31 December 2021
Opening balance	62.725.881	22.911.024
Increase (decrease) in the provision	(8.675.148)	39.814.857
Closing balance	54.050.733	62.725.881
Short term trade payables	31 December 2022	31 December 2021
Payables to customers	9.177.794.767	1.644.284.294
Payables to clearing houses on derivative transactions	5.874.565.256	4.070.328.090
Trade payables	232.897.713	80.832.940
Payables to clearing house	22.006.863	30.959.200
Due to related parties	30.308.606	10.947.387
Other trade payables	31.857.238	4.396.311
	15.369.430.443	5.841.748.222

12. OTHER RECEIVABLES AND PAYABLES

Other current receivables	31 December 2022	31 December 2021
Deposits and guarantees given	196.507.726	342.818.148
Collaterals given for futures	1.031.520.305	467.434.731
Due from related parties (Note 6)	574.302	318.637
Other receivables	16.177.190	6.721.537
	1.244.779.523	817.293.053
Other non-current receivables	31 December 2022	31 December 2021
Deposits and guarantees given	367.949	196.761
Due from related parties (Note 6)	150	150
Other receivables(6)	4.793.628	-
	5.161.727	196.911
Other short-term payables	31 December 2022	31 December 2021
Taxes and fund payables	63.553.884	54.486.133
Due to related parties (Note 6)	7.281.798	2.001.413
Other payables	3.430.585	3.716.598
	74.266.267	60.204.144
Other long-term payables	31 December 2022	31 December 2021
Other payables	2.313.012	2.010.836
	2.313.012	2.010.836

13. RECEIVABLES AND PAYABLES FROM FINANCIAL SECTOR OPERATIONS

Since the Group operates in finance sector, this account item has not been used.

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14. INVENTORIES

Inventories	31 December 2022	31 December 2021
Trading goods and other inventories, net	133.006.265	60.445.125
	133.006.265	60.445.125

15. BIOLOGICAL ASSETS

None (December 31, 2021: None).

16. ASSETS RELATED TO ONGOING CONSTRUCTION CONTRACTS

None (December 31, 2021: None).

17. INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES

As of 31 December 2022 and 31 December 2021, the details of the Group's associates and joint ventures are as follows:

	Shareholding interest (%)		
	31 December 2022	31 December 2021	Main business area
Radore	25,50	25,50	Data Services
Mika Tur	40,09	20,00	Tourism
Elidaş	10,05	10,05	Licensed Warehousing

Summary financial information of the Group's associate is as follows:

	31 December 2022	31 December 2021
The Group's share in associate's net assets	27.378.886	(6.516.372)
Goodwill in equity accounted investees	7.607.415	7.607.415
Intangible assets	17.039.416	14.478.268
Investments in equity accounted investees	52.025.717	15.569.311
	1 January - 31 December 2022	1 January - 31 December 2021
Revenue	2.608.156.011	1.078.884.548
Profit/(Loss) for the period	97.714.384	35.145.168
The Group's share in the profit/(loss) of associates	36.456.406	12.608.793

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18. GOODWILL

Each cash-generating unit ("CGU") to be distributed to the carrying value of goodwill is as follows:

	31 December 2022	31 December 2021
Ortopro	9.206.500	9.206.500
Toksöz	22.354.606	22.354.606
Mikla	26.871.534	26.871.534
Değer düşüklüğü	(19.838.793)	(19.838.793)
	38.593.847	38.593.847

As three separate CGUs, valuations of Ortopro, Toksöz and Numnum were conducted by an independent valuation firm. Income and market approaches have been used for determining the fair values of Ortopro, Toksöz and Numnum. Analysis is made mostly using income approach (discounted cash flow method) method while lower weight is applied for values determined using similar transactions.

5-year business plans prepared by the management have been used. Growth in business of Ortopro, Toksöz and Numnum stems from the opportunities in the industry and new customer acquisitions.

The significant assumptions used in the calculation of the recoverable amount are discount rate and terminal growth rate. These assumptions are as follows:

	Discount Rate	Growth Rate
Ortopro	% 14,8	% 1,9
Toksöz	% 30,3	% 6,8
Numnum	% 32,4	% 6,8

The Group did not book any additional impairment provision in the current year as a result of the impairment test performed by using the assumptions explained above.

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19. RIGHT TO USE ASSETS

Cost Value	Offices and Branches	Vehicles	Other	Total
Opening balance	96.206.988	5.481.213	-	101.688.201
Additions	44.556.296	5.790.458	-	50.346.754
Disposals	(8.453.499)	-	-	(8.453.499)
Currency Translation Differences	1.441.712	-	-	1.441.712
Closing balance on 31 December 2022	133.751.497	11.271.671	-	145.023.168
Accumulated depreciation				
Opening Balance (-)	(49.856.887)	(2.209.308)	-	(52.066.195)
Charge for the period (-)	(25.747.972)	(2.019.496)	-	(27.767.468)
Disposals (+)	9.804.595	-	-	9.804.595
Currency Translation Differences	(636.697)	-	-	(636.697)
Closing balance on 31 December 2022	(66.436.961)	(4.228.804)	-	(70.665.765)
Net book value at 1 January 2022	46.350.101	3.271.905	-	49.622.006
Net book value at 31 December 2022	67.314.536	7.042.867	-	74.357.403
Cost Value	Offices and Branches	Vehicles	Other	Total
Opening balance	61.630.059	4.496.012	5.046.066	71.172.137
Additions	39.528.598	2.790.906	-	42.319.504
Disposals	(4.654.413)	1.805.705)	(5.046.066)	(11.506.184)
Currency Translation Differences	(297.256)	-	-	(297.256)
Closing balance on 31 December 2021	96.206.988	5.481.213	-	101.688.201
Accumulated depreciation				
Opening Balance (-)	(29.094.532)	(2.168.307)	(2.940.081)	(34.202.920)
Charge for the period (-)	(23.937.226)	(1.064.492)	(1.758.019)	(26.759.737)
Disposals (+)	3.160.061	1.023.491	4.698.100	8.881.652
Currency Translation Differences	14.810	-	-	14.810
Closing balance on 31 December 2021	(49.856.887)	(2.209.308)	-	(52.066.195)
Net book value at 1 January 2021	32.535.527	2.327.705	2.105.985	36.969.217
Net book value at 31 December 2021	46.350.101	3.271.906	-	49.622.006

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19. RIGHT TO USE ASSETS (cont'd)

Leasing Payables	
Opening balance on 1 January 2022	60.334.852
Recorded on 1 January	53.249.840
Interest expense	18.147.606
Paid rent	(41.294.074)
Disposals	1.378.238
Closing balance on 31 December 2022	91.816.462
Short-term lease payables	32.906.009
Long-term lease payables	58.910.453
Total	91.816.462
Leasing Payables	
Opening balance on 1 January 2021	42.669.398
Recorded on 1 January	35.257.305
Interest expense	14.223.329
Paid rent	(31.348.626)
Disposals	(466.554)
Closing balance on 31 December 2021	60.334.852
Short-term lease payables	15.194.487
Long-term lease payables	45.140.365
Total	60.334.852

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20. TANGIBLE ASSETS

Cost	Machinery and Equipment	Vehicles	Furniture and Fixtures	Other Tangible Assets	Leasehold Improvements	Total
Opening balances on 1 January 2022	24.875.229	2.899.691	45.755.548	536.864	49.879.748	123.947.080
Foreign currency translation differences	623.885	-	843.037	-	1.509.948	2.976.871
Additions	11.092.137	672.389	13.127.723	599.857	21.592.021	47.084.126
Disposals	(16.133)	(526.243)	(711.414)	-	(954.693)	(2.208.483)
Closing balances on 31 December 2022	36.575.118	3.045.837	59.014.894	1.136.721	72.027.024	171.799.594
Accumulated depreciation						
Opening balances on 1 January 2022	(17.231.244)	(1.308.230)	(35.814.146)	(238.616)	(33.964.406)	(88.556.642)
Foreign currency translation differences	(584.932)	-	(765.877)	-	(1.466.611)	(2.817.420)
Charge for the period	(3.556.587)	(614.464)	(4.483.422)	-	(7.663.051)	(16.317.524)
Disposals	14.733	526.243	644.585	-	930.293	2.115.854
Closing balance on 31 December 2022	(21.358.030)	(1.396.451)	(40.418.860)	(238.616)	(42.163.775)	(105.575.732)
Carrying value at 1 January 2022	7.643.985	1.591.461	9.941.403	298.248	15.915.341	35.390.438
Carrying value at 31 December 2022	15.217.088	1.649.386	18.596.034	898.105	29.863.249	66.223.862
Cost	Machinery and Equipment	Vehicles	Furniture and Fixtures	Other Tangible Assets	Leasehold Improvements	Total
Opening balances on 1 January 2021	19.601.679	2.545.728	46.329.849	261.864	39.987.079	108.726.199
Foreign currency translation differences	620.701	-	1.123.820	-	2.251.404	3.995.925
Additions	4.755.420	353.963	2.706.632	275.000	7.657.980	15.748.995
Disposals	(102.571)	-	(4.404.753)	-	(16.715)	(4.524.039)
Closing balances on 31 December 2021	24.875.229	2.899.691	45.755.548	536.864	49.879.748	123.947.080
Accumulated depreciation						
Opening balances on 1 January 2021	(14.108.151)	(785.758)	(34.253.692)	(238.482)	(26.849.981)	(76.236.064)
Foreign currency translation differences	(609.093)	-	(1.096.966)	-	(2.166.506)	(3.872.565)
Charge for the period	(2.534.223)	(522.472)	(4.258.407)	(134)	(4.470.629)	(11.785.865)
Disposals	20.223	-	3.794.919	-	(477.290)	3.337.852
Closing balance on 31 December 2021	(17.231.244)	(1.308.230)	(35.814.146)	(238.616)	(33.964.406)	(88.556.642)
Carrying value at 1 January 2021	5.493.528	1.759.970	12.076.157	23.382	13.137.098	32.490.135
Carrying value at 31 December 2021	7.643.985	1.591.461	9.941.402	298.248	15.915.342	35.390.438

