

**GEDİK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023
AND INDEPENDENT AUDITOR'S REPORT
(ORIGINALLY ISSUED IN TURKISH)**

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

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

To the Board of Directors of Gedik Yatırım Menkul Değerler Anonim Şirketi

Introduction

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

Scope of review

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

Conclusion

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

İstanbul, 07 August 2023

PKF Aday Bağımsız Denetim A.Ş.
(A Member Firm of PKF International)



Yunus Can ÇARPATAN
Partner

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GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL POSITION AS OF 30 JUNE 2023

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

ASSETS	Notes	Current Period Reviewed 30 June 2023	Previous Period Audited 31 December 2022
CURRENT ASSETS			
Cash and cash equivalents	3	1,746,514,875	2,087,375,602
Financial investments	5-19	1,280,372,294	868,519,192
Trade receivables		3,362,740,907	5,598,598,469
- <i>Trade receivables from related parties</i>	4-19	236,626,190	12,243,490
- <i>Trade receivables from non-related parties</i>	4	3,126,114,717	5,586,354,979
Other receivables		1,385,719,890	449,038,952
- <i>Other receivables from related parties</i>	8-19	130,639	4,145
- <i>Other receivables from non-related parties</i>	8	1,385,589,251	449,034,807
Prepaid expenses		10,007,827	5,693,551
- <i>Prepaid expenses to non-related parties</i>		10,007,827	5,693,551
Assets related with current period tax	10	-	41,546,342
Total current assets		7,785,355,793	9,050,772,108
NON CURRENT ASSETS			
Financial investments	5	92,048,629	74,756,263
Investments accounted through equity method	15	113,023,378	116,341,702
Other receivables		34,448,138	1,234,457
- <i>Other receivables from non-related parties</i>	8	34,448,138	1,234,457
Right of use assets	9	32,375,408	27,573,511
Tangible assets	7	24,961,858	23,717,534
Intangible assets	7	12,293,025	10,217,888
- <i>Other intangible assets</i>		12,293,025	10,217,888
Prepaid expenses		215,782	-
- <i>Prepaid expenses to non-related parties</i>		215,782	-
Deferred tax assets	10	20,899,524	87,191,812
Total non-current assets		330,265,742	341,033,167
TOTAL ASSETS		8,115,621,535	9,391,805,275

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL POSITION AS OF 30 JUNE 2023

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

		Current Period Reviewed 30 June 2023	Previous Period Audited 31 December 2022
LIABILITIES AND EQUITY	Notes		
CURRENT LIABILITIES			
Short term borrowings	6	2,840,033,555	1,903,070,893
Short term borrowings to related parties		4,421,427	-
<i>-Liabilities from short term leases</i>	6-19	4,421,427	-
Short term borrowings to non-related parties		2,835,612,128	1,903,070,893
<i>-Liabilities from short term leases</i>		12,930,930	29,913,008
<i>-Other short term borrowings</i>		2,822,681,198	1,873,157,885
Trade payables		3,470,893,903	6,214,892,808
<i>- Trade payables to related parties</i>	4-19	173,885,641	65,386,172
<i>- Trade payables to non-related parties</i>	4	3,297,008,262	6,149,506,636
Liabilities regarding employee benefits	18	20,680,312	18,748,204
Income tax liabilities	10	20,229,026	5,378,677
Provisions		37,884,990	23,347,078
<i>- Short term provisions related to employee benefits</i>	18	10,221,033	2,615,209
<i>-Other short term provisions</i>	17	27,663,957	20,731,869
Other payables		39,225,191	14,818,044
<i>- Other payables to non-related parties</i>	8	39,225,191	14,818,044
Total current liabilities		6,428,946,977	8,180,255,704
LONG TERM LIABILITIES			
Long term borrowings	6	31,719,349	9,322,679
<i>Long term borrowings to related parties</i>		687,182	-
<i>- Liabilities from long term leases</i>	6-19	687,182	-
<i>Long term borrowings to non-related parties</i>		31,032,167	9,322,679
<i>- Liabilities from long term leases</i>		31,032,167	9,322,679
Other payables	8	-	911
<i>- Other payables to non-related parties</i>		-	911
Long term provisions		34,732,800	16,923,941
<i>- Long term provisions related to employee benefits</i>	18	34,732,800	16,923,941
Deferred tax liability	10	1,418,210	492,524
Total non-current liabilities		67,870,359	26,740,055
EQUITY			
Equity held by the Parent		1,592,001,387	1,157,761,814
Paid-in capital	11	505,000,000	327,600,000
Capital advance	11	-	374,316,207
Reacquired shares (-)	11	(86,996,810)	(40,068,364)
Share premiums	11	197,491,297	-
Accumulated other comprehensive income and expenses that will not be reclassified under profit or loss	11	(2,234,842)	(1,770,404)
<i>- Defined benefit plans remeasurement losses</i>		(2,234,842)	(1,770,404)
Accumulated other comprehensive income and expenses that will be reclassified under profit or loss	11	258,385	333,422
<i>- Shares that will be reclassified in profit/(loss) from other comprehensive income of investments accounted through equity method</i>		258,385	333,422
Legal reserves	11	161,649,030	88,085,971
Retained earnings	11	235,701,923	59,593,153
Net profit for the period		581,132,404	349,671,829
Non-controlling interests	11	26,802,812	27,047,702
TOTAL LIABILITIES AND EQUITY		8,115,621,535	9,391,805,275

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES

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

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

		Current Period Reviewed 1 January - 30 June 2023	Previous Period Reviewed 1 January - 30 June 2022	Current Period Unreviewed 1 April - 30 June 2023	Previous Period Unreviewed 1 April - 30 June 2022
PROFIT AND LOSS	Notes				
Revenue	12	38,107,361,788	37,560,178,107	18,465,777,370	22,404,321,547
Cost of sales(-)	12	(37,311,325,924)	(37,152,503,268)	(18,124,527,595)	(22,167,211,882)
GROSS PROFIT		796,035,864	407,674,839	341,249,775	237,109,665
General administrative expenses (-)	14	(446,804,372)	(189,996,572)	(244,595,928)	(99,099,947)
Marketing expenses (-)	14	(41,537,255)	(21,655,684)	(22,175,703)	(12,084,266)
Other operating income	13	1,180,051,587	498,139,909	523,085,189	304,015,879
Other operating expenses (-)	13	(774,019,405)	(419,840,380)	(106,802,121)	(288,964,578)
OPERATING PROFIT		713,726,419	274,322,112	490,761,212	140,976,753
Income from investment activities		1,439	2,515,894	-	2,513,410
Expenses from investment activities (-)		(127)	-	(127)	8,659
Shares from profit of investments accounted through equity method	15	(3,218,274)	2,719,939	3,161,849	(33,016)
OPERATING PROFIT BEFORE					
FINANCE INCOME AND EXPENSES		710,509,457	279,557,945	493,922,934	143,465,806
Financial income	16	217,960,564	70,288,836	167,652,783	41,065,513
Financial expenses (-)	16	(206,841,178)	(111,513,499)	(136,667,688)	(63,701,876)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		721,628,843	238,333,282	524,908,029	120,829,443
Tax income / (expense) from continuing operations					
Corporate tax expense (-)	10	(73,324,496)	(44,314,628)	(63,009,433)	(26,395,350)
Deferred tax income / (expense)	10	(67,416,833)	(6,341,654)	(74,265,038)	(2,842,606)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		580,887,514	187,677,000	387,633,558	91,591,487
LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS		-	(242,871)	-	(242,871)
NET PROFIT FOR THE PERIOD		580,887,514	187,434,129	387,633,558	91,348,616
Net profit for the period attributable to:					
Equity holders of the parent		581,132,404	187,804,753	387,692,374	91,618,480
Non-controlling interest		(244,890)	(370,624)	(58,816)	(269,864)
Earnings per share	20	1.2070	0.5733	0.8052	0.2797
OTHER COMPREHENSIVE EXPENSES					
Items that will not be reclassified in profit or (loss)					
Defined benefits plans remeasurement losses		(638,284)	16,896	(468,453)	1,578
Tax expense related to other comprehensive income not to be reclassified under profit or loss		173,846	(2,493)	118,990	576
Items that will be reclassified in profit / (loss)					
Gain/(Loss) on financial assets at fair value through other comprehensive income	15	(100,050)	-	318,694	-
Fair value difference other comprehensive income / tax effect		25,013	-	(79,673)	-
OTHER COMPREHENSIVE EXPENSES		(539,475)	14,403	(110,442)	2,154
TOTAL COMPREHENSIVE INCOME		580,348,039	187,448,532	387,523,116	91,350,770
Total comprehensive income attributable to:					
Equity holders of the parent		580,592,929	187,819,167	387,581,932	91,620,634
Non-controlling interest		(244,890)	(370,635)	(58,816)	(269,864)
Comprehensive income per share	20	1.2059	0.5733	0.8050	0.2797

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023

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

Prior period	Notes	Paid-in capital	Capital advance	Reacquired shares (-)	Share premiums/discounts	Accumulated other comprehensive income and expenses that will not be reclassified in profit or loss	Accumulated other comprehensive income and expenses that will be reclassified in profit or loss	Restricted reserves appropriated from profits	Retained earnings		Total of equity held by parent	Non-controlling interests	Total equity
						Defined benefit plans remeasurement losses	Shares that will be reclassified in profit/(loss) from other comprehensive income of investments accounted through equity method		Accumulated earnings	Net profit for the period			
Balances at 1 January 2022		252,000,000	-	-	-	(1,536,818)	-	29,979,219	27,467,794	240,157,130	548,067,325	16,342,794	564,410,119
Net profit/(loss) for period		-	-	-	-	-	-	-	-	187,804,753	187,804,753	(370,624)	187,434,129
Other comprehensive income		-	-	-	-	14,425	-	-	-	-	14,425	(11)	14,414
Total comprehensive income		-	-	-	-	14,425	-	-	-	187,804,753	187,819,178	(370,635)	187,448,543
Transfers		-	-	-	-	-	-	-	-	-	-	-	-
Capital increase		75,600,000	-	-	-	-	-	18,107,079	222,050,051	(240,157,130)	-	-	-
Increase/decrease due to share reacquisition transaction		-	-	(29,431,400)	-	-	-	29,431,400	(29,431,400)	-	(29,431,400)	-	(29,431,400)
Acquisition or disposal of subsidiary		-	-	-	-	-	-	-	1,274,986	-	1,274,986	(82,502)	1,192,484
Increase/(decrease) due to rate change effects which does not cause any control loss in subsidiaries		-	-	-	-	(7)	-	54	(59)	-	(12)	(1,266)	(1,278)
Profit distribution		-	-	-	-	-	-	-	(75,600,000)	-	(75,600,000)	-	(75,600,000)
Balances at 30 June 2022		327,600,000	-	(29,431,400)	-	(1,522,400)	-	77,517,752	70,161,372	187,804,753	632,130,077	15,888,391	648,018,468
Current period													
Balances at 1 January 2023	11	327,600,000	374,316,207	(40,068,364)	-	(1,770,404)	333,422	88,085,971	59,593,153	349,671,829	1,157,761,814	27,047,702	1,184,809,516
Net profit/(loss) for the period		-	-	-	-	-	-	-	-	581,132,404	581,132,404	(244,890)	580,887,514
Other comprehensive income		-	-	-	-	(464,438)	(75,037)	-	-	-	(539,475)	-	(539,475)
Total comprehensive income		-	-	-	-	(464,438)	(75,037)	-	-	581,132,404	580,592,929	(244,890)	580,348,039
Transfers		-	-	-	-	-	-	-	-	-	-	-	-
Capital increase		177,400,000	(374,316,207)	-	197,491,297	-	-	26,634,613	323,037,216	(349,671,829)	-	-	-
Increase / (Decrease) due to share reacquisition transactions		-	-	(46,928,446)	-	-	-	46,928,446	(46,928,446)	-	(46,928,446)	-	(46,928,446)
Profit distribution		-	-	-	-	-	-	-	(100,000,000)	-	(100,000,000)	-	(100,000,000)
Balances at 30 June 2023	11	505,000,000	-	(86,996,810)	197,491,297	(2,234,842)	258,385	161,649,030	235,701,923	581,132,404	1,592,001,387	26,802,812	1,618,804,199

