

İŞ YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

Financial Statements

As of and For the Year

Ended December 31, 2024

With Independent Auditors' Report Thereon

18 February 2025

This report consists of 53 pages of financial statements and footnotes.

In case of any differences between the Turkish report and the English report, the balances and statements in the Turkish report shall be considered as the primary reference point.



**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR’S REPORT
ORIGINALLY ISSUED IN TURKISH**

INDEPENDENT AUDITOR’S REPORT

To the General Assembly of İş Yatırım Ortaklığı Anonim Şirketi

A. Audit of the financial statements

1. Opinion

We have audited the accompanying financial statements of İş Yatırım Ortaklığı Anonim Şirketi (the “Company”) which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements comprising a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (“TFRS”).

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the “SIA”) that are part of Turkish Standards on Auditing adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (the “POA”). Our responsibilities under these standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the “Ethical Rules”) the ethical requirements regarding independent audit in regulations issued by the POA; the regulations of the Capital Markets Board; and other relevant legislation are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.



3. Key audit matters

No matters have been determined to be the key audit matters to be communicated in our report.

4. Other matter

The financial statements of the Company as at and for the year ended December 31, 2023 have been audited by another independent audit firm, whose audit report dated February 22, 2024 expressed an unqualified opinion.

5. Responsibilities of management and those charged with governance for the financial statements

The Company 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.

6. Auditor's responsibilities for the audit of the financial statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is 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 independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements 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 independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in 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.
- Assess the 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 independent 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 provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

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.



B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 18 February 2025.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

A handwritten signature in blue ink, appearing to read "T. Gül", is positioned below the company name.

Talar Gül, SMMM
Independent Auditor

Istanbul, 18 February 2025

İŞ YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

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İŞ YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

Convenience Translation of Notes to the Financial Statements
For the Year Ended December 31, 2024 and 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, 2024, unless otherwise stated.)

| | | Audited | Audited |
|--|-------|----------------------|----------------------|
| | Notes | December, 31 2024 | December, 31 2023 |
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 3 | 114.139.056 | 123.132.036 |
| Investment securities | 4 | 230.948.739 | 394.068.392 |
| Trade receivables | 7 | 171.331.000 | 20.043.308 |
| - Trade receivables from third parties | 7 | 171.331.000 | 20.043.308 |
| Other Receivables | 6,8 | 45.615 | - |
| - Other receivables due from related parties | 6,8 | 45.615 | - |
| Prepayments | 6,13 | 109.842 | 97.913 |
| -Prepayment expenses to related parties | 6,13 | 109.842 | 97.913 |
| Total Assets | | 516.574.252 | 537.341.649 |
| Non-current Assets | | | |
| Investment securities | 4 | - | 36 |
| Tangible assets | 9 | 513.229 | 177.353 |
| Right of use assets | 10 | 3.607.327 | 731.055 |
| Intangible fixed assets | 11 | 209.027 | 279.747 |
| Total non-current assets | | 4.329.583 | 1.188.191 |
| TOTAL ASSETS | | 520.903.835 | 538.529.840 |

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

İŞ YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

Convenience Translation of Notes to the Financial Statements For the Year Ended December 31, 2024 and 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, 2024, unless otherwise stated.)

| | | <u>Audited</u> December, 31 2024 | <u>Audited</u> December, 31 2023 |
|---|-------|--|--|
| LIABILITIES | Notes | | |
| Short Term Liabilities | | | |
| Short-term portion of long-term borrowings | 5,6 | 649.681 | 262.121 |
| – Borrowings to related parties | 5,6 | 247.295 | - |
| – Borrowings to third parties | 5 | 402.386 | 262.121 |
| Trade payables | 6,7 | 313.838 | 5.125.914 |
| – Due to related parties | 6,7 | 313.838 | 5.125.914 |
| Other payables | 6,8 | 95.856 | 85.449 |
| – Other payables from related parties | 6 | 95.856 | 85.449 |
| Short-term provisions | 14 | 116.894 | 567.033 |
| – Provisions for employee benefits | 14 | 116.894 | 567.033 |
| Other Current Liabilities | 15 | 1.027.315 | 420.060 |
| Total current liabilities | | 2.203.584 | 6.460.577 |
| Long Term Liabilities | | | |
| Long-term borrowings | 5,6 | 2.637.908 | 202.539 |
| - Borrowings to related parties | 5,6 | 1.714.898 | - |
| - Borrowings to third parties | 5 | 923.010 | 202.539 |
| Long-term provisions | 14 | 726.565 | 1.562.011 |
| – Provisions for employee benefits | 14 | 726.565 | 1.562.011 |
| Total non-current liabilities | | 3.364.473 | 1.764.550 |
| Total liabilities | | 5.568.057 | 8.225.127 |
| EQUITY | | | |
| Paid-in capital | 16 | 160.599.284 | 160.599.284 |
| Inflation adjustment to share capital | 16 | 71.271.961 | 3.164.685.353 |
| Share Premium | 16 | 917.010 | 917.010 |
| Other comprehensive income/(expense) not to be reclassified to profit or loss | 16 | (1.920.414) | (1.027.925) |
| – Actuarial gains/(losses) on defined benefit plans | 16 | (1.920.414) | (1.027.925) |
| Restricted reserves | 16 | 298.544.383 | 687.824.408 |
| Retained earnings | 16 | - | (3.385.065.654) |
| Profit for the period | | (14.076.446) | (97.627.763) |
| Total Equity | | 515.335.778 | 530.304.713 |
| TOTAL LIABILITIES AND EQUITY | | 520.903.835 | 538.529.840 |

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

İŞ YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

Convenience Translation of Notes to the Financial Statements For the Year Ended December 31, 2024 and December 31, 2023

STATEMENT OF PROFIT OR LOSS

(All amounts are expressed in terms of purchasing power of Turkish Lira as of December 31, 2024, unless otherwise stated.)

| | | <u>Audited</u> January, 1 - December, 31 2024 | <u>Audited</u> January, 1 - December, 31 2023 |
|---|-------|---|---|
| | Notes | | |
| Revenue | 17 | 2.037.602.115 | 929.756.448 |
| Cost of Sales (-) | 18 | (1.829.951.180) | (702.773.372) |
| Gross Profit (Loss) | | 207.650.935 | 226.983.076 |
| Administrative Expenses (-) | 19 | (36.218.092) | (29.810.679) |
| Other Operating Income | 20 | - | 367.333 |
| Operating Profit/(Loss) | | 171.432.843 | 197.539.730 |
| Income from investing activities | | 321 | - |
| Impairment Gains (Losses) Determined in Accordance with TFRS 9 and Cancellation of Impairment Losses | 21 | 465.833 | (523.688) |
| Operating Profit/Loss Before Finance Cost | | 171.898.997 | 197.016.042 |
| Financial Expense (-) | 22 | (746.824) | (286.817) |
| Net Monetary Position Gains/(Loss) | 27 | (185.228.619) | (294.356.988) |
| Profit Before Taxation from Continuing Operations | | (14.076.446) | (97.627.763) |
| Income Tax from Continuing Operations | 2 | - | - |
| Profit/(Loss) For the Period | | (14.076.446) | (97.627.763) |
| Earnings/(Loss) Per Share | 23 | (0,0876) | (0,6079) |

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

İŞ YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

Convenience Translation of Notes to the Financial Statements
For the Year Ended December 31, 2024 and December 31, 2023

STATEMENT OF OTHER COMPREHENSIVE INCOME

(All amounts are expressed in terms of purchasing power of Turkish Lira as of December 31, 2024, unless otherwise stated.)

| | | <u>Audited</u> January, 1 - December, 31 2024 | <u>Audited</u> January, 1 - December, 31 2023 |
|--|-------|---|---|
| | Notes | | |
| Profit / (Loss) For the Period | | (14.076.446) | (97.627.763) |
| Other Comprehensive Income / (Loss): | | | |
| Other Comprehensive Income or Expenses that not be Reclassified Subsequently to Profit or Loss: | | (892.489) | (197.428) |
| Accumulated Profit/(Loss) On | | | |
| Remeasurement of Defined Benefit Plans | 16 | (892.489) | (197.428) |
| To be Reclassified as Profit or Loss | | - | - |
| Other Comprehensive Income / (Loss) | | (892.489) | (197.428) |
| Total Comprehensive Income / (Loss) : | | (14.968.935) | (97.825.191) |
| Earnings/(Loss) Per Share | 23 | (0,0932) | (0,6091) |

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

Convenience Translation of Notes to the Financial Statements For the Year Ended December 31, 2024 and December 31, 2023

STATEMENT OF CHANGES IN EQUITY

(All amounts are expressed in terms of purchasing power of Turkish Lira as of December 31, 2024, unless otherwise stated.)

| Audited Prior Year | Paid-in Capital | Inflation adjustment to share capital | Accumulated Other Comprehensive Income or Loss | | | | | Equity |
|--------------------------------------|--------------------|---------------------------------------|--|----------------------------------|---------------------|------------------------|-----------------------|--------------------|
| | | | Share premium | Not Reclassified Through or Loss | Restricted reserves | Retained earnings | Profit for the period | |
| Balances at January 1, 2023 | 160.599.284 | 3.164.685.353 | 917.010 | (830.497) | 668.562.091 | (3.051.275.298) | (195.687.403) | 746.970.540 |
| Transfers | - | - | - | - | 19.262.317 | (214.949.720) | 195.687.403 | - |
| Total comprehensive income | - | - | - | (197.428) | - | - | (97.627.763) | (97.825.191) |
| Profit/(loss) for the period | - | - | - | - | - | - | (97.627.763) | (97.627.763) |
| Other comprehensive income | - | - | - | (197.428) | - | - | - | (197.428) |
| Dividends paid | - | - | - | - | - | (118.840.636) | - | (118.840.636) |
| Balances at December 31, 2023 | 160.599.284 | 3.164.685.353 | 917.010 | (1.027.925) | 687.824.408 | (3.385.065.654) | (97.627.763) | 530.304.713 |

| Audited Current Year | Accumulated Other Comprehensive Income or Loss | | | | | | | Equity |
|--------------------------------------|--|---------------------------------------|----------------|----------------------------------|---------------------|-------------------|-----------------------|--------------------|
| | Paid-in Capital | Inflation adjustment to share capital | Share premium | Not Reclassified Through or Loss | Restricted reserves | Retained earnings | Profit for the period | |
| Balances at January 1, 2024 | 160.599.284 | 3.164.685.353 | 917.010 | (1.027.925) | 687.824.408 | (3.385.065.654) | (97.627.763) | 530.304.713 |
| Transfers | - | (3.093.413.392) | - | - | (389.280.025) | 3.385.065.654 | 97.627.763 | - |
| Total comprehensive income | - | - | - | (892.489) | - | - | (14.076.446) | (14.968.935) |
| Profit/(loss) for the period | - | - | - | - | - | - | (14.076.446) | (14.076.446) |
| Other comprehensive income | - | - | - | (892.489) | - | - | - | (892.489) |
| Dividends paid | - | - | - | - | - | - | - | - |
| Balances at December 31, 2024 | 160.599.284 | 71.271.961 | 917.010 | (1.920.414) | 298.544.383 | - | (14.076.446) | 515.335.778 |

Explanations regarding the statement of changes in equity are presented in Note 16.

