

İŞ YATIRIM ORTAKLIĐI ANONİM ŐİRKETİ

Financial Statements
As of and For the Year
Ended December 31, 2023
With Independent Auditors' Report Thereon

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



Güney Bağımsız Denetim ve SMMM A.Ş.
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(Convenience translation of a report and financial statements originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of İş Yatırım Ortaklığı A.Ş.

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of İş Yatırım Ortaklığı A.Ş. (the Company), which comprise the statement of financial position as of December 31, 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards (TFRS).

Basis for Opinion

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



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Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<p>Application of the hyperinflationary accounting</p> <p>As stated in 2.1.2 to the financial statements, the Company has started to apply “TAS 29 Financial Reporting in Hyperinflation Economies” since the functional currency of the Group (Turkish Lira) is the currency of a hyperinflationary economy as per TAS 29 as of December 31, 2023.</p> <p>In accordance with TAS 29, financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish Lira and, as a result, are expressed in terms of purchasing power of Turkish Lira as of the reporting date.</p> <p>In accordance with the guidance in TAS 29, the Company utilised the Turkey consumer price indices to prepare inflation adjusted financial statements. The principles applied for inflation adjustment is explained in 2.1.2</p> <p>Given the significance of the impact of TAS 29 on the reported result and financial position of the Company, we have assessed the hyperinflation accounting as a key audit matter.</p>	<p>Our audit procedures included the following;</p> <ul style="list-style-type: none"> • We inquired management responsible for financial reporting on the principles, which they have considered during the application of TAS 29, identification of non-monetary accounts and tested TAS 29 models designed, • We have tested the inputs and indices used, to ensure completeness and accuracy of the calculations, • We have audited the restatements of corresponding figures as required by TAS 29, • We assessed the adequacy of the disclosures in inflation adjusted financial statements for compliance with TAS 29.

Responsibilities of Management and Those Charged with Governance Relating to the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.



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

Report on Other Legal and Regulatory Requirements

- 1) Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on February 22, 2024.
- 2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period January 1 - December 31, 2023 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.
- 3) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Fatih Polat.

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



Fatih Polat, SMMM
Partner

February 22, 2024
İstanbul, Türkiye

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İŞ YATIRIM ORTAKLIĞI A.Ş.

Convenience Translation of Notes to the Financial Statements

For the Year Ended December 31, 2023

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)*(All amounts are expressed in terms of purchasing power of Turkish Lira as of December 31, 2023, unless otherwise stated.)*

	<i>Notes</i>	<i>Audited</i>	<i>Audited</i>
		December 31, 2023	December 31, 2022
ASSETS			
Current Assets		372.174.970	526.537.971
Cash and cash equivalents	3	85.284.031	63.668.468
Investment securities	4	272.940.674	421.496.702
Trade receivables	7	13.882.448	41.317.238
Prepayments	13	67.817	55.563
<i>Prepayment expenses to related parties</i>	<i>6,13</i>	<i>67.817</i>	<i>55.563</i>
Non-current Assets		822.968	2.119.090
Investment securities	4	25	25
Tangible assets	9	122.839	138.923
Right of use assets	10	506.345	1.673.673
Intangible fixed assets	11	193.759	306.469
TOTAL ASSETS		372.997.938	528.657.061
LIABILITIES			
Short Term Liabilities		4.474.742	9.365.805
Short-term portion of long-term borrowings	5	181.551	790.127
<i>-Borrowings to related parties</i>	<i>5,6</i>	<i>-</i>	<i>540.999</i>
<i>-Borrowings to third parties</i>	<i>5</i>	<i>181.551</i>	<i>249.128</i>
Trade payables	6,7	3.550.324	7.929.318
<i>-Due to related parties</i>	<i>6</i>	<i>3.550.324</i>	<i>7.929.318</i>
Other payables	6,8	59.184	48.483
<i>-Other payables from related parties</i>	<i>6</i>	<i>59.184</i>	<i>48.483</i>
Short-term provisions	12,14	392.740	360.525
<i>-Provisions for employee benefits</i>	<i>12,14</i>	<i>392.740</i>	<i>360.525</i>
Other Current Liabilities	15	290.943	237.352
Long Term Liabilities		1.222.167	1.922.579
Long-term borrowings	5,6	140.283	530.480
Long-term provisions	12,14	1.081.884	1.392.099
<i>-Provisions for employee benefits</i>	<i>12,14</i>	<i>1.081.884</i>	<i>1.392.099</i>
EQUITY		367.301.029	517.368.677
Paid-in capital	16	160.599.284	160.599.284
Inflation adjustment to share capital	16	2.142.568.006	2.142.568.006
Share Premium	16	635.142	635.142
Other comprehensive income/(expense) not to be reclassified to profit or loss	16	(711.964)	(575.221)
<i>- Actuarial gains/ (losses) on defined benefit plans</i>	<i>16</i>	<i>(711.964)</i>	<i>(575.221)</i>
Restricted reserves	16	476.402.728	463.061.212
Retained earnings	16	(2.344.572.972)	(2.113.382.228)
Profit for the period		(67.619.195)	(135.537.518)
TOTAL LIABILITIES AND EQUITY		372.997.938	528.657.061

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

İŞ YATIRIM ORTAKLIĞI A.Ş.

Convenience Translation of Notes to the Financial Statements

For the Year Ended December 31, 2023

STATEMENT OF PROFIT OR LOSS*(All amounts are expressed in terms of purchasing power of Turkish Lira as of December 31, 2023, unless otherwise stated.)*

		<u>Audited</u> January 1 - December 31, 2023	<u>Audited</u> January 1 - December 31, 2022
Revenue	17	643.970.328	569.026.710
Cost of Sales (-)	18	(486.756.720)	(403.329.702)
Gross Profit (Loss)		157.213.608	165.697.008
Administrative Expenses (-)	19	(20.647.550)	(14.878.800)
Other Operating Income	20	254.423	777.489
Operating Profit/(Loss)		136.820.481	151.595.697
Impairment Gains (Losses) Determined in Accordance with TFRS 9 and Cancellation of Impairment Losses	21	(362.718)	478.884
Operating Profit/Loss Before Finance Cost		136.457.763	152.074.581
Financial Expense (-)	22	(198.656)	(261.107)
Net Monetary Position Gains/(Loss)		(203.878.302)	(287.350.992)
Profit Before Taxation from Continuing Operations		(67.619.195)	(135.537.518)
Income Tax from Continuing Operations	2	-	-
Profit/(Loss) For the Period		(67.619.195)	(135.537.518)
Earnings/(Loss) Per Share	23	(0,4210)	(0,8439)

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

İŞ YATIRIM ORTAKLIĞI A.Ş.

Convenience Translation of Notes to the Financial Statements

For the Year Ended December 31, 2023

STATEMENT OF OTHER COMPREHENSIVE INCOME*(All amounts are expressed in terms of purchasing power of Turkish Lira as of December 31, 2023, unless otherwise stated.)*

		<u>Audited</u> January 1 - December 31, 2023	<u>Audited</u> January 1 - December 31, 2022
Profit / (Loss) For the Period	Notes	(67.619.195)	(135.537.518)
Other Comprehensive Income / (Loss):			
Other Comprehensive Income or Expenses that not be Reclassified Subsequently to Profit or Loss:			
		(136.743)	(575.221)
Accumulated Profit/(Loss) On			
Remeasurement of Defined Benefit Plans	16	(136.743)	(575.221)
To be Reclassified as Profit or Loss			
		-	-
Other Comprehensive Income / (Loss)			
		(136.743)	(575.221)
Total Comprehensive Income / (Loss) :			
		(67.755.938)	(136.112.739)
Earnings/(Loss) Per Share			
	23	(0,4219)	(0,8475)

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

İŞ YATIRIM ORTAKLIĞI A.Ş.

Convenience Translation of Notes to the Financial Statements

For the Year Ended December 31, 2023

STATEMENT OF CHANGES IN EQUITY*(All amounts are expressed in terms of purchasing power of Turkish Lira as of December 31, 2023, unless otherwise stated.)*

	<i>Notes</i>	Paid-in capital	Inflation adjustment to share capital	Share premium	Accumulated Other Comprehensive Income or Loss Not Reclassified Through or Loss	Restricted reserves	Retained earnings	Profit for the period	Equity
Balances at January 1, 2022		160.599.284	2.142.568.006	635.142	-	447.532.241	(2.009.363.178)	-	741.971.495
Transfers	<i>13</i>	-	-	-	-	15.528.971	(15.528.971)	-	-
Period Profit/(Loss)	<i>13</i>	-	-	-	-	-	-	(135.537.518)	(135.537.518)
Other comprehensive income		-	-	-	(575.221)	-	-	-	(575.221)
Dividends paid		-	-	-	-	-	(88.490.079)	-	(88.490.079)
Balances at December 31, 2022		160.599.284	2.142.568.006	635.142	(575.221)	463.061.212	(2.113.382.228)	(135.537.518)	517.368.677
Balances at January 1, 2023		160.599.284	2.142.568.006	635.142	(575.221)	463.061.212	(2.113.382.228)	(135.537.518)	517.368.677
Transfers	<i>13</i>	-	-	-	-	13.341.516	(148.879.034)	135.537.518	-
Period Profit/(Loss)	<i>13</i>	-	-	-	-	-	-	(67.619.195)	(67.619.195)
Other comprehensive income		-	-	-	(136.743)	-	-	-	(136.743)
Dividends paid		-	-	-	-	-	(82.311.710)	-	(82.311.710)
Balances at December 31, 2023		160.599.284	2.142.568.006	635.142	(711.964)	476.402.728	(2.344.572.972)	(67.619.195)	367.301.029

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

İŞ YATIRIM ORTAKLIĞI A.Ş.