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2023**

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

		Current Period Reviewed 1 January - 30 June 2023	Previous Period Reviewed 1 January - 30 June 2022
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES		(771,557,208)	(346,582,029)
Net profit for the period			
<i>Profit for the period from continuing operations</i>		580,887,514	187,677,000
<i>Profit for the period from discontinued operations</i>		-	(242,871)
Adjustments to reconcile net profit		(200,959,469)	165,997,207
Adjustment for depreciation and amortization expenses	7-9	13,222,547	7,657,930
Adjustment for impairment loss (reversal)	13	(65,301,180)	(27,764,094)
<i>Adjustment for impairment (reversal) of other financial assets or investments</i>		(65,301,180)	(27,764,094)
Adjustment for provisions		41,669,033	(7,115,907)
<i>Adjustments for provisions/(reversals) regarding employee benefits</i>	18	34,736,945	9,262,029
<i>Adjustments for other provisions (reversals)</i>	17	6,932,088	(16,377,936)
Adjustments for interest (income)/expenses	16	(33,982,388)	52,352,012
<i>Adjustments for interest income</i>		(152,352,139)	(24,799,915)
<i>Adjustments for interest expenses</i>		118,369,751	77,151,927
Adjustments for unrealized currency translation differences	16	(300,625,822)	95,423,655
Adjustments for retained earnings of investments accounted through equity method	15	3,318,324	(2,719,939)
Adjustment for tax expense	10	140,741,329	50,656,282
Adjustments for gains/(losses) on disposals of non-current assets		(1,312)	(1,011,305)
<i>Adjustments for gains / (loses) arised from disposal of tangible assets</i>		(1,312)	(1,011,305)
Adjustments for gains / (loses) arised from disposal of subsidiary or joint ventures		-	(1,481,427)
Changes in working capital		(1,082,746,571)	(660,233,826)
Decrease (Increase) in financial investments		(382,946,800)	118,223,478
Adjustments related to increase/(decrease) in trade receivables		3,166,169,241	(1,379,013,498)
<i>(Increase)/Decrease in trade receivables from related parties</i>		(224,382,700)	(88,165,519)
<i>(Increase)/Decrease in trade receivables from non-related parties</i>		3,390,551,941	(1,290,847,979)
Adjustments related to increase/(decrease) in other receivables		(969,894,619)	22,798,572
<i>Decrease (Increase) in other receivables from relatied parties</i>		(126,494)	(522,442)
<i>Decrease (Increase) in other receivables from non-related parties</i>		(969,768,125)	23,321,014
Decrease (Increase) in prepaid expenses		(4,530,058)	(3,552,940)
Adjustments related to increase/(decrease) in trade payables		(2,923,739,133)	587,510,925
<i>(Increase)/Decrease in trade payables to related parties</i>		108,499,469	53,974,409
<i>(Increase)/Decrease in trade payables to non-related parties</i>		(3,032,238,602)	533,536,516
Increase (Decrease) in payables regarding employee benefits		1,932,108	731,380
Adjustments related to increase/(decrease) in other payables		30,262,690	(6,931,743)
<i>Decrease (Increase) in other payables to non related parties</i>		30,262,690	(6,931,743)
Net cash generated from operations		(68,738,682)	(39,779,539)
Payments related with provisions for employee benefits		(10,264,535)	(1,043,834)
Tax Returns/(Payments)		(58,474,147)	(38,735,705)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2023**

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

		Current Period Reviewed 1 January - 30 June 2023	Previous Period Reviewed 1 January - 30 June 2022
	Notes		
CASH FLOWS FROM INVESTING ACTIVITIES		203,774,262	47,552,765
Cash inflows related to subsidiary sales that will lead to losing control		-	1,742,500
Cash outflows related to additional share acquisitions of subsidiary		-	(1,278)
Cash outflows due to Subsidiaries and/or			
Joint Ventures share acquisition or capital increase		(4,959,571)	(20,201,230)
Cash inflows from sale of tangible assets		1,312	1,108,479
Cash outflows from purchases of tangible and intangible assets		(9,228,043)	(5,384,542)
<i>Cash outflows from purchases of tangible assets</i>	7	(5,262,904)	(3,502,238)
<i>Cash outflows from purchases of intangible assets</i>	7	(3,965,139)	(1,882,304)
Dividends received	16	65,608,425	45,488,921
Interest received	16	152,352,139	24,799,915
CASH FLOWS FROM FINANCING ACTIVITIES		676,867,848	288,155,233
Capital increase		575,090	-
Cash inflows from borrowings		911,048,926	425,246,661
Cash inflows from debt securities issued		441,418,650	345,000,000
Cash outflows from repayment of debt securities issued		(402,122,953)	(295,000,000)
Cash outflows from lease contracts		(7,932,358)	(4,908,101)
Dividends paid		(100,000,000)	(75,600,000)
Interest paid		(118,369,751)	(77,151,927)
Cash outflow related to acquisitions of the Entity's own shares		(46,928,446)	(29,431,400)
Other cash inflows / (outflows)		(821,310)	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		109,084,902	(10,874,031)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3	231,466,288	87,447,439
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	340,551,190	76,573,408

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

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

NOTE 1 GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES

Gedik Yatırım Menkul Değerler A.Ş. ("Company" or together with its subsidiary is referred to as the "Group" in these consolidated financial statements), with the title of Gedik Menkul Değerler Anonim Şirketi, in accordance with the Capital Markets Law No. 2499 and the provisions of the relevant legislation, all kinds of capital markets was established on 8 May 1991 in order to carry out capital market activities related to financial instruments, to make all kinds of transactions and contracts related to these activities, and to carry out brokerage activities. The title of the Company was changed to Gedik Yatırım Menkul Değerler Anonim Şirketi on 11 June 1998.

The Company holds the following certificates of authorization from the Turkish Capital Markets Board ("CMB"):

- Security Brokerage Institution Broadly Authorized Certificate (Acquisition dated:27 August 2015 Certificate number: G-009 (276))

This authorization certificate allows the Company to engage in brokerage transaction, portfolio brokerage, individual portfolio management, investment consultancy, public offering brokerage by means of underwriting and custody service activities.

The Company applied to the Capital Market Board (CMB), in order to renew the authorization certificate of its operations and continue its operations under the title of Security Brokerage Institution Broadly Authorized in accordance with the Communiqué numbered: IH-37.1 relating to Investment Services and Operations and Other Services and Communiqué numbered HI-39.1 relating to the Establishment and Operating Basis of Investment Firms. As a result of the application made, the authorization certificates of the Parent Company obtained pursuant to the former legislations were voided with the approval of the Capital Market Board and the Broad Authorization Security Brokerage Institution Certificate was granted by the CMB to the Parent Company.

As of 30 June 2023 the paid-in capital of the Company is TL 505,000,000 (31 December 2022: TL 327,600,000) and the main Shareholder controlling the Group is Inveo Yatırım Holding A.Ş. (Note 11). At the Board of Directors meeting dated 30 September 2022, the issued capital of the Company, which was TL 327,600,000 was increased by TL 177,400,000, fully paid in cash, to TL 505,000,000 within the registered capital ceiling of TL 600,000,000, and also, to impose any not restrictions on the rights of the shareholders to purchase new shares and to grant the shareholders the right to purchase new shares at a price of TL 2 for each share with a nominal value of TL 1, was decided. Based on the aforementioned decision, an application has been made to the CMB as of 17 October 2022. The relevant application was received positively by the CMB as of 9 December 2022 and capital increase transactions specified in the prospectus completed under conditions and issued capital of Company raised to TL 505,000,000. In this frame decided to notification to the CMB result in capital increase transactions completely and duly and to be registered and announced in accordance with the provisions of 18/7 of the Capital Markets Law, 6. item of contract of associations of the Company which was showed the issued capital has accepted new shape which was take part in additional and submit to approval to CMB, application has been made to the CMB as of 9 January 2023 in order to take appropriate opinion. The relevant application was received positively by CMB on 19 January 2023. The new shape of regarding to 6th item of contract of associations of Company has registered by Istanbul Trade Registry Office on 24 January 2023.

Based on the Company's Board of Directors meeting held on 25 January 2023, it was decided to increase registered capital ceiling from TL 600,000,000 to TL 1,500,000,000. Based on the relevant decision, an application was made to the CMB on 25 February 2023, and the aforementioned application was positively received by the CMB on 2 February 2023. At the Company's Ordinary General Assembly meeting for the year 2022 held on 26 April 2023, the related capital ceiling increase was submitted for approval and was accepted at the General Assembly. Registration procedures of the General Assembly was completed on 4 May 2023.

As of 30 June 2023, 49.15% (31 December 2022: 49.15%) of the Company's shares are traded at the Istanbul Stock Exchange (BIST). The ownership of 15.13% (31 December: 15.13%) of the circulating shares is outside the Group.

During the period ending on 30 June 2023, the number of personnel employed within the Group is 631 (31 December 2022: 577 personnel).