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

İŞ YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

Convenience Translation of Notes to the Financial Statements For the Year Ended December 31, 2024 and December 31, 2023

STATEMENT OF CASH FLOWS

(All amounts are expressed in terms of purchasing power of Turkish Lira as of December 31, 2024, unless otherwise stated.)

| | | Audited January, 1 - December, 31 2024 | Audited January, 1 - December, 31 2023 |
|--|-------------|--|--|
| | Notes | | |
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | 13.830.353 | 72.358.282 |
| Net profit for the period | | (14.076.446) | (97.627.763) |
| Adjustments Related to Reconciliation of Net Profit (Loss) for the Period | | (14.385.783) | (33.285.802) |
| – Adjustments for depreciation and amortization expense | 9,10,11 | 1.293.559 | 2.416.242 |
| – Adjustments for impairment loss (reversal of impairment loss) | 3,4,21 | (465.833) | 523.688 |
| – Adjustments for provisions | 12,14 | 323.290 | 1.022.101 |
| – Adjustments for dividends (income) expenses | 17 | (2.445.934) | (4.221.116) |
| – Expenses (Income) from Participation Share and Other Financial Instruments | 17,18 | (55.261.787) | (108.017.475) |
| – Adjustments for interest (income) expenses | 17,22 | (100.703.936) | (55.009.789) |
| – Adjustment related to unrealized foreign currency translation Differences | 17 | (1.034.555) | (19.176.296) |
| – Adjustments for fair value losses (gains) | 17 | (21.394.893) | (70.061.114) |
| – Adjustments for monetary (gain) / loss | | 162.608.365 | 201.109.609 |
| – Adjustments to reconcile profit (loss) | 3,4,5,17,21 | 2.695.941 | 18.128.348 |
| Changes in the working capital | | (44.102.812) | 149.408.462 |
| – Decrease (Increase) in Financial Investments | 4,17,18 | 115.866.726 | 134.833.040 |
| – Adjustments for decrease (increase) in trade accounts receivable | 7 | (157.448.552) | 16.160.044 |
| – Adjustments for Decrease (Increase) in Other Receivables Related with Operations | 6,8 | (45.615) | - |
| – Decrease (Increase) in Prepaid Expenses | 13 | (11.929) | (17.692) |
| – Adjustments for increase (decrease) in trade accounts payable | 6,7 | (3.236.486) | (1.821.982) |
| – Adjustments for increase (decrease) in other operating payables | 6,8 | 36.672 | 42.967 |
| – Adjustments for Changes in Working Capital | 15 | 736.372 | 212.085 |
| Cash Flows from (used in) Operations | | (72.565.041) | 18.494.897 |
| – Interest Received | 3,17 | 88.242.338 | 54.489.569 |
| – Payments related with provisions for employee benefits | 14 | (1.846.944) | (626.184) |

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

İŞ YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

Convenience Translation of Notes to the Financial Statements For the Year Ended December 31, 2024 and December 31, 2023

STATEMENT OF CASH FLOWS

(All amounts are expressed in terms of purchasing power of Turkish Lira as of December 31, 2024, unless otherwise stated.)

| | | <u>Audited</u> January, 1 - December, 31 2024 | <u>Audited</u> January, 1- December, 31 2023 |
|--|-------|---|--|
| | Notes | | |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | 1.883.277 | 4.158.930 |
| — Cash inflows from the sale of shares or debt instruments of other enterprises or funds | | | |
| — Cash outflows for the acquisition of shares of other enterprises or funds or borrowing instruments (-) | | | |
| — Cash outflows from the sale of property, plant and equipment and intangible assets | 9,11 | (562.657) | (62.186) |
| Dividend received | 6,17 | 2.445.934 | 4.221.116 |
| C. CASH FLOWS FROM FINANCING OPERATIONS | | (1.653.399) | (120.092.912) |
| — Cash outflows related to debt payments resulting from lease agreements | 5 | (1.136.964) | (965.459) |
| — Dividend paid | 16 | - | (118.840.636) |
| — Interest paid (-) | | (516.435) | (286.817) |
| NET INCREASE ON CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF EXCHANGE RATE FLUCTUATIONS (A+B+C) | | 14.060.231 | (43.575.700) |
| D. EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | | 1.034.555 | 19.176.296 |
| NET INCREASE / DECREASE IN THE CASH AND CASH EQUIVALENTS (A+B+C+D) | | 15.094.786 | (24.399.404) |
| E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD | | 122.894.817 | 92.274.239 |
| F. EFFECT OF MONETARY (LOSS) ON CASH AND CASH EQUIVALENTS | | (37.848.005) | 55.019.982 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E+F) | | 100.141.598 | 122.894.817 |

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

İŞ YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

Convenience Translation of Notes to the Financial Statements

For the Year Ended December 31, 2024 and December 31, 2023

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are expressed in terms of purchasing power of Turkish Lira as of December 31, 2024, 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 at İş Kuleleri Kule 1, Floor 5, Levent, İstanbul. The main shareholder of the company is İş Yatırım Menkul Değerler A.Ş., a subsidiary of Türkiye İş Bankası A.Ş. The company offered to public on April 1, 1996. The company's operational activity involves managing a portfolio consisting of capital market instruments and precious metals. As of December 31, 2024, the company employs 6 people (December 31, 2023: 6). The company has no participations, subsidiaries, or joint ventures. İş Portföy Yönetimi A.Ş. professionally manages the company's portfolio based on the principle of risk diversification.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basic od Presentation

2.1.1 Accounting principles and statement of compliance to TAS

The Company has prepared the financial statements, in accordance with the Communiqué Serial Number II, No: 14.1, "Communiqué of Financial Reporting in Capital Markets" ("Communiqué"), issued by the Capital Market Board ("CMB") in the Official Gazette dated June 31, 2013, and numbered 28676, and in compliance with the Turkish Accounting Standards ("TAS") communicated by the Public Oversight Accounting and Auditing Standards Agency ("POA"). The related financial statements of the Company have been presented in accordance with the TAS taxonomy published by the POA on July 4, 2024. TAS, Turkish Accounting Standards, includes the Turkish Financial Reporting Standards (TFRS) along with its supplements and interpretations.

The financial statements and their explanatory notes have been prepared to befit the announcement regarding CMB's Communiqué. As of December 31, 2024, 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 18, 2025.

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, of any entity whose functional currency is the currency of a hyperinflationary economy.

In accordance with the decision of the Capital Markets Board (SPK) dated December 28, 2023, and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply the provisions of TAS 29 "Financial Reporting in Hyperinflationary Economies" starting from the annual financial reports for the fiscal periods ending on December 31, 2023. As per this decision, inflation accounting has been implemented. The Company, based on the SPK decision, the POA announcement, and the "Implementation Guide on Financial Reporting in Hyperinflationary Economies" published by the POA, has made inflation adjustments according to TAS 29 in the preparation of its financial statements for the period ending on December 31 2024.

İŞ YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

Convenience Translation of Notes to the Financial Statements

For the Year Ended December 31, 2024 and December 31, 2023

NOTES TO THE FINANCIAL STATEMENTS

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.1.2 Financial reporting in hyperinflationary economy (continued)

According to TAS 29, if the cumulative inflation rate for the last three years approaches or exceeds 100%, it is considered that the country is experiencing high inflation. Based on the consumer price index (CPI) published by the Turkish Statistical Institute ("TÜİK"), the cumulative inflation rate for the three-year period ending on December 31, 2024, is 291%.

Even if there is no increase in the price indexes to the aforementioned level, if there are indications of high inflation, such as the population holding their savings predominantly in foreign currency, prices of goods and services being determined in foreign currencies, interest rates, wages, and prices being linked to general price indexes, and prices being determined with maturity differences to compensate for purchasing power losses, TAS 29 should still be applied.

The accompanying financial statements are prepared on a historical cost basis, except for those measured at fair value or revalued amounts. All amounts in these financial statements, as well as comparative figures for prior periods, have been adjusted for changes in the purchasing power of the Turkish lira in accordance with TAS 29, and ultimately expressed in terms of the purchasing power of the Turkish lira as of December 31, 2024.

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 correction coefficients and index values for the current and prior periods used in the adjustment of the financial statements presented as of December 31, 2024, are as follows:

| Year end | Index | Conversion Factor |
|------------|----------|-------------------|
| 31.12.2024 | 2.684,55 | 1,00000 |
| 31.12.2023 | 1.859,38 | 1,44379 |
| 31.12.2022 | 1.128,45 | 2,37897 |

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, 2024. Non-monetary items which are not expressed in terms of measuring unit as of December 31, 2024 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.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.1.2 Financial Reporting in Hyperinflationary Economy (continued)

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.

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 ("TRY"), 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, 2024, are prepared comparatively with the prior period to provide information on the Company's financial position and performance. The Company has prepared the statement of financial position as of December 31, 2024, comparatively with the ending on December 31, 2023. The following statements are compared to the accounting period ending on December 31, 2023, 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.