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21. INTANGIBLE ASSETS

Cost	Distribution Network, Patent, License and Leasing Agreements	Computer software and Licenses	Total
Opening balance on 1 January 2022	26.962.798	70.065.064	97.027.862
Exchange differences	-	3.172.833	3.172.833
Disposals	-	(4.723.233)	(4.723.233)
Additions	207.370	15.546.220	15.753.590
Closing balance on 31 December 2022	27.170.168	84.060.884	111.231.052
Accumulated amortization			
Opening balance on 1 January 2022	(23.220.562)	(51.061.120)	(74.281.682)
Exchange differences	-	(4.069.552)	(4.069.552)
Disposals	-	1.928.440	1.928.440
Charge for the period	(360.795)	(10.659.340)	(11.020.135)
Closing balance on 31 December 2022	(23.581.357)	(63.861.572)	(87.442.929)
Carrying value at 1 January 2022	3.742.236	19.003.944	22.746.180
Carrying value at 31 December 2022	3.588.811	20.199.312	23.788.123
Cost			
Opening balance on 1 January 2021	26.962.486	51.538.314	78.500.800
Exchange differences	-	6.274.273	6.274.273
Disposals	(32.691)	(9.129)	(41.820)
Additions	33.003	12.261.606	12.294.609
Closing balance on 31 December 2021	26.962.798	70.065.064	97.027.862
Accumulated amortization			
Opening balance on 1 January 2021	(22.986.374)	(36.362.972)	(59.349.346)
Exchange differences	-	(5.969.847)	(5.969.847)
Disposals	11.089	8.931	20.020
Charge for the period	(245.277)	(8.737.232)	(8.982.509)
Closing balance on 31 December 2021	(23.220.562)	(51.061.120)	(74.281.682)
Carrying value at 1 January 2021	3.976.112	15.175.342	19.151.454
Carrying value at 31 December 2021	3.742.236	19.003.944	22.746.180

22. GOVERNMENT INCENTIVES AND GRANTS

None (December 31, 2021: None).

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23. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Current provisions	31 December 2022	31 December 2021
Legal claims	28.202.655	19.636.565
Other liabilities and expense accruals	1.019.715.326	69.437.233
	1.047.917.981	89.073.798

(^{c)} Within the scope of the precautionary principle, 1,000,000,000 TL provision has been made in the current period, taking into account the global economic conditions and possible developments in the markets.

1 January-31 December 2022			
	Legal claims	Other	Total
Opening balance	19.636.565	69.437.233	89.073.798
Additional provisions	8.637.572	1.015.958.467	1.024.596.039
Canceled provisions	9.088	(65.680.374)	(65.671.286)
Payments	(80.570)	-	(80.570)
Closing balance	28.202.655	1.019.715.326	1.047.917.981

1 January-31 December 2021			
	Legal claims	Other	Total
Opening balance	21.905.327	39.414.578	61.319.905
Additional provisions	9.689.516	31.734.700	41.424.216
Canceled provisions	(9.942.649)	(1.113.731)	(11.056.380)
Payments	(2.015.629)	(598.314)	(2.613.943)
Closing balance	19.636.565	69.437.233	89.073.798

In relation to the Company's subsidiary, Toksöz Spor Malzemeleri Ticaret A.Ş., within the case no 2017/372, which was opened in the 3rd Commercial Court of First Instance; it has been decided to cancel the capital decrease decision taken in the extraordinary general assembly dated 28.02.2017 and the decision regarding the capital increase taken in the extraordinary general assembly dated 07.04.2017. The plaintiff Zafer Parlar, one of the partners of "Toksöz", left the partnership by transferring all his shares to Şamil Toksöz, one of the other partners, waived all the lawsuits he filed against "Toksöz" and a contract was signed between the parties on the subject. In line with the aforementioned waiver, the case was concluded in favor of "Toksöz".

Details of the nominal amounts of government bonds and treasury bills, equity shares, eurobonds and mutual funds belonging to customers and held for custody purposes are as follows:

	31 December 2022	31 December 2021
Customer portfolio-Debt Instruments	2.566.891.959	2.544.776.496
Eurobond	2.740.466.499	2.847.734.853
Equity shares	19.540.190.263	16.751.558.045
Mutual funds - units	21.580.253.414	24.852.899.786

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23. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

As of December 31,2022, and 2021, letters of guarantee and promissory notes given by the Group are as follows:

	31 December 2022	31 December 2021
İstanbul Takas ve Saklama Bankası AŞ	2.610.000.000	705.000.000
Borsa İstanbul AŞ	135.000	135.000
Sermaye Piyasası Kurulu	1.776	1.776
Other	360.678.704	338.427.238
	2.970.815.480	1.043.564.014

As of December 31, 2022, letters of guarantee and promissory notes amounting to TL 2.970.815.480 given by the Group contains USD 13.000.000 that equals to TL 243.077.900 and GBP 5.000.000 that equals to TL 112.446.000 (As of December 31, 2021, letters of guarantee and promissory notes amounting to TL 1.043.564.014 given by the Group contains USD 13.000.000 that equals to TL 168.707.500 and GBP 5.000.000 that equals to TL 87.265.500).

Guarantee/pledge/mortgage ("GPM") position of the Group as at 31 December 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
Guarantees/Pledges/Mortgages given by the Company		
A. GPM given on behalf of its own legal entity	2.615.291.580	787.591.514
GPM	2.615.291.580	787.591.514
Financial investments	-	-
B. GPM given on behalf of consolidated subsidiaries	355.523.900	255.972.500
GPM	355.523.900	255.972.500
Financial investments	-	-
C. Total amount of GPM given on behalf of other third parties' debt	-	-
D. Other GPM	-	-
i. Total amount of GPM given on behalf of the Parent	-	-
ii. Total amount of GPM given on behalf of other	-	-
iii. Total amount of GPM given on behalf of third parties not covered	-	-
TOTAL	2.970.815.480	1.043.564.014

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23. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

As of December 31, 2022, GPM, amounting to TL 355.523.900 given for fully consolidated subsidiaries, contains USD 13.000.000 that equals to TL 243.077.900 and GBP 5.000.000 that equals to TL 112.446.500 (As of December 31, 2021, GPM, amounting to TL 255.972.500 given for fully consolidated subsidiaries, contains USD 13.000.000 that equals to TL 168.707.500 and GBP 5.000.000 that equals to TL 87.265.500). Proportion of GPM to the Group's equity as of December 31, 2022 is 40,88% (December 31, 2021: 33,97%).

24. COMMITMENTS

Derivative commitments and option agreements of the Group as of December 31, 2022 and 2021 are as follows:

Derivatives instrument description	31 December 2022			
	SHORT POSITION		LONG POSITION	
	Notional Amount	Notional Amount (TL)	Notional Amount	Notional Amount (TL)
Foreign currency based				
Option agreements	-	-	1.150	6.305.268
Forward and swap agreements	24.018.855	2.685.301.298	26.923.470	3.858.875.048
Futures agreements	245.273.204	1.860.925.518	304.709.104	1.788.270.254
Index based				
Option agreements	3.471.400	80.058.700	21.028.030	431.291.384
Futures agreements	1.485.758	6.783.842.561	3.866	13.306.069
Other	-	-	31.025	94.731.431
Derivatives instrument description	31 December 2021			
	SHORT POSITION		LONG POSITION	
	Notional Amount	Notional Amount (TL)	Notional Amount	Notional Amount (TL)
Foreign currency based				
Option agreements	1.000.000	16.350.000	1.200.000	19.250.000
Forward and swap agreements	200.027.705	4.635.485.090	197.307.499	5.299.203.360
Futures agreements	34.531.473	856.360.885	91.097.434	867.996.099
Index based				
Option agreements	3.783.417	23.840.126	26.972.545	334.960.490
Futures agreements	1.845.594	2.273.629.023	136.130	368.745.243
Other	14.000	5.057.462	-	-

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25. PROVISIONS RELATED TO EMPLOYEE BENEFITS

Short-term employee benefits:

	31 December 2022	31 December 2021
Unused vacation pays liability and miscellaneous bonus provision	105.614.476	46.728.059

In accordance with the existing social legislation in Turkey, the Group is required to make payments for unused vacation days when the personnel leave from the company. Vacation pay liability is the undiscounted amount calculated over the unused vacation days of the employees.