Convenience Translation of Notes to the Financial Statements

For the Year Ended December 31, 2023

STATEMENT OF CASH FLOWS*(All amounts are expressed in terms of purchasing power of Turkish Lira as of December 31, 2023, unless otherwise stated.)*

		<i>Audited</i>	<i>Audited</i>
	<i>Notes</i>	January 1 - December 31, 2023	January 1 - December 31, 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period		(67.619.195)	(135.537.518)
Adjustments for depreciation and amortization expense	9,10,11	1.673.543	1.236.156
Adjustments for impairment loss (reversal of impairment loss)	3,4,21	362.718	(478.884)
Adjustments for provisions	12,14	707.930	368.521
Adjustments for dividends (income) expenses	17	(2.923.640)	(222.618)
Expenses (Income) from Participation Share and Other Financial Instruments	17,18	(74.815.345)	(61.468.946)
Adjustments for interest (income) expenses	17,22	(38.101.023)	(50.751.473)
- <i>Adjustments for interest expense</i>	17	(38.299.679)	(51.012.580)
- <i>Adjustments for interest income</i>	22	198.656	261.107
Adjustment related to unrealized foreign currency translation differences	17	(13.281.936)	(55.919.951)
Adjustments for fair value losses (gains)	17	(48.525.911)	(30.955.740)
Adjustments to reconcile profit (loss)	3,4,5,17,21	12.556.105	4.875.507
Adjustments for monetary (gain) / loss		139.293.060	241.505.057
Changes in the working capital		103.483.678	(47.774.876)
Decrease (Increase) in Financial Investments	4,17,18	93.388.411	(53.143.480)
Adjustments for decrease (increase) in trade accounts receivable	7	11.192.812	(1.750.829)
Adjustments for Decrease (Increase) in Other Receivables Related with Operations	6,8	-	64.790
- <i>Decrease (Increase) in Other Related Party Receivables Related with Operations</i>		-	64.790
Decrease (Increase) in Prepaid Expenses	13	(12.254)	(17.702)
Adjustments for increase (decrease) in trade accounts payable	6,7	(1.261.946)	6.940.270
<i>Increase (Decrease) in Trade Accounts Payables to Unrelated Parties</i>	6,7	(1.261.946)	6.940.270
Adjustments for increase (decrease) in other operating payables	6,8	29.760	28.367
Adjustments for Changes in Working Capital	15	146.895	103.708
Cash Flows from (used in) Operations		12.809.984	(135.124.765)
Dividends received	17	2.923.640	222.618
Interest Received	17	37.740.707	51.139.417
Payments related with provisions for employee benefits	14	(433.709)	(78.134)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
		(43.071)	(308.886)
Acquisition of tangible assets and intangible assets	9,11	(43.071)	(308.886)
- <i>Cash out flow from acquisition of tangible assets</i>	9	(37.540)	(63.746)
- <i>Cash out flow from acquisition of intangible assets</i>	11	(5.531)	(245.140)
C. CASH FLOWS FROM FINANCING OPERATIONS			
		(83.179.065)	(89.251.519)
Cash outflows related to debt payments resulting from lease agreements	5	(867.355)	(761.440)
Dividends paid	16	(82.311.710)	(88.490.079)
NET INCREASE ON CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF EXCHANGE RATE FLUCTUATIONS		(30.181.514)	(173.401.269)
D.EFFECT OF MONETARY (LOSS) ON CASH AND CASH EQUIVALENTS		38.108.083	48.032.212
E.EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS		13.281.936	55.919.951
NET INCREASE / DECREASE IN THE CASH AND CASH EQUIVALENTS		21.208.505	(69.449.106)
F.CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD		63.811.223	133.360.329
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		85.119.728	63.911.223

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

İŞ YATIRIM ORTAKLIĞI A.Ş.

Convenience Translation of Notes to the Financial Statements

For the Year Ended December 31, 2023

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are expressed in terms of purchasing power of Turkish Lira as of December 31, 2023, unless otherwise stated.)

1. ORGANISATION AND OPERATIONS OF THE COMPANY

The purpose of İş Yatırım Ortaklığı A.Ş. (The Company) is to perform capital market activities compliant with the Articles of Association and Capital Markets Law and the related regulation.

The Company was established in 1995 and operates in İş Kuleleri Kule 1, Kat: 5 Levent / İstanbul. The main shareholder of the Company is İş Yatırım Menkul Değerler A.Ş which is a subsidiary of Türkiye İş Bankası A.Ş. The Company was offered to the public on April 1, 1996. The Company's operational activity is portfolio management, and as of December 31, 2023, the number of employees of the Company is 6 (December 31, 2022: 5). The Company has no participations, subsidiaries, or joint ventures. İş Portföy Yönetimi A.Ş. professionally manages the Company's portfolio following the principle of risk diversification.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Accounting principles and statement of compliance to TAS

The Company prepared the financial statements for the year ended as of December 31, 2023, congruent with the Communiqué Serial Number II, No:14.1, “Communiqué of Financial Reporting in Capital Markets” (“Communiqué”) issued by the Capital Market Board (“CMB”) at Official Gazette dated June 31, 2013, and numbered 28676, and in compliance with the Turkish Accounting Standards (“TAS”) which was communicated by Public Oversight Accounting and Auditing Standards Agency (“POA”). TAS, Turkish Accounting Standards, comprises Turkish Financial Reporting Standards (TFRS)’ and its supplements and interpretations.

The financial statements and their explanatory notes have been prepared to benefit the announcement regarding CMB’s Communiqué. As of December 31, 2023, the statement of financial position, statement of profit or loss, other comprehensive income, and notes to the financial statements for the year ended of the Company have been approved by the Board of Directors of the Company on February 22, 2024. General Assembly has the power to amend the financial statements after they are issued.

2.1.2 Financial reporting in hyperinflationary economy

Entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after December 31, 2023 with the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on November 23, 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

The accompanying financial statements are prepared on a historical cost basis, except for measured at fair value and measured at revalued amounts.

Financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish lira and, as a result, are expressed in terms of purchasing power of Turkish lira as of December 31, 2023 as per TAS 29.

İŞ YATIRIM ORTAKLIĞI A.Ş.

Convenience Translation of Notes to the Financial Statements

For the Year Ended December 31, 2023

NOTES TO THE FINANCIAL STATEMENTS*(All amounts are expressed in terms of purchasing power of Turkish Lira as of December 31, 2023, unless otherwise stated.)***2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)****2.1 Basis of Presentation (continued)****2.1.2 Financial reporting in hyperinflationary economy (continued)**

On the application of TAS 29, the entity used the conversion coefficient derived from the Customer Price Indexes (CPI) published by Turkey Statistical Institute according to directions given by POA. The CPI for current and previous year periods and corresponding conversion factors since the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e., since January 1, 2005, were as follow:

Year end	Index	Index %	Conversion Factor
2004	113,86	9,35	16,33
2005	122,65	7,72	15,16
2006	134,49	9,65	13,83
2007	145,77	8,39	12,76
2008	160,44	10,06	11,59
2009	170,91	6,53	10,88
2010	181,85	6,40	10,22
2011	200,85	10,45	9,26
2012	213,23	6,16	8,72
2013	229,01	7,40	8,12
2014	247,72	8,17	7,51
2015	269,54	8,81	6,90
2016	292,54	8,53	6,36
2017	327,41	11,92	5,68
2018	393,88	20,30	4,72
2019	440,50	11,84	4,22
2020	504,81	14,60	3,68
2021	686,95	36,08	2,71
2022	1.128,45	64,27	1,65
2023	1.859,38	64,77	1,00

İŞ YATIRIM ORTAKLIĞI A.Ş.

Convenience Translation of Notes to the Financial Statements

For the Year Ended December 31, 2023

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are expressed in terms of purchasing power of Turkish Lira as of December 31, 2023, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.1 Basis of Presentation (continued)

2.1.2 Financial reporting in hyperinflationary economy (continued)

Assets and liabilities were separated into those that were monetary and non-monetary, with non-monetary items were further divided into those measured on either a current or historical basis to perform the required restatement of financial statements under TAS 29. Monetary items (other than index -linked monetary items) and non-monetary items carried at amounts current at the end of the reporting period were not restated because they are already expressed in terms of measuring unit as of December 31, 2023. Non-monetary items which are not expressed in terms of measuring unit as of December 31, 2023 were restated by applying the conversion factors.

The restated amount of a non monetary item was reduced, in accordance with appropriate TFRSs, in cases where it exceeds its recoverable amount or net realizable value. Components of shareholders' equity in the statement of financial position and all items in the statement of profit or loss and other comprehensive income have also been restated by applying the conversion factors.

Non-monetary items measured at historical cost that were acquired or assumed and components of shareholders' equity that were contributed or arose before the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e before January 1, 2005, were restated by applying the change in the CPI from January 1, 2005 to December 31, 2023.

The application of TAS 29 results in an adjustment for the loss of purchasing power of the Turkish lira presented in Net Monetary Position Gains (Losses) item in the profit or loss section of the statement of profit or loss and comprehensive income. In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power and an entity with an excess of monetary liabilities over monetary assets gains purchasing power to the extent the assets and liabilities are not linked to a price level. This gain or loss on the net monetary position is derived as the difference resulting from the restatement of non monetary items, owners' equity and items in the statement of profit or loss and other comprehensive income and the adjustment of index linked assets and liabilities.

In addition, in the first reporting period in which TAS 29 is applied, the requirements of the Standard are applied as if the economy had always been hyperinflationary. Therefore, the statement of financial position at the beginning of the earliest comparative period, i.e as of January 1, 2022, was restated as the base of all subsequent reporting. Restated retained earnings/losses in the statement of financial position as of January 1, 2022 was derived as balancing figure in the restated statement of financial position.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.1 Basis of Presentation (continued)

2.1.3 Functional and presentation currency

The financial statements of the Company are presented in the functional currency, which is the primary economic environment in which it operates. The financial position and results of operations of the Company are expressed in Turkish Lira ("TL"), which is the reporting currency for the financial statements.

2.1.4 Comparative information and restatements on prior year's financial statements

In maintaining its accounting records and preparing its statutory financial statements, the Company complies with the principles and conditions issued by the Capital Markets Board (SPK), applicable commercial law and regulations, and the announcements of the SPK.

The Company's financial statements for the period ending on December 31, 2023, are prepared comparatively with the prior period to provide information on the Company's financial position and performance. To comply with the presentation of the current period financial statements, comparative data is reclassified when necessary and significant differences are explained. The Company has prepared the statement of financial position as of December 31, 2022, comparatively with the ending on December 31, 2022. The following statements are compared to the accounting period ending on December 31, 2022: Profit and Loss, Other Comprehensive Income, Cash Flow, and Changes in Equity

If necessary, comparative information is reorganized to ensure consistency with the presentation of the current period financial statements.