Comparative Amounts

As explained in Note 2.1.2, the figures for the previous reporting period are restated using the general price index to present the comparative financial statements in terms of the purchasing power of the currency as of the reporting period's end. Information disclosed for prior periods is also expressed in terms of the purchasing power of the currency at the end of the reporting period.

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, 2024.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.1 Basis of Presentation (continued)

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, 2024 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, 2024 and thereafter. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

i) New standards that are in effect as of December 31, 2024, and changes made to the previous standards.:

Amendment to IFRS 16 – Leases on sale and leaseback;

Effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

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

Amendment to IAS 1 – Non-current liabilities with covenants

Effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

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

Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements

Effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

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)

IFRS S1, 'General requirements for disclosure of sustainability-related financial information

Effective from annual periods beginning on or after January 1, 2024, this standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain. The application of this standard is mandatory for businesses meeting the relevant criteria, as outlined in the Capital Markets Board's (KGK) announcement dated January 5, 2024, and numbered 2024-5, for annual reporting periods beginning on or after January 1, 2024. For banks, the criteria apply regardless of their status, while other businesses may voluntarily report in accordance with the "Turkey Sustainability Reporting Standards" (TSRS).

Since the thresholds for at least two of the criteria specified in KGK's announcement dated January 5, 2024, and numbered 2024-5 have not been exceeded for two consecutive reporting periods, our Company is not subject to the mandatory application of the standard.

IFRS S2, 'Climate-related disclosures'

Effective from annual periods beginning on or after January 1, 2024, this is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities. Furthermore, the Capital Markets Board's (KGK) decision published in the Official Gazette on December 29, 2023, clarified that certain businesses will be subject to mandatory sustainability reporting starting from January 1, 2024. The "Turkey Sustainability Reporting Standards (TSRS) Scope of Application Decision" dated January 5, 2024, identifies businesses that fall under the scope of sustainability practices for mandatory reporting. Additionally, changes were made to the scope of businesses subject to sustainability reporting according to the "Turkey Sustainability Reporting Standards (TSRS) Scope of Application Decision" dated December 16, 2024.

Since the thresholds for at least two of the criteria specified in KGK's announcement dated January 5, 2024, and numbered 2024-5 have not been exceeded for two consecutive reporting periods, our company is not subject to the mandatory application of the standard.

ii) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2024:

TFRS 17 - Insurance Contracts

This standard is effective for annual reporting periods beginning on or after January 1, 2023. It replaces TFRS 4, which previously allowed a wide range of applications. TFRS 17 will fundamentally change the accounting for all businesses that issue insurance contracts and investment contracts with discretionary participation features.

However, in a letter dated April 6, 2023, sent by the Public Oversight Accounting and Auditing Standards Agency (KGK) to the Insurance, Reinsurance, and Pension Companies Association of Turkey, it was stated that it would be appropriate to apply TFRS 17 in the consolidated and individual financial statements of insurance companies, reinsurance companies, pension companies, banks with investments/partnerships in these companies, and other companies with investments/partnerships in these companies starting from January 1, 2024.

Furthermore, due to the amendment of Article 13(1)(a) of the "Regulation on Financial Reporting of Insurance, Reinsurance Companies, and Pension Companies" by the Insurance and Private Pension Regulation and Supervision Authority (SEDDK), the effective date of TFRS 17 was postponed from January 1, 2024, to January 1, 2025. Consequently, in a letter sent by the KGK to the Turkish Banks Association on February 15, 2024, it was communicated that the application date of TFRS 17 for the aforementioned entities' consolidated and individual financial statements has been postponed to January 1, 2025.

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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)

However, following another amendment by SEDDK to Article 13(1)(a) of the same regulation, the effective date of TFRS 17 was further postponed from January 1, 2025, to January 1, 2026. Therefore, in a letter sent by the KGK to the Turkish Banks Association on January 14, 2025, it was announced that the application date of TFRS 17 for the consolidated and individual financial statements of the aforementioned entities has been delayed until January 1, 2026.

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 IAS 21 - Lack of Exchangeability

Effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

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

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

Effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

The effects of this change on the Company's financial position and performance are being evaluated.

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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)

Annual improvements to IFRS – Volume 11

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

- IFRS 1 First-time Application of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

IFRS 18 Presentation and Disclosure in Financial Statements

Effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- The structure of the statement of profit or loss;
- Required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The effects of this change on the Company's financial position and performance are being evaluated.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

Effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- It does not have public accountability; and It does not have public accountability; and the shares of İş Yatırım Ortaklığı that are not traded on the stock exchange do not face the same level of scrutiny as publicly traded companies.
- It has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The effects of this change on the Company's financial position and performance are being evaluated.

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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's revenue consists of securities, redemption and interest income, dividends, net valuation gains/(losses), and derivative income/expenses. Income from the sale and purchase of securities is recorded as income in the profit or loss statement. Dividends and similar revenues from share certificates are recognized on the settlement date of the transaction, when the shareholders' rights to receive payment have been established. Interest income for all interest-bearing instruments is recognized using the effective interest rate method on the initial acquisition cost and is reflected in the profit or loss statement on an accrual basis. Interest income includes fixed-rate coupon payments, time deposit interest, income from money market placements, reverse repurchase agreements, and income from trading securities provided 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 reflected in the accompanying financial statements at their inflation-adjusted cost values, taking into account the period from the date of acquisition until December 31, 2004, which is considered the end date of the high inflation period for assets acquired before December 31, 2004. For assets acquired after January 1, 2005, they are reflected at their acquisition cost values, with accumulated depreciation and permanent impairment losses deducted.

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:

| | Estimated Useful Life (Years) |
|------------------------|-------------------------------|
| Furniture and fixtures | 3-10 Years |
| Leasehold improvements | 5 Years |

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.

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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)

The useful lives and depreciation method of intangible fixed assets are reviewed each 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.

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.

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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 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, 2024, the Company does not have any loan transactions (December 31, 2023: None).

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

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

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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)

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.

Right of Use Assets

In accordance with IFRS 16, which became effective on January 1, 2019, the amounts related to the Company's lease agreements have been discounted to their present value using a reasonable interest rate, within the framework of their respective maturities, and recorded as right-of-use assets. The corresponding liability amounts are tracked under the liabilities section for both short-term and long-term lease transactions.

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.

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.

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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)

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.

Leasing payables

The liabilities arising from the Company's operating leases consist of the lease obligations for the office and the company vehicle being used by the Company. In accordance with TFRS 16, the corresponding liability amounts are tracked under the liabilities section for both short-term and long-term lease transactions.

Financial instruments

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 TRY) 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 TRY by making use of the foreign exchange rates announced by the CBRT as of the end of the reporting period.

The exchange rates used by the Company as of December 31, 2024 and December 31, 2023 are as follows:

| | December 31, 2024 | | December 31, 2023 | |
|----------|-------------------|---------|-------------------|---------|
| | Buying | Selling | Buying | Selling |
| EUR/TRY | 36,7362 | 36,8024 | 32,5739 | 32,6326 |
| USD/ TRY | 35,2803 | 35,3438 | 29,4382 | 29,4913 |

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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)

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, 2024, the portfolio of the Company consists 2.954.763 mutual fund participation certificates with foreign currency position. (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 USD 2.000 FX futures contracts (short position) with the maturity of January 31, 2024.).

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. (Note 23).

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. This is also disclosed in the notes to the financial statements.

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.

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,

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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)

Segment reporting

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.

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. Furthermore, with the Law No. 7524 published in the Official Gazette on August 2, 2024, which amends the Tax Laws and certain other laws, as well as the Decree Law No. 375, a domestic minimum corporate tax rate of 10% has been introduced for businesses operating in Turkey through the addition of paragraph (c) to Article 32 of the Corporate Tax Law. This application will come into effect starting from 2025, and the Company will begin paying the minimum corporate tax in accordance with the relevant legislation.

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.

,Securities investment funds and securities investment trusts established in accordance with the Capital Markets Law are subject to income tax deduction at the rate of 0% as of October 1, 2006 on the trading gains and periodical returns of securities and other capital market instruments obtained by securities investment funds and securities investment trusts established in accordance with the Capital Markets Law through banks and intermediary institutions specified in paragraphs (1), (2), (3) and (4) of the Provisional Article 67 of the Income Tax Law. This article of the Income Tax Law will be applied 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.

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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)

Employee Benefits

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.

Employee Benefits

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

| | December 31, 2024 | December 31, 2023 |
|---|-------------------|-------------------|
| Net discount rate (%) | 3,98 | 3,28 |
| 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.

Statement of Cash Flows

The cash and cash equivalents, which form the basis for the preparation of the cash flow statement, include cash, Takasbank Money Market and receivables from reverse repo transactions, as well as bank deposits with maturities of less than three months. Interest income accruals and discounts for the period are deducted, while the expected credit loss allowance is added.

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. The Company has preferred to present cash inflows and outflows from operating activities on a net (indirect) basis in the financial statements.)

Cash flows from investing activities represent the cash flows used in and generated from investing activities (fixed investments and financial investments) of the Company.

Cash flows from financing activities represent the sources used by the Company in its financing activities and the repayments of these sources.

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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)

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 TFRS 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:

Note 3 – Cash and cash equivalents
Note 4 – Financial Investments
Note 9 – Tangible assets
Note 10 – Right of use assets
Note 11 – Intangible assets
Note 14 – Employee benefits

3. CASH AND CASH EQUIVALENTS

As of December 31, 2024 and December 31, 2023 the details of cash and cash equivalents are as follows:

| | December 31, 2024 | December 31, 2023 |
|--|--------------------|--------------------|
| Cash at banks (*) | 7.461 | 26.166.935 |
| – Time Deposit | - | 26.129.838 |
| – Demand deposit (Note 6) | 7.461 | 37.097 |
| Receivables from exchange money market | 30.040 | 97.568.279 |
| Reverse repurchase agreements | 114.152.916 | - |
| Provision for expected losses (**) | (51.361) | (603.178) |
| | 114.139.056 | 123.132.036 |

(*) (*) There is no blockage or pledge on cash at banks as of December 31, 2024 (December 31, 2023: None).