	1 January- 31 December 2022	1 January- 31 December 2021
	Provision Amount	Provision Amount
Opening balance	46.728.059	44.035.357
Payments	(39.440.026)	(29.554.564)
Additional provisions	98.326.443	32.247.266
Closing balance	105.614.476	46.728.059

Long-term employee benefits:

	31 December 2022	31 December 2021
Employee severances pay liability	34.816.971	16.168.784
Total	34.816.971	16.168.784

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25. PROVISIONS RELATED TO EMPLOYEE BENEFITS (cont'd)

Under the Turkish Labor Law, the Group is required to pay employment termination benefits to each entitled employee to receive such benefits.

The applicable retirement pays provision ceiling as at December 31, 2022 is TL 15.371 for the calculation of employment termination benefits (December 31, 2021: TL 8.285). The retirement pay provision ceiling is revised semi-annually, and TL 15.371, which is effective from December 2022, is taken into consideration in the calculation of provision for employment termination benefits (December 31, 2021; The retirement pay provision ceiling effective from July 1, 2021 amounts to TL 8.285).

The liability is not funded, as there is no funding requirement. Provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. TAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the Group's obligation under the defined benefit plans. Accordingly, the following actuarial assumptions are used in the calculation of the total liability:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying statement of financial position as of December 31, 2022, the provision has been calculated by estimating the present value of the future probable obligation arising from the retirement of the employees. The provision at the respective balance sheet date has been calculated assuming an annual inflation rate of 19,80% (December 31, 2021: 15,07%) calculated by the average of inflation rate 22,45% (December 31, 2021: 19,10%) and discount rate assumptions 2,21% (December 31, 2021: 3,05%). The estimated rate of severance indemnity amounts to be retained in the Group is also taken into account.

	31 December 2022	31 December 2021
Opening balance, 1 January	16.168.784	13.308.332
Service cost	2.332.949	3.081.602
Interest cost	3.474.223	2.425.654
Payments made during the year	(4.768.589)	(2.778.691)
Actuarial difference	17.609.604	131.887
Provision for employee benefits	34.816.971	16.168.784

Retirement Benefits

Beginning from 2006, the Group has started to contribute certain amount of private pension payments for its employees. In the current year, total contributions paid amount to TL 1.252.249. (Contributions paid as of December 31, 2021 is TL 752.087).

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26. OTHER ASSETS and LIABILITIES

Other current assets	31 December 2022	31 December 2021
Income accruals	10.580.337	6.515.099
Deferred VAT	6.931.482	3.066.310
Advances given for purchases	1.872.215	985.875
Business advances	90.153	553.020
Personnel advances	1.048.936	840.649
Other	11.167.138	3.138.665
	31.690.261	15.099.618
Other short-term liabilities	31 December 2022	31 December 2021
Expense accruals	32.785.496	63.174.527
Advances received	2.051.207	165.054
Deferred Income	967.925	5.015.857
Other	26.603.202	3.870.867
	62.407.830	72.226.305
Other long-term liabilities	31 December 2022	31 December 2021
Income related to future years	68.084.362	40.480.000
Income for the coming years	5.303.165	5.302.430
	73.387.527	45.782.430

27. EQUITY

a. Capital

The capital structure of the Company as of December 31, 2022 and December 31, 2021 are as follows:

Shareholders	31 December 2022		31 December 2021	
	Share (%)	Amount	Share (%)	Amount
Türkiye İş Bankası AŞ (Group A)	0,04	150.000	0,05	150.000
Türkiye İş Bankası AŞ (Group B)	65,70	233.243.403	65,70	233.243.395
Other (Group B)	34,26	121.606.597	34,25	121.606.605
Total	100,00	355.000.000	100,00	355.000.000

The authorized share capital ceiling of the Company is TL 750.000.000 and paid-in capital of the Company is TL 355.000.000 (December 31, 2021: TL 355.000.000 TL).

The capital has been divided into 3 55.000.000 (Three Hundred Fifty-Five Million) shares each having a value of TL 1.00 (December 31, 2021: 355.000.000). TL 150.000 of the shares is Group A (December 31, 2021: 150.000 TL), and TL 354.850.000 is Group B shares (December 31, 2021; TL 354.850.000). According to the Articles of Association, additional Group A shares cannot be issued during new capital increases. Six members of the Board of Directors out of nine are elected among the nominees determined by Group A shareholders and three members by Group B shareholders.

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27. EQUITY (cont'd)

b. Fair Value Reserve

	1 January- 31 December 2022	1 January- 31 December 2021
Opening balance	51.383.156	44.682.529
Change in non-controlling interests	62.217	679.262
Increase/(decrease) of financial assets at fair value through other comprehensive income, net	93.805.647	6.021.365
Closing balance	145.251.020	51.383.156

Fair Value Reserve:

Fair value reserve arises from the measurement of available-for-sale financial assets at their fair value. In case of disposal of assets carried at fair value, the cumulative gain or loss related to those assets previously recognized in equity is included in the statement of profit or loss for the period. Gains and losses arising from changes in fair value are recognized directly in equity, until the asset is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the statement of profit or loss for the period.

c. Defined Benefit Plans Remeasurement Gains and Losses

	1 January- 31 December 2022	1 January- 31 December 2021
Opening balance	(6.874.095)	(6.243.966)
Total Comprehensive Income	(10.868.428)	(630.130)
Transactions with non-controlling shareholders	(1.140.200)	-
Other	-	1
Dönem sonu bakiyesi	(18.882.723)	(6.874.095)

d. Foreign Currency Translation Differences

Foreign currency translation differences consist of foreign currency exchange rate differences arising from remeasurement of foreign currency financial statements into Turkish Lira.

e. Restricted Reserves

	31 December 2022	31 December 2021
Legal reserves	224.346.100	181.761.565
Statutory reserves	50.862	50.862
Total	224.396.962	181.812.427

The legal reserves consist of first and second legal reserves.

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27. EQUITY (cont'd)

f. Prior Year's Profit

The prior year's profit and extraordinary reserves disclosed in prior year's profit in the statement of financial position of the Group as of December 31, 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
Extraordinary reserves	1.260.593.625	733.233.556
Prior year's profit	136.274.552	45.873.353
Total	1.396.868.177	779.106.909

Profit Distribution:

In accordance with the Capital Markets Board's "Profit Distribution Communiqué" Serial: II No:19.1 distributable profit will be determined by the General Assembly in accordance with the dividend policy and provisions of the relevant legislation dispenses with the decision of the General Assembly.

At the Ordinary General Assembly Meeting of the Company held on March 24, 2021 the Company decided to distribute dividend to shareholders TL 400.000.000. Dividend was paid on March 24, 2022.

g. Other Reserves

Other reserves comprised of profit or loss related with the sale of shares while retaining control and increase in share capital (non-reciprocal capital contributions made by a parent or NCI to non-wholly owned subsidiary) after obtained control of a subsidiary which changes its ownership interest in that subsidiary without losing control by buying shares from the non-controlling interest at the beginning of the period. The effects of these transactions on the non-controlling interests in the accompanying consolidated financial statements are allocated to proportionally to non-controlling interest and classified as "non-controlling interests".

	1 January- 31 December 2022	1 January- 31 December 2021
Opening balance	192.753.848	83.753.848
Reserve for venture capital fund	110.417.446	109.000.000
Closing Balance	303.171.294	192.753.848

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27. EQUITY (cont'd)

h. Change in Non-Controlling Interests

Shares of net assets of the subsidiaries that are directly or indirectly not under control of the equity holders of the Company are classified as "non-controlling interests" in the statement of financial position.

	1 January- 31 December 2022	1 January- 31 December 2021
Opening balance	310.197.333	275.156.803
Profit for the year attributable to non-controlling interest portion	197.974.485	62.572.529
Re-measurement gains of defined benefit plans (including tax effect)	(14.388.995)	(338.422)
Revaluation and classification gains/losses	22.579.567	755.962
Foreign currency translation differences	(11.498.586)	(14.302.273)
Changes in non-controlling interest	6.023.654	11.485.699
Dividends paid	(40.236.296)	(25.132.965)
Closing balance	470.651.162	310.197.333

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28. SALES AND COST OF SALES

Sales revenue	1 January- 31 December 2022	1 January- 31 December 2021
Sales of equity shares and certificates	44.397.386.532	55.042.114.769
Sales of private sector bonds	45.755.671.817	22.649.176.042
Sales of government bonds	104.464.951.237	50.169.663.141
Sales of warrants	19.922.820.206	12.530.241.023
Sales of mutual funds	2.772.682.291	40.390.281
Other (*)	850.024.039	386.349.455
Total	218.163.536.122	140.817.934.711
Cost of Sales		
Purchase of equity shares and certificate	(43.263.055.080)	(54.829.160.222)
Purchase of private sector bonds	(45.620.802.064)	(22.540.669.926)
Purchase of government bonds	(104.330.906.971)	(50.126.322.891)
Purchase of warrants	(20.129.841.388)	(12.249.589.092)
Purchase of mutual funds	(2.745.983.451)	(23.167.271)
Depreciation and amortization expenses	(1.508.767)	(1.455.954)
Other (*)	(522.077.216)	(250.241.092)
Total	(216.614.174.937)	(140.020.606.448)

(*) Food and beverage, software, health and sports merchandising products

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28. SALES AND COST OF SALES (cont'd)

Interest income from operating and derivative activities, (net)	1 January-31 December 2022	1 January-31 December 2021
Interest income ^(*)	849.146.833	417.761.456
Interest income received in return for collateral	115.295.043	63.068.171
Forward transaction revenues/(expenses) (net)	1.189.467.052	(71.175.773)
Leveraged foreign exchange transaction income/(expense) (net)	38.884.711	81.959.578
Interest expenses on bank loans	(77.105.603)	(10.061.992)
Interest expenses on financing bonds	(646.253.368)	(49.168.390)
Interest expenses on Stock Exchange Money Market transactions	(456.914.630)	(102.505.017)
Other interest income/expenses (net)	16.531.674	57.617.911
Total	1.029.051.712	387.495.944

^(*)717.405.668 TL is the interest income of credit securities transactions (31 December 2021: 323.405.583 TL).