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

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

NOTE 1 GROUP’S ORGANIZATION AND NATURE OF ACTIVITIES (Cont’d)

As of 30 June 2023, the addresses of the Group's headquarters and branches are as follows:

Headquarters	Altayçeşme Mah. Çamlı Sok. Ofispark İş Merkezi Blok No: 21 İç Kapı No:45 Maltepe / İSTANBUL
Branch (Adana)	Çınarlı Mah. Ziyapaşa Bulvarı No:78 Güneş Ziyapaşa İş Merkezi Kat:5 No:504 Seyhan /ADANA
Branch (Adapazarı)	Tiğcılar Mah. Yeni Cami Sok. No:5 İç Kapı No:201 Adapazarı/SAKARYA
Branch (Ankara/Çankaya)	Yıldızevler Mahallesi 714. Sokak Dış Kapı No 5 İç Kapı No 38 Vizyon Plaza Çankaya/ANKARA
Branch (Ankara / Kızılay)	Mustafa Kemal Mah. 2157 Sk. Dış Kapı No:2 İç Kapı No:11 Çankaya/ANKARA
Branch (Antalya)	Elmalı Mah. Cumhuriyet Cad. Dış Kapı No : 40 Gültekin İşhanı Kat: 3 İç Kapı No : 301 Muratpaşa/ANTALYA
Branch (Alanya)	Şekerhane Mah. 1100 Sok. Dış Kapı No:9 İç Kapı No:206 Alanya/ANTALYA
Branch (Aydın)	Hasanefendi-Ramazan Paşa Mah. İstiklal Cad. Dış Kapı No : 23 İç Kapı No : 1 Efeler/AYDIN
Branch (Bağdat Caddesi Private)	Caddebostan Mah. Kantarcı Rıza Sk. Dış Kapı No : 1 İç Kapı No : 8 Kadıköy / İSTANBUL
Branch (Bakırköy)	Cevizlik Mah. Muhasebeci Sok. Neşe Han No:1 Kat:3 Bakırköy /İSTANBUL
Branch (Balıkesir)	Eski Kuyumcular Mah. Anafartalar Cad. Acarlar İş Merkezi Dış Kapı No: 23 İç Kapı No: 1 Karesi/BALIKESİR
Branch (Bandırma)	Dere Mah. Ordu Cad. Dış Kapı No:3 İç Kapı No:2 Bandırma/BALIKESİR
Branch (Batı Ataşehir)	Barbaros Mah. İhlamur Bulvarı Sarıcaç Sok. Ağaoğlu My Prestige No:1 D:12-13 Ataşehir/İSTANBUL
Branch (Bodrum Private)	Çırkan Mahallesi Atatürk Bulvarı No :16C Bodrum / MUĞLA
Branch (Bursa)	İhsaniye Mah. İlkur Sok. Dış Kapı No:1D İç Kapı No:8 Nilüfer/BURSA
Branch (Bursa Nilüfer)	Odunluk Mah. Liman Cad. No:7 Nilüfer/BURSA
Branch (Çanakkale)	Kemalpaşa Mah. Şair Ece Ayhan Meydanı Dış Kapı No:22 Kat:2 İç Kapı No:2 Merkez/ÇANAKKALE
Branch (Çorum)	Yavruturna Mah. 1. Maliye Sok. No:1 Kat:4 D:22 ÇORUM
Branch (Çorlu)	Zafer Mah. Cumhuriyet Bulvarı Dış Kapı No:9T1 İç Kapı No:114 Çorlu/TEKİRDAĞ
Branch (Denizli)	Saraylar Mah. İkinci Ticari Yol Cad. Kımıl İş Merkezi No:24 K:4 D:8 DENİZLİ
Branch (Edirne)	İstasyon Mah. Hakim Çağlar Işık Cad. Dış Kapı No: 1 İç Kapı No: 30 Merkez / EDİRNE
Branch (Elazığ)	Cumhuriyet Mah. Beyzade Efendi Bul. No:1 İç Kapı No:3 Merkez/ELAZIĞ
Branch (Eskişehir)	Akarbaşı Mah. Atatürk Bulvarı No:77 A Odunpazarı/ESKİŞEHİR
Branch (Etiler Private)	Etiler Mah. Yıldızçıçeği Sok. No: 11 Beşiktaş / İSTANBUL
Branch (Fethiye)	Taşkaya Mah. Ölüdeniz (TSY) Cad. No:21 İç Kapı No:3 Fethiye/MUĞLA
Branch (Gaziantep)	İncili Pınar Mah. Nail Bilen Cad. Uğur Plaza Sitesi Uğur Plaza Blok No : 5 İç Kapı No : 35 Şehitkamil / GAZİANTEP
Branch (Gebze)	Hacı Halil Mah. Hükümet Cad. No:95 Gebze / KOCAELİ
Branch (İzmir)	Akdeniz Mah. Akdeniz Cad. Dış Kapı No : 1 İç Kapı No : 303 Konak/İZMİR
Branch (İzmit)	Körfez Mahallesi Ankara Karayolu Cad. Dış Kapı No : 123/ 2 İç Kapı No : 9 İzmit / KOCAELİ
Branch (Kapalıçarşı)	Kürkçüler Sk . No:25 Eminönü / Kapalıçarşı / İSTANBUL
Branch (Karabük)	Bayır Mah.Menderes Cad. Çebiğlu Twin Towers B Blok Dış Kapı No:107 Merkez/KARABÜK
Branch (Karadeniz Ereğli)	Müftü Mah. Süheyle Erel Sok. No2/1 Ay City İş Merkezi Kat:7 Ofis No:85 Karadeniz Ereğli/ZONGULDAK
Branch (Kayseri)	Hunat Mah.Postalar Geçidi Sok. Dış Kapı No:1 İç Kapı No:206 Melikgazi/KAYSERİ
Branch (Konya)	Beyazıt Mahallesi Hüsnü Aşk Sok. Bezirci İş Merkezi Kat:4 D:403 Selçuklu / KONYA
Branch (Kuşadası)	Türkmen Mah. Atatürk Bulvarı Dış Kapı No:68/2 İç Kapı No:3 Kuşadası / AYDIN
Branch (Malatya)	Özalper Mah. Kemal Tahir Sk. Milano Plaza No : 1 İç Kapı No : 12 Yeşilyurt / MALATYA
Branch (Maltepe)	Bağlarbaşı Mah. Bağdat Cad. Gedik İş Merkezi No:414 Kat:2 Daire:22 Maltepe /İSTANBUL
Branch (Manisa)	Anafartalar Mah. Mustafa Kemal Paşa Cad. Kamil Menteş Apt. No:34/1 MANİSA
Branch (Mersin)	Mahmudiye Mah. Atatürk Cad. Adil Kanun İş Hanı Kat:2 Akdeniz / MERSİN
Branch (Nazilli)	Altıntaş Mah. İstasyon Bulvarı No:19/12 Kat:4 Nazilli / AYDIN
Branch (Ordu)	Düz Mah. Yıldırım Cad.Dış Kapı No:4 İç Kapı No:503 Altınordu/ORDU
Branch (Samsun)	Hançerli Mah. Dervişzade sok. Albayrak İş Merkezi No:12 Kat:6 İç Kapı No:5 İlkadım /SAMSUN
Branch (Şişli)	Esentepe Mah. Büyükdere Cad. Dış Kapı No:201 Loft Residence İç Kapı No:50 Şişli /İSTANBUL
Branch (Tophane)	Necatibey Cad. Alipaşa Değirmen Sok. No:24 80040 Tophane/Karaköy/ İSTANBUL
Branch (Trabzon)	Kemer kaya Mah. K.Maraş Cad. Ticaret Mektep Sok. Ustaömeroğlu İş Merkezi No:9/9 Ortahisar/TRABZON
Branch (Ümraniye)	İnkılap Mah. Küçüksu Cad. Çeşminaz Sok. No:2 Daire:7 Ümraniye/İSTANBUL
Branch (Uşak)	İsmetpaşa Cad. No:45 K:2 Mavi Plaza UŞAK
Branch (Yeşilyurt Private)	Yeşilyurt Mah. Sipahioğlu Cad. No: 14 İç Kapı No: 5 Bakırköy / İSTANBUL

Marbaş Menkul Değerler A.Ş.

Headquarters	Esentepe Mah. Ecza Sok. Safer İş Hanı Blok No:6 İç Kapı No:7 Şişli/İSTANBUL
Branch (Ankara)	Tunalı Hilmi Cad.No:60/12 Kavaklıdere/ANKARA
Branch (Beylikdüzü)	Hayrettin Paşa Mah 1993 Sokak No:22 Daire No:A1 Esenyurt/İSTANBUL
Branch (Bursa)	Çekirge Mah. Çekirge Cad. Gökçen Apt 1/C Osmangazi/BURSA
Branch (Erenköy)	Bağdat Cad. Beyaz Apt. No:339/5 Erenköy/Kadıköy/İSTANBUL
Branch (Levent)	Nispetiye Mah. Aytar Cad No:10 K:1 D:5 Beşiktaş/İSTANBUL
Branch (Malatya)	Sancaktar Mah. Aslanteppe Cad. No:93/9 Battalgazi/MALATYA
Branch (Nişantaşı)	Vali Konağı Cad.No:77/3 K:3 D:3 Nişantaşı/Şişli/İSTANBUL
Branch (Sirkeci)	Hobyar Mah. Aşirefendi Cad No:27 K:6 No:611 Eminönü/İSTANBUL
Branch (Suadiye)	Suadiye Mah. Öncü Sokak 2/1 Blok K:8 D:8 Kadıköy/İSTANBUL

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

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

NOTE 1 GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES (Cont'd)

Subsidiaries

As of 30 June 2023, and 31 December 2022, Gedik Yatırım Menkul Değerler A.Ş.'s subsidiaries ("Subsidiaries") within the scope of full consolidation, their main fields of activity and the Group's direct and effective ownership rates are as follows:

Subsidiaries	30 June 2023		31 December 2022		Nature of business
	Direct ownership rate(%)	Group effective rate(%)	Direct ownership rate(%)	Group effective rate(%)	
GYT Bilişim ve Ticaret A.Ş. (*)	100.00	100.00	-	-	Financial technology
Hive Girişim Sermayesi Yatırım Ortaklığı A.Ş.	56.20	56.20	56.20	56.20	Venture capital
Hiboost Girişim Teknoloji Geliştirme ve Yönetim A.Ş.	-	56.20	-	56.20	Venture management consultancy
Marbaş Menkul Değerler A.Ş.	100.00	100.00	100.00	100.00	Brokerage activities

(*) Based on the Company's Board of Directors decision dated 11 April 2023, it was decided to establish GYT Bilişim ve Ticaret A.Ş. with 100% ownership of the Company. GYT Bilişim ve Ticaret A.Ş. was registered in the Trade Registry as of 12 April 2023.