(**) As of December 31, 2024, the Company has accounted an expected loss provision amounting to TRY 51.361 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, 2023: TRY 603.178)

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3. CASH AND CASH EQUIVALENTS (continued)

Time Deposit

As of December 31, 2024, the Company has no time deposit.

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

| December 31, 2023 | Interest Rate | Maturity | Principal | Book Value |
|-------------------|---------------|------------------|-------------------|-------------------|
| TRY | 46,00% | January 19, 2024 | 12.994.089 | 13.285.175 |
| TRY | 46,50% | January 26, 2024 | 12.638.967 | 12.844.663 |
| | | | 25.633.056 | 26.129.838 |

Receivables from exchange money market:

| December 31, 2024 | Interest Rate | Maturity | Principal | Book Value |
|-------------------|---------------|-----------------|-----------|------------|
| TRY | 48,30% | January 2, 2025 | 30.000 | 30.040 |

| December 31, 2023 | Interest Rate | Maturity | Principal | Book Value |
|-------------------|---------------|-----------------|------------|------------|
| TRY | 43,00% | January 2, 2024 | 97.224.665 | 97.568.279 |

Reverse repurchase agreements:

| December 31, 2024 | Interest Rate | Maturity | Principal | Book Value |
|-------------------|---------------|-----------------|-------------|-------------|
| TRY | 48,96% | January 2, 2025 | 114.000.000 | 114.152.916 |

As of December 31, 2023, there are no receivables from reverse repo transactions.

As of December 31, 2024 and December 31, 2023, cash and cash equivalents less accrued income interest in the statement of cash flows are as follows:

| | December 31, 2024 | December 31, 2023 |
|--------------------------------------|--------------------|--------------------|
| Cash and cash equivalents | 114.139.056 | 123.132.036 |
| Accrued interest and value increases | (14.048.819) | (840.397) |
| Expected loss provision | 51.361 | 603.178 |
| | 100.141.598 | 122.894.817 |

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

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4. INVESTMENT SECURITIES

a) Short Term Financial Investment

| | December 31, 2024 | December 31, 2023 |
|--|--------------------|--------------------|
| Financial assets at fair value through profit/loss | 230.948.739 | 381.367.040 |
| Receivables from the Stock Exchange Money Market with an original maturity of more than 3 months to 1 year | - | 12.763.589 (*) |
| Expected loss provision | - | (62.237) |
| | 230.948.739 | 394.068.392 |

(*) It is a time deposit balance with a nominal value of TRY 12,763,589 due on 01.03.2024, and an interest rate of 46%.

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, 2024. 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, 2024 | | | |
|---|-------------|--------------------|--------------------|
| Financial assets at fair value through | | | |
| Profit or loss | Nominal | Fair Value | Carrying Value |
| Corporate bills and bonds | 46.800.000 | 48.291.983 | 48.291.983 |
| Mutual fund participation certificates (Note 6) | 180.536.362 | 72.939.856 | 72.939.856 |
| Stock exchange securities | 1.430.000 | 109.716.900 | 109.716.900 |
| | | 230.948.739 | 230.948.739 |

| December 31, 2023 | | | |
|---|-------------|--------------------|--------------------|
| Financial assets at fair value through | | | |
| Profit or loss | Nominal | Fair Value | Carrying Value |
| Eurobonds (*) | 95.674.150 | 136.938.847 | 136.938.847 |
| Corporate bills and bonds | 87.910.000 | 124.833.699 | 124.833.699 |
| Mutual fund participation certificates (Note 6) | 288.695.330 | 100.120.685 | 100.120.685 |
| Stock exchange securities | 300.000 | 19.473.809 | 19.473.809 |
| | | 381.367.040 | 381.367.040 |

(*) As of December 31, 2024, there are no eurobonds in the portfolio. (As of December 31, 2023, the portfolio held eurobonds issued by the Republic of Turkey's Treasury, with a nominal value of USD 3,250,000 in their original currency).

As of December 31, 2024, the interest rates corresponding to the fair values of the TRY-based private sector debt instruments held in the portfolio for trading purposes range from 37.08% to 67.66%. (As of December 31, 2023, the range was between 20.56% and 56.33%). As of December 31, 2024, there are no USD-based debt instruments in the Company's portfolio for trading purposes. (As of December 31, 2023, the portfolio held USD-based debt instruments for trading purposes, with an interest rate of 11.94% corresponding to their fair value).

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4. INVESTMENT SECURITIES (continued)

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

| | December 31, 2024 | December 31, 2023 |
|---------------------------|--------------------|--------------------|
| As of January 1, | 381.367.040 | 608.551.760 |
| Monetary gain/(loss) | (117.223.609) | (239.224.224) |
| Additions during the year | 1.772.402.697 | 649.297.398 |
| Valuation differences | 18.612.968 | 51.618.658 |
| Disposals during the year | (1.824.210.357) | (688.876.552) |
| | 230.948.739 | 381.367.040 |

b) Long Term Financial Investment

| | December 31, 2024 | December 31, 2023 |
|---|-------------------|-------------------|
| Financial assets at fair value through profit or loss (*) | - | 36 |

(*) The shares of TSKB Gayrimenkul Değerleme A.Ş. have been transferred to Türkiye Sınai Kalkınma Bankası A.Ş. in the current period, and as a result, they have been removed from the Company's portfolio.

5. FINANCIAL LIABILITIES

| Short-term portion of long-term financial liabilities | December 31, 2024 | December 31, 2023 |
|--|-------------------|-------------------|
| Lease liabilities from related parties (Not 6) | 247.295 | - |
| Lease liabilities from third parties | 402.386 | 262.121 |
| Total short-term portion of long-term financial liabilities | 649.681 | 262.121 |

| Long-term liabilities | December 31, 2024 | December 31, 2023 |
|--|-------------------|-------------------|
| Lease liabilities from related parties | 1.714.898 | - |
| Lease liabilities from third parties | 923.010 | 202.539 |
| Total Long-Term Liabilities | 2.637.908 | 202.539 |

| | | |
|--------------------------|------------------|----------------|
| Total Liabilities | 3.287.589 | 464.660 |
|--------------------------|------------------|----------------|

The lease liabilities related to operating leases consist of the office lease at the Company's residence address and vehicle leases. Movement of lease liabilities are as follows:

| | December 31, 2024 | December 31, 2023 |
|---------------------------------|-------------------|-------------------|
| Beginning of period - January 1 | 464.660 | 1.906.676 |
| Monetary loss (gain) | (142.826) | (959.287) |
| Lease increase effect | - | 482.730 |
| Interest expenses | 516.435 | 286.817 |
| Paid during period (-) | (1.653.399) | (1.252.276) |
| Additions | 4.273.325 | - |
| Disposals during the year | (170.606) | - |
| | 3.287.589 | 464.660 |

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6. RELATED PARTY DISCLOSURES

Details of related party balances are as follows

| Cash and cash equivalents | December 31, 2024 | December 31, 2023 |
|--|-------------------|-------------------|
| Türkiye İş Bankası A.Ş. (Demand deposit) (Not 3) | 7.461 | 37.097 |

| Financial investments at fair value through profit or loss | December 31, 2024 | December 31, 2023 |
|--|-------------------|-------------------|
| Related company mutual fund participation certificates (Not 3) | 72.939.856 | 100.120.685 |
| Related company bonds | 20.107.426 | 8.753.539 |
| Related company equity shares | - | 36 |
| | 93.047.282 | 108.874.260 |

| Other Receivables | December 31, 2024 | December 31, 2023 |
|---------------------------------|-------------------|-------------------|
| İş Merkezleri Yön. ve İşl. A.Ş. | 45.615 | - |

| Dividend received | December 31, 2024 | December 31, 2023 |
|---------------------------------|-------------------|-------------------|
| TSKB Gayrimenkul Değerleme A.Ş. | 56 | - |

| Prepayments | December 31, 2024 | December 31, 2023 |
|-------------------------------------|-------------------|-------------------|
| Anadolu Anonim Türk Sigorta Şirketi | 109.842 | 97.913 |

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

| Trade payables to related parties (*) | December 31, 2024 | December 31, 2023 |
|---------------------------------------|-------------------|-------------------|
| İş Portföy Yönetimi A.Ş. | 133.987 | 4.991.668 |
| Türkiye İş Bankası A.Ş. | 127.927 | 134.246 |
| İş Yatırım Menkul Değerler A.Ş. | 51.924 | - |
| | 313.838 | 5.125.914 |

(*) It consists of portfolio management, portfolio performance, custody, and brokerage commissions to be paid (Note7).

| Related Parties Other Payables | December 31, 2024 | December 31, 2023 |
|-------------------------------------|-------------------|-------------------|
| Anadolu Anonim Türk Sigorta Şirketi | 95.856 | 85.449 |

| Leasing Payables | December 31, 2024 | December 31, 2023 |
|-------------------------|-------------------|-------------------|
| Türkiye İş Bankası A.Ş. | 1.962.193 | - |

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6. RELATED PARTY DISCLOSURES (continued)

| Portfolio management, brokerage and custody commissions paid to related parties (Note 18) | January, 1 - December, 31 2024 | January, 1 - December, 31 2023 |
|---|-----------------------------------|-----------------------------------|
| İş Portföy Yönetimi A.Ş. | (1.590.968) | (8.557.278) |
| İş Yatırım Menkul Değerler A.Ş. | (3.437.834) | (2.034.535) |
| Türkiye İş Bankası A.Ş. | (530.118) | (612.715) |
| | (5.558.920) | (11.204.528) |

| General administrative expenses (Note 19) | January, 1 - December, 31 2024 | January, 1 - December, 31 2023 |
|---|-----------------------------------|-----------------------------------|
| İş Merkezleri Yön. ve İşl. A.Ş. ⁽¹⁾ | (854.570) | (795.354) |
| İşnet Elektronik Bilgi Ür. ve Dağ. Tic. Ve İlet. Hiz. A.Ş. ⁽²⁾ | (812.648) | (549.090) |
| İş Yatırım Menkul Değerler A.Ş. ⁽³⁾ | (403.709) | (150.744) |
| Anadolu Anonim Türk Sigorta Şirketi ⁽⁴⁾ | (86.212) | (72.249) |
| Softtech Yazılım Tek. Araş. Gel. ve Paz. Tic. A.Ş. ⁽⁵⁾ | (32.048) | - |
| Anadolu Hayat Emeklilik A.Ş. ⁽⁶⁾ | (17.722) | (26.966) |
| | (2.206.909) | (1.594.403) |