2.1.5 Changes in Accounting Policies and Errors

Significant changes in accounting policies and significant accounting errors are corrected retrospectively, and the financial statements of the previous period are rearranged. The Company does not have any considerable accounting errors detected in the current period, and there are no changes in accounting policies except for the new and amended TFRS standards and TFRYK interpretations effective as of January 1, 2023.

2.1.6 Changes in Accounting Estimates

Changes in accounting estimates are applied in the current period if the difference is related to only one period. If they are related to future periods, they are applied both in the period in which the change is made and in the coming periods, prospectively. There has been no significant change in the accounting estimates of the company in the current period.

2.1.7 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the financial statements as of December 31, 2023 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, 2023 and thereafter. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.1 Basis of Presentation (continued)

2.1.7 The new standards, amendments and interpretations (continued)

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

Amendments to TAS 8 - Definition of Accounting Estimates

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

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

Amendments to TAS 1 - Disclosure of Accounting Policies

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

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

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

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

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

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.1 Basis of Presentation (continued)

2.1.7 The new standards, amendments and interpretations (continued)

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

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments. However, certain disclosure requirements are not required to be applied for any interim period ending on or before December 31, 2023.

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

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 financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the 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 Company 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. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2025 with the announcement made by the POA.

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

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.1 Basis of Presentation (continued)

2.1.7 The new standards, amendments and interpretations (continued)

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

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

In January 2021 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 January 1, 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 standard is not applicable for the Company and will not have an impact on the financial position or performance of the Company.

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 recognize 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 recognize 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 January 1, 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 amendments are not applicable for the Company and will not have an impact on the financial position or performance of the Company.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.1 Basis of Presentation (continued)

2.1.7 The new standards, amendments and interpretations (continued)

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments will be effective for annual reporting periods beginning on or after January 1, 2024. Early adoption is permitted but will need to be disclosed.

The amendments are not applicable for the Company and will not have an impact on the financial position or performance of the Company.

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

The following amendments to IAS 21 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Company will make the necessary changes to its financial statements after the amendments are issued and become effective under TFRS.

Amendments to IAS 21 - Lack of exchangeability

In August 2023, IASB issued amendments to IAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are not applicable for the Company and will not have an impact on the financial position or performance of the Company.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.1 Basis of Presentation (continued)

2.1.8 Summary of Significant Accounting Policies

Revenues and cost of sales

The Company revenue consists of securities, redeem and interest income, dividends, net valuation gain / (loss), and derivative income /expenses. Income on security sales and purchases are recorded as income in the profit or loss statement. On the settlement date of the transaction, dividends and similar revenues from share certificates are recognized when the shareholders' rights to receive payment have been established. Interest income, commission expenses, and other expenses are recognized as income on an accrual basis. Interest income includes the fixed-rate coupon payments, time deposit, interest income from money market placements and reverse repurchase agreements, and income from trading securities are given as collateral.

Costs of sales consist of sales of securities in the portfolio, commission, and clearing expenses. Commission expenses are realized on an accrual basis.

Fees and commissions

Fee and commissions mainly include commissions given to İş Yatırım Menkul Değerler A.Ş. which is a brokerage company, and to İş Portföy Yönetimi A.Ş. as portfolio management fees. All fees and commissions are recognized in profit or loss on an accrual basis.

Tangible fixed assets

Tangible fixed assets are presented at the amount after deducting accumulated depreciation and accumulated impairment from the inflation-adjusted cost value.

Depreciation

Tangible assets are depreciated principally on a straight-line basis considering estimated useful lives. Estimated useful lives, residual value and depreciation method are reviewed every year to estimate the possible effects of changes and if there is a change in estimation, revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The estimated useful lives of tangible assets are as follows:

Tangible Assets	Estimated Useful Life (Years)
Furniture and fixtures	3 - 10 years
Leasehold improvements	5 years

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.1 Basis of Presentation (continued)

2.1.8 Summary of Significant Accounting Policies (continued)

Tangible fixed assets (continued)

Subsequent costs

The costs of replacing a component of an item of tangible asset is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. All other costs are recognized in profit or loss as incurred.

Gains and losses of sale of a tangible asset is determined by offsetting the carrying value with recovered amount and recognized through profit or loss in the other operating income / loss account. The useful lives and depreciation method of tangible fixed assets are reviewed at each reporting period and adjusted if it necessary.

Intangible assets

Intangible assets are stated at cost adjusted for the effects of inflation are recorded at their acquisition cost less accumulated depreciation and accumulated impairment losses. Intangible assets are amortized principally on a straight-line basis considering the estimated useful lives. Estimated useful lives and depreciation method are reviewed every year to estimate the possible effects of changes and changes in estimation accounted for prospectively. Intangible assets are comprised of information technologies and computer software. Purchased computer software are capitalized on purchasing costs incurred during the purchase and until they are ready to use. Intangible assets are amortized over their estimated useful lives (3 years) from the date of acquisition. The useful lives and depreciation method of intangible fixed assets are reviewed each period and adjusted if it necessary.

Impairment of assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its related cash generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value. Impairment losses are recognized in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.1 Basis of Presentation (continued)

2.1.8 Summary of Significant Accounting Policies (continued)

Borrowing Costs

All borrowing costs are recognized in profit or loss in the period which they are incurred.

Financial instruments

Financial assets

All financial assets are recognized and derecognized on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs except for those financial assets classified at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss’, ‘financial assets measured at amortized cost’, ‘financial assets at fair value through other comprehensive income’.

Effective interest method

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

The income related to financial assets classified other than at fair value through profit or loss is calculated using the effective interest method.

Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category when acquired primarily for the purpose of selling in the short term. Such financial assets also include derivative products that are not designated as an effective hedging instrument.

Financial Assets Measured at Amortized Cost

Trade and other receivables and loans that do not trade in the market and have fixed and determinable payments are classified in this category. Loans and receivables are presented by deducting impairments over their discounted cost using the effective interest method. As of December 31, 2023, the Company does not have any loan transactions (December 31, 2022: None).

As of the end of the reporting period, the Company does not have any financial assets measured at amortized cost.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.1 Basis of Presentation (continued)

2.1.8 Summary of Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are initially recognized at fair value plus the transaction costs that are directly attributable to its acquisition costs. After the initial recognition, financial assets at fair value through other comprehensive income are measured at fair value.

Reverse repurchases agreements

Marketable securities held as part of resale agreement commitments ("reverse repo") are accounted for under cash and cash equivalents in the statement of financial position. The difference between purchase and resale prices is accounted for as interest and amortized during the period of the agreement.

Impairment in Financial Assets

The Company evaluates at each balance sheet period whether there are objective indicators of impairment in a financial asset or group of financial assets. If such an indicator exists, the Company determines the amount of the impairment.

A financial asset or group of financial assets suffers impairment, and an impairment loss occurs only when one or more events ("loss event") occur after the initial recognition of the relevant asset, and the impact of such loss event (or events) on the reliable estimated future cash flows of the relevant financial asset or group of assets is the presence of an objective indicator of impairment. Losses that are likely to occur as a result of future events are not recognized, regardless of the likelihood. When financial assets at fair value through other comprehensive income are impaired, accumulated profit or loss records are withdrawn from equity items and shown in the period net profit/loss. In the accounting periods following the period in which the loss is recorded, if there is an increase in the fair value of the asset, the value increases are accounted for under equity.

During the current period, in accordance with the provisions of the "IFRS 9-Financial Instruments" standard, the Company sets aside expected loss provisions for financial assets monitored at fair value through other comprehensive income and for receivables from bank deposits and the stock exchange money market to which impairment provisions are applied.

Cash and cash equivalents

Cash and cash equivalent items consist of cash monies, demand deposits and the short-term investments, the maturity dates of which are less than 3 months, and which can be readily liquidated, and which do not bear the risk of differential value at substantial amounts, but have a high level of liquidity.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.1 Basis of Presentation (continued)

2.1.8 Summary of Significant Accounting Policies (continued)

Financial instruments (continued)

Financial liabilities

The financial liabilities and equity instruments of the Company are classified on the basis of the contractual arrangements and identification of a financial liability and an instrument indexed on shareholders' equity. The contract, representing the interest at its assets after all payables of the Company are deducted, is a financial instrument indexed on the shareholders' equity. The accounting policies applicable to certain financial liabilities and equity indexed financial instruments are as follows.

Financial liabilities are classified either as the financial liabilities, the fair differential value of which is reflected to the profit or loss, or other financial liabilities.

The Company does not have any financial liability, the fair differential value of which is reflected in the profits or loss.

Other financial liabilities

Other financial liabilities are recognized on the basis of their fair value clear of the transaction costs initially.

Other financial liabilities are recognized on the basis of the amortized cost amount by making use of the effective interest method, together with the interest expense calculated on the basis of the effective rate of interest during the following periods.

Effective interest method is the method for calculating the amortized costs of the financial liability and distribution of the interest expense to the period with which it is associated. Effective interest rate is the rate which reduces the estimated cash payments to be made in future during the expected life of the financial instrument, or during a shorter time interval, if appropriate, fully to the net present value of the financial liability.

Capital

Common stock

Common stock is classified as shareholders' equity. Additional costs that are directly related to issuance of common stock and issuance of stock options are recorded as the decrease at shareholders' equity following the deduction of the tax effect.

All shares are shown as issued capital. Dividends distributed on the basis of the shares are classified as the dividend liability that will be paid by being deducted from the accumulated profits as of the date of distribution of dividends.