Service income	1 January-31 December 2022	1 January-31 December 2021
Commission income on trading of derivative transactions	323.201.883	186.777.725
Commission income on trading of equity shares	869.942.029	448.889.210
Portfolio management fees	374.224.869	167.036.951
Corporate finance income	41.570.386	43.590.161
Commission income on trading of mutual funds	46.559.071	30.047.168
Commission income on trading of repurchase agreements	6.691.590	7.306.920
Purchase/sale brokerage commissions of debt securities	40.061.557	15.005.764
Commission income on trading of debt securities	12.589.051	2.010.558
Other commissions and income	16.900.928	12.034.355
Deductions from service income		
Commission returns	(66.176.230)	(33.692.017)
Service income (net)	1.665.565.134	879.006.795
Valuation gains/losses of financial instruments (net) ^(*)	3.111.146.792	273.934.123
Dividends received	200.542.609	43.716.603
Other operating income	10.829.269	4.094.172
Other operating income (net)	3.322.518.670	321.744.898

^(*)78,16% consists of valuation gains of venture capital mutual funds (31 December 2021: 35,73%).

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29. RESEARCH AND DEVELOPMENTS EXPENSES, MARKETING EXPENSES AND ADMINISTRATIVE EXPENSES

	1 January- 31 December 2022	1 January- 31 December 2021
Research and development expenses	(3.753.302)	(3.511.931)
Marketing expenses	(342.213.935)	(199.591.641)
Administrative expenses	(976.615.602)	(515.711.355)
	(1.322.582.839)	(718.814.927)
Research and development expenses		
Personnel expenses	(2.227.493)	(1.600.736)
Amortization expenses	(830.803)	(1.275.853)
Transportation expenses	(48.964)	(26.170)
Other expenses	(646.042)	(609.172)
	(3.753.302)	(3.511.931)
Marketing expenses		
Foreign marketable securities transaction fees	(59.214.955)	(51.381.133)
Personnel expenses	(47.981.295)	(21.389.991)
Rent warehouse and store expenses	(21.630.816)	(8.985.256)
Custody expenses	(46.321.581)	(27.896.233)
Publication and advertisement expenses	(19.864.397)	(7.434.667)
Future derivative exchange transaction fees	(51.865.312)	(30.316.706)
Depreciation and amortization expenses	(4.532.975)	(3.384.775)
Equity shares transaction and registration fees	(29.074.616)	(19.410.273)
Fixed income securities transaction and registration fees	(2.545.223)	(2.603.201)
Transportation expenses	(1.699.936)	(441.876)
Securities lending commission expenses	(12.484)	(177.716)
Other marketing expenses	(57.470.345)	(26.169.814)
	(342.213.935)	(199.591.641)
Administrative expenses		
Personnel expenses	(456.774.523)	(234.509.451)
Communication expenses	(136.012.491)	(75.256.986)
Taxes and dues	(213.287.365)	(108.020.347)
Rent expenses	(37.802.875)	(24.639.085)
Outsourcing expenses	(7.989.722)	(126.981)
Depreciation and amortization expenses	(33.196.627)	(26.861.868)
Operating expenses	(21.743.298)	(10.249.506)
Board of Directors attendance fees	(7.669.800)	(5.056.500)
Transportation expenses	(8.021.436)	(2.648.404)
Other administrative expenses	(54.117.465)	(28.342.227)
	(976.615.602)	(515.711.355)
Total operating expenses	(1.322.582.839)	(718.814.927)

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30. OTHER OPERATING INCOME/(EXPENSE)

	1 January- 31 December 2022	1 January- 31 December 2021
Other operating income		
Commission from cash and marketable securities transactions	80.356.138	23.543.265
Gain on sale of tangible assets	1.860.098	629
Other	13.810.722	11.540.924
Total	96.026.958	35.084.818
Other operating expenses		
Paid commission and charges	(4.130.747)	(1.501.144)
Write-off expenses	(733.302)	(3.556.473)
Provisions (*)	(1.043.619.113)	(97.094.046)
Other	(32.606.149)	(5.054.211)
Total	(1.081.089.311)	(107.205.874)

(*)Within the scope of the principle, 1,000,000,000 TL provision has been made in the current period, taking into account the global economic conditions and possible precautionary developments in the markets.

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31. NON-OPERATING FINANCE INCOME

	1 January- 31 December 2022	1 January- 31 December 2021
Foreign currency gains	194.226.241	54.703.458
Interest income on	30.211.005	29.425.867
<i>Times deposits</i>	28.314.622	27.522.252
<i>Debt securities</i>	1.896.383	1.903.615
Dividend income from associates	6.469.480	4.575.392
Reverse repo interest income	894.229	1.089.342
Other financial income	12.860.635	6.258.655
Total	244.661.590	96.052.714

32. NON-OPERATING FINANCE COST

	1 January- 31 December 2022	1 January- 31 December 2021
Interest expenses	(42.235.552)	(41.850.143)
<i>Bank borrowings</i>	(42.235.552)	(41.850.143)
Factoring and Leasing Expenses	(60.356)	(1.298.267)
Leasing transactions TFRS 16	(3.714.105)	(1.653.502)
Foreign currency losses	(36.991.320)	(60.435.607)
Commission expenses on letters of guarantee	(537.576)	-
Commission and interest expenses paid for sales	(4.451.193)	(15.480.158)
Other financial expenses	(27.295.641)	(21.807.655)
Total	(115.285.743)	(142.525.332)

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33. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Assets Held for Sale

	31 December 2022	31 December 2021
Buildings	630.050	1.831.600
Other tangible assets	2.674.711	3.351.156
	3.304.761	5.182.756

34. ANALYSIS OF OTHER COMPREHENSIVE INCOME ITEMS

As of 31 December 2022 and 2021, other comprehensive income accounted in financial income/(expenses) are as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Changes in fair value of available for sale	(14.388.995)	(423.028)
Changes in foreign currency translation differences	108.714.174	6.826.967
Tax income/expenses relating to other comprehensive income	(3.197.387)	(256.741)
	91.127.792	6.147.198

For the years ended December 31, 2022 and December 31, 2021, defined benefit plans accounted in other comprehensive income are as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Change in foreign currency translation differences	10.268.885	11.119.883
	10.268.885	11.119.883

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35. TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

As of December 31, 2022, the Company and its Turkish subsidiaries except İş Girişim Sermayesi and İş Yatırım Ortaklığı AŞ are subject to corporate tax at the rate of 25% and its foreign subsidiary Maxis Investments Ltd is subject to corporate tax at the rate of 19%. Corporate tax is payable at a rate of 19% on the total income of the Group after adjusting for certain disallowable expenses and deducting certain exemptions and deductions. As of December 31, 2022 and 2021, provision for taxes has been provided in accordance with applicable tax legislation. Tax expense comprises current tax expense and deferred tax income/expense. Tax is included in the income statement, except to the extent that it relates to items recognized directly in equity. Otherwise, the tax is recognized in equity together with the related transaction.

Nevotek, the subsidiary of the Group, is subject to current income and corporate income tax in Turkey. However, according to provisional second article of Law 4691 Technology Development Zones and Law 5035, gains from software and R&D activities in technology development zones of income and corporate income taxpayers operating in that zone are exempted from income and corporate taxes until December 31, 2023. Also, researchers, programmers and R&D personnel working in these regions, and related fees are exempted from all taxes until December 31, 2023. On March 12, 2011, in accordance with the Law No 6170 Amendments to the Technology Development Zones Law, the date has been extended until 31 December 2023. No tax liability has been recognized in the accompanying financial statements relating to Nevotek since it does not have any tax liability estimation from activities other than software and R&D activities.

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35. TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Taxation for Investment Trusts:

In accordance with the Clause (1) (d) in Article 5 of the Corporate Tax Law No: 5520 and dated June 21, 2006 in effect from January 1, 2006, portfolio management income of the securities investment funds and trusts in Turkey is exempt from tax. This exemption is also applied to the advance corporate tax.