- (1) Maintenance Repair and Operating Expenses
(2) Server rental, system support, internet usage, and other service expenses.
(3) Risk Management Expenses
(4) Health Insurance Expenses.
(5) Web Site Update Expenses
(6) Consists of life insurance premiums paid for personnel

| Interest Income | January, 1 - December, 31 2024 | January, 1 - December, 31 2023 |
|-------------------------|-----------------------------------|-----------------------------------|
| Türkiye İş Bankası A.Ş. | - | 795.406 |

| Leasing Payments | January, 1 - December, 31 2024 | January, 1 - December, 31 2023 |
|-------------------------|-----------------------------------|-----------------------------------|
| Türkiye İş Bankası A.Ş. | (1.215.449) | (1.254.449) |

Benefits Provided To Senior Executive

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

| | January, 1 - December, 31 2024 | January, 1 - December, 31 2023 |
|---|-----------------------------------|-----------------------------------|
| Gross wages and other short-term benefits | (11.024.336) | (10.088.781) |
| Provision for vacation and employee bonuses | - | (71.736) |
| Severance indemnity | (86.376) | (47.714) |
| | (11.110.712) | (10.208.231) |

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7. TRADE RECEIVABLES AND TRADE PAYABLES

Trade receivables

As of December 31, 2024, the Company does not have any overdue or doubtful receivables (December 31, 2023: None).

As of December 31, 2024 and December 31, 2023, the detailed information on short-term trade receivables are as follows:

| Short-Term Receivables | December 31, 2024 | December 31, 2023 |
|--|--------------------|-------------------|
| TDE transaction collaterals | 36.613.203 | 20.043.308 |
| Receivables from selling of securities (*) | 134.717.797 | - |
| | 171.331.000 | 20.043.308 |

(*) It is the receivable amount arising from the purchase/sale of shares.

The details regarding the nature and level of risks related to trade receivables are provided in Notes 24 and 25.

Trade Payables

As at December 31, 2024 and December 31, 2023, the detailed information on short-term trade payables is as follows:

| Other current liabilities due to related parties | December 31, 2024 | December 31, 2023 |
|--|-------------------|-------------------|
| Portfolio performance commission (Note 6) | - | 4.853.206 |
| Portfolio management commissions (Note 6) | 133.987 | 138.462 |
| Portfolio custody commissions (Note 6) | 127.927 | 134.246 |
| Commissions payable (Note 6) | 51.924 | - |
| | 313.838 | 5.125.914 |

8. OTHER RECEIVABLES AND OTHER PAYABLES

Other Receivables

As at December 31, 2024 and December 31, 2023, the detailed information on short-term other receivables are as follows:

| Short-Term Other Receivable | December 31, 2024 | December 31, 2023 |
|---|-------------------|-------------------|
| Other receivables due from related parties (Note 6) | 45.615 | - |

Other payables

As at December 31, 2024 and December 31, 2023, the detailed information on short-term other Payables are as follows:

| Short-Term Other Payables | December 31, 2024 | December 31, 2023 |
|--|-------------------|-------------------|
| Other Payables from related parties (Note 6) | 95.856 | 85.449 |

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9. TANGIBLE ASSETS

The changes in tangible fixed assets for the years ending on December 31, 2024, and December 31, 2023, are as follows:

| Cost | Furniture and Fixtures | Leasehold Improvements | Total |
|---|------------------------|------------------------|------------------|
| Opening balance at January 1 | 3.415.381 | 769.374 | 4.184.755 |
| Additions | 443.864 | 8.800 | 452.664 |
| Closing balance at December 31, 2024 | 3.859.245 | 778.174 | 4.637.419 |

Accumulated depreciation

| | | | |
|--|--------------------|------------------|--------------------|
| Opening balance at January 1 | (3.238.028) | (769.374) | (4.007.402) |
| Charge for the year | (116.642) | (146) | (116.788) |
| Closing balance as of December 31, 2024 | (3.354.670) | (769.520) | (4.124.190) |

| | | | |
|--|----------------|--------------|----------------|
| Net carrying amount December 31, 2024 | 504.575 | 8.654 | 513.229 |
|--|----------------|--------------|----------------|

| Cost | Furniture and Fixtures | Leasehold Improvements | Total |
|---|------------------------|------------------------|------------------|
| Opening balance at January 1 | 3.361.181 | 769.374 | 4.130.555 |
| Additions | 54.200 | - | 54.200 |
| Closing balance at December 31, 2023 | 3.415.381 | 769.374 | 4.184.755 |

Accumulated depreciation

| | | | |
|---|--------------------|------------------|--------------------|
| Opening balance as of January 1 | (3.160.606) | (769.374) | (3.929.980) |
| Charge for the year | (77.422) | - | (77.422) |
| Closing balance at December 31, 2023 | (3.238.028) | (769.374) | (4.007.402) |

| | | | |
|--|----------------|----------|----------------|
| Net carrying amount December 31, 2023 | 177.353 | - | 177.353 |
|--|----------------|----------|----------------|

As of December 31, 2024 and December 31, 2023, there is no pledge on the tangible fixed assets.

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10. RIGHT OF USE ASSETS AND LIABILITIES

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, 2024 | December 31, 2023 |
|--|-------------------|--------------------|
| Beginning of period | 9.342.215 | 8.859.485 |
| Additions | 4.273.325 | 482.730 |
| Disposals during the year | (9.342.214) | - |
| Closing Value | 4.273.326 | 9.342.215 |
| Accumulated Depreciation and Amortization | | |
| Beginning of period | (8.611.160) | (6.443.056) |
| Period Expense | (996.058) | (2.168.104) |
| Disposals during the year | 8.941.219 | - |
| Closing Value | (665.999) | (8.611.160) |
| Net carrying amount | 3.607.327 | 731.055 |

11. INTANGIBLE ASSETS

| Cost | December 31, 2024 | December 31, 2023 |
|------------------------------------|--------------------|--------------------|
| Opening balance at January-1 | 2.192.174 | 2.184.188 |
| Purchases | 109.993 | 7.986 |
| Closing balance at December | 2.302.167 | 2.192.174 |
| Accumulated amortization | | |
| Opening balance at January 1 | (1.912.427) | (1.741.711) |
| Period Expense | (180.713) | (170.716) |
| Closing balance | (2.093.140) | (1.912.427) |
| Net carrying amount | 209.027 | 279.747 |

Intangible assets consist of computer software.

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12. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Conditional Assets and Liabilities

As of December 31, 2024, the Company's portfolio includes 300 sold contracts for the BIST30 index futures, with a maturity date of February 28, 2025, on the Futures and Options Exchange (VIOP). (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 (VIOP).

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 (December 31, 2023 : None).

b) Provisions

As the Company is not involved in any lawsuits, no provisions have been made (as of December 31, 2023: None).

13. PREPAID EXPENSES AND DEFERRED REVENUES

Prepaid expenses

| Prepaid Expenses within Current Assets | December 31, 2024 | December 31, 2023 |
|--|-------------------|-------------------|
| Expenses for future months (Note 6) | 109.842 | 97.913 |

14. EMPLOYEE BENEFITS

Provisions related to employee benefits

a) Short-term provisions for employee benefits

As of December 31, 2024, and December 31, 2023, the details of the short-term provisions are as follows:

| Short-Term Provisions | December 31, 2024 | December 31, 2023 |
|--|-------------------|-------------------|
| Provision for unused vacation pay liability and employee bonuses | 116.894 | 567.033 |

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.

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14. EMPLOYEE BENEFITS (continued)

a) Short-term provisions for employee benefits (continued)

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

| | January 1, - December 31, 2024 | January 1, - December 31, 2023 |
|-------------------------------------|-----------------------------------|-----------------------------------|
| Beginning of the period – January 1 | 567.033 | 520.522 |
| Monetary (gain) / loss | (174.293) | (204.620) |
| Period expense | 116.894 | 325.155 |
| Payments during the period | (392.740) | (74.024) |
| | 116.894 | 567.033 |

b) Long-term provisions for employee benefits

Provision for Severance Indemnity

| Long-term provisions | December 31, 2024 | December 31, 2023 |
|------------------------------|-------------------|-------------------|
| Employee severance indemnity | 726.565 | 1.562.011 |

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, 2024 is based on the monthly ceiling amounting to TRY 41.828,42 (December 31, 2023: TRY 23.489,83).

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, 2024, 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 21,85% and an discount rate of 26,70%, resulting in a net discount rate of approximately 3,98% (December 31, 2023: The provisions at the end of the reporting period is 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%). The probability of voluntarily leaves is also considered in the calculation.