Effects of changes in foreign exchange rates

During the course of preparation of the financial statements of the Company, the transactions performed in any foreign currency (the currencies other than TL) are being recorded by taking the exchange rates prevailing at the respective trading date as the basis. The foreign exchange indexed monetary assets and liabilities on the statement of financial position are being converted into TL by making use of the foreign exchange rates announced by the CBRT as of the end of the reporting period.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.1 Basis of Presentation (continued)

2.1.8 Summary of Significant Accounting Policies (continued)

Effects of changes in foreign exchange rates (continued)

The exchange rates used by the Company as of December 31, 2023 and December 31, 2022 are as follows:

	December 31, 2023		December 31, 2022	
	Buying	Selling	Buying	Selling
EUR/TL	32,5739	32,6326	19,9349	19,9708
USD/TL	29,4382	29,4913	18,6983	18,7320

The effects arising from exchange rate movements in the case of having foreign currency assets, liabilities, and off-balance sheet liabilities constitute the exchange rate risk. As of December 31, 2023, the portfolio of the Company consists of Eurobond with a nominal amount of USD 3.250.000, and 111.113.292 mutual fund participation certificates with foreign currency position, and 2.000 USD FX futures contracts (short position) with the maturity of January 31, 2024 (As of December 31, 2022, the portfolio of the Company consists of Eurobond with a nominal amount of USD 6.600.000, and 118.273.292 mutual fund participation certificates with foreign currency position, and 5.450 USD FX futures contracts (short position) with the maturity of January 31, 2023, and 14.000 forward gold contracts (short position) with the maturity of February 28, 2023.).

Earnings per share

Earnings per shares are calculated by dividing profit or loss by the weighted average number of ordinary shares outstanding during the period. 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.

Events after the reporting period

Events after the reporting period represent the events that occur against or on behalf of the Company between the reporting date and the date when statement of financial position was authorized for the issue. If there is evidence of such events as of reporting date or if such events occur after reporting date and if adjustments are necessary, the Company’s financial statements are adjusted according to the new situation. The Company discloses the post-balance sheet events that are not adjusting events but material.

Trade Payables/ Trade Receivables

Trade payables and trade receivables consist of payables and receivables resulting directly from the company’s portfolio management activities. Payables consist of operations such as share swap, brokerage, asset management, are classified as trade payables, and receivables consist of operations such as share swaps, TDE transaction collaterals, derivatives market cash deposit are classified as trade receivables as at reporting date.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.1 Basis of Presentation (continued)

2.1.8 Summary of Significant Accounting Policies (continued)

Related parties

In the accompanying financial statements, key management personnel of the Company and Board of Directors, their family and controlled or dependent companies, associates and subsidiaries are all accepted and referred to as related parties ("Related Parties"). Shareholders, Board of Directors and Audit Committee members are also included in the related parties. Related party transactions are explained as the transfer of the asset and liabilities between institutions with or without a charge.

Provisions, contingent liabilities and contingent assets

According to "TAS 37 - Turkish Accounting Standards on provisions, contingent liabilities and assets" a provision is recognized when the Company has a legal or 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. If the specified criteria are not met, the Company discloses the related issues in the accompanying notes. Contingent assets are disclosed where an inflow of economic benefits is probable and it recognized in the notes.

Segment reporting

Since the Company does not have operating segments, whose operating results are separately reviewed and performances assessed by the decision makers of the Company, no segment reporting information is considered as necessary.

Taxation

Effective from January 1, 2006, in accordance with Article 5/(1)-d of the Corporate Tax Law dated June 21, 2006 and No: 5520, portfolio management income by securities investment funds and trusts founded in Turkey are exempt from corporate tax. This exemption is also applied to the advance corporate tax. This exemption is also applicable to Quarterly Advance Corporate Tax.

Based on Article 15 (3) of the Corporate Tax Law, 15% withholding tax is deducted against the portfolio management income, which is exempt from tax, whether it is distributed or not. The Council of Ministers is authorized to reduce the deduction rates referred to in the Article 15 of the Corporate Tax Law to nil or to increase it up to the corporate tax rate and differentiate the related deduction according to fund and entity types or the nature and distribution of the assets of the portfolio of such funds and entities within the related limits. Accordingly, the mentioned effective tax rate is 0% on portfolio management income based on the Council of Ministers decision No: 2009/14594.

According to the paragraph (8) of Article 34 of the Corporate Tax Law, the taxes deducted from the securities investment funds and trusts during the acquisition of portfolio management earnings in accordance with Article 15, provided that they are paid to the relevant tax office by the tax deductors, According to paragraph (3) of Article 15 of the Law, it has been stated that they can offset from the tax deduction they will make within the institution, and the amount of deduction that cannot be deducted will be rejected and returned to them upon application.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.1 Basis of Presentation (continued)

2.1.8 Summary of Significant Accounting Policies (continued)

Taxation (continued)

Based on the Law No: 5281, effective between January 1, 2006 and December 31, 2020 in accordance with the Law No: 5527 which added to the Income Tax Law through of the law numbered 193 and Temporary Article 67/ (1), (2), (3), and (4) the rate of income tax deduction is 0% for gains derived from the alienation and retention of the marketable securities and other capital market instruments as from October 1, 2006. The mentioned article of the Income Tax Law will be implemented until December 31, 2025.

In accordance with Corporate Tax Law and Income Tax Law, there is no further withholding tax for the gain from marketable securities investment funds and marketable securities investment trusts under the Temporary Article 67, (2) and (4) numbered clauses.

Employee Benefits

Reserve for employee severance indemnity

Under the Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Company. Such payments are considered as being part of defined retirement benefit plan as per Turkish Accounting Standard No. 19 (revised) "Employee Benefits" ("TAS 19").

The retirement benefit obligation recognized in the financial statements represents the present value of the defined benefit obligation. All actuarial gains and losses have been recognized in the other comprehensive income.

The main assumptions used in net present value calculation are as follows:

	December 31, 2023	December 31, 2022
	(%)	(%)
Net discount rate	3,28	2,21
Turnover rate to estimate the probability of retirement	100,00	100,00

Pension schemes

The Company does not have any pension and post-employment benefit plans.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.1 Basis of Presentation (continued)

2.1.8 Summary of Significant Accounting Policies (continued)

Statement of Cash Flows

In the statement of cash flows, the cash flows for the period are reported with a classification of operating, investment and financing activities.

Cash flows related with operating activities compose of cash flows arising from portfolio management operations of the Company. Cash flows related with investment activities compose of cash flows that the Company uses in investment activities or generates from investment activities (tangible and financial investments).

Cash flows related to financing activities represent resources that the Company uses for financing activities and the reimbursements of such resources.

Turkish Derivatives Exchange market (“TDE”) transactions

All cash collaterals given by the Company for the transactions made in the TDE are classified as trade receivables as gross. Gains and losses arising from the transactions in the current period are recognized in profit or loss from main operations. The net amount of fair value differences recognized in profit or loss, and interest income from the remaining part of the collateral amounts arising from the open transactions are presented in trade receivables.

2.1.9 Significant Accounting Considerations, Estimates and Assumptions

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

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

Disclosed in Note 14 – Employee benefits.

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NOTES TO THE FINANCIAL STATEMENTS*(All amounts are expressed in terms of purchasing power of Turkish Lira as of December 31, 2023, unless otherwise stated.)***3. CASH AND CASH EQUIVALENTS**

As of December 31, 2023 and December 31, 2022 the details of cash and cash equivalents are as follows:

	December 31, 2023	December 31, 2022
Cash at banks (*)	18.123.810	45.240
<i>Demand deposit (Note 6)</i>	25.694	45.240
<i>Time Deposit</i>	18.098.116	-
Receivables from exchange money market	67.577.996	63.904.055
Provision for expected losses (**)	(417.775)	(280.827)
Total	85.284.031	63.668.468

(*) There is no blockage or pledge on cash at banks as of December 31, 2023 (December 31, 2022: None).

(**) As of December 31, 2023, the Company has accounted an expected loss provision amounting to TL 417.775 for its bank deposits, reverse repo and money market transactions that have original due date less than 3 months in accordance with TFRS 9 Financial Instruments standard. (December 31, 2022: 280.827)

Time deposit:

As of December 31, 2023, the details of time deposits are as follows:

December 31, 2023	Interest Rate	Maturity	Principal	Carrying Value
TL	46,00%	January 19, 2024	9.000.000	9.201.612
TL	46,50%	January 26, 2024	8.754.034	8.896.504
			17.754.034	18.098.116

As of December 31, 2022, the Company has no time deposit.

Receivables from exchange money market:

December 31, 2023	Interest Rate	Maturity	Cost	Carrying Value
TL	43,00%	January 2, 2024	67.340.000	67.577.996

December 31, 2022	Interest Rate	Maturity	Cost	Carrying Value
TL	10,90%	January 2, 2023	39.767.944	39.791.691
TL	10,85%	January 2, 2023	24.098.039	24.112.364
			63.865.983	63.904.055

As of December 31, 2023 and December 31, 2022, cash and cash equivalents less accrued income interest in the statement of cash flows are as follows:

	December 31, 2023	December 31, 2022
Cash and cash equivalents	85.284.031	63.668.468
Accrued interest and value increases	(582.078)	(38.072)
Expected loss provision	417.775	280.827
	85.119.728	63.911.223

Explanations about the nature and level of risk of cash and cash equivalents are summarized in Note 24 and 25.

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NOTES TO THE FINANCIAL STATEMENTS*(All amounts are expressed in terms of purchasing power of Turkish Lira as of December 31, 2023, unless otherwise stated.)***4. INVESTMENT SECURITIES****a) Short Term Financial Investment**

	December 31, 2023	December 31, 2022
Financial assets at fair value through profit/loss	264.143.431	421.496.702
Receivables from the Stock Exchange Money Market with an original maturity of more than 3 months to 1 year	8.840.350	-
Expected loss provision	(43.017)	-
Total	272.940.674	421.496.702

The securities in the financial investments account due to the company's activities are mainly for trading securities, and they are valued with their fair values. Fair value refers to the best buy orders or announced price among pending, current orders as of December 31, 2023. If they are not available, the price advances to the end of the period basing the cost of the most recent transaction, and, in their absence, the price is offered with the internal yield rate.

December 31, 2023			
Financial assets at fair value through profit or loss	Nominal	Fair Value	Carrying Value
Eurobonds (*)	95.674.150	94.846.941	94.846.941
Corporate bills and bonds	87.910.000	86.462.641	86.462.641
Mutual fund participation certificates	288.695.330	69.345.849	69.345.849
Stock exchange securities	300.000	13.488.000	13.488.000
		264.143.431	264.143.431

December 31, 2022			
Financial assets at fair value through profit or loss	Nominal	Fair Value	Carrying Value
Eurobonds	123.408.780	205.346.833	205.346.833
Mutual fund participation certificates	337.486.598	91.010.402	91.010.402
Corporate bills and bonds	50.020.000	84.096.679	84.096.679
Stock exchange securities	386.200	41.042.788	41.042.788
		421.496.702	421.496.702

(*) As of December 31, 2023, the portfolio of the Company consists of Eurobond issued by Treasury of the Republic of Türkiye with a nominal amount of USD 3.250.000 (December 31, 2022: 6.600.000 USD).