Investments Accounted Through Equity Method

As of 30 June 2023, and 31 December 2022, Gedik Yatırım Menkul Değerler A.Ş.'s investments accounted through equity method, its main field of activity and the Group's direct and effective ownership rates are as follows:

Investments accounted through equity method	30 June 2023		31 December 2022		Nature of business
	Direct ownership rate(%)	Group effective rate(%)	Direct ownership rate(%)	Group effective rate(%)	
Misyon Yatırım Bankası A.Ş.	23.00	23.00	23.00	23.00	Investment bank

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

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

NOTE 1 GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES (Cont'd)

Financial Investments

As of 30 June 2023, and 31 December 2022, Gedik Yatırım Menkul Değerler A.Ş.'s long term investments at fair value through profit and loss, their main fields of activity and the Group's direct and effective ownership rates are as follows:

Long-term financial investments at fair value through profit or loss.	30 June 2023		31 December 2022		Nature of business
	Direct ownership rate(%)	Group effective rate(%)	Direct ownership rate(%)	Group effective rate(%)	
10 Lift GMBH	-	1.93	-	1.93	Orientation process assistant
Acsight İş Çözümleri Araştırma ve Danışmanlık A.Ş.	-	2.34	-	2.34	Financial technology
Aposto Teknoloji ve Medya A.Ş.	-	3.61	-	3.61	Internet newsgroup
Bambulabs Inc.	-	0.38	-	0.38	Application of digital menu
Botgate AI Technology OÜ	-	2.25	-	2.25	Chatbot supported by AI
Delivers Ai Robotik Otonom Sürüş Bilgi Teknolojileri A.Ş.	-	0.58	-	0.58	Courier service supported by AI
Destek Her Yerde Bilişim A.Ş.	-	1.69	-	1.69	Personal Advisory
Helo Teknoloji Girişim Yönetim Danışmanlığı A.Ş.	-	-	-	22.48	Advisory
Hop Teknoloji A.Ş.	-	2.11	-	2.11	Shared mobility
Houston Bionics Inc.	-	2.02	-	2.02	Robotics technology
Insumo Inc.	-	0.98	-	0.98	Personal efficiency assistant
Inveo Ventures Girişim Sermayesi Yatırım Ortaklığı A.Ş.	15.00	15.00	15.00	15.00	Venture capital
İyi Yaşa Eğitim ve Sportif Faaliyetler A.Ş.	-	0.562	-	0.562	Personalized healthy lifestyle platform
Kidokit Çocuk Gelişim A.Ş.	-	0.012	-	-	Application of mother-infant education
Karma Sosyal Bilişim ve Teknoloji A.Ş.	-	11.24	-	11.24	Social astrology network
Mizanplus Gıda Ticaret A.Ş.	-	1.12	-	-	Cloud-based industrial kitchen solutions
Mükellef Teknoloji A.Ş.	-	0.28	-	0.28	Management of established and financial process of companies
Producter Yazılım Tasarım Ve Danışmanlık Hizmetleri A.Ş.	-	1.69	-	1.69	Application of task management
Rezy Teknoloji Ticaret A.Ş.	-	7.86	-	7.86	Application of digital card
Robomotion Yazılım Otomasyon Sistemleri A.Ş.	-	1.12	-	1.12	Robotics Technology
V-Count Teknoloji A.Ş.	-	0.30	-	0.30	Headcount systems
VRLab Academy Yazılım A.Ş.	-	1.87	-	1.87	Online education
Yancep Finansal Teknolojiler A.Ş.	-	8.03	-	7.32	Financial technology

NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

Basis of accounting standards applied

The accompanying consolidated financial statements were prepared in accordance with the Capital Markets Board ("CMB") Communiqué Series No. II/ 14.1 in respect of "Financial Reporting in Capital Markets" dated 13 June 2013 and numbered 28676 published in the Official Gazette, in line with the Turkish Financial Reporting Standards ("TFRS") published and enacted pursuant to the provisions of Public Oversight Accounting and Auditing Standards Board ("POA").

Principles of preparation of consolidated financial statements

The Group bases its accounting records on the principles and conditions issued by the CMB, the Turkish Commercial Code ("TCC") tax legislation and the Uniform Chart of Accounts issued by the Republic of Turkey Ministry of Finance in the preparation of its statutory financial statements. Financial statements have been prepared in Turkish Lira on the basis of historical cost.

The financial statements have been prepared on the historical cost basis except for financial investments measured at fair values, and have been prepared by reflecting the necessary adjustments and classifications in order to present the legal records in accordance with TFRS.

NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

2.1 Basis of Presentation (cont’d)

Principles of preparation of consolidated financial statements (cont’d)

In accordance with the TAS 34, the entities are allowed to prepare a complete or condensed set of interim consolidated financial statements. In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods. The interim condensed consolidated financial statements of the Group do not contain all the explanations and notes that are required to be included in the year-end consolidated financial statements, therefore they should be read together with the consolidated financial statements of the Group dated 31 December 2022 and 31 December 2021.

Comparative information and restatement of prior period financial statements

The Group complies with the principles and conditions issued by the CMB, in effect commercial and legislation and the communiqués of the CMB in keeping the accounting records and preparing the statutory financial statements.

The Group's financial statements are prepared comparatively with the previous period in order to enable the determination of the financial position and performance trends. The Group has prepared the statement of financial position (balance sheet) as of 30 June 2023, statement of financial position (balance sheet) prepared as of 31 December 2022 and statement of profit or loss and other comprehensive income, statement of cash flow and change in equity for the accounting period of 1 January – 30 June 2023, has been prepared comparatively with the accounting period of 1 January-30 June 2022. If necessary, comparative information is restated in order to comply with the presentation of the current period financial statements.

Netting/Offsetting

Financial assets and liabilities are offset and reported in the net amount when there is a legally enforceable right or when there is an intention to settle the assets and liabilities on a net basis or realize the assets and settle the liabilities simultaneously.

Going concern

The Group has prepared its financial statements in accordance with the going concern principle.

Approval of financial statements

The Board of Directors has approved the financial statements and given authorization for the issuance on 7 August 2023.

Functional and presentation currency

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

NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.1 Basis of Presentation (cont'd)

Basis of consolidation

Subsidiaries

Subsidiaries are entities over which the Group has control. Group's control; exposure to variable returns in these companies is provided by the power to be entitled to and avoid these returns. Subsidiaries are consolidated using the full consolidation method from the date on which the control passes to the Group. They are excluded from the scope of consolidation as of the date of loss of control.

Balances arising from intragroup transactions and unrealized gains and losses arising from transactions with intragroup companies are eliminated.

Changes in the Group's current subsidiary's share capital

Changes in the Group's shareholding in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The book values of the Group's interest and non-controlling interests are adjusted to reflect changes in subsidiary interests. The difference between the adjustment for non-controlling interests and the fair value of the consideration received or paid is accounted for directly in equity as the Group's share.

Loss of subsidiary control

If the Group loses control of a subsidiary, the post-sale profit/loss is calculated as the difference between i) the sum of the sales price received and the fair value of the remaining interest and ii) the previous book values of the subsidiary's assets (including goodwill) and liabilities and non-controlling interests. is calculated as. The amounts previously accounted for in other comprehensive income related to the subsidiary and collected in equity are recorded according to the accounting method to be used on the assumption that the Company has sold the relevant assets (For example, in accordance with the relevant TFRS standards, it is transferred to profit / (loss) or directly in the previous year. transfer to profits). The fair value at the date of loss of control of the investment remaining after the sale of the subsidiary is determined as fair value at the initial recognition under TFRS 9 Financial Instruments: Recognition and Measurement or, where applicable, at the initial recognition of an investment in an associate or jointly controlled entity. considered as cost.

Changes in accounting policies and disclosures

While the Group's financial statements use the 2016 TAS Taxonomy, which was developed by the POA based on the subparagraph (b) of Article 9 of the Decree-Law No. 660 and approved by the Board decision no. 30 dated 2 June 2016, the 2016 TAS Taxonomy, TFRS 15 Revenue from Contracts with Customers and TFRS 16 Leases Standards were updated on 15 April 2019, and re-published as 2019 TFRS Taxonomy in order to ensure term unity in the legislation. The 2019 TFRS Taxonomy was updated on 4 October 2022 and re-published as 2022 TFRS Taxonomy , and the Group prepared its financial statements in accordance with the 2023 TFRS Taxonomy.

In the announcement dated 20 January 2022 made by the Public Oversight Authority, it was stated that the Entities applying to TFRS do not necessary to make any adjustments within the scope of TAS 29 Financial Reporting in Hyperinflationary Economies in their financial statements as at 31 December 2021. Since the Public Oversight Authority has not made a new announcement regarding the application of inflation accounting, no inflation adjustment has been made in accordance with TAS 29 while preparing the summary financial statements dated 30 June 2023.

The Group has applied the new and revised standards and interpretations that are in compliance with TAS and TFRS and effective as of 30 June 2023, which are related to its field of activity.

NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

2.1 Basis of Presentation (cont’d)

Changes in accounting policies and disclosures (cont’d)

New and revised reporting standards

a) Amendments and comments that are mandatorily effective from 2023

<i>Amendments TAS 1</i>	<i>Disclosure of Accounting Policies</i>
<i>Amendments TAS 8</i>	<i>Definition of Accounting Estimates</i>
<i>Amendments TAS 12</i>	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
<i>Amendments TFRS 17</i>	<i>Initial Application of TFRS 17 and TFRS 9 with insurance contracts - Comparative Information</i>

Amendments to TAS 1 Disclosure of Accounting Policies

The amendment requires entities to make materiality as a basis in explaining their accounting policies. Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and early application is permitted.

Amendments to TAS 8 Definition of Accounting Estimates

With this amendment, the definition of “a change in accounting estimates” has been replaced with the definition of “an accounting estimate”, sample and explanatory paragraphs regarding estimates have been added, and the differences between application of an estimate prospectively and correction of errors retrospectively have been clarified. Amendments to TAS 8 are effective for annual reporting periods beginning on or after 1 January 2023 and early application is permitted.

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

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and early application is permitted.

Amendments to TFRS 17 Initial Application of TFRS 17 and TFRS 9 with insurance contracts — Comparative Information

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application. The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before. Amendments are effective with the first application of TFRS 17.

NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.1 Basis of Presentation (cont'd)

Changes in accounting policies and disclosures (cont'd)

New and revised reporting standards (cont'd)

b) As of 30 June 2023 new and revised TFRSs in issue but not yet effective:

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards

TFRS 17

Amendments to TFRS 4

Amendments to TAS 1

Amendments to TFRS 16

Amendments to TAS 1

Insurance Contracts

Extension of the Temporary Exemption from Applying TFRS 9

Classification of Liabilities as Current or Non-Current

Lease Liability in a Sale and Leaseback

Long Term Liabilities with Covenants

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for one year for insurance, reinsurance and pension companies and will replace TFRS 4 Insurance Contracts as of 1 January 2024.

Amendments to TFRS 4 Extension of the Temporary Exemption from Applying TFRS 9

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 Insurance Contracts from applying TFRS 9, so that insurance and reinsurance and pension companies would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2024 with the deferral of the effective date of TFRS 17.

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

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

Amendments to TFRS 16 Lease Liability in a Sale and Leaseback

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale. Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

Amendments to TAS 1 Non-current Liabilities with Covenants

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. Amendments are effective from annual reporting periods beginning on or after 1 January 2024. The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.2 Changes in accounting policies

Significant changes in accounting policies and major accounting errors detected are applied retrospectively and prior period financial statements are restated. Group did not have any changes in its accounting policies in 2023.