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14. EMPLOYEE BENEFITS (continued)

a) Long-Term Provisions (continued)

The movements of provision for employment termination benefits for the periods ended December 31, 2024 and 2023 are as follows:

| | January 1, - December 31, 2024 | January 1, - December 31, 2023 |
|----------------------------|-----------------------------------|-----------------------------------|
| Provision as of January 1 | 1.562.011 | 2.009.895 |
| Monetary loss (gains) | (203.104) | (463.626) |
| Interest cost | 75.571 | 273.845 |
| Service cost | 246.542 | 170.653 |
| Payments during the period | (1.846.944) | (626.184) |
| Actuarial loss /(gains) | 892.489 | 197.428 |
| | 726.565 | 1.562.011 |

15. OTHER ASSETS AND LIABILITIES

Other short-term liabilities

| | December 31, 2024 | December 31, 2023 |
|-------------------------------|-------------------|-------------------|
| Taxes, Duties and Other Taxes | 1.027.315 | 420.060 |

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16. CAPITAL AND RESERVES

a) Paid-in Capital

The structure of the Company's paid-in share capital as at December 31, 2024 and December 31, 2023 are as follows:

| Shareholders | Group | December 31, 2024 | | December 31, 2023 | |
|---|-------|--------------------|-----------------------|----------------------|-----------------------|
| | | Nominal Amount | Shareholding Rate (%) | Nominal Amount | Shareholding Rate (%) |
| İş Yatırım Menkul Değerler A.Ş. | (A) | 2.347.411 | 1,46 | 2.347.411 | 1,46 |
| İş Yatırım Menkul Değerler A.Ş. | (B) | 44.106.690 | 27,47 | 44.106.690 | 27,47 |
| T. Sınai Kalkınma Bankası A.Ş. | (B) | 9.346.475 | 5,82 | 9.346.475 | 5,82 |
| Yatırım Finansman Menkul Değerler A.Ş. | (A) | 1.185.072 | 0,73 | 1.185.072 | 0,73 |
| Yatırım Finansman Menkul Değerler A.Ş. | (B) | 632.039 | 0,40 | 632.039 | 0,40 |
| Anadolu Hayat Emeklilik A.Ş. | (A) | 592.536 | 0,37 | 592.536 | 0,37 |
| Anadolu Hayat Emeklilik A.Ş. | (B) | 870.929 | 0,54 | 870.929 | 0,54 |
| Other | (B) | 101.518.132 | 63,21 | 101.518.132 | 63,21 |
| Total share capital | | 160.599.284 | 100,00 | 160.599.284 | 100,00 |
| Capital Inflation Adjustments | | 71.271.961 | | 3.164.685.353 | |
| Total Paid-in Capital and Capital Adj. Diff. | | 231.871.245 | | 3.325.284.637 | |

The total number of ordinary shares consists of 16.059.928.400 shares with a par value of Kurus 1 (one) per share and TRY 4.125.019 of the total amount is Group (A), TRY 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.

As December 31, 2024 67,24% of the Company's shares are tradable on Borsa Istanbul (December 31, 2023: 67,27%).

b) The Company's registered capital ceiling, according to the Capital Markets Law, is TRY 300.000.000 (three hundred million) , and this registered capital is divided into 30.000.000.000 (thirty billion) shares, each with a nominal value of 1 (one) kuruş. The registered capital ceiling authorization granted by the CMB is valid for the years 2021-2025 (5 years). Even if the authorized registered capital ceiling is not reached by the end of 2025, in order for the board of directors to make a decision on capital increase after 2025, it is mandatory to obtain approval from the Board for either the previously granted ceiling or a new ceiling amount, and to obtain authorization from the general assembly for a new period.

Share Premiums

| | December 31, 2024 | December 31, 2023 |
|----------------|-------------------|-------------------|
| Share Premiums | 917.010 | 917.010 |

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16. CAPITAL AND RESERVES (continued)

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

| | December 31, 2024 | December 31, 2023 |
|--|-------------------|-------------------|
| Defined Benefit Plans Remeasurement Gains and Losses | (1.920.414) | (1.027.925) |

Remeasurements of Defined Benefit Plans Gains (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 Remeasurements of Defined Benefit Plans Gains (Losses).

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

Severance Pay Actuarial Loss/Gain Fund

| | December 31, 2024 | December 31, 2023 |
|---------------------------------|-------------------|-------------------|
| Beginning of period – January 1 | (1.027.925) | (830.497) |
| Intra-period fund effects | (892.489) | (197.428) |
| | (1.920.414) | (1.027.925) |

d) Reserves on Retained Earnings

| | December 31, 2024 | December 31, 2023 |
|-----------------------|-------------------|-------------------|
| Legal Reserves | 298.544.383 | 687.824.408 |

According to Article 519 of the Turkish Commercial Code No. 6102 ("TCC"), businesses shall allocate 5% of their annual profits as legal reserves until they reach 20% of their paid-in capital. If the business has previous years' losses, the 5% is deducted from the annual profit calculation. Pursuant to subparagraph (c) of Article 519 of the TCC, after the distribution of a 5% profit share to shareholders, 10% of the portion decided to be distributed to shareholders and others participating in the profit shall also be added to the legal reserves.

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16. CAPITAL AND RESERVES (continued)

e) Profits or Losses from Prior Years

As per the financial statements audited for the period from January 1, 2023, to December 31, 2023, prepared in accordance with the provisions of TMS 29 "Financial Reporting in High Inflation Economies" under the Communiqué No. II-14.1 of the Capital Markets Board (CMB) and the CMB's decision No. 81/1820 dated December 28, 2023, the net loss for the period as of December 31, 2023, was TRY 67.619.195 (historical value), and the accumulated losses from previous years amounted to TRY 2.344.572.972 (historical value). During the General Assembly meeting held on March 20, 2024, the shareholders approved the proposal of the Board of Directors to offset the accumulated losses from previous years of TRY 2.344.572.972 (historical value) with the capital adjustment difference of TRY 2.142.568.006 (historical value) resulting from inflation accounting. As a result of this offset, the remaining TRY 202.004.966 (historical value) of the accumulated losses from previous years, along with the entire net loss of TRY 67.619.195 (historical value), were fully offset against the legal reserves (restricted reserves) of TRY 476.402.728 (historical value) as of December 31, 2023.

As a result of these offset transactions, there are no accumulated losses for the current period (2023: accumulated losses of TRY 2.344.572.972 at historical value, and TRY 3,385,065,654 at current period purchasing power).

| | December 31, 2024 | December 31, 2023 |
|--------------------------------------|-------------------|-------------------|
| Retained earnings/accumulated losses | - | (3.385.065.654) |

The historical values and the effects of inflation adjustments for the following accounts under the company's equity, in accordance with TFRS and VUK financial statements, as of December 31, 2024, are as follows:

| December 31, 2024 (TFRS) | Historical Value | Inflation Adjustment Effect | Indexed Value |
|---|------------------|-----------------------------|---------------|
| Paid-in capital | 160.599.284 | 71.271.961 (*) | 231.871.245 |
| Other Capital Reserves (Share Premiums) | 59.922 | 857.088 | 917.010 |
| Restricted reserves | 67.301.259 | 231.243.124 | 298.544.383 |

(*) During the period, capital adjustment differences were used to offset prior years' losses. As a result of these offsetting transactions, the remaining effect is the inflation adjustment for the current period.

| December 31, 2024 (VUK) (1) | Historical Value | Inflation Adjustment Effect | Indexed Value |
|---|------------------|-----------------------------|---------------|
| Paid-in capital | 160.599.284 | 1.634.505.631 | 1.795.104.915 |
| Other Capital Reserves (Share Premiums) | 59.922 | 1.226.138 | 1.286.060 |
| Restricted reserves | 67.301.259 | 499.587.996 | 566.889.255 |

(1) Inflation adjustment has been made based on the Producer Price Index (PPI).

f) Dividend Distribution

The company determines the principles for distributing its profits from its operations in accordance with the regulations of the Capital Markets Board (SPK). Since no distributable net profit was generated for the period, no cash dividend could be distributed in the current period, as per the regulations. (In the Ordinary General Assembly meeting held on March 22, 2023, it was decided to distribute a cash dividend of TRY 56.209.749, representing 35% of the paid-up capital, from the distributable profit of 2022. The distribution started on March 27, 2023, and was completed on March 29, 2023).

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17. REVENUE

| Sales | December 31, 2024 | December 31, 2023 |
|---|----------------------|--------------------|
| Sales of equity shares | 1.270.180.536 | 546.741.712 |
| Sales of Eurobonds | 122.027.906 | 135.136.499 |
| Sales of mutual funds | 221.481.861 | 107.291.259 |
| Sales of bonds | 265.781.841 | 10.208.720 |
| Subtotal | 1.879.472.144 | 799.378.190 |
| Increase/decrease (net) in mutual fund value (net) | 19.270.033 | 53.261.518 |
| Liquidation and Interest Revenues | 67.475.752 | 52.043.667 |
| Exchange rate difference income/expenses (net) | 1.034.555 | 19.176.296 |
| Increase/decrease in stock value (net) | (2.167.111) | 8.667.593 |
| Increase/decrease in the value of debt securities (net) | 1.456.428 | 6.287.451 |
| Dividend income | 2.445.934 | 4.221.116 |
| Eurobonds value increase/decrease (net) | 53.616 | 1.844.551 |
| Accruals of interest | 333.602 | 1.762.429 |
| Reverse repurchases interest income | 33.641.406 | 1.490.510 |
| Futures contract profits/losses (net) | 34.585.756 | (18.376.873) |
| Subtotal | 158.129.971 | 130.378.258 |
| Total | 2.037.602.115 | 929.756.448 |

18. COST OF SALES

| Cost of Sales | January, 1 - December, 31 2024 | January, 1 - December, 31 2023 |
|--|-----------------------------------|-----------------------------------|
| Cost of sales of equity shares | (1.241.420.845) | (494.680.551) |
| Cost of sales of mutual funds | (209.943.532) | (99.195.493) |
| Costs of sales of Eurobonds | (111.585.492) | (87.348.731) |
| Cost of sales of bonds and bills | (261.260.488) | (10.135.940) |
| Subtotal | (1.824.210.357) | (691.360.715) |
| Portfolio performance commission expenses (Note 6) | - | (6.717.315) |
| Brokerage commission expenses (Note 6) | (3.437.834) | (2.034.535) |
| Portfolio management commission expenses (Note 6) | (1.590.968) | (1.839.963) |
| Portfolio custody commission expenses (Note 6) | (530.118) | (612.715) |
| Settlement and custody commission expenses | (181.903) | (208.129) |
| Subtotal | (5.740.823) | (11.412.657) |
| TOTAL COST OF SALES | (1.829.951.180) | (702.773.372) |

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19. ADMINISTRATIVE EXPENSES

| | January, 1 - December, 31 2024 | January, 1 - December, 31 2023 |
|--|-----------------------------------|-----------------------------------|
| Personnel wages and expenses (*) | (23.329.289) | (15.440.016) |
| Board of directors attendance fees | (6.252.237) | (6.256.475) |
| Depreciation and amortization expenses | (1.293.559) | (2.416.242) |
| System expenses | (1.444.917) | (1.123.421) |
| Operating expenses | (1.398.052) | (826.376) |
| Audit fees | (1.014.039) | (744.801) |
| Membership expenses | (381.930) | (318.489) |
| Risk management system expenses | (403.709) | (150.744) |
| Listing Expenses | (84.638) | (85.481) |
| Other operating expenses | (615.722) | (2.448.634) |
| Total Administrative Expenses | (36.218.092) | (29.810.679) |

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

| | | |
|--|---------------------|---------------------|
| Salaries and wages | (15.211.993) | (11.160.437) |
| Social security expenses | (4.202.612) | (2.415.909) |
| Provision for employee severance indemnity | (1.666.007) | (761.809) |
| Provision for unused vacation and employee bonus | (116.894) | (325.155) |
| Other expenses | (2.131.783) | (776.706) |
| Total Personnel and Wage Expenses | (23.329.289) | (15.440.016) |

20. OTHER OPERATING INCOME AND EXPENSES

| | January, 1 - December, 31 2024 | January, 1 - December, 31 2023 |
|-------------------------------|-----------------------------------|-----------------------------------|
| Other operating income | | |
| Receivables from bonds(1) | - | 365.798 |
| Other | - | 1.535 |
| Other operating income | - | 367.333 |

(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).