As of December 31, 2023, the interest rates, corresponding to the current market values of the corporate debt securities available in the portfolio and held for trading, are in the range of 20,56% - 56,33% (December 31, 2022: in the range of 11,14% - 18,24%). As of December 31, 2023, the interest rates, corresponding to the current market values of the USD based debt securities available in the portfolio and held for trading, are in the range of 11,94% (As of December 31, 2022 the interest rates, corresponding to the current market values of the USD based debt securities available in the portfolio and held for trading, are in the range of 4,50% - 5,95%).

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Changes in "Financial Assets at Fair Value Through Profit or Loss" during the period are as follows:

	December 31, 2023	December 31, 2022
As of January 1,	421.496.702	461.193.039
Monetary gain/(loss)	(165.692.104)	(233.891.604)
Additions during the year	449.718.052	524.687.267
Valuation differences	35.752.249	25.991.272
Disposals during the year	(477.131.468)	(356.483.272)
	264.143.431	421.496.702

b) Long Term Financial Investment

	December 31, 2023	December 31, 2022
Financial assets at fair value through profit or loss (*)	25	25

(*) Consists of TSKB Gayrimenkul Değerleme A.Ş. shares.

Changes in financial investments during the period are as follows:

	December 31, 2023	December 31, 2022
Beginning of the period	25	25

5. FINANCIAL LIABILITIES

Short-term portion of long-term financial liabilities	December 31, 2023	December 31, 2022
Lease liabilities from related parties	-	540.999
Lease liabilities from third parties	181.551	249.128
Total short-term portion of long-term financial liabilities	181.551	790.127

Long-term liabilities	December 31, 2023	December 31, 2022
Lease liabilities from third parties	140.283	530.480

Total liabilities	321.834	1.320.607
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Movement of lease liabilities are as follows:

	December 31, 2023	December 31, 2022
Beginning of period - January 1	1.320.607	1.353.367
Monetary loss (gain)	(519.136)	(529.497)
Lease increase effect	228.324	180.537
Interest expenses	159.394	230.853
Paid during period (-)	(867.355)	(761.440)
Additions	-	846.787
	321.834	1.320.607

Lease assets are consist of office and vehicles.

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Details of related party balances are as follows:

Cash and cash equivalents	December 31, 2023	December 31, 2022
Türkiye İş Bankası A.Ş. (Demand deposit) (Note 3)	25.694	45.240

Financial investments at fair value through profit or loss	December 31, 2023	December 31, 2022
Related company mutual fund participation certificates	69.345.849	91.010.402
Related company bonds	6.062.899	-
Related company equity shares	-	10.565.039
	75.408.748	101.575.441

Prepayments

	December 31, 2023	December 31, 2022
Anadolu Anonim Türk Sigorta Şirketi	67.817	55.563

The policies are issued on an annual basis and are renewed every December.

Trade payables to related parties (*)	December 31, 2023	December 31, 2022
İş Portföy Yönetimi A.Ş.	3.457.342	7.795.179
Türkiye İş Bankası A.Ş.	92.982	133.285
İş Yatırım Menkul Değerler A.Ş.	-	854
	3.550.324	7.929.318

(*) It consists of portfolio management, portfolio performance, custody, and brokerage commissions to be paid (Note 7).

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Related Parties Other Payables	December 31, 2023	December 31, 2022
Anadolu Anonim Türk Sigorta Şirketi	59.184	48.483

Leasing Payables	December 31, 2023	December 31, 2022
Türkiye İş Bankası A.Ş.	-	540.999

Portfolio management, brokerage and custody commissions paid to related parties (Note 18)	January 1- December 31, 2023	January 1- December 31, 2022
İş Portföy Yönetimi A.Ş.	(5.296.964)	(10.401.047)
İş Yatırım Menkul Değerler A.Ş.	(1.409.165)	(1.721.917)
Türkiye İş Bankası A.Ş.	(424.380)	(571.017)
Total	(7.760.509)	(12.693.981)

General administrative expenses (Note 19)	January 1- December 31, 2023	January 1- December 31, 2022
İş Merkezleri Yön. ve İşl. A.Ş. ⁽¹⁾	(550.880)	(493.826)
İşnet Elektronik Bilgi Üretim Dağıtım Tic. ve İletişim Hiz.A.Ş. ⁽²⁾	(380.312)	(395.429)
İş Yatırım Menkul Değerler A.Ş. ⁽³⁾	(104.409)	(94.553)
Anadolu Anonim Türk Sigorta Şirketi ⁽⁴⁾	(50.041)	(32.538)
Anadolu Hayat Emeklilik ⁽⁵⁾	(18.677)	-
Softtech Yazılım Teknolojileri Araştırma Geliştirme ve Pazarlama Tic. A.Ş. ⁽⁶⁾	-	(13.326)
Total	(1.104.319)	(1.029.582)

- (1) Maintenance Repair and Operating Expenses
(2) Internet Use and Other Service Cost
(3) Risk Management Expenses
(4) Health Insurance Expenses
(5) Consists of life insurance premiums paid for personnel.
(6) Web Updating Cost

Interest Income	January 1- December 31, 2023	January 1- December 31, 2022
Türkiye İş Bankası A.Ş.	550.916	238.529

Leasing Payments	January 1- December 31, 2023	January 1- December 31, 2022
Türkiye İş Bankası A.Ş.	(868.860)	(789.668)

Dividend income	January 1- December 31, 2023	January 1- December 31, 2022
TSKB Gayrimenkul Değerleme A.Ş.	-	26

Benefits provided to key management personnel, members of board of directors and audit committee are as follows.

	January 1- December 31, 2023	January 1- December 31, 2022
Gross wages and other short-term benefits	(6.987.718)	(4.657.127)
Provision for vacation and employee bonuses	(49.686)	(44.696)
Severance indemnity	(33.048)	(10.855)
Total	(7.070.452)	(4.712.678)

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As of December 31, 2023, the Company does not have any overdue or doubtful receivables (December 31, 2022: None).

As of December 31, 2023 and December 31, 2022, the detailed information on short-term trade receivables are as follows:

	December 31, 2023	December 31, 2022
TDE transaction collaterals	13.882.448	38.611.306
Receivables from selling of securities	-	2.705.932
Total	13.882.448	41.317.238

As at December 31, 2023 and December 31, 2022, the detailed information on short-term trade payables is as follows:

	December 31, 2023	December 31, 2022
Portfolio performance commission (Note 6)	3.361.440	7.659.222
Portfolio management commissions (Note 6)	95.902	135.957
Portfolio custody commissions (Note 6)	92.982	133.285
Commissions payable (Note 6)	-	854
Total	3.550.324	7.929.318

Explanations about the nature and level of risk of Trade Receivables are summarized in Note 24 and Note 25.

8. OTHER RECEIVABLES AND OTHER PAYABLES**Other Payables**

As at December 31, 2023 and December 31, 2022, the detailed information on short-term other receivables are as follows:

Short-Term Other Payables	December 31, 2023	December 31, 2022
Other receivables from related parties (Note 6)	59.184	48.483

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The changes in tangible fixed assets for the years ending on December 31, 2023, and December 31, 2022, are as follows:

	Furniture and Fixtures	Leasehold Improvements	Total
Cost			
Opening balance at January 1, 2023	2.328.030	532.886	2.860.916
Additions	37.540	-	37.540
Closing balance at December 31, 2023	2.365.570	532.886	2.898.456
Accumulated depreciation			
Opening balance at January 1, 2023	(2.189.107)	(532.886)	(2.721.993)
Charge for the year	(53.624)	-	(53.624)
Closing balance as of December 31, 2023	(2.242.731)	(532.886)	(2.775.617)
Net carrying amount December 31, 2023	122.839		122.839
Cost			
Opening balance at January 1, 2022	2.264.284	532.886	2.797.170
Additions	63.746	-	63.746
Closing balance at December 31, 2022	2.328.030	532.886	2.860.916
Accumulated depreciation			
Opening balance as of January 1, 2022	(2.148.146)	(532.886)	(2.681.032)
Charge for the year	(40.961)	-	(40.961)
Closing balance at December 31, 2022	(2.189.107)	(532.886)	(2.721.993)
Net carrying amount December 31, 2022	138.923		138.923

As of December 31, 2023 and December 31, 2022, there is no pledge on the tangible fixed assets.

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In accordance with TFRS 16 standard effective from January 1, 2019, the amounts related to the Company's lease contracts are discounted to their present value by discounting with a reasonable interest rate within the framework of their assumed maturities and recorded as right-of-use assets. The corresponding liability amounts are recognized in short and long term lease payables.

Right of Use Assets	December 31, 2023	December 31, 2022
Beginning of period	6.136.279	4.982.035
Rent increase effect	334.350	241.485
Additions	-	912.759
Closing Value	6.470.629	6.136.279

Accumulated Depreciation and Amortization Provisions	December 31, 2023	December 31, 2022
Beginning of period	(4.462.606)	(3.310.382)
Period Expense	(1.501.678)	(1.152.224)
Closing Value	(5.964.284)	(4.462.606)

Net carrying amount	506.345	1.673.673
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11. INTANGIBLE ASSETS

Cost	December 31, 2023	December 31, 2022
Opening balance at January-1	1.512.818	1.267.678
Purchases	5.531	245.140
Closing balance at December	1.518.349	1.512.818
Accumulated amortization		
Opening balance at January 1	(1.206.349)	(1.163.378)
Period Expense	(118.241)	(42.971)
Closing balance	(1.324.590)	(1.206.349)
Net carrying amount	193.759	306.469

Intangible assets consist of computer software.

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As of December 31, 2023, the Company's portfolio includes 2,000 sell-side foreign exchange contracts due on January 31, 2024, traded on the Derivatives Market (VİOP). (As of date December 31, 2022, the Company has a long position of 14.000 gold contracts on Derivatives Market (VIOP) with the maturity date February 28, 2023, and short position of 5.450 FX (USD based) futures contracts with the maturity date January 31, 2023). These contracts are recorded in off-balance sheet accounts and fair value changes are accounted through statement of profit or loss.