Based on the Clause (3) in Article 15 of the same law, 15% withholding tax is applied on the portfolio management income of the securities investment funds and trusts in Turkey, which is exempt from tax, whether it is distributed or not. In accordance with the Clause (4) of the same article, the Council of Ministers is authorized to reduce this withholding rate to 0% or to increase it up to the corporate tax rate.

In accordance with the Law No: 5527 and the Provisional Article 67 the Clause (1) which were introduced in the Income Tax Law No: 193 with the Law No: 5281 to be applied from January 1, 2006 to December 31, 2015 effective from January 1, 2006, 15%, 10% and 0% withholding tax is applied for securities mutual funds' and trusts' purchase and sale income from securities and other capital market instruments and periodical returns through banks and brokerage companies for the periods of January 1, 2006 - July 22, 2006, July 23, 2006 - September 30, 2006 and subsequent to October 1, 2006, respectively. The effective date of Temporary Article 67 of the Income Tax Law has been extended until December 31, 2025.

As per the Clause (8) of the Provisional Article 67, 15% withholding tax is applied on the securities investment funds established in accordance with the Capital Markets Law (including funds traded on stock exchange, mortgage finance funds and asset finance funds) and securities investment trusts' portfolio income that is exempt from corporate tax, whether distributed or not. There is no further withholding tax for the related income under the Article 94. Upon the decision made by the Council of Ministers numbered 2006/10731 and dated 23 July 2006, the related withholding tax rate was applied as 10% for the period July 23, 2006 - September 30, 2006 and 0% subsequent to October 1, 2006.

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35. TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Income Withholding Tax:

In addition to corporate taxes, companies should also calculate income withholding taxes on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. Income tax withholding was applied as 10% in all companies between April 24, 2003 and July 22, 2006, and as 15% between July 22, 2006 and December 20, 2021. As of December 21, 2021, this rate is applied as 10% with the Presidential Decree No. 4936. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

Current tax payable	31 December 2022	31 December 2021
Current tax liability	737.049.441	302.319.924
Prepaid taxes and funds	(572.129.342)	(286.223.477)
	164.920.099	16.096.447
Tax expense	1 January - 31 December 2022	1 January - 31 December 2021
Current tax expense	(737.049.441)	(302.319.924)
Deferred tax income/(expense)	(158.027.535)	(24.979.664)
Total	(895.076.976)	(327.299.588)
Tax expense from continuing operations	(895.076.976)	(327.299.588)
	(895.076.976)	(327.299.588)
Income tax recognized directly in equity	1 January - 31 December 2022	1 January - 31 December 2021
Valuation of available-for-sale financial assets	(6.794.636)	(341.347)
Re-measurement gains of defined benefit plans	3.597.249	84.606
	(3.197.387)	(256.741)

Current Tax Assets:

As of December 31, 2022 and 2021, the current tax assets of the Group consist of taxes paid in advance through withholding tax amounting to TL 572.129.342 and TL 286.223.477, respectively.

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35. TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Deferred Tax:

Deferred tax is calculated by using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Currently enacted tax rates are used to determine deferred income tax at the balance sheet date.

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Deferred tax assets and liabilities are offset in case where there is a legally enforceable right to set off current tax assets against current tax liabilities, provided that they are subject to the tax legislation of the same country.

25% of taxes are applied in the calculation of deferred tax assets and liabilities (2021: 25%).

	31 December 2022	31 December 2021
Deferred tax assets	7.325.803	17.968.018
Deferred tax liabilities	(204.917.800)	(53.502.595)
Deferred tax assets/(liabilities) (net)	(197.591.997)	(35.534.577)
Temporary differences subject to deferred tax	31 December 2022	31 December 2021
Useful life differences on tangible and intangible assets	27.725.436	(10.188.245)
Fair value reserve on financial assets	41.993.092	27.191.268
Provisions	(22.346.440)	(14.437.417)
IFRS 16 Effect	3.169.340	12.048.986
IFRS 9 Effect	376.060	(2.394.382)
Subsidiary valuation differences	132.133.135	49.195.691
Retirement pay provision	(34.816.971)	(16.168.784)
Employee benefits	(92.518.200)	(9.452.468)
Valuation of marketable securities and loans	917.036.524	213.575.149
Provision for doubtful receivables	(57.422.236)	(28.156.674)
Provision for impairment of inventories	(2.343.476)	(167.733)
Accrued expenses	(6.507.412)	(4.720.792)
Total	906.478.852	216.324.599
Statutory losses carried forward	(12.264.872)	(29.237.675)
General Total	894.213.980	187.086.924

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35. TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Deferred Tax: (cont'd)

Deferred tax assets/(liabilities)	31 December 2022	31 December 2021
Useful life differences on tangible and intangible assets	(6.931.359)	2.547.061
Fair value reserve on financial assets	(10.498.273)	(6.797.817)
Provisions	5.586.610	3.609.354
IFRS 16 Effect	(792.335)	(3.012.246)
IFRS 9 Effect	(94.015)	598.596
Subsidiary valuation differences	(8.258.321)	(2.459.785)
Retirement pay provision	9.890.778	2.606.150
Employee benefits	23.129.550	2.363.117
Valuation of marketable securities and loans	(229.259.131)	(49.122.284)
Provision for doubtful receivables	14.355.559	7.039.168
Provision for impairment of inventories	585.869	42.772
Accrued expenses	1.626.853	1.203.802
Useful life differences on tangible and intangible assets	3.066.218	5.847.535
Deferred tax assets/(liabilities), net	(197.591.997)	(35.534.577)
Movement of deferred tax assets/(liabilities)	31 December 2022	31 December 2021
Opening balance, 1 January ^(*)	(35.534.577)	(11.231.608)
Deferred tax income/(expense)	(158.027.535)	(24.979.664)
Other Corrections	1.775.545	776.696
Deferred tax income/(expense) recorded in equity	(5.805.430)	(100.001)
Closing balance	(197.591.997)	(35.534.577)

Tax legislation in Turkey does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, are calculated on a separate-entity basis. Deferred tax assets are recognized when it is probable that the tax benefit will be utilized in the future.

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35. TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Deferred Tax: (cont'd)

Total tax charge for the period can be reconciled to the accounting profit as follows:

Reconciliation of tax provision	1 January - 31 December 2022	1 January - 31 December 2021
Profit from operating activities	5.424.683.762	1.560.776.092
Tax-exempt subsidiary profit	(80.245.106)	(50.811.337)
Taxable profit	5.344.438.656	1.509.964.755
Income tax using the Company's domestic tax rate	(1.356.170.941)	(390.194.023)
Tax exempt income	643.931.644	68.509.266
Disallowable expenses	(253.724.872)	(21.096.261)
Dividends and other tax-exempt income	57.378.150	16.069.511
Non-taxable timing differences	78.631	-
Others	9.799.241	250.732
Corrections for previous years	3.631.171	(838.813)
Tax expense	(895.076.976)	(327.299.588)

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. In this context, The Group, according to the best estimates, with the profit that is predicted for the next years, deferred tax assets calculated on tax losses that can be deducted. Accordingly, the Company has calculated deferred tax assets in the amount of TL 12.164.872 as of December 31, 2022 (December 31, 2021: TL 29.237.635) deferred tax has been subject that can be offset against tax losses amount of TL 3.066.218 (December 31, 2021: TL 5.847.535). In the future, due to lack of probable that taxable profits will be used for the realization of the temporary differences and deferred tax assets have not been recognized for these items.

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36. EARNINGS PER SHARE

Deferred Tax: (cont'd)

As of December 31, 2022 and 2021, the Company's weighted average number of shares and computation of earnings per share are as follows:

Earnings per share	1 January- 31 December 2022	1 January- 31 December 2021
Average number of shares in circulation throughout the period (total)	355.000.000	355.000.000
Profit for the year attributable to equity holders of the Company	4.331.632.301	1.170.903.975
Basic and diluted earnings per share from continuing operations	12,2018	3,2983
Total discontinued operations attributable to equity holders of the Company	-	-
Basic and diluted earnings per share obtained from discontinued operations	-	-

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37. EFFECTS OF EXCHANGE RATE CHANGES

Analysis of the effects of changes in foreign exchange on December 31, 2022 and December 31, 2021 is disclosed in Note 40.

38. REPORTING IN HYPERINFLATIONARY PERIODS

Principles regarding inflation accounting are regulated in Financial Reporting Standard No. 29 in High Inflation Economies (TAS 29), and inflation accounting has been applied in 2004 financial statements. 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 financial statements for the accounting period ending on 31 December 2022. Therefore, TAS 29 has not been applied and no inflation adjustment has been made in the financial statements dated 31 December 2022. On the other hand, 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, inflation accounting was postponed within the scope of tax legislation, starting from the financial statements dated December 31, 2023.