Accounting policy changes resulting from the first application of a new TFRS are applied retrospectively or prospectively in accordance with the transitional provisions of that TFRS. Significant accounting errors (if any) identified are applied retrospectively and prior period financial statements are restated. Changes in accounting estimates are applied in the current period if the change is made for only one period, and if it is related to future periods, both in the period when the change is made and prospectively.

2.3 Changes in accounting estimates and errors

Changes in accounting estimates only for one period are reflected in the current period in which the change was made changes in accounting estimates in the consolidated financial statements. If changes in accounting estimates are related to future periods, they are reflected in the consolidated financial statements both in the period in which the change is made and in the future period to be taken into account in determining the net profit or loss. There is no significant change in accounting estimates for the accounting period from 1 January to 30 June 2023.

2.4 Summary of significant accounting policies

The accounting policies applied in the interim condensed financial statement of the Group are the same as the accounting policies applied in the financial statements for the year ended 31 December 2022.

2.5 Significant accounting judgements estimates and assumptions

Preparation of financial statements requires the usage of estimations and assumptions which may affect the reported amounts of assets and liabilities as of the balance sheet date, disclosure of contingent assets and liabilities and reported amounts of income and expenses during the financial period. Although these estimates and assumptions are based on the best judgment and knowledge of management, actual results may differ from these estimates and assumptions. In addition, important accounting evaluations, estimates and assumptions that need to be specified are explained in the related notes.

2.6 Segment reporting

Since the operating segments have similar economic characteristics and the other segments do not meet the numerical thresholds, the Group has not presented segment reporting in accordance with TFRS 8.

NOTE 3 CASH AND CASH EQUIVALENTS

	30 June 2023	31 December 2022
Cash at banks	1,608,206,620	1,975,391,258
<i>Demand deposits</i>	1,024,193,034	877,498,799
<i>Time deposits</i>	584,013,586	1,097,892,459
Receivables from Takasbank money market	141,300,000	116,069,000
Expected credit loss (-)	(2,991,745)	(4,084,656)
	<u>1,746,514,875</u>	<u>2,087,375,602</u>

The maturity of the Group's time deposits varies between 6 and 39 days and the interest rate varies between 0.5% and 40% (31 December 2022: 3-40 days, 8.50% - 26.50%).

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NOTE 3 CASH AND CASH EQUIVALENTS (Cont'd)

Cash and cash equivalents in the Group's cash flow statement as of 30 June 2023 and 2022; it is shown from TL 340,551,190 by deducting customer deposit balances from the total cash and cash equivalents (30 June 2022: TL 76,573,408).

	30 June 2023	30 June 2022
Cash and cash equivalents	1,749,506,620	975,809,756
Customer assets (-)	(1,405,963,685)	(897,388,111)
Expected credit loss (-)	(2,991,745)	(1,848,237)
	340,551,190	76,573,408

NOTE 4 TRADE RECEIVABLES AND PAYABLES

	30 June 2023	31 December 2022
Current trade receivables		
Receivables from credit customers (*)	1,194,217,186	1,416,671,827
Receivables from customers	850,727,059	1,518,586,209
Receivables from futures and option contracts	771,062,167	1,581,932,711
Trade receivables from related parties (Note 19)	236,626,190	12,243,490
Receivables from foreign spot market guarantees	153,644,574	111,829,309
Receivables from outright purchases and sales transactions	106,115,184	122,910,779
Receivables from the Settlement and Custody Center	6,059,948	826,861,520
Guarantees given for borrowed securities	-	3,162,200
Other trade receivables	44,288,599	4,400,424
Doubtful trade receivables	504,032,045	504,476,454
Provision for doubtful trade receivables (-)	(504,032,045)	(504,476,454)
	3,362,740,907	5,598,598,469

(*) As of 30 June 2023, the Group has allocated a loan amounting to TL 1,194,217,186 (31 December 2022: TL 1,416,671,827) to its customers to be used in stock transactions. As of 30 June 2023, customer guarantees amounting to TL 5,538,813,266 are held against the loans given by the Group (31 December 2022: TL 7,297,527,089).

	30 June 2023	31 December 2022
Short term trade payables		
Payables to customers	1,059,323,611	2,271,533,388
Liabilities from futures and options contracts	771,062,167	1,581,932,711
Liabilities from customer deposits	520,419,364	829,242,661
Payables to credit customers	450,273,824	436,942,593
Trade payables to related parties (Note 19)	173,885,641	65,386,172
Liabilities from foreign spot market guarantees, net	153,644,574	111,829,310
Debts to the Settlement and Custody Center	124,674,584	791,144,987
Debts from repo transactions	104,570,411	-
Payables from outright purchases and sales transactions	92,124,668	106,302,843
Suppliers	20,915,059	20,578,143
	3,470,893,903	6,214,892,808

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NOTE 5 FINANCIAL INVESTMENTS

<i>Short term financial assets measured at fair value through profit or loss</i>	30 June 2023	31 December 2022
Investment funds (*)	852,287,907	640,443,956
Private sector bills and bonds (*)	422,789,560	189,694,905
Marketable securities	5,294,827	38,380,331
	1,280,372,294	868,519,192

(*) As of 30 June 2023 and 31 December 2022, the Group's private sector bonds and bills and mutual funds in its portfolio are disclosed in Note 19.

<i>Long term financial assets measured at fair value through profit or loss</i>	30 June 2023	31 December 2022
Inveo Ventures Girişim Sermayesi Yatırım Ortaklığı A.Ş. (7)	39,301,147	25,768,352
Hop Teknoloji A.Ş.	22,377,028	22,377,028
Aposto Teknoloji ve Medya A.Ş.	2,640,948	2,640,948
VRLab Academy Yazılım A.Ş. (3)	2,364,238	1,869,897
Yancep Finansal Teknolojiler A.Ş. (6)	2,262,721	718,650
Botgate AI Technology O.Ü.	1,993,490	1,993,490
Mizanplus Gıda Ticaret A.Ş. (4)	1,898,550	-
Bambulabs,Inc	1,869,830	1,869,830
Mükellef Teknoloji A.Ş.	1,869,540	1,869,540
Acsight İş Çözümleri Araştırma ve Danışmanlık A.Ş.	1,865,490	1,865,490
V-Count Teknoloji A.Ş. (2)	1,810,745	1,780,379
Delivers Ai Robotik Otonom Sürüş Bilgi Teknolojileri A.Ş.	1,694,466	1,694,466
Houston Bionics Inc.	1,682,847	1,682,847
Destek Her Yerde Bilişim A.Ş.	1,500,000	1,500,000
Karma Sosyal Bilişim ve Teknoloji A.Ş.	1,121,899	1,121,899
10 Lift GMBH	996,745	996,745
Kidokit Çocuk Gelişim A.Ş. (5)	992,243	-
Producter Yazılım Tasarım ve Danışmanlık Hizmetleri A.Ş.	934,915	934,915
Insumo Inc.	879,325	879,325
İyi Yaşa Eğitim ve Sportif Faaliyetler A.Ş.	560,378	560,378
Rezy Teknoloji Ticaret A.Ş.	373,966	373,966
Robomotion Yazılım Otomasyon Sistemleri A.Ş.	200,000	200,000
Helo Teknoloji Girişim Yönetim Danışmanlığı A.Ş. (1)	-	1,200,000
	91,190,511	73,898,145

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

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NOTE 5 FINANCIAL INVESTMENTS (Cont'd)

(1) Hivc Girişim Sermayesi Yatırım Ortaklığı A.Ş. ("Hivc") one of the subsidiaries of the Group, based on the decision of BoD dated 16 February 2023 all shares of Helo Teknoloji Girişim Yönetim Danışmanlığı A.Ş. ("Helo") have been transferred out of the group with a price of TL 40,000.

(2) Hivc Girişim Sermayesi Yatırım Ortaklığı A.Ş. ("Hivc") one of subsidiaries of the Group, was invested regarding BoD decision dated 17 February 2023 to V-Count Teknoloji A.Ş. ("V-Count") amounting TL 30,366. Along with the related investment, the Group's effective ownership rate of V-Count of 0.30% was preserved.

(3) Hivc Girişim Sermayesi Yatırım Ortaklığı A.Ş. ("Hivc") which is subsidiary of the Group, was add invested regarding BoD decision dated 24 February 2023 to VrLab Academy Yazılım A.Ş. ("VrLab") amounting TL 494,341. Along with the related investment, the Group's effective ownership rate of VrLab of 1.87% was preserved.

(4) Hivc Girişim Sermayesi Yatırım Ortaklığı A.Ş. ("Hivc") which is subsidiary of the Group, was invested regarding BoD decision dated 2 March 2023 to Mizanplus Gıda Ticaret A.Ş. ("Mizanplus") amounting TL 1,898,550 USD equivalent of 100,000. As a result of the related investment, the Group participated in Mizanplus Gıda Ticaret A.Ş. with effective rate of 1.12%.

(5) Hivc Girişim Sermayesi Yatırım Ortaklığı A.Ş. ("Hivc") which is subsidiary of the Group, was invested regarding BoD decision dated 26 May 2023 to Kidokit Çocuk Gelişimi A.Ş. ("Kidokit") amounting TL 992,243 USD equivalent of 50,000. This investment has not yet turned into shares. If this investment turns into shares from the current valuation, it is anticipated that the Group will have a share of 0.012%.

(6) Hiboost Girişim Teknoloji Geliştirme ve Yönetim A.Ş. ("Hiboost") which is subsidiary of the Group, was invested regarding BoD decision dated 26 April 2023 to Yancep Finansal Tekonojileri A.Ş. ("Yancep") amounting TL 1,544,071. Along with the related investment, the Group's effective ownership rate of Yancep is became 8.03%.

(7) At the Board of Directors dated 10 February 2022, the Company was decided to become shareholder of Inveo Ventures Girişim Sermayesi Yatırım Ortaklığı A.Ş. ("Inveo Ventures"), which will be establishing with TL 65,000,000 capital, amounting to TL 9,750,000. In this context, an application has been made to the Capital Markets Board on 18 February 2022 to obtain the establishment permission of Inveo Ventures Girişim Sermayesi Yatırım Ortaklığı A.Ş., and the application was approved by the Capital Markets Board on 24 March 2022. Inveo Ventures Girişim Sermayesi Yatırım Ortaklığı A.Ş. was registered by the Istanbul Trade Registry as of 25 April 2022.

The fair value of Inveo Ventures as of 30 June 2023 has been determined using the net asset value method.

In case a non-temporary impairment is detected in the fair value of financial assets, the fair value difference of which is reflected in the other comprehensive income statement, the effect of such impairment is associated with the other comprehensive income statement.