The Company gives no guarantees, pledges, mortgages, or sureties to provide its debt and to ensure the obligation of any person, organization.

There is no lawsuit to which the Company is a party.

13. PREPAID EXPENSES AND DEFERRED REVENUES**Prepaid expenses**

Prepaid Expenses within Current Assets	December 31, 2023	December 31, 2022
Expenses for future months	67.817	55.563

14. EMPLOYEE BENEFITS**Provisions related to employee benefits****a) Short-term provisions for employee benefits**

	December 31, 2023	December 31, 2022
Provision for unused vacation pay liability and employee bonuses	392.740	360.525

In accordance with existing Turkish Labor Law, the Company is required to make lump-sum severance indemnities to each employee who has completed one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. As at the reporting date, provision for vacation pay liability is the liability of the Company that is the undiscounted total amount of the days that were deserved but not used by the employees.

As at December 31, 2023 and December 31, 2022, movement of unused vacation pay liabilities and employee bonuses are as follows:

	December 31, 2023	December 31, 2022
Beginning of the period – January 1	360.525	366.839
Monetary (gain) / loss	(141.724)	(143.524)
Period expense	225.210	282.139
Payments during the period	(51.271)	(144.929)
	392.740	360.525

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NOTES TO THE FINANCIAL STATEMENTS*(All amounts are expressed in terms of purchasing power of Turkish Lira as of December 31, 2023, unless otherwise stated.)***14. EMPLOYEE BENEFITS (continued)****b) Long-term provisions for employee benefits****Provision for Severance Indemnity:**

Long-term provisions	December 31, 2023	December 31, 2022
Employee severance indemnity	1.081.884	1.392.099

Under Turkish Labor Law, the Company is required to pay employment termination benefits to each employee whose employment is terminated by gaining the right to receive the termination benefits. In addition, based on the amended 60th article of the current Social Insurance Law's numbered 506 together with amendments dated March 6, 1981, numbered 2422, dated August 25, 1999 and numbered 4447, the Company is obliged to pay termination benefits to the employees who have quitted by gaining right to receive their termination benefits. Some provisions for the pre-retirement service conditions are abolished from the law with amendment on May 23, 2002.

The reserve for severance pay liability as at December 31, 2023 is based on the monthly ceiling amounting to TL 23.489,83 (December 31, 2022: TL 15.371,40).

The reserve has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees. TAS 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the actuarial assumptions explained in the following paragraph were used in the calculation of the total liability.

The principal assumption is that the maximum liability for each year of service will increase parallel to the change in inflation. Consequently, in the accompanying financial statements as at December 31, 2023, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the end of the reporting period are calculated assuming an annual inflation rate of %19,65 and an discount rate of % 23,58, resulting in a net discount rate of approximately % 3,28 (December 31, 2022: The provisions at the end of the reporting period is calculated assuming an annual inflation rate of % 19,80 and an discount rate of % 22,45, resulting in a net discount rate of approximately % 2,21). The probability of voluntarily leaves is also considered in the calculation.

The movements of provision for employment termination benefits for the periods ended December 31, 2023 and 2022 are as follows:

	January 1 – December 31, 2023	January 1 – December 31, 2022
Provision as of January 1	1.392.099	1.090.258
Monetary loss (gains)	(321.118)	(426.558)
Interest cost	189.671	120.311
Service cost	118.198	111.001
Payments during the period	(433.709)	(78.134)
Actuarial loss /(gains)	136.743	575.221
	1.081.884	1.392.099

15. OTHER ASSETS AND LIABILITIES**Other short-term liabilities**

	December 31, 2023	December 31, 2022
Taxes, Duties and Other Taxes	290.943	237.352

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The structure of the Company's paid-in share capital as at December 31, 2023 and December 31, 2022 are as follows:

Shareholders	Group	Shareholding Rate (%)	December 31, 2023	Shareholding Rate (%)	December 31, 2022
İş Yatırım Menkul Değerler A.Ş.	(A)	1,46	2.347.411	1,46	2.347.411
İş Yatırım Menkul Değerler A.Ş.	(B)	27,47	44.106.690	27,47	44.106.690
T.Sınai Kalkınma Bankası A.Ş.	(B)	5,82	9.346.475	5,82	9.346.475
Yatırım Finansman Menkul Değerler A.Ş.	(A)	0,73	1.185.072	0,73	1.185.072
Yatırım Finansman Menkul Değerler A.Ş.	(B)	0,40	632.039	0,40	632.039
Anadolu Hayat Emeklilik A.Ş.	(A)	0,37	592.536	0,37	592.536
Anadolu Hayat Emeklilik A.Ş.	(B)	0,54	870.929	0,54	870.929
Other	(B)	63,21	101.518.132	63,21	101.518.132
Total share capital		100,00	160.599.284	100,00	160.599.284
Capital Inflation Adjustments			2.142.568.006		2.142.568.006
			2.303.167.290		2.303.167.290

The total number of ordinary shares consists of 16.059.928.400 shares with a par value of Kurus 1 (one) per share and TL 4.125.019 of the total amount is Group (A), TL 156.474.265 of the total amount is Group (B) shares. Group (A) shareholders have the privilege to nominate candidates during the Board of Directors member elections, Group (A) shareholders have 1.000.000 (one million) right to vote while Group (B) shareholders have 1 (one) right to vote. The Company's A group shares do not include any classes of preference shares. Earnings per share are the same for both preference shares and ordinary shares.

67,27% of the Company's shares are tradable on Borsa Istanbul (December 31, 2022: %67,25).

b) Share Premiums

Other Current Assets	December 31 2023	December 31 2022
Share Premiums	635.142	635.142

c) Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss

	December 31 2023	December 31 2022
Defined Benefit Plans Remeasurement Gains and Losses	(711.964)	(575.211)

Defined Benefit Plans Remeasurement Gains and Losses

With the amendment to TAS-19 "Employee Benefits" standard, it does not allow actuarial gains and losses, which are taken into account in the calculation of the provision for severance pay, to be accounted for in the profit or loss statement.

Actuarial gains and losses are accounted for under equity in accordance with the "TAS – 19 Employee Benefits" standard.

The period change in the actuarial gain/(loss) fund for severance pay provision is as follows:

Severance Pay Actuarial Loss/Gain Fund	December 31, 2023	December 31, 2022
Beginning of period – January 1	(575.221)	-
Additions	(136.743)	(575.221)
	(711.964)	(575.221)

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	December 31, 2023	December 31, 2022
Beginning of Period – January 1	463.061.212	447.532.241
Transfers from Prior Years' Profits	13.341.516	15.528.971
Total	476.402.728	463.061.212

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Article 519 of 6102 numbered Turkish Commercial Code (“TCC”), are not distributable to shareholders. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

e) Profits or Losses from Prior Years

As of the reporting date, there are losses from previous years amounting to TL 2.344.572.972 (2022: TL 2.113.382.228 prior year losses).

Dividend Distribution

The company determines the principles of distributing its profits from its operations in accordance with the regulations of the SPK.

17. REVENUE

Sales	January 1 – December 31, 2023	January 1 – December 31, 2022
Sales of equity shares	378.685.666	277.200.159
Sales of eurobonds	93.598.593	-
Sales of mutual funds	74.312.351	110.503.195
Sales of bonds	7.070.790	64.216.973
Subtotal	553.667.400	451.920.327
Increase/decrease (net) in mutual fund value (net)	36.890.131	18.357.680
Liquidation and Interest Revenues	36.046.620	50.001.665
Exchange rate difference income/expenses (net)	13.281.936	55.919.951
Increase/decrease in stock value (net)	6.003.371	11.633.413
Increase/decrease in the value of debt securities (net)	4.354.831	1.548.065
Dividend income	2.923.640	222.618
Eurobonds value increase/decrease (net)	1.277.578	(583.418)
Accruals of interest	1.220.698	292.736
Reverse repurchases interest income	1.032.361	718.179
Futures contract profits/losses (net)	(12.728.238)	(21.004.506)
Subtotal	90.302.928	117.106.383
Total	643.970.328	569.026.710

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Cost of Sales	January 1 – December 31, 2023	January 1 – December 31, 2022
Cost of sales of equity shares	(342.626.929)	(235.740.829)
Cost of sales of mutual funds	(68.705.040)	(102.675.799)
Costs of sales of eurobonds	(60.499.705)	-
Cost of sales of government bonds and treasury bills	(7.020.381)	(52.034.752)
Subtotal	(478.852.055)	(390.451.380)
Portfolio performance commission expenses (Note 6)	(4.652.564)	(8.681.859)
Brokerage commission expenses (Note 6)	(1.409.165)	(1.721.917)
Portfolio management commission expenses (Note 6)	(1.274.400)	(1.719.188)
Portfolio custody commission expenses (Note 6)	(424.380)	(571.017)
Settlement and custody commission expenses	(144.156)	(184.341)
Subtotal	(7.904.665)	(12.878.322)
TOTAL COST OF SALES	(486.756.720)	(403.329.702)

19. ADMINISTRATIVE EXPENSES

	January 1 – December 31, 2023	January 1 – December 31, 2022
Personnel wages and expenses (*)	(10.694.104)	(8.124.761)
Board of directors attendance fees	(4.333.376)	(2.447.178)
Depreciation and amortization expenses	(1.673.544)	(1.236.156)
System expenses	(778.107)	(715.055)
Operating expenses	(572.367)	(485.950)
Audit fees	(515.866)	(284.886)
Membership expenses	(220.593)	(168.131)
Risk management system expenses	(104.409)	(94.553)
Listing Expenses	(59.206)	(73.589)
Other operating expenses	(1.695.978)	(1.248.541)
Total	(20.647.550)	(14.878.900)

(*) "Details of the "Personnel wages and expenses " are as follow.