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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 2024 | January, 1 - December, 31 2023 |
|--|-----------------------------------|-----------------------------------|
| Net (Impairment)/cancellation of cash and cash equivalents | 465.833 | (445.965) |
| Net (Impairment)/cancellation of financial investment | - | (77.723) |
| | 465.833 | (523.688) |

22. FINANCING INCOME AND EXPENSES

| | January, 1 - December, 31 2024 | January, 1 - December, 31 2023 |
|---|-----------------------------------|-----------------------------------|
| Financing Expenses | | |
| Interest Expenses on Leases | (516.435) | (286.817) |
| Early Settlement Effect Before Lease Maturity | (230.389) | - |
| | (746.824) | (286.817) |

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, 2024, and December 31, 2023 are as follows:

| | January, 1 - December, 31 2024 | January, 1 - December, 31 2023 |
|--|-----------------------------------|-----------------------------------|
| Weighted Average number of shares in circulation throughout the period | 160.599.284 | 160.599.284 |
| Profit/(Loss) for the year | (14.076.446) | (97.627.763) |
| Earnings Per Share | (0,0876) | (0,6079) |
| Total Comprehensive Income | (14.968.935) | (97.825.191) |
| Earnings Per Share from Total Comprehensive Income | (0,0932) | (0,6091) |

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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, 2024 | December 31, 2023 |
| Fixed interest rate financial instruments | 130.778.540 | 376.959.132 |
| Financial assets | | |
| – Financial assets at fair value through profit or loss | 16.595.584 | 240.497.426 |
| – Time Deposits | - | 38.893.426 |
| – Receivables from MMT | 30.040 | 97.568.280 |
| – Reverse repurchase agreements | 114.152.916 | - |
| Floating interest rate financial instruments | 31.696.399 | 21.275.120 |
| Financial assets | | |
| – Financial assets at fair value through profit or loss | 31.696.399 | 21.275.120 |

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, 2024, 1% increase or decrease in interest rates on the condition that all other factors remain stable, causes a decrease amounting to TRY 255.655 / an increase, amounting to TRY 263.725, arises at the fair value of corporate bonds, amounting to TRY 48.291.983, and thus at the net profit for the period and shareholder's equity of the Company, as of December 31, 2024 (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 TRY 1.989.069 / an increase, amounting to TRY 2.030.318, arises at the fair value of the debt securities, amounting to TRY 261.772.547, and thus at the net profit for the period and shareholder's equity of the Company, as of December 31, 2023.).

Share price risk

The Company is also exposed to equity price risk arising from potential changes in the stock prices of the securities within its portfolio. As of December 31, 2024, with the Company holding 300 BIST30 index contracts expiring on February 28, 2025, and a net position of 1.430.000 shares, if there is a 10% increase or decrease in the prices and all other variables are held constant, the Company's net profit and, consequently, its equity would increase or decrease by TRY 7.587.090 (As of December 31, 2023, for the equity positions held for trading purposes, a 10% increase or decrease in the prices and holding all other variables constant, the Company's net profit and equity would increase or decrease by TRY 1.947.381).

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

Credit risk

| Credit Risks Exposed by Financial Instruments Types | Receivables | | | | Receivables from reserve repo and | | | Derivative financial instruments | Others |
|--|-------------------|----------------|-------------------|----------------|-----------------------------------|-----------------------|---------------------------|----------------------------------|--------|
| | Trade Receivables | | Other Receivables | | Bank money market | Investment placements | Securities ⁽¹⁾ | | |
| | Related Partites | Other Partites | Related Partites | Other Partites | | | | | |
| Maximum Credit Risk Exposure as of 31 December 2024 (*) (A+B+C+D+E) | - | 171.331.000 | 45.615 | - | 7.461 | 114.182.956 | 48.291.983 | - | - |
| – Maximum credit risk amount secured with guarantees etc. | | - | - | - | - | - | - | - | - |
| A. Net carrying value of neither past due nor impaired financial assets | - | 171.331.000 | 45.615 | - | 7.461 | 114.182.956 | 48.291.983 | - | - |
| – The Portion Secured by Collateral, etc. | - | - | - | - | - | - | - | - | - |
| B. Carrying Value of Financial Assets That Have Been Renegotiated, Otherwise Considered Past Due or Impaired | - | - | - | - | - | - | - | - | - |
| – The Portion Secured by Collateral, etc. | - | - | - | - | - | - | - | - | - |
| C. Net Book Value of Overdue Assets That Have Not Been Impaired | - | - | - | - | - | - | - | - | - |
| – The Portion Secured by Collateral, etc. | - | - | - | - | - | - | - | - | - |
| D. Off balance sheet items with credit risks | - | - | - | - | - | - | - | - | - |
| – Past due (gross amount) | - | - | - | - | - | - | - | - | - |
| – Impairment (-) | - | - | - | - | - | - | - | - | - |
| – Net carrying value secured with guarantees | - | - | - | - | - | - | - | - | - |
| – Not past due (gross amount) | - | - | - | - | - | - | - | - | - |
| – Impairment (-) | - | - | - | - | - | - | - | - | - |
| – Net carrying value secured with guarantees | - | - | - | - | - | - | - | - | - |
| E. Off-Balance Sheet Credit Risk Elements | - | - | - | - | - | - | - | - | - |

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

(1) The balance of financial investments consists of private sector bonds

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

Credit risk (continued)

| Credit Risks Exposed by Financial Instruments Types | Receivables | | | | Bank Deposit | Reverse Repo and Money Market Receivables | Investment Securities ⁽¹⁾ | Derrivates | Others |
|---|---------------------|-------------------|---------------------|-------------------|-----------------|---|---|------------|--------|
| | Trade Receivables | | Other Receivables | | | | | | |
| | Related Partites | Other Partites | Related Partites | Other Partites | | | | | |
| Maximum Credit Risk Exposure as of 31 December 2023 (*) (A+B+C+D+E) | - | 20.043.308 | - | - | 38.930.524 | 97.568.279 | 124.833.699 | - | - |
| — Maximum credit risk amount secured with guarantees | - | - | - | - | - | - | - | - | - |
| A. Net carrying value of neither past due nor impaired financial assets | - | 20.043.308 | - | - | 38.930.524 | 97.568.279 | 124.833.699 | - | - |
| — The Portion Secured by Collateral, etc. | - | - | - | - | - | - | - | - | - |
| B. Net carrying value of past due but not impaired financial assets | - | - | - | - | - | - | - | - | - |
| — The Portion Secured by Collateral, etc | - | - | - | - | - | - | - | - | - |
| C. Net carrying value of impaired assets | - | - | - | - | - | - | - | - | - |
| — The Portion Secured by Collateral, etc | - | - | - | - | - | - | - | - | - |
| D. Off balance sheet items with credit risks ri | - | - | - | - | - | - | - | - | - |
| — Past due (gross amount) | - | - | - | - | - | - | - | - | - |
| — Impairment (-) | - | - | - | - | - | - | - | - | - |
| — Net carrying value secured with guarantees | - | - | - | - | - | - | - | - | - |
| — Not past due (gross amount) | - | - | - | - | - | - | - | - | - |
| — Impairment (-) | - | - | - | - | - | - | - | - | - |
| — Net carrying value secured with guarantees | - | - | - | - | - | - | - | - | - |
| E. Off-Balance Sheet Credit Risk Elements | - | - | - | - | - | - | - | - | - |

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

(1) The balance of financial investments consists of private sector bonds.

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

Credit risk (continued)

| | | As of December 31, 2024, 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) | 20.938.842 | 593.500 | - | - |
| 2b. | Non-monetary Financial Assets | - | - | - | - |
| 3. | Other | - | - | - | - |
| 4. | Current Assets (1+2+3) | 20.938.842 | 593.500 | - | - |
| 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) | 20.938.842 | 593.500 | - | - |
| 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) | - | - | - | - |
| 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 | - | - | - | - |
| 20. | Net foreign currency asset/ (liability) position (9-18+19) | 20.938.842 | 593.500 | - | - |
| 21. | Net foreign currency asset/(liability) position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a) | 20.938.842 | 593.500 | - | - |
| 22. | Total Fair Value of Financial Instruments Used Hedging Foreign Currency | - | - | - | - |

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

Credit risk (continued)

| | | As of December 31, 2023, Foreign Exchange Position | | | |
|-------|--|--|--------------------|----------|----------|
| | | Total Equivalent in TRY of All Foreign Currencies | USD | EURD | Other |
| 1. | Trade Receivables | - | - | - | - |
| 2a. | Monetary Financial Assets (Including Cash and Bank Accounts) | 183.911.516 | 4.327.074 | - | - |
| 2b. | Non-monetary Financial Assets | - | - | - | - |
| 3. | Other | - | - | - | - |
| 4. | Current Assets (1+2+3) | 183.911.516 | 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) | 183.911.516 | 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) | (88.060.078) | (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 | 88.060.078 | 2.000.000 | - | - |
| 20. | Net foreign currency asset/ (liability) position (9-18+19) | 95.851.438 | 2.327.074 | - | - |
| 21. | Net foreign currency asset/(liability position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a) | 183.911.516 | 4.327.074 | - | - |
| 22. | Total Fair Value of Financial Instruments Used Hedging Foreign Currency | - | - | - | - |

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

Currency Risk (continued)

Sensitivity to currency risk

The exposure to foreign exchange risk arises from holding assets, liabilities, and off-balance-sheet obligations in foreign currencies, where fluctuations in exchange rates may affect the company's financial position. As of 31 December 2024, the company holds 2.954.763 investment fund participation certificates that are denominated in foreign currency. (As of 31 December 2023, the company held USD 3.250.000 nominal value of Eurobonds, 111.113.292 investment fund participation certificates with foreign currency positions, and 2,000 sell positions in USD foreign exchange contracts with a maturity date of 31 January 2024).