Financial assets at fair value through other comprehensive income include the shares of the following non-public companies:

<i>Financial assets measured at fair value through other comprehensive income</i>	30 June 2023	31 December 2022
İstanbul Takas ve Saklama Merkezi A.Ş.	538,696	538,696
Borsa İstanbul A.Ş.	319,422	319,422
	858,118	858,118

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NOTE 6 FINANCIAL LIABILITIES

	30 June 2023	31 December 2022
Current liabilities		
Payables to Takasbank money market (*)	1,657,329,822	1,078,583,688
Issued debt instruments (**)	846,692,048	762,447,878
Loans (***)	318,659,328	31,305,007
Liabilities from short term leases to non-related parties	12,930,930	29,913,008
Liabilities from short term leases to related parties (****)	4,421,427	-
Liabilities arising from short selling transactions	-	821,312
	2,840,033,555	1,903,070,893

(*) Payables to Settlement and Custody Bank varies 3 days and interest rates varies maturity of 10% and 36% (31 December 2022: 2 days 8.05% and 12.1%).

(**) Details of issued debt instruments are as follows:

30 June 2023

Security code	Nominal amount (TL)	Issuance date	Due date	Interest rate (%)	Interest type
TRFGDKMK2313	200,000,000	23 November 2022	22 November 2023	17.00	Fixed
TRFGDKMA2315	150,000,000	21 December 2022	20 December 2023	17.00	Fixed
TRFGDKM12410	155,000,000	25 January 2023	24 January 2024	18.00	Fixed
TRFGDKM82314	50,000,000	19 April 2023	17 August 2023	22.00	Fixed
TRFGDKM72315	100,000,000	26 April 2023	26 July 2023	22.00	Fixed
TRFGDKM62415	145,000,000	6 June 2023	4 June 2024	22.00	Fixed
TRFMARBE2312	30,000,000	26 April 2023	20 October 2023	35.00	Fixed

31 December 2022

Security code	Nominal amount (TL)	Issuance date	Due date	Interest rate (%)	Interest type
TRFGDKM52317	120,000,000	25 May 2022	24 May 2023	17.00	Fixed
TRFGDKM32319	75,000,000	16 March 2022	15 March 2023	17.00	Fixed
TRFGDKMK2313	200,000,000	23 November 2022	22 November 2023	17.00	Fixed
TRFGDKM22310	100,000,000	25 February 2022	24 February 2023	TL Ref	Floating
TRFGDKMA2315	150,000,000	21 December 2022	20 December 2023	17.00	Fixed
TRFMARB62318	50,000,000	15 June 2022	13 June 2023	10.00	Fixed
TRFMARB12313	30,000,000	27 October 2022	25 January 2023	30.00	Fixed
TRFMARB32311	25,000,000	14 December 2022	14 March 2023	30.00	Fixed

(***) Loans have a maturity of 3 days and interest rates are 16.15% (31 December 2022: 2 days 15.75%).

	30 June 2023	31 December 2022
Long term borrowings		
Liabilities from long term leases to third parties	31,032,167	9,322,679
Liabilities from long term leases to related parties (****)	687,182	-
	31,719,349	9,322,679

(****) As of 30 June 2023 and 31 December 2022, the Group's borrowings of leases to regarding party explain in Note 19..

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NOTE 7 TANGIBLE AND INTANGIBLE ASSETS

Movements of the Group's tangible assets for the interim periods ending on 30 June 2023 and 2022 are as follows:

Cost value	Buildings	Machinery plant and equipment	Vehicles	Furniture and fixtures	Leasehold improvements	Total
Opening balance as of 1 January 2023	585,560	16,255,840	1,958,861	32,960,322	11,818,071	63,578,654
Additions	-	1,606,525	-	2,453,081	1,203,298	5,262,904
Disposals	-	-	-	(1,850)	-	(1,850)
Closing balance as of 30 June 2023	585,560	17,862,365	1,958,861	35,411,553	13,021,369	68,839,708
Accumulated depreciation						
Opening balance as of 1 January 2023	(203,906)	(12,848,314)	(769,994)	(19,903,438)	(6,135,468)	(39,861,120)
Charge for the period	(6,121)	(744,662)	(112,900)	(2,020,297)	(1,134,600)	(4,018,580)
Disposals	-	-	-	1,850	-	1,850
Closing balance as of 30 June 2023	(210,027)	(13,592,976)	(882,894)	(21,921,885)	(7,270,068)	(43,877,850)
Carrying value as of 30 June 2023	375,533	4,269,389	1,075,967	13,489,668	5,751,301	24,961,858

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NOTE 7 TANGIBLE AND INTANGIBLE ASSETS (Cont'd)

Cost value	Buildings	Machinery plant and equipment	Vehicles	Furniture and fixtures	Leasehold improvements	Total
Opening balance as of 1 January 2022	750,163	15,139,740	1,161,267	29,059,312	10,418,865	56,529,347
Additions	-	455,420	-	2,258,840	787,978	3,502,238
Disposals	(164,603)	(4,190)	-	(7,399)	-	(176,192)
Closing balance as of 30 June 2022	585,560	15,590,970	1,161,267	31,310,753	11,206,843	59,855,393
Accumulated depreciation						
Opening balance as of 1 January 2022	(264,272)	(11,618,008)	(569,197)	(16,609,917)	(4,090,325)	(33,151,719)
Charge for the period	(7,217)	(619,209)	(87,369)	(1,567,899)	(998,234)	(3,279,928)
Disposals	73,702	3,404	-	1,912	-	79,018
Closing balance as of 30 June 2022	(197,787)	(12,233,813)	(656,566)	(18,175,904)	(5,088,559)	(36,352,629)
Carrying value as of 30 June 2022	387,773	3,357,157	504,701	13,134,849	6,118,284	23,502,764

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NOTE 7 TANGIBLE AND INTANGIBLE ASSETS (Cont'd)

Movements of the Group's intangible assets for the interim periods ending on 30 June 2023 and 2022 are as follows:

Cost Value	Rights	Total
Opening balance as of 1 January 2023	23,441,343	23,441,343
Additions	3,965,139	3,965,139
Closing balance as of 30 June 2023	27,406,482	27,406,482
Accumulated Amortization		
Opening balance as of 1 January 2023	(13,223,455)	(13,223,455)
Charge for the period	(1,890,002)	(1,890,002)
Closing balance as of 30 June 2023	(15,113,457)	(15,113,457)
Carrying value as of 30 June 2023	12,293,025	12,293,025
Cost Value	Rights	Total
Opening balance as of 1 January 2022	17,420,354	17,420,354
Additions	1,882,304	1,882,304
Disposals from the scope of consolidation	(234,746)	(234,746)
Closing balance as of 30 June 2022	19,067,912	19,067,912
Accumulated Amortization		
Opening balance as of 1 January 2022	(11,417,527)	(11,417,527)
Charge for the period	(796,235)	(796,235)
Disposals from the scope of consolidation	117,373	117,373
Closing balance as of 30 June 2022	(12,096,389)	(12,096,389)
Carrying value as of 30 June 2022	6,971,523	6,971,523

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NOTE 8 OTHER RECEIVABLES AND PAYABLES

	30 June 2023	31 December 2022
Short term other receivables		
Deposits and guarantees given (*)	1,385,220,967	448,596,779
Other receivables from related parties (Note 19)	130,639	4,145
Other short term receivables	368,284	438,028
	1,385,719,890	449,038,952

(*) As of 30 June 2023 and 31 December 2022 the details of short-term deposits and guarantees are as follows:

	30 June 2023	31 December 2022
Deposits and guarantees given		
Takasbank and BIST guarantees	1,295,836,525	279,760,168
Guarantees given to foreign investment entities for foreign leveraged transactions	89,384,442	168,836,611
	1,385,220,967	448,596,779

	30 June 2023	31 December 2022
Long term other receivables		
Deposits and guarantees given	33,419,923	420,878
Receivables from personnel	732,000	501,200
Other	296,215	312,379
	34,448,138	1,234,457

	30 June 2023	31 December 2022
Short term other liabilities		
Taxes and funds payables	38,031,331	13,207,032
Debt to liquidity providers	1,173,319	1,549,277
Other short term payables	20,541	61,735
	39,225,191	14,818,044

	30 June 2023	31 December 2022
Long term other payables		
Other payables to non-related parties	-	911
	-	911

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NOTE 9 RIGHT OF USE ASSETS

Cost Value	Buildings and vehicles	Total
Opening balance as of 1 January 2023	51,609,071	51,609,071
Additions	13,399,724	13,399,724
Changes regarding lease contracts	(4,999,716)	(4,999,716)
Disposals	(2,191,905)	(2,191,905)
Closing balance as of 30 June 2023	57,817,174	57,817,174
Accumulated Amortization		
Opening balance as of 1 January 2023	(24,035,560)	(24,035,560)
Charge for the period	(7,313,965)	(7,313,965)
Changes regarding lease contracts	3,715,854	3,715,854
Disposals	2,191,905	2,191,905
Closing balance as of 30 June 2023	(25,441,766)	(25,441,766)
Carrying value as of 30 June 2023	32,375,408	32,375,408
Cost Value	Buildings and vehicles	Total
Opening balance as of 1 January 2022	26,634,768	26,634,768
Additions	3,494,226	3,494,226
Disposals	(105,058)	(105,058)
Changes regarding lease contracts	(378,015)	(378,015)
Closing balance as of 30 June 2022	29,645,921	29,645,921
Accumulated Amortization		
Opening balance as of 1 January 2022	(10,228,149)	(10,228,149)
Charge for the period	(3,581,767)	(3,581,767)
Changes regarding lease contracts	118,036	118,036
Closing balance as of 30 June 2022	(13,691,880)	(13,691,880)
Carrying value as of 30 June 2022	15,954,041	15,954,041

NOTE 10 TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX)

General Descriptions

The Group is subject to the tax legislation and practices in force in Turkey.

In the Official Gazette dated 15 April 2022 and numbered 31810, the Law No. 7394 on "The Law on the Evaluation of the Immovable Property Belonging to the Treasury and Amending the Value Added Tax Law and on Amending Some Laws and Decree-Laws (Law No. 7394)" was published. With the amendment made in Article 32 of the Corporate Tax Law No. 5520 based on the Law No. 7394, which consists of a total of 40 articles, including the enforcement and enforcement articles, in the finance sector; it was decided to apply as 25% of corporate tax rate for Banks, companies within the scope of Law No. 6361 (financial leasing, factoring, financing and savings financing companies), Electronic payment and money institutions, Authorized foreign exchange institutions, Asset management companies, Capital market institutions, Insurance and reinsurance companies and Pension companies. Corporate tax is declared until the evening of the twenty-fifth day of the fourth month following the end of the relevant accounting period and is paid in one installment until the end of the relevant month. In accordance with the tax legislation, 25% temporary tax is calculated and paid on quarterly earnings, and the amounts paid in this way are deducted from the tax calculated on the annual income.

The corporate tax rate is applied to the tax base to be found as a result of adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations, and deducting the exceptions (association earnings exception, investment allowance exception, etc.) and deductions (such as R&D deduction) in tax laws. If the profit is not distributed, no further tax is payable (except withholding tax at the rate of 22.5%, which is calculated and paid over the investment incentive exemption used within the scope of the Income Tax Provisional Article 61).