	January 1 – December 31, 2023	January 1 – December 31, 2022
Salaries and wages	(7.729.971)	(5.781.289)
Social security expenses	(1.673.313)	(1.235.266)
Provision for employee severance indemnity	(527.646)	(345.707)
Provision for unused vacation and employee bonus	(225.210)	(282.139)
Other expenses	(537.964)	(480.360)
Total	(10.694.104)	(8.124.761)

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	January 1- December 31, 2023	January 1- December 31, 2022
Other operating income		
Receivables from bonds ⁽¹⁾	253.360	
Other	1.063	-
Overdue Interest and BITT Revenues ⁽²⁾	-	777.489
Total	(254.423)	777.489

(1) Collection of receivables from Aynes Gıda Sanayi ve Ticaret A.Ş.'s bond, which was included in the portfolio of İş Portföy Private Sector Debt Instruments Special Fund (TPO).

(2) Collection of the receivable from the corporate bond issued by Pakpen Plastik Boru ve Yapı Elemanları ve Ticaret A.Ş. with ISIN TRSPKPB41717 with overdue interest and tax.

21. IMPAIRMENTS DETERMINED IN ACCORDANCE WITH TFRS-9**Impairment Gains/Losses Determined in Accordance with TFRS-9 and Cancellation of Impairment Losses**

	January 1- December 31, 2023	January 1- December 31, 2022
Net (Impairment)/cancellation of cash and cash equivalents	(308.885)	(316.491)
Net (Impairment)/cancellation of financial investment	(53.833)	162.393
	(362.718)	478.884

22. FINANCING INCOME AND EXPENSES

	January 1- December 31, 2023	January 1- December 31, 2022
Financing Expenses		
Interest Expenses on Leases	(198.656)	(261.107)

23. EARNINGS PER SHARE

Earnings per share is calculated by dividing the net income attributable to the parent company's shares by the weighted average number of shares outstanding during the period. The calculation of earnings per share as of December 31, 2023, and December 31, 2022 are as follows:

	January 1- December 31, 2023	January 1- December 31, 2022
Weighted Average number of shares in circulation throughout the period (total)	160.599.284	160.599.284
Profit/(Loss) for the year	(67.619.195)	(135.537.518)
Earnings Per Share	(0,4210)	(0,8439)
Total Comprehensive Income	(67.755.938)	(136.112.739)
Earnings Per Share from Total Comprehensive Income	(0,4219)	(0,8475)

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24. NATURE AND LEVEL OF THE RISK ARISING FROM FINANCIAL INSTRUMENTS

Financial Risk Factors

As a result of its operations, the Company is exposed to market risk (fair value interest rate risk, equity price risk). Market risk is the fluctuations that will occur in interest rates, the value of securities or other financial contracts and will negatively affect the Company. The Company evaluates its securities at fair prices and follows the market risk to which it is exposed on a daily basis in the distinction of interest and equity position risk. The Board of Directors determines strategies and limits regarding the management of the portfolio at certain periods, and the Company portfolio is managed by portfolio managers within this framework. The Company receives service from İş Yatırım Menkul Değerler A.Ş. for the regular calculation and reporting of portfolio risk, and the related reports are evaluated by the Risk Early Detection Committee and the Board of Directors.

Interest rate risk

Interest rate risk is defined as decrease in value that interest rate fluctuations may have over the Company's interest rate sensitive assets. The Company has no interest sensitive liabilities.

Interest Position Table		
	December 31, 2023	December 31, 2022
Fixed interest rate financial instruments	261.090.415	365.311.389
Financial assets		
Financial assets at fair value through profit or loss	166.573.953	209.573.858
Time Deposits	26.938.466	44.387.295
Receivables from MMT	67.577.996	111.350.236
Floating interest rate financial instruments	14.735.629	79.869.653
Financial assets		
Financial assets at fair value through profit or loss	14.735.629	79.869.653

The Company's debt securities classified as financial assets at fair value through profit or loss are exposed to price risk due to changes in interest rates. According to the analysis made by the Company as of December 31, 2023, 1% increase or decrease in interest rates on the condition that all other factors remain stable, causes a decrease amounting to TL 1.377.674 / an increase, amounting to TL 1.406.244, arises at the fair value of corporate bonds and Eurobonds, amounting to TL 181.309.582, and thus at the net profit for the period and shareholder's equity of the Company, as of December 31, 2023 (On the assumption that all other variables would remain stable in case of an increase / decrease at 1% at the interest rates, a decrease, amounting to TL 2.200.045 / an increase, amounting to TL 2.272.563, arises at the fair value of the debt securities, amounting to TL 289.443.512, and thus at the net profit for the period and shareholder's equity of the Company, as of December 31, 2022.).

Share price risk

The Company is also exposed to equity price risk arising from equity investments. As of December 31, 2023, in case of an increase / decrease by 10% at the prices with respect to the position of the equities available in the portfolio of the Company and in case all such other variables remain stable, an increase / decrease, amounting to TL 1.348.800, arises at the Company's net profits for the period and thus at its shareholders' equity (As of December 31, 2022, in case of an increase / decrease by 10% at the prices with respect to the position of the equities available in the portfolio of the Company and in case all such other variables remain stable, an increase / decrease, amounting to TL 4.104.279, arises at the Company's net profits for the period and thus at its shareholders' equity)

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24. NATURE AND LEVEL OF THE RISK ARISING FROM FINANCIAL INSTRUMENTS (continued)

Credit risk

	<u>Receivables</u>				Bank deposits	Receivables from reverse repo and money market placements	Investment securities ⁽¹⁾	Derivative financial instruments	Other
	Trade Receivables	Other Receivables	Related parties	Other parties					
December 31, 2023									
Exposure to maximum credit risk as at the reporting date ^(*) (A+B+C+D)	-	13.882.448	-	-	26.964.160	67.577.996	86.462.641	-	-
- Maximum credit risk amount secured with guarantees	-	-	-	-	-	-	-	-	-
A. Net carrying value of neither past due nor impaired financial assets	-	13.882.448	-	-	26.964.160	67.577.996	86.462.641	-	-
B. Net carrying value of past due but not impaired financial assets	-	-	-	-	-	-	-	-	-
C. Net carrying value of impaired assets	-	-	-	-	-	-	-	-	-
- Past due (gross amount)	-	-	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-	-	-
- Net carrying value secured with guarantees	-	-	-	-	-	-	-	-	-
- Not past due (gross amount)	-	-	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-	-	-
- Net carrying value secured with guarantees	-	-	-	-	-	-	-	-	-
D. Off balance sheet items with credit risks	-	-	-	-	-	-	-	-	-

^(*) In determining the amount, factors that increase credit reliability, such as guarantees received, were not taken into account.

⁽¹⁾ Quoted share and real estate certificates, which have not credit risk, are not included in the determination of the balance.

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24. NATURE AND LEVEL OF THE RISK ARISING FROM FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

	<u>Receivables</u>									
	Trade Receivables		Other Receivables		Receivables from reverse repo and Exchange Money		Investment securities ⁽¹⁾		Derivative financial instruments	
December 31, 2022	Related parties	Other parties	Related parties	Counter parties	Bank deposits	Market transactions	Investment securities ⁽¹⁾	Derivative financial instruments	Other	
Exposure to maximum credit risk as at the reporting date (A+B+C+D) (*)	-	41.317.238	-	-	45.240	63.904.055	84.096.679	-	-	
- Maximum credit risk amount secured with guarantees	-	-	-	-	-	-	-	-	-	
A Net carrying value of neither past due nor impaired financial assets	-	41.317.238	-	-	45.240	63.904.055	84.096.679	-	-	
B Net carrying value of past due but not impaired financial assets	-	-	-	-	-	-	-	-	-	
C Net carrying value of impaired assets	-	-	-	-	-	-	-	-	-	
- Past due (gross amount)	-	-	-	-	-	-	-	-	-	
- Impairment (-)	-	-	-	-	-	-	-	-	-	
- Net carrying value secured with guarantees	-	-	-	-	-	-	-	-	-	
- Not past due (gross amount)	-	-	-	-	-	-	-	-	-	
- Impairment (-)	-	-	-	-	-	-	-	-	-	
- Net carrying value secured with guarantees	-	-	-	-	-	-	-	-	-	
D Off balance sheet items with credit risks	-	-	-	-	-	-	-	-	-	

(*) In determining the amount, factors that increase credit reliability, such as guarantees received, were not taken into account.

¹ Quoted share and real estate certificates, which have not credit risk, are not included in the determination of the balance.

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24. NATURE AND LEVEL OF THE RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Currency Risk (continued)

		As of December 31, 2023, Foreign Exchange Position			
		Total Equivalent in TRY of All Foreign Currencies	USD	EUR	Other
1.	Trade Receivables	-	-	-	-
2a.	Monetary Financial Assets (Including Cash and Bank Accounts)	127.381.272	4.327.074	-	-
2b.	Non-monetary Financial Assets	-	-	-	-
3.	Other	-	-	-	-
4.	Current Assets (1+2+3)	127.381.272	4.327.074	-	-
5.	Trade Receivables	-	-	-	-
6a.	Monetary Financial Assets	-	-	-	-
6b.	Non-Monetary Financial Assets	-	-	-	-
7.	Other	-	-	-	-
8.	Non-Current Asset (5+6+7)	-	-	-	-
9.	Total Assets (4+8)	127.381.272	4.327.074	-	-
10.	Trade Payables	-	-	-	-
11.	Financial Liabilities	-	-	-	-
12a.	Other Monetary Liabilities	-	-	-	-
12b.	Other Non-Monetary Liabilities	-	-	-	-
13.	Short-Term Liabilities (10+11+12)	-	-	-	-
14.	Trade Payables	-	-	-	-
15.	Financial Liabilities	-	-	-	-
16 a.	Other Monetary Liabilities	-	-	-	-
16 b.	Other Non-Monetary Liabilities	-	-	-	-
17.	Long-Term Liabilities (14+15+16)	-	-	-	-
18.	Total Liabilities (13+17)	-	-	-	-
19.	Off-Balance Sheet Derivative Instruments Net Asset/(Liability) Position (19a-19b)	(60.992.400)	(2.000.000)	-	-
19a.	The amount of long-position off-balance sheet derivative instruments denominated in foreign currency	-	-	-	-
19b.	The amount of short-position off-balance sheet derivative instruments denominated in foreign currency	60.992.400	2.000.000	-	-
20.	Net foreign currency asset/ (liability) position (9-18+19)	66.388.872	2.327.074	-	-
21.	Net foreign currency asset/(liability) position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a)	127.381.272	4.327.074	-	-
22.	Total Fair Value of Financial Instruments Used Hedging Foreign Currency	-	-	-	-