The company's currency risk generally arises from changes in the value of the Turkish Lira against the Euro and the US Dollar.. 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, 2024 | | | |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | Gains / (Loss) | | Equity | |
| | Appreciation of foreign currency | Depreciation of foreign currency | Appreciation of foreign currency | Depreciation of foreign currency |
| USD changes against TRY by 10% | | | | |
| 1. USD net asset/liability | 2.093.884 | (2.093.884) | 2.093.884 | (2.093.884) |
| 2. Portion hedged against the USD risk (-) | - | - | - | - |
| 3. USD net effect (1+2) | 2.093.884 | (2.093.884) | 2.093.884 | (2.093.884) |
| EUR changes against TRY by 10%: | | | | |
| 4. EUR net asset/liability | - | - | - | - |
| 5. Portion hedged against the EUR risk (-) | - | - | - | - |
| 6. EUR net effect (4+5) | - | - | - | - |
| Other currencies changes against TRY 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) | 2.093.884 | (2.093.884) | 2.093.884 | (2.093.884) |

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

Currency Risk (continued)

Sensitivity to currency risk (continued)

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 TRY by 10% | | | | |
| 1. USD net asset/liability | 18.391.151 | (18.391.151) | 18.391.151 | (18.391.151) |
| 2. Portion hedged against the USD risk (-) | (8.806.008) | 8.806.008 | (8.806.008) | 8.806.008 |
| 3. USD net effect (1+2) | 9.585.143 | (9.585.143) | 9.585.143 | (9.585.143) |
| EUR changes against TRY by 10%: | | | | |
| | - | - | - | - |
| 4. EUR net asset/liability | - | - | - | - |
| 5. Portion hedged against the EUR risk (-) | - | - | - | - |
| 6. EUR net effect (4+5) | - | - | - | - |
| Other currencies changes against TRY 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) | 9.585.143 | (9.585.143) | 9.585.143 | (9.585.143) |

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24. NATURE AND LEVEL OF THE RISKS ARISING FROM FINANCIAL INSTRUMENTS (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. . Non-derivative financial liabilities as of December 31, 2024 and December 31, 2023 based on the undiscounted cash flow of the remaining contract term maturities are as follows:

| December 31, 2024 | | | | | | |
|---|------------------|---------------------------------|--------------------|----------------|------------------|------------------|
| Contractual Maturity | Carrying Value | Total contractual cash outflows | Less Than 1 months | 1-3 months | 3-12 months | 1-5 Years |
| Non-Derivative Financial Liabilities | 3.697.283 | 6.457.886 | 492.306 | 356.936 | 1.414.500 | 4.194.144 |
| Trade payables | 313.838 | 313.838 | 313.838 | - | - | - |
| Leasing payables | 3.287.589 | 6.048.192 | 154.504 | 309.008 | 1.390.536 | 4.194.144 |
| Other payables | 95.856 | 95.856 | 23.964 | 47.928 | 23.964 | - |
| December 31, 2023 | | | | | | |
| Contractual Maturity | Carrying Value | Total contractual cash outflows | Less Than 1 months | 1-3 months | 3-12 months | 1-5 Years |
| Non-Derivative Financial Liabilities | 5.676.023 | 5.755.383 | 5.174.477 | 97.127 | 266.171 | 217.608 |
| Trade payables | 5.125.914 | 5.125.914 | 5.125.914 | - | - | - |
| Leasing payables | 464.660 | 544.020 | 27.201 | 54.402 | 244.809 | 217.608 |
| Other payables | 85.449 | 85.449 | 21.362 | 42.725 | 21.362 | - |

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

Capital management

The company engages in the capital market activities specified in its articles of association in accordance with the applicable Capital Markets Law and relevant regulations. The company's mission is to manage its portfolio in a professional, effective, consistent, and rational manner in accordance with applicable laws and its articles of association, following the principle of risk diversification, and to provide shareholders with a regular dividend income over the years in line with its Dividend Distribution Policy. The company's capital is managed in accordance with this mission.

25. FINANCIAL INSTRUMENTS

Categories of Financial Instruments

| | Carrying Value | Fair Value |
|--|--------------------|--------------------|
| December 31, 2024 | | |
| Financial assets | 516.464.410 | 516.464.410 |
| – Financial assets at fair value through profits or loss | 230.948.739 | 230.948.739 |
| – Cash and cash equivalents | 114.139.056 | 114.139.056 |
| – Trade receivables | 171.331.000 | 171.331.000 |
| – Other receivables | 45.615 | 45.615 |
| Financial liabilities | 3.697.283 | 3.697.283 |
| – Trade payables | 313.838 | 313.838 |
| – Leasing payables | 3.287.589 | 3.287.589 |
| – Other payables | 95.856 | 95.856 |
| | | |
| | Carrying Value | Fair Value |
| December 31, 2023 | | |
| Financial assets | 537.305.973 | 537.305.973 |
| – Financial assets at fair value through profits or loss | 394.130.629 | 394.130.629 |
| – Cash and cash equivalents | 123.132.036 | 123.132.036 |
| – Trade receivables | 20.043.308 | 20.043.308 |
| Financial liabilities | 5.676.023 | 5.676.023 |
| – Trade payables | 5.125.914 | 5.125.914 |
| – Leasing payables | 464.660 | 464.660 |
| – Other payables | 85.449 | 85.449 |

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

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25. FINANCIAL INSTRUMENTS (continued)

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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25. FINANCIAL INSTRUMENTS (continued)

Financial assets presented at fair value through profit and loss:

| December 31, 2024 | Carrying Value | Level 1 | Level 2 | Level 3 |
|--|--------------------|--------------------|-------------------|----------|
| Financial assets at fair value through in profits or loss | | | | |
| – Corporate bills and bonds | 48.291.983 | 48.291.983 | - | - |
| – Mutual fund participation certificates | 72.939.856 | 47.701.029 | 25.238.827 | - |
| – Shares - quoted | 109.716.900 | 109.716.900 | - | - |
| | 230.948.739 | 205.709.912 | 25.238.827 | - |
| | | | | |
| December 31, 2023 | Carrying Value | Level 1 | Level 2 | Level 3 |
| Financial assets at fair value through in profits or loss | | | | |
| – Eurobonds | 136.938.847 | 136.938.847 | - | - |
| – Corporate bills and bonds | 124.833.699 | 124.833.699 | - | - |
| – Mutual fund participation certificates | 100.120.685 | 75.540.365 | 24.580.320 | - |
| – Shares - quoted | 19.473.809 | 19.473.809 | - | - |
| | 381.367.040 | 356.786.720 | 24.580.320 | - |

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

The Public Oversight Authority (KGK) has decided, within the framework of international practices, to increase the necessary quality and confidence in independent auditing, and to require public interest entities, as well as large companies applying IFRS either mandatorily or voluntarily, to disclose the fees paid for services received from independent auditors or auditing firms in their financial statements. This decision was made on March 26, 2021, and was published in the Official Gazette on March 30, 2021, with the requirement to apply to accounting periods beginning on or after January 1, 2021.

In this context, the disclosure regarding the fees for services provided by the independent auditing firms that audit the financial statements is as follows:

| | January, 1- December 31, 2024 | January, 1- December 31, 2023 |
|--|----------------------------------|----------------------------------|
| Independent Audit Fee for the Reporting Period | 462.668 | 588.374 |
| Tax Consulting Fees | - | - |
| Other Services Fee Apart From Audit | - | - |
| Other Assurance Services Fee | 67.754 | - |
| | 530.422 | 588.374 |

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27. EXPLANATIONS REGARDING NET MONETARY POSITION GAINS (LOSSES)

| | |
|--|----------------------|
| Balance Sheet Items | 31.12.2024 |
| Long-Term Financial Assets | (29) |
| Tangible Fixed Assets and Investment Properties (Including Special Costs, Excluding Depreciation Effect) | 58.954 |
| Intangible Assets (Excluding Amortization Effect) | 56.425 |
| Right of use assets Excluding Amortization Effect) | 647.808 |
| Effect of Amortization | (516.926) |
| a) Effect on Total Assets | 246.232 |
| Effect on Liabilities | - |
| b) Effect on Total Liabilities | - |
| Capital | (71.701.838) |
| Share Issue Premiums | (26.593) |
| Restricted Reserves | (29.867.472) |
| Profit Reserves and Accumulated Profit or Loss | (61.565.457) |
| c) Effect on Equity | (163.161.360) |
| d) Total Impact on the Statement of Financial Position (a + b + c) | (162.915.128) |
| Items of the Profit or Loss Statement | |
| Revenue | (217.180.877) |
| Cost of sales | 189.835.216 |
| GROSS PROFIT (LOSS) | (27.345.661) |
| General administrative expenses | 4.791.764 |
| OPERATING PROFIT (LOSS) | (22.553.897) |
| Income from investing activities | 10 |
| Impairment Gains (Losses) and Reversals of Impairment Losses Determined in Accordance with TFRS 9 | (56.312) |
| OPERATING PROFIT (LOSS) BEFORE FINANCE INCOME (EXPENSE) | (22.610.199) |
| Financial expenses | 296.708 |
| PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAX | (22.313.491) |
| Continuing Operations Tax (Expense) Income | - |
| e) PROFIT (LOSS) FROM CONTINUING OPERATIONS | (22.313.491) |
| Total Net Monetary Position Gains (Losses) (d+e) | (185.228.619) |

İŞ YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

Convenience Translation of Notes to the Financial Statements
For the Year Ended December 31, 2024

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are expressed in terms of purchasing power of Turkish Lira as of December 31, 2024, unless otherwise stated.)

28. EVENTS AFTER THE REPORTING PERIOD

None

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