As of 1 January 2006, the new Corporate Tax Law No. 5520 ("CTL") has brought changes to the old CTL application no. 5422 regarding "Exemption of Real Estate and Participation Share Sales Earnings from Taxes". With the amendment made, only 75% of the incomes arising from the sale of immovables (real estates) and participation shares, founder's shares, usufruct shares and pre-emption rights, which are in the assets of the institutions for at least two full years, are exempt from tax. However, the exemption amount in question must be kept in a special fund account under liability accounts for an uninterrupted 5 years from the period of benefiting from the exemption. The remainder is subject to corporate tax. There are many exceptions for corporations in the Corporate Tax Law. Therefore, the exceptional gains included in the commercial profit / loss figure are taken into account in the calculation of corporate tax.

There is no withholding tax on profit shares (dividends) paid to non-resident companies that generate income through a workplace or their permanent representative in Turkey and to companies residing in Turkey. Profit share payments made to individuals and institutions other than these are subject to 10% withholding within the scope of Article 94 of the Income Tax Law. Addition of profit to capital is not considered as profit distribution.

Companies calculate a 25% temporary tax on their quarterly financial profits and declare it until the evening of the 17th day of the second month following that period and pay it in the same period (2022: 25%, 17th day). The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated over the corporate tax return to be submitted in the following year. If the amount of temporary tax paid remains despite the deduction, this amount can be refunded in cash or set off against any other financial debt to the state.

In Turkey, there is no agreement with the tax authorities about the tax payable in Turkey. Corporate tax returns are submitted to the relevant tax office until the evening of the twenty-fifth day of the fourth month following the month in which the accounting period is closed.

Tax inspection authorities can examine the accounting records within five years, and if an erroneous transaction is detected, the tax amounts may change due to the tax assessment to be paid.

According to the Turkish tax legislation, the financial losses shown on the declaration can be deducted from the corporate income for the period provided that they do not exceed 5 years. However, financial losses cannot be offset from previous year's profits.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 10 TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX) (Cont'd)**Current tax assets and liabilities**

As of 30 June 2023 and 31 December 2022, the tax liability/asset for the period profit for the accounting periods ended is as follows:

	30 June 2023	31 December 2022
Current tax assets		
Current tax assets	-	41,546,342
	-	41,546,342
Current tax liabilities		
Corporate tax provision for the current year	73,324,496	13,368,002
Less: prepaid taxes	(53,095,470)	(7,989,325)
	20,229,026	5,378,677

The tax expenses of the Group for the interim periods ended of 30 June 2023 and 2022 are as follows:

	1 January - 30 June 2023	1 January - 30 June 2022
Tax expense		
Current period corporate tax expense	(73,324,496)	(44,314,628)
Deferred tax (expense)/income	(67,416,833)	(6,341,654)
	(140,741,329)	(50,656,282)

The reconciliation of the total tax for the interim periods ending on 30 June 2023 and 2022 as follows:

	1 January - 30 June 2023	1 January - 30 June 2022
Profit before tax	721,628,843	238,333,282
Effective tax rate	25%	25%
Tax expense calculated with tax rate	(180,407,211)	(59,583,321)
Non-deductible expenses and additions	(167,811,864)	(54,860,088)
Deductions and exemptions	207,477,746	63,619,551
Tax rate change effect	-	167,576
	(140,741,329)	(50,656,282)

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NOTE 10 TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX) (Cont'd)

Deferred tax

The Group calculates its deferred tax assets and liabilities over the temporary differences between the recorded values of the assets and liabilities in the balance sheet and their tax values, using the tax rates enacted as of the balance sheet date.

As of each balance sheet date, deferred tax assets or liabilities are reviewed. If it is probable that the financial profit to be obtained in the future will allow the deferred tax asset to be acquired, the deferred tax asset that was not recorded in the previous periods is reflected in the records

Deferred tax liabilities and assets arising from temporary differences are as follows:

	30 June 2023	31 December 2022
<i><u>Deferred tax assets / (liabilities) bases</u></i>		
Current period losses	-	359,318,918
Adjustments related to provision for employee termination benefits	34,679,421	14,092,446
Valuation increase of marketable securities	18,016,601	(32,448,300)
Leases	17,665,017	12,339,459
Provision for unused vacation	5,939,995	2,317,656
Provision for estimated credit losses	2,991,745	4,084,656
Adjustments for investments accounted through equity method	(4,559,976)	266,150
Adjustments related to cost and amortization on tangible assets	(13,489,896)	(13,674,209)
Other	18,569,370	-
Deferred tax assets / (liabilities) basis, net	79,812,277	346,296,776
	30 June 2023	31 December 2022
<i><u>Deferred tax assets / (liabilities), net</u></i>		
Current period losses	-	89,829,730
Adjustments related to provision for employee termination benefits	8,669,855	3,614,508
Valuation increase of marketable securities	4,487,230	(8,086,965)
Leases	4,128,635	3,058,622
Provision for unused vacation	1,484,999	577,174
Provision for estimated credit losses	747,936	1,021,164
Adjustments for investments accounted through equity method	(1,139,994)	66,538
Adjustments related to cost and amortization on tangible assets	(3,372,475)	(3,381,483)
Other	4,475,128	-
Deferred tax assets / (liabilities), net	19,481,314	86,699,288

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NOTE 10 TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX) (Cont'd)**Deferred tax (cont'd)**

The movement table of deferred tax assets as follows:

	2023	2022
Beginning period, 1 January	86,699,288	497,493
Period tax (expense) / income	(67,416,833)	(6,341,654)
Deferred tax written to the comprehensive income statement	198,859	(2,493)
Ending period, 30 June	19,481,314	(5,846,654)

NOTE 11 SHARE CAPITAL**Paid-in capital**

As of 30 June 2023 and 31 December 2022, the issued and paid-in capital amounts are as follows with their book values:

	30 June 2023		31 December 2022	
	Share rate (%)	Share amount	Share rate (%)	Share amount
Shareholders				
Inveo Yatırım Holding A.Ş.	50.85	256,773,058	50.85	166,571,992
Other Shareholders (Publicly Offered)	49.15	248,226,942	49.15	161,028,008
Total paid-in capital	100.00	505,000,000	100.00	327,600,000

As of 30 June 2023 the paid-in capital of the Company TL 505,000,000 (31 December 2022: TL 327,600,000) and the main Shareholder controlling the Group is Inveo Yatırım Holding AŞ. At the Board of Directors meeting dated 30 September 2022, the issued capital of the Company, which was TL 327,600,000 was increased by TL 177,400,000, fully paid in cash, to TL 505,000,000 within the registered capital ceiling of TL 600,000,000, and also, to impose any not restrictions on the rights of the shareholders to purchase new shares and to grant the shareholders the right to purchase new shares of a price of TL 2 for each share with a nominal value of TL 1, was decided. Based on the aforementioned decision, an application has been made to the Capital Markets Board ("CMB") as of 17 October 2022. The relevant application was received positively by the CMB as of 9 December 2022 and capital increase transactions specified in the prospectus completed under conditions and issued capital of Company raised to TL 505,000,000. In this frame decided to notification to the Capital Markets Board ("CMB") result in capital increase transactions completely and duly and to be registered and announced in accordance with the provisions of 18/7 of the Capital Markets Law, 6. item of contract of associations of the Company which was showed the issued capital has accepted new shape which was take part in additional and submit to approval to Capital Markets Board ("CMB"), application has been made to the Capital Markets Board ("CMB") as of 9 January 2023 in order to take appropriate opinion. The relevant application was received positively by Capital Markets Board ("CMB") on 19 January 2023. The new shape of regarding to 6th item of contract of associations of Company has registered by Istanbul Trade Registry Office on 24 January 2023.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 11 SHARE CAPITAL (Cont'd)**Paid-in capital (cont'd)**

As of 30 June 2023 and 31 December 2022, the paid-in capital amounts after the distribution of the publicly held shares belonging to the shareholders with their book values are as follows:

Shareholders	30 June 2023		31 December 2022	
	Share rate (%)	Share amount	Share rate (%)	Share amount
Inveo Yatırım Holding A.Ş.	84.87	428,573,607	84.87	278,021,223
Other Shareholders (Publicly Offered)	15.13	76,426,393	15.13	49,578,777
Total paid-in capital	100.00	505,000,000	100.00	327,600,000

Share Premiums

	30 June 2023	31 December 2022
Share premiums	197,491,297	-
	197,491,297	-

Capital advance

	30 June 2023	31 December 2022
Inveo Yatırım Holding A.Ş.	-	301,104,792
Capital advance	-	73,211,415
	-	374,316,207

Reacquired shares

In the context of buy-back transactions were decided to start BoD decision dated 4 February 2022, and decided to continue BoD decision dated 26 May 2022, nominal amount of TL 8,973,601 shares which clearing was completed as of 30 June 2023 also corresponds to 1.78% of the Gedik Yatırım Menkul Değerler A.Ş. capital, were reacquired amounting to TL 86,996,810 (31 December 2022: TL 5,994,660 share of nominal value, TL 40,068,364 price).

Reacquired shares	30 June 2023	31 December 2022
Reacquired shares	86,996,810	40,068,364
	86,996,810	40,068,364

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NOT 11 ÖZKAYNAKLAR (Devamı)**Other comprehensive income / (expenses)**

As of 30 June 2023, in accordance TAS 19, amount losses of cumulative actuarial after tax effect arising from the Group’s employee termination benefits was TL 2,234,842 (31 December 2022: TL 1,770,404). The mentioned amount is included in the “Defined benefit plans remeasurement losses” accounted under the equity of the Group.

As of 30 June 2023, in accordance TFRS 9, amount cumulative income of after tax effect arising shares which will classification in profit/(loss) from other comprehensive income of Group’s investments accounted through equity method was TL 258,385 (31 December 2022: TL 333,422). Related amount is included in the “Shares that will be reclassified in profit/(loss) from other comprehensive income of investments accounted through equity method” accounted under the equity of the Group.

As of periods changes of other comprehensive income is as follow:

Items that will not be reclassified under profit or loss	2023	2022
Beginning period, 1 January	(1,770,404)	(1,536,818)
Change during the period	(464,438)	14,418
Ending period, 30 June	(2,234,842)	(1,522,400)
Items that will be reclassified under profit / (loss)	2023	2022
Beginning period, 1 January	333,422	-
Change during the period	(75,037)	-
Ending period, 30 June	258,385	-

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NOTE 11 SHARE CAPITAL (Cont'd)**Restricted reserves, retained earnings**

The legal reserves consist of first and second legal reserves set aside out of profits in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's share capital.

The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's share capital. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital, but may be used to absorb losses in the event that the general reserve is exhausted.

In accordance with Article 520 of the Law No. 6102, a reserve fund is set aside for the shares bought back, corresponding to the acquisition value. As of 30 June 2023, a reserve fund has been set aside for the repurchased shares amounting to TL 86,996,810 (31 December 2022: TL 40,068,364) within the restricted reserves set aside from profit in the consolidated financial statements of the Group as of 30 June 2023.