39. DERIVATIVE INSTRUMENTS

The details of the derivative instruments as of December 31, 2022 and 2021 are as follows:

Derivative instruments	Maturity Date	31 December 2022	
		Assets	Liabilities
Swap agreements	03.01.2023-04.01.2023	2.609.376	1.180.964
Forward contracts	03.01.2023-26.06.2023	27.058.802	11.601.254
Options	10.01.2023-28.02.2023	22.187.906	2.666.536
Warrants	26.01.2023-18.04.2023	194.490	959.302.810
		52.050.574	974.751.564

Derivative instruments	Maturity Date	31 December 2021	
		Assets	Liabilities
Swap agreements	04.02.2022-03.03.2022	73.740.479	76.468.879
Forward contracts	03.01.2022-14.01.2022	16.689.388	24.987.588
Options	05.01.2022-28.02.2022	15.800.411	1.226.100
Warrants	26.01.2022-21.04.2022	64.875	108.790.408
		106.295.153	211.472.975

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40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS

Capital Risk Management:

In its capital management, while the Group maintains to continue its operations on a going concern basis, it also maximizes its return through the optimization of the debt and equity balance.

The funding structure of the Group consists of debt, which includes the borrowings disclosed in Note 9, cash and cash equivalents and equity comprising issued capital, reserves and retained earnings.

The Group's Board of Directors reviews the capital structure monthly. As part of this review, the Board considers the cost of capital and the risks associated with each class of equity. Based on the recommendations of the Board of Directors, the Group balances its overall capital structure through the payment of dividends, new share issues and investment in shares of associates and subsidiaries as well as issuance of a new debt or the redemption of an existing debt.

Financial Risk Factors:

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the uncertainty of financial markets and seeks to minimize the potential negative effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Risk Management Department, which is independent from steering, under policies approved by the Board of Directors. The Group's Risk Management Department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board sets out written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Credit Risk:

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit risk is mitigated by receiving equity shares of listed entities as collateral in accordance with the legal requirements of the CMB against credit lines utilized by customers. The Group's credit risk is predominantly in Turkey, where it operates.

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40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

Credit Risk (cont'd):

Exposed credit risks through types of financial instruments:

	31 December 2022			
	Receivables			
	Trade Receivables		Other Receivables	
	Related Parties	Third Parties	Related parties	Third parties ⁽¹⁾
Maximum credit risk exposure as at report date	81.263.902	18.343.528.047	574.302	16.177.190
The part of maximum risk under guarantee with collateral etc.	-	13.938.021.476	-	-
A. Net book value of financial assets that are neither past due nor impaired	81.263.902	18.343.528.047	574.302	16.177.190
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-
- the part under guarantee with collateral etc.	-	-	-	-
D. Net book value of impaired assets	-	-	-	-
- Past due (gross carrying amount)	-	54.050.733	-	-
- Impairment (-)	-	(54.050.733)	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-
E. Elements including credit risk on off balance sheet	-	-	-	-

⁽¹⁾ Deposits and guarantees and collaterals are excluded since they are not financial assets.

⁽²⁾ Equity securities are excluded since they do not expose any credit risk

⁽³⁾ Contains USD 13.000.000 that equals to TL 243.077.900, and GBP 5.000.000 that equals to TL 112.446.000

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40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

Credit Risk: (cont'd)

Credit risks exposed by types of financial instruments:

	31 December 2021			
	Receivables			
	Trade Receivables		Other Receivables	
	Related Parties	Third Parties	Related parties	Third parties⁽¹⁾
Maximum credit risk exposure as at report date	48.310.956	8.376.429.898	318.637	6.721.537
The part of maximum risk under guarantee with collateral etc.	-	5.560.298.933	-	-
A. Net book value of financial assets that are neither past due nor impaired	48.310.956	8.376.429.898	318.637	6.721.537
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-
- the part under guarantee with collateral etc.	-	-	-	-
D. Net book value of impaired assets	-	-	-	-
- Past due (gross carrying amount)	-	62.725.881	-	-
- Impairment (-)	-	(62.725.881)	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-
E. Elements including credit risk on off balance sheet	-	-	-	-

⁽¹⁾ Deposits and guarantees and collaterals are excluded since they are not financial assets.

⁽²⁾ Equity securities are excluded since they do not expose any credit risk

⁽³⁾ Contains USD 13.000.000 that equals to TL 168.707.500 and GBP 5.000.000 that equals to TL 73.411.500.

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40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

Interest rate risk:

The Group is exposed to interest rate risk due to volatile market prices of its financial assets at both fixed and floating interest rates. The Group's exposure to interest rate risk sensitivity depends on the mismatch among maturities of interest rate sensitive assets and liabilities. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate assets and liabilities.

The Group's interest rate sensitive financial instruments' allocations on respective statement of financial position dates are presented below:

		31 December 2022	31 December 2021
Interest Risk Position Table			
Fixed interest rate instruments			
Cash and Cash Equivalents	Cash at banks - time deposits	107.249.036	875.707.674
	Receivables from Stock Exchange Money Market	40.133.986	227.253.625
	Receivables from reverse repurchase agreements	190.936.292	224.445.586
Financial assets	Financial assets at fair value through profit or loss	470.038.282	117.183.514
Financial liabilities	Payables to Stock Exchange Money Market	(5.385.994.160)	(2.073.579.022)
	Bank borrowings	(806.320.524)	(1.186.121.372)
	Finance lease liabilities	(91.816.462)	(50.418.496)
	Payables from financial leasing transactions	(4.119.316.673)	(1.353.539.644)
	Payables from commercial paper	(12.331.866)	(7.844.396)
	Short-term factoring liabilities		
Floating interest rate instruments			
Cash and Cash Equivalents	Type B mutual funds	215.087.812	13.840.018
Financial assets	Financial assets at fair value through profit or loss		
	Held-to-maturity financial assets	111.199.797	191.051.071
Trade receivables	Receivables from customers on margin trading	3.830.655.691	1.645.731.823
Financial liabilities	Bank borrowings	(1.293.129)	(19.268)

The Group's exposure to interest rate risk and market price risk are related to fixed income financial assets classified as financial assets at fair value through profit or loss. Based on the analysis calculated by the Group, if the interest rate for TL were increased/decreased by 1% with the assumption of keeping all other variables constant, the effect on the fair value of fixed income financial assets and net profit/loss for the period ended as of December 31, 2022 and 2021 would have been as follows:

		31 December 2022		
Type of risk	Risk rate	Direction of risk	Effect on net profit	Effect on equity
Interest rate risk	1%	Increase	(11.301.264)	(11.887.586)
		Decrease	12.076.166	12.662.488
		31 December 2021		
Type of risk	Risk rate	Direction of risk	Effect on net profit	Effect on equity
Interest rate risk	1%	Increase	(2.237.217)	(2.907.745)
		Decrease	2.901.950	3.572.478

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40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

Stock price risk:

If Borsa İstanbul Index were increased/decreased by 10% with the assumption of keeping all other variables constant, the effect on the fair value of equity shares and net profit/loss of the Group for the period ended as of December 31, 2022 would have been as follows:

31 December 2022				
Type of risk	Risk rate	Direction of risk	Effect on net profit	Effect on equity
Stock price risk	10%	Increase	(85.757.727)	(85.757.727)
		Decrease	(38.161.878)	(38.161.878)
31 December 2021				
Type of risk	Risk rate	Direction of risk	Effect on net profit	Effect on equity
Stock price risk	10%	Increase	(21.486.076)	(20.173.759)
		Decrease	(44.594.393)	(45.906.710)

Liquidity risk:

Liquidity risk is the Group's default in meeting its net funding liabilities. Events causing a decrease in funding resources such as market deteriorations or decrease in credit ratings are major reasons of liquidity risk. The Group manages its liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities through a constant monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities.

The following table details the Group's expected maturity for its non-derivative financial liabilities. The table below has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will accrue for those liabilities except where the Group is entitled and intense to repay the liability before its maturity.

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40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk (cont'd):

	31 December 2022		
	Current	Less than 1 month	1 - 3 months
ASSETS			
Cash and cash equivalents	408.005.245	337.690.225	-
Financial investments	10.859.580.033	183.318.796	255.891.471
Trade receivables	4.194.495	18.076.937.939	66.376.298
Other receivables	6.666.566	1.239.965.625	-
Other long-term receivables	4.961.798	-	-
Other current/non-current assets	138.206.908	69.969	2.859.625
Long-term financial investments	43.750.664	-	-
Derivative instruments	-	28.183.172	20.901.803
Total assets	11.465.365.709	19.866.165.726	346.029.197
LIABILITIES			
Financial liabilities	34.790.314	9.553.642.660	680.923.537
Other financial liabilities	-	-	-
Trade payables	24.170.324	15.149.252.046	119.089.385
Other payables	4.287.870	52.839.390	267.079
Derivative instruments	-	529.059.976	444.269.001
Liabilities related to employee benefits	4.233.520	843.117	4.374.192
Provisions (short-term)	4.268.330	515.707	99.697.173
	71.750.358	25.286.152.896	1.348.620.367
Liquidity surplus/(gap)	11.393.615.351	(5.419.987.170)	(1.002.591.170)