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*(continued)***Currency Risk (continued)**

		As of December 31, 2022, Foreign Exchange Position			
		TL Equivalents Carried			
		December 31, 2023	USD	EUR	Other
1.	Trade Receivables	-	-	-	-
2a.	Monetary Financial Assets (Including Cash and Bank Accounts)	237.441.823	7.706.714	-	-
2b.	Non-monetary Financial Assets	-	-	-	-
3.	Other	-	-	-	-
4.	Current Assets (1+2+3)	237.441.823	7.706.714	-	-
5.	Trade Receivables	-	-	-	-
6a.	Monetary Financial Assets	-	-	-	-
6b.	Non-Monetary Financial Assets	-	-	-	-
7.	Other	-	-	-	-
8.	Non-Current Asset (5+6+7)	-	-	-	-
9.	Total Assets (4+8)	237.441.823	7.706.714	-	-
10.	Trade Payables	-	-	-	-
11.	Financial Liabilities	-	-	-	-
12a.	Other Monetary Liabilities	-	-	-	-
12b.	Other Non-Monetary Liabilities	-	-	-	-
13.	Short-Term Liabilities (10+11+12)	-	-	-	-
14.	Trade Payables	-	-	-	-
15.	Financial Liabilities	-	-	-	-
16 a.	Other Monetary Liabilities	-	-	-	-
16 b.	Other Non-Monetary Liabilities	-	-	-	-
17.	Long-Term Liabilities (14+15+16)	-	-	-	-
18.	Total Liabilities (13+17)	-	-	-	-
19.	Off-Balance Sheet Derivative Instruments				
	Net Asset/(Liability) Position (19a-19b)	(145.325.323)	(5.436.000)	-	-
19a.	The amount of long-position off-balance sheet derivative instruments denominated in foreign currency	26.980.807	14.000	-	-
19b.	The amount of short-position off-balance sheet derivative instruments denominated in foreign currency	172.306.130	5.450.000	-	-
20.	Net foreign currency asset/ (liability) position (9-18+19)	92.116.500	2.270.714	-	-
21.	Net foreign currency asset/(liability) position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a)	237.441.823	7.706.714	-	-
22.	Total Fair Value of Financial Instruments Used Hedging Foreign Currency	-	-	-	-

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*(continued)***Sensitivity to currency risk**

Currency risk arises from the effects of exchange rate movements when having foreign currency assets, liabilities and off-balance sheet liabilities. As of December 31, 2023, the portfolio of the Company consists of Eurobond with a nominal amount of USD 3.250.000, and 111.113.292 mutual fund participation certificates with foreign currency position, and 2.000 USD FX futures contracts (short position) with the maturity of January 31, 2024 (As of December 31, 2022, the portfolio of the Company consists of Eurobond with a nominal amount of USD 6.600.000, and 118.273.292 mutual fund participation certificates with foreign currency position, and 5.450 USD FX futures contracts (short position) with the maturity of January 31, 2023, and 14.000 forward gold contracts (short position) with the maturity of February 28, 2023.).

The Company's sensitivity to a 10% increase/decrease in USD are presented below. Sensitivity analysis only includes foreign currency denominated monetary assets outstanding at the end of period and indicates the effects of 10% changes in exchange rates. Positive value indicates an increase in profit/loss and other equity items.

Foreign Exchange Rate Sensitivity Analysis Table

	December 31, 2023			
	Gains / (Loss)		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
USD changes against TL by 10%				
1. USD net asset/liability	12.738.127	(12.738.127)	12.738.127	(12.738.127)
2. Portion hedged against the USD risk (-)	(6.099.240)	6.099.240	(6.099.240)	6.099.240
3. USD net effect (1+2)	6.638.887	(6.638.887)	6.638.887	(6.638.887)
EUR changes against TL by 10%:				
4. EUR net asset/liability	-	-	-	-
5. Portion hedged against the EUR risk (-)	-	-	-	-
6. EUR net effect (4+5)	-	-	-	-
Other currencies changes against TL by 10%:				
7. GBP net asset/liability	-	-	-	-
8. Portion hedged against the GBP risk (-)	-	-	-	-
9. GBP net effect (7+8)	-	-	-	-
10. Total (3+6+9)	6.638.887	(6.638.887)	6.638.887	(6.638.887)

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NOTES TO THE FINANCIAL STATEMENTS*(All amounts are expressed in terms of purchasing power of Turkish Lira as of December 31, 2023, unless otherwise stated.)***24. NATURE AND LEVEL OF THE RISKS ARISING FROM FINANCIAL INSTRUMENTS**
*(continued)***Foreign Exchange Rate Sensitivity Analysis Table**

	December 31, 2022			
	Gains / (Loss)		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
USD changes against TL by 10%				
1. USD net asset/liability	26.442.264	(26.442.264)	26.442.264	(26.442.264)
2. Portion hedged against the USD risk (-)	(17.230.614)	17.230.614	(17.230.614)	17.230.614
3. USD net effect (1+2)	9.211.650	(9.211.650)	9.211.650	(9.211.650)
EUR changes against TL by 10%:				
4. EUR net asset/liability	-	-	-	-
5. Portion hedged against the EUR risk (-)	-	-	-	-
6. EUR net effect (4+5)	-	-	-	-
Other currencies changes against TL by 10%:				
7. GBP net asset/liability	-	-	-	-
8. Portion hedged against the GBP risk (-)	-	-	-	-
9. GBP net effect (7+8)	-	-	-	-
10. Total (3+6+9)	9.211.650	(9.211.650)	9.211.650	(9.211.650)

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*(continued)***Liquidity Risk**

Liquidity risk may occur as a result of inability in funding of long-term assets with a short-term liability. The Company's total assets are almost comprised of cash and cash equivalents and investment securities due to the nature of the Company's operations. The Company's management approach is to finance assets through the equity in order to minimize liquidity risk.

The Company has no derivative liabilities. Non-derivative financial liabilities as of December 31, 2023 and December 31, 2022 based on the undiscounted cash flow of the remaining contract term maturities are as follows:

December 31, 2023						
Contractual Maturity	Carrying Value	Total contractual cash outflows	Less than 1 month	1-3 months	3-12 months	1-5 Years
Non-Derivative Financial Liabilities	3.931.342	3.986.308	3.583.960	67.272	184.356	150.720
Trade payables	3.550.324	3.550.324	3.550.324	-	-	-
Leasing payables	321.834	376.800	18.840	37.680	169.560	150.720
Other payables	59.184	59.184	14.796	29.592	14.796	-
December 31, 2022						
Contractual Maturity	Carrying Value	Total contractual cash outflows	Less than 1 month	1-3 months	3-12 months	1-5 Years
Non-Derivative Financial Liabilities	9.298.408	9.600.069	8.025.752	192.867	770.934	610.516
Trade payables	7.929.318	7.929.318	7.929.318	-	-	-
Leasing payables	1.320.607	1.622.268	84.313	168.625	758.814	610.516
Other payables	48.483	48.483	12.121	24.242	12.120	-

Capital management

The Company manages its capital by allocating its investment risk to the lowest level with effective portfolio management. The aim of the Company is to maintain sustainable returns for shareholders and benefits for other stakeholders; and to maintain an optimal capital structure to reduce the cost of capital. The balance between the Company's growth expectation and the shareholders' expectation and also the Company's profitability is considered in dividend distribution prepared within the current legislation framework.

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NOTES TO THE FINANCIAL STATEMENTS*(All amounts are expressed in terms of purchasing power of Turkish Lira as of December 31, 2023, unless otherwise stated.)***25. FINANCIAL INSTRUMENTS**

Categories of Financial Instruments:

	Carrying Value	Fair Value
December 31, 2023		
Financial assets	372.107.153	372.107.153
Financial assets at fair value through profits or loss	272.940.674	272.940.674
Cash and cash equivalents	85.284.031	85.284.031
Trade receivables	13.882.448	13.882.448
Financial liabilities	3.931.342	3.931.342
Trade payables	3.550.324	3.550.324
Leasing payables	321.834	321.834
Other payables	59.184	59.184
December 31, 2022		
Financial assets	526.502.408	526.502.408
Financial assets at fair value through profits or loss	421.496.702	421.496.702
Cash and cash equivalents	63.688.468	63.688.468
Trade receivables	41.317.238	41.317.238
Financial liabilities	9.298.408	9.298.408
Trade payables	7.929.318	7.929.318
Leasing payables	1.320.607	1.320.607
Other payables	48.483	48.483

Fair value of financial instruments

Fair value is the amount in which a financial asset could be exchanged, or a liability could be met between knowledgeable and willing parties in transactions effected in accordance with market conditions.

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, judgement 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 that the Company could realize in a current market exchange. 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 debt securities and share certificates.

Financial liabilities

The carrying amount of monetary liabilities approximates their fair values due to their short-term nature.

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.

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Financial assets presented at fair value through profit and loss:

December 31, 2023	Carrying Value	Level 1	Level 2	Level 3
<i>Financial assets at fair value through in profits or loss</i>				
Eurobonds	94.846.941	94.846.941	-	-
Corporate bills and bonds	86.462.641	86.462.641	-	-
Mutual fund participation certificates	69.345.849	52.320.963	17.024.886	-
Equity Shares	13.488.000	13.488.000	-	-
Total	264.143.431	247.118.545	17.024.886	-

December 31, 2022	Carrying Value	Level 1	Level 2	Level 3
<i>Financial assets at fair value through in profits or loss</i>				
Eurobonds	205.346.833	205.346.833	-	-
Corporate bills and bonds	91.010.402	66.377.177	24.633.225	-
Mutual fund participation certificates	84.096.679	84.096.679	-	-
Equity Shares	41.042.788	41.042.788	-	-
Total	421.496.702	396.863.477	24.633.225	-

26. FEES FOR SERVICES RECEIVED FROM EXTERNAL AUDITOR/ EXTERNAL AUDITING FIRM

	January 1- December 31, 2023	January 1- December 31, 2022
Independent Audit Fee for the Reporting Period	357.082	188.228
Tax Consulting Fees	-	-
Other Services Fee Apart From Audit	-	-
Other Assurance Services Fee	-	-
Total	357.082	188.228

27. EVENTS AFTER THE REPORTING PERIOD

None.