	3 - 12 months	1 year and thereafter	Undistributed	Total
	-	-	-	745.695.470
	113.354	229.130.126	3.140.941.298	14.668.975.078
	93.013.747	-	184.269.470	18.424.791.949
	-	-	(1.852.668)	1.244.779.523
	-	120.218	79.711	5.161.727
	7.192.600	1.600.364	72.732.556	222.662.022
	1	-	136.116.292	179.866.957
	2.965.599	-	-	52.050.574
	103.285.301	230.850.708	3.532.286.659	35.543.983.300
	85.168.962	61.311.859	801.470	10.416.638.802
	-	-	-	-
	56.234.196	-	20.684.492	15.369.430.443
	19.184.940	-	-	76.579.279
	1.422.587	-	-	974.751.564
	1.081.567	-	-	10.532.396
	878.528	-	1.048.172.719	1.153.532.457
	163.970.780	61.311.859	1.069.658.681	28.001.464.941
	(60.685.479)	169.538.849	2.462.627.978	

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40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk (cont'd):

	31 December 2021		
	Current	Less than 1 month	1 - 3 months
ASSETS			
Cash and cash equivalents	279.955.738	1.107.757.925	151.127.097
Financial investments	2.234.487.711	115.259.252	146.384.643
Trade receivables	13.087.976	8.156.964.135	55.228.703
Other receivables	630.515	812.400.423	-
Other long-term receivables	125.076	-	-
Other current/non-current assets	54.584.989	46.748	8.597.103
Long-term financial investments	-	-	-
Derivative instruments	-	77.789.500	28.505.653
Total assets	2.582.872.005	10.270.217.983	389.843.199
LIABILITIES			
Financial liabilities	61.333.955	952.550.428	3.462.686.855
Other financial liabilities	-	150.719	-
Trade payables	20.455.076	5.767.998.812	28.776.674
Other payables	324.625	56.647.940	-
Derivative instruments	-	154.483.709	56.193.406
Liabilities related to employee benefits	1.001.166	949.262	2.053.351
Provisions (short-term)	343.739	692.335	42.852.903
	83.458.561	6.933.473.205	3.592.563.189
Liquidity surplus/(gap)	2.499.413.444	3.336.744.778	(3.202.719.990)

	3 - 12 months	1 year and thereafter	Undistributed	Total
	-	-	13.653.049	1.552.493.809
	44.055.137	44.714.977	349.395.275	2.934.296.995
	23.923.200	230.296	175.306.544	8.424.740.854
	-	-	4.262.115	817.293.053
	-	10.946	60.889	196.911
	5.813.143	1.139.513	33.061.059	103.242.555
	19.378.729	25.506.427	44.727.099	89.612.255
	-	-	-	106.295.153
	93.170.209	71.602.159	620.466.030	14.028.171.585
	72.107.000	52.195.975	80.564.341	4.681.438.554
	-	-	-	150.719
	18.285.065	6.232.595	-	5.841.748.222
	2.599.675	-	2.642.740	62.214.980
	795.860	-	-	211.472.975
	520.958	-	-	4.524.737
	3.440.080	-	88.472.800	135.801.857
	97.748.638	58.428.570	171.679.881	10.937.352.044
	(4.578.429)	13.173.589	448.786.149	

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40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk (cont'd):

31 December 2022						
Contractual maturities	Carrying value	Total contractual cash outflows (I+II+III+IV)	Less than 3 months (I)	3 - 12 months (II)	1 - 5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Bank loans	807.613.653	807.613.653	720.964.099	62.196.861	22.618.390	1.834.303
Trade payables	15.369.430.443	15.403.525.180	15.326.606.492	76.918.688	-	-
Other payables	76.579.279	76.635.460	76.628.104	7.356	-	-
Payables to Stock Exchange Money Markets	5.385.994.160	5.385.994.160	5.385.994.160	-	-	-
Funds from commercial paper	4.119.316.673	4.143.230.000	4.143.230.000	-	-	-
Payables from leases	91.382.450	97.581.653	17.989.610	36.903.385	42.210.749	477.909
Financial lease and factoring payables	12.331.866	12.373.336	12.373.336	-	-	-
Total Liability	25.862.648.524	25.926.953.442	25.683.785.801	176.026.290	64.829.139	2.312.212

Contractual maturities	Notion amount	Total contractual cash outflows (I+II+III+IV)	Less than 3 months (I)	3 - 12 months (II)	1 - 5 years (III)	More than 5 years (IV)
Derivative financial instruments						
Derivative cash inflows	632.686.473	11.410.128.078	11.316.636.578	93.491.500	-	-
Derivative cash outflows	(5.512.712.339)	6.192.779.454	6.077.454.619	115.324.835	-	-

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40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk (cont'd):

31 December 2021						
Contractual maturities	Carrying value	Total contractual cash outflows (I+II+III+IV)	Less than 3 months (I)	3 - 12 months (II)	1 - 5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Bank loans	1.186.140.640	1.192.918.260	1.080.920.286	97.231.220	13.324.954	1.441.800
Trade payables	5.841.748.222	5.867.990.919	5.840.700.042	27.290.877	-	-
Other Payables	62.214.980	62.338.047	60.327.211	-	2.010.836	-
Payables to Stock Exchange Money Markets	2.073.579.022	2.279.676.931	2.279.676.931	-	-	-
Funds from commercial paper	1.353.539.644	1.378.040.000	1.378.040.000	-	-	-
Payables from leases	60.334.852	64.309.009	5.802.979	18.666.917	39.723.380	115.733
Financial lease and factoring payables	7.844.396	7.942.687	4.179.212	3.763.475	-	-
Total Liability	10.585.401.756	10.853.215.852	10.649.646.660	146.952.489	55.059.170	1.557.533
Contractual maturities	Notion amount	Total contractual cash outflows (I+II+III+IV)	Less than 3 months (I)	3 - 12 months (II)	1 - 5 years (III)	More than 5 years (IV)
Derivative financial instruments						
Derivative cash inflows	2.238.158.345	7.810.722.586	7.551.987.640	34.467.789	224.267.157	-
Derivative cash outflows	(2.761.938.521)	6.890.155.192	6.889.999.034	-	156.158	-

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40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk:

Foreign currency risk is the risk of volatility in the foreign currency denominated monetary assets, monetary liabilities and off-balance sheet liabilities due to changes in currency exchange rates. The breakdown of the Group's foreign currency denominated monetary assets and monetary liabilities as of December 31, 2022 and 2021 are as follows:

	31 December 2022					
	TL Equivalent (Functional currency)	USD	EURO	GBP	JPY	OTHER
1. Trade receivables	2.329.528.402	120.133.133	3.942.096	235.615	95	8.143
2a. Monetary financial assets	528.402.807	25.801.259	1.890.615	27.646	171.321	2.342.645
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	2.315.727	110.177	13.071	-	-	-
4. Current assets	2.860.246.936	146.044.569	5.845.782	263.261	171.416	2.350.788
5. Trade receivables	120	-	6	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7. Other	3.944.263	154.015	53.396	-	-	-
8. Non-current asset	3.944.383	154.015	53.402	-	-	-
9. Total Assets	2.864.191.319	146.198.584	5.899.184	263.261	171.416	2.350.788
10. Trade payables	2.204.529.966	112.538.414	4.806.634	201.305	73	4.407
11. Financial Liabilities	86.308.203	4.616.169	-	-	-	-
12a. Other monetary liabilities	159.043.643	8.533.760	1.410	-	-	-
12b. Other non-monetary liabilities	775.699	41.486	-	-	-	-
13. Short Term Liabilities	2.450.657.511	125.729.829	4.808.044	201.305	73	4.407
14. Trade payables	-	-	-	-	-	-
15. Financial liabilities	-	-	-	-	-	-
16a. Other monetary liabilities	-	-	-	-	-	-
16b. Other non-monetary liabilities	483.351	25.850	-	-	-	-
17. Long Term Liabilities	483.351	25.850	-	-	-	-
18. Total Liabilities	2.451.140.862	125.755.679	4.808.044	201.305	73	4.407
19. Off-balance sheet derivative instruments' net asset/ (liability) position (19a - 19b)	(39.881.827)	(7.756.505)	1.612.044	437.677	(14.486.805)	341.514
19a. The amount of long-position off-balance sheet derivative instruments denominated in foreign currency	8.000.478.603	208.215.979	13.154.013	1.925.769	226.268.745	60.916.336
19b. The amount of short-position off-balance sheet derivative instruments denominated in foreign currency	8.040.360.430	215.972.484	11.541.969	1.488.092	240.755.550	60.574.822
20. Net foreign currency asset/ (liability) position	373.168.630	12.686.400	2.703.184	499.633	(14.315.462)	2.687.895
21. Net foreign currency asset/(liability) position of monetary items (1+2a+5+6a- 10-11-12a-14-15-16a)	408.049.517	20.246.049	1.024.673	61.956	171.343	2.346.381

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40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk: (cont'd)

	31 December 2021					
	TL Equivalent (Functional currency)	USD	EURO	GBP	JPY	OTHER
1. Trade receivables	1.884.452.819	138.079.162	5.974.760	282.937	-	52.115
2a. Monetary financial assets	424.967.344	27.238.752	4.240.417	40.778	2.454.640	2.468.446
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	3.680.549	252.259	22.788	-	-	22.402
4. Current assets	2.313.100.712	165.570.173	10.237.965	323.715	2.454.640	2.542.963
5. Trade receivables	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7. Other	798.426	20	53.162	-	-	5.000
8. Non-current asset	798.426	20	53.162	-	-	5.000
9. Total Assets	2.313.899.138	165.570.193	10.291.127	323.715	2.454.640	2.547.963
10. Trade payables	1.819.577.082	132.636.480	6.348.224	268.221	-	136.747
11. Financial Liabilities	80.334.513	6.158.572	28.045	-	-	-
12a. Other monetary liabilities	159.823.669	11.872.449	570.784	-	-	17.004
12b. Other non-monetary liabilities	91.914	7.083	-	-	-	-
13. Short Term Liabilities	2.059.827.178	150.674.584	6.947.053	268.221	-	153.751
14. Trade payables	-	-	-	-	-	-
15. Financial liabilities	1.441.800	111.100	-	-	-	-
16a. Other monetary liabilities	-	-	-	-	-	-
16b. Other non-monetary liabilities	155.892	12.013	-	-	-	-
17. Long Term Liabilities	1.597.692	123.113	-	-	-	-
18. Total Liabilities	2.061.424.870	150.797.697	6.947.053	268.221	-	153.751
19. Off-balance sheet derivative instruments' net asset/(liability) position (19a - 19b)	(172.595.966)	(9.905.528)	(331.351)	280.925	(99.418.326)	(1.474.672)
19.a The amount of long-position off-balance sheet derivative instruments denominated in foreign currency	9.855.756.329	379.215.121	56.666.667	8.137.569	235.453.688	881.385.789
19.b The amount of short-position off-balance sheet derivative instruments denominated in foreign currency	10.028.352.295	389.120.649	56.998.018	7.856.644	334.872.014	882.860.461
20. Net foreign currency asset/(liability) position	79.878.302	4.866.968	3.012.723	336.419	(96.963.686)	919.540
21. Net foreign currency asset/(liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	248.243.099	14.539.313	3.268.124	55.494	2.454.640	2.366.810

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40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk: (cont'd)

Based on the positions of statements of financial position as of December 31, 2022 and 2021, if the value the Turkish Lira would increase or decrease by 10% against other hard currencies assuming each other variables remained constant, the Group's net profit or loss would change due to foreign currency gains or losses of financial assets and liabilities denominated in foreign currencies as follows:

31 December 2022				
Type of risk	Risk rate	Direction of risk	Effect on net profit	Effect on equity
Foreign currency risk	10%	Increase	24.528.946	24.528.946
		Decrease	(24.527.211)	(24.527.211)
31 December 2021				
Type of risk	Risk rate	Direction of risk	Effect on net profit	Effect on equity
Foreign currency risk	10%	Increase	(6.915.192)	(6.915.192)
		Decrease	1.006.392	1.006.392

Capital adequacy requirement

As of December 31, 2022, under the "V Series No. 34" communique the wide authority brokerage company must have minimum equity of TL 31.331.603 (As of December 31, 2021, TL 29.216.340), to perform portfolio management, investment advisory, to take back the securities (repo) or sell (reverse repo) and purchase and sale, credit securities lending, short selling and securities import and export transactions, IPO underwriting, trading through, leveraged trading intermediation and brokerage of derivatives in derivatives market.

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41. FINANCIAL INSTRUMENTS

Categories of Financial Instruments:

31 December 2022	Other financial assets measured with effective interest method	Loans and receivables	Available for sale financial assets	Financial assets and liabilities at fair value through profit or loss	Other financial liabilities measured with effective interest method	Carrying amount	Fair value	Note
Financial assets								
Cash and cash equivalents	530.607.658	-	-	215.087.812	-	745.695.470	745.695.470	7
Trade receivables	-	18.424.791.949	-	-	-	18.424.791.949	18.424.791.949	11
Financial investments	100.000	-	179.866.957	14.668.875.078	-	14.848.842.035	14.848.842.035	8
Derivatives	-	-	-	52.050.574	-	52.050.574	52.050.574	39
Financial liabilities								
Financial liabilities	-	-	-	-	10.416.638.802	10.416.638.802	10.416.638.802	9
Trade payables	-	-	-	-	15.369.430.443	15.369.430.443	15.369.430.443	11
Other financial liabilities	-	-	-	-	-	-	-	10
Derivatives	-	-	-	974.751.564	-	974.751.564	974.751.564	39
31 December 2021								
Financial assets								
Cash and cash equivalents	1.538.653.791	-	-	13.840.018	-	1.552.493.809	1.552.493.809	7
Trade receivables	-	8.424.740.854	-	-	-	8.424.740.854	8.424.740.854	11
Financial investments	44.615.703	-	70.233.526	2.909.060.021	-	3.023.909.250	3.023.909.250	8
Derivatives	-	-	-	106.295.153	-	106.295.153	106.295.153	39
Financial liabilities								
Financial liabilities	-	-	-	-	4.681.438.554	4.681.438.554	4.681.438.554	9
Trade payables	-	-	-	-	5.841.748.222	5.841.748.222	5.841.748.222	11
Other financial liabilities	-	-	-	150.719	-	150.719	150.719	10
Derivatives	-	-	-	211.472.975	-	211.472.975	211.472.975	39

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41. FINANCIAL INSTRUMENTS (cont'd)

Fair Value of Financial Instruments:

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

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 develop the estimated fair value. Accordingly, the estimates presented herein may not necessarily be indicative of the amounts the Group could realize in a current market exchange.

There is no active market for loans to obtain available comparative market price and these instruments are discounted or subject to transaction costs when they are sold or utilized before their maturities. Fair value of these instruments could not be estimated due to the lack of necessary reliable market data. Accordingly, the carrying amount of such instruments is deemed to be a consistent indicator of the fair value.

The following methods and assumptions are used to estimate the fair value of each class of financial instrument for which it is practicable to estimate fair value:

Financial Assets:

Carrying amounts of financial assets measured at amortized cost including cash and cash equivalents and other financial assets approximate their fair values due to their short-term nature and the assumption of immaterial potential losses in exchange of these assets.

Market prices are used in determination of fair values of government bonds, treasury bills and equity shares.

Financial Liabilities:

The carrying amount of monetary liabilities approximates their fair values due to their short-term nature. Variable rate long-term bank loans in recent history have been recently repriced therefore fair value is assumed to approximate their carrying values.

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41. FINANCIAL INSTRUMENTS (cont'd)

Fair Value of Financial Instruments: (cont'd)

Valuation methods of the financial instruments carried at fair value:

31 December 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss				
Equity shares	10.803.479.367	-	-	10.803.479.367
Government bonds and treasury bills	172.839.678	-	-	172.839.678
Private sector bonds	115.191.571	-	-	115.191.571
Mutual funds	3.284.157.632	-	-	3.284.157.632
Foreign currency securities	293.206.830	-	-	293.206.830
Income accruals of derivative instruments	29.668.179	22.382.395	-	52.050.574
Financial assets at fair value through profit or loss	153.210.005	26.640.068	-	179.850.073
Financial liabilities				
Other financial liabilities				
Liabilities of derivative instruments	12.782.219	961.969.345	-	974.751.564
31 December 2021				
Financial assets				
Financial assets at fair value through profit or loss				
Equity shares	2.234.487.694	-	-	2.234.487.694
Government bonds and treasury bills	407.631	-	-	407.631
Private sector bonds	195.646.112	-	-	195.646.112
Mutual funds	366.337.742	-	-	366.337.742
Foreign currency securities	112.180.842	-	-	112.180.842
Income accruals of derivative instruments	90.429.867	15.865.286	-	106.295.153
Financial assets at fair value through profit or loss	43.576.574	26.640.068	-	70.216.642
Financial liabilities				
Other financial liabilities				
Liabilities of derivative instruments	99.729.610	111.743.365	-	211.472.975

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41. FINANCIAL INSTRUMENTS (cont'd)

Fair Value of Financial Instruments: (cont'd)

The fair value of financial assets and liabilities are determined as follows:

First level: Implies that in determining the fair values of assets and liabilities, active market trading price is used for valuation purposes.

Second level: Implies that in determining the fair values of assets and liabilities, should other market price be observed other than first degree market prices, then observed market price is used for valuation purposes.

Third level: Implies that in determining the fair values of assets and liabilities, data not based on market observation is used for valuation purposes.

42. EVENTS AFTER THE REPORTING PERIOD

None.

43. FEES FOR SERVICES RECEIVED FROM THE INDEPENDENT AUDITOR'S

	1 January - 31 December 2022	1 January - 31 December 2021
Independent audit fee for the reporting period	1.730.033	637.766
Fees for tax certification consultancy services	767.493	73.000
The fee for other assurance services	111.250	45.914
Fee for other assurance services	21.600	-
Total	2.630.375	756.680

44. OTHER ISSUES THAT SIGNIFICANTLY EFFECT THE CONSOLIDATED FINANCIAL STATEMENTS OR OTHER ISSUES REQUIRED FOR THE CLEAR UNDERSTANDING OF CONSOLIDATED FINANCIAL STATEMENTS

None.

İŞ YATIRIM



FAALİYET RAPORU 2022