The details of restricted reserves and retained earnings as of 30 June 2023 and 31 December 2022 are as follows:

	30 June 2023	31 December 2022
<u>Restricted reserves appropriated from profits</u>		
Reserves due to reacquired shares	86,996,810	40,068,364
Legal reserves	74,652,220	48,017,607
	<u>161,649,030</u>	<u>88,085,971</u>
	30 June 2023	31 December 2022
<u>Accumulated earnings</u>		
Retained earnings	235,701,923	59,593,153
	<u>235,701,923</u>	<u>59,593,153</u>

Non-Controlling Interests/Non-Controlling Profit and Loss

As of 30 June 2023, non-controlling interest is TL 26,802,812 (31 December 2022: TL 27,047,702). Profit of minority interests in the amount of TL 244,890, which occurred between 1 January - 30 June 2023, is shown separately from the net profit for the period in the financial statements (1 January – 30 June 2022: TL 380,769, loss).

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

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NOTE 12 REVENUE AND COST OF SALES

Revenue	1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Sales	37,244,495,789	37,174,666,271	18,090,531,055	22,162,875,100
Service income, net	266,907,703	160,605,813	130,382,324	84,960,110
	37,511,403,492	37,335,272,084	18,220,913,379	22,247,835,210
Interest income	428,044,870	182,750,347	221,950,088	106,083,652
Valuation increase/(decrease) of derivative market transactions, net	154,419,886	32,888,106	13,265,342	45,879,218
Leveraged buying-selling transactions income	13,493,540	9,267,570	9,648,561	4,523,467
	38,107,361,788	37,560,178,107	18,465,777,370	22,404,321,547

As of 30 June 2023 and 2022, the details of sales and cost of sales are as follows:

Sales	1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Private sector bills and bonds	33,109,042,328	31,300,079,426	16,435,811,858	19,610,712,782
Equity shares	2,696,762,296	5,610,359,752	1,126,839,763	2,457,226,430
Eurobond	1,340,163,773	250,105,496	447,636,164	90,621,852
Investment funds	78,415,569	-	61,332,098	-
Government bonds	20,111,823	14,121,597	18,911,172	4,314,036
	37,244,495,789	37,174,666,271	18,090,531,055	22,162,875,100

Cost of sales (-)	1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Private sector bills and bonds	(33,094,131,956)	(31,299,463,646)	(16,430,199,261)	(19,613,209,192)
Equity shares	(2,787,058,151)	(5,592,569,800)	(1,169,643,040)	(2,460,214,764)
Eurobond	(1,331,911,101)	(246,967,903)	(444,714,669)	(89,703,140)
Investment funds	(78,314,395)	-	(61,238,286)	-
Government bonds	(19,910,321)	(13,501,919)	(18,732,339)	(4,084,786)
	(37,311,325,924)	(37,152,503,268)	(18,124,527,595)	(22,167,211,882)

As of 30 June 2023 and 2022, the details of service income are as follows:

Service income	1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Intermediation commission income	274,088,328	167,888,746	132,162,169	88,670,773
Portfolio management commission income	2,303,280	180,743	2,177,720	27,601
	276,391,608	168,069,489	134,339,889	88,698,374

As of 30 June 2023 and 2022, the details of discounts from service sales are as follows:

Service sale returns	1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Commission returns (-)	(9,483,905)	(7,463,676)	(3,957,565)	(3,738,264)
	(9,483,905)	(7,463,676)	(3,957,565)	(3,738,264)

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NOTE 13 OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

	1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Income from other operating activities				
Marketable securities revaluation income	689,968,705	238,962,849	189,761,074	182,772,854
Foreign exchange gains	435,883,379	108,797,713	312,171,961	48,191,312
Bist stock market share revenues	15,761,270	5,285,819	12,486,336	2,076,748
Consulting income	8,748,786	613,011	750,737	287,904
Reversal of provisions	4,877,626	1,928,404	627,774	1,762,846
Commission income	3,029,556	124,016,471	(2,261,223)	62,212,858
Reflected expenses	2,266,121	1,234,789	1,081,310	621,382
Option premium profits	530,019	5,054,635	20,145	3,659,040
Salary promotion gain	-	5,296,610	-	-
Market making service revenues	315,492	784,949	122,577	359,967
Other	18,670,633	6,164,659	8,324,498	2,070,968
	1,180,051,587	498,139,909	523,085,189	304,015,879
Expenses from other operating activities				
Marketable securities revaluation expenses	(624,667,525)	(211,198,755)	(58,326,651)	(182,985,394)
Foreign exchange expense	(135,257,557)	(204,221,368)	(36,992,293)	(101,698,754)
Provision expenses	(11,089,124)	(3,009,209)	(8,568,113)	(3,084,181)
Takasbank expenses	-	(128,330)	-	(68,703)
Other	(3,005,199)	(1,282,718)	(2,915,064)	(1,127,546)
	(774,019,405)	(419,840,380)	(106,802,121)	(288,964,578)

NOTE 14 EXPENSES BY NATURE

	1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
General administration expenses				
Personnel expenses	(255,914,899)	(105,594,081)	(129,422,835)	(57,070,130)
Data processing and software expenses	(53,538,050)	(26,576,066)	(30,924,914)	(12,431,809)
Taxes, duties and fees expenses	(36,438,591)	(7,902,347)	(33,886,535)	(3,360,818)
Data communication expenses	(31,346,938)	(15,943,210)	(14,590,075)	(8,027,611)
Depreciation and amortization expenses	(13,222,547)	(7,618,806)	(7,522,419)	(3,716,816)
Travel and transportation expenses	(7,004,077)	(4,336,387)	(4,172,121)	(2,338,544)
Representation and hospitality expenses	(6,933,869)	(2,467,747)	(3,235,504)	(1,642,381)
Commission expenses	(6,790,822)	(1,529,467)	(3,515,060)	(770,820)
Communication expenses	(4,650,446)	(2,913,796)	(2,455,419)	(1,436,632)
Consulting expenses	(4,067,861)	(3,392,035)	(1,788,442)	(2,190,602)
Building management expenses	(2,713,208)	(1,576,088)	(1,297,364)	(721,743)
Electricity and heating expenses	(1,876,142)	(1,210,451)	(776,837)	(620,386)
Collateral expenses	(1,719,177)	(1,024,391)	(1,030,811)	(551,055)
Social expenses	(824,487)	(550,868)	(413,961)	(262,486)
Maintenance and repair expenses	(718,530)	(310,197)	(339,309)	(170,949)
Stationery expenses	(531,305)	(1,153,482)	(303,903)	(820,940)
Minor fixture expenses	(304,301)	(326,365)	(118,698)	(93,067)
Other expenses	(18,209,122)	(5,570,788)	(8,801,721)	(2,873,158)
	(446,804,372)	(189,996,572)	(244,595,928)	(99,099,947)
Marketing expenses				
Stock market share expenses	(19,752,951)	(7,480,527)	(9,343,093)	(4,120,097)
Advertising expenses	(14,750,034)	(8,164,877)	(9,461,747)	(4,547,879)
Takasbank expenses	(4,231,181)	(1,855,098)	(1,814,430)	(959,763)
Derivative exchange transaction fees	(934,072)	(1,078,855)	(369,729)	(560,708)
Sales expenses and losses	(264,738)	(284,004)	(78,254)	(153,076)
Colocation expenses	-	(2,107,843)	-	(2,107,843)
Other expenses	(1,604,279)	(684,480)	(1,108,450)	365,100
	(41,537,255)	(21,655,684)	(22,175,703)	(12,084,266)

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NOTE 15 INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

	Group's effective rate% 30 June 2023	Group's effective rate% 31 December 2022	30 June 2023	31 December 2022
Investments accounted through equity method				
Misyon Yatırım Bankası A.Ş.	23.00	23.00	113,023,378	116,341,702
			<u>113,023,378</u>	<u>116,341,702</u>

Movement of investments accounted through equity method	<u>2023</u>	<u>2022</u>
1 January	116,341,702	75,000,000
Income from associates	(3,218,274)	2,719,939
Gain on financial assets at fair value through other comprehensive income	(100,050)	-
30 June	<u>113,023,378</u>	<u>77,719,939</u>

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NOTE 15 INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (Cont'd)

Summary information on the financial statements of the subsidiary is as follows:

30 June 2023	Total assets	Total liabilities	Direct or indirect ownership rate (%)	Effective ownership rate(%)	Group's share in net assets
Misyon Yatırım Bankası A.Ş.	548,885,991	57,480,000	23.00	23.00	113,023,378
	548,885,991	57,480,000			113,023,378
31 December 2022	Total assets	Total liabilities	Direct or indirect ownership rate (%)	Effective ownership rate(%)	Group's share in net assets
Misyon Yatırım Bankası A.Ş.	533,814,349	27,980,861	23.00	23.00	116,341,702
	533,814,349	27,980,861			116,341,702

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 15 INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (Cont'd)

	Revenue	Net profit/(loss) for the period	Comprehensive income/(expense)	Effects of the Group's profit or loss statement	Effects of the Group's comprehensive income statement
1 January - 30 June 2023					
Misyon Yatırım Bankası A.Ş.	-	(13,992,496)	(14,427,497)	(3,218,274)	(3,318,324)
	-	(13,992,496)	(14,427,497)	(3,218,274)	(3,318,324)
1 January - 30 June 2022					
Misyon Yatırım Bankası A.Ş.	-	10,879,756	10,879,756	2,719,939	2,719,939
	-	10,879,756	10,879,756	2,719,939	2,719,939
1 April - 30 June 2023					
Misyon Yatırım Bankası A.Ş.	-	13,747,170	15,132,795	3,161,849	3,480,543
	-	13,747,170	15,132,795	3,161,849	3,480,543
1 April - 30 June 2022					
Misyon Yatırım Bankası A.Ş.	-	(132,062)	(132,062)	(33,016)	(33,016)
	-	(132,062)	(132,062)	(33,016)	(33,016)

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

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

NOTE 16 FINANCIAL INCOME / EXPENSES

	1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Finance income				
Interest income	152,352,139	24,799,915	116,323,798	13,713,807
Dividend income	65,608,425	45,488,921	51,328,985	27,351,706
	217,960,564	70,288,836	167,652,783	41,065,513
	1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Finance expenses				
Interest expenses	(118,369,751)	(77,151,927)	(79,370,030)	(44,019,087)
Takasbank money market expenses	(88,471,427)	(34,361,572)	(57,297,658)	(19,682,789)
	(206,841,178)	(111,513,499)	(136,667,688)	(63,701,876)

NOTE 17 PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES

	30 June 2023	31 December 2022
Short term debt provisions		
Corporate tax rate change provision (**)	14,663,150	-
Cautionary provisions (*)	7,879,243	15,575,083
Expense provisions	3,353,612	1,202,663
Commission return provisions	1,168,900	1,786,547
Interest payment fee return provisions	599,052	2,167,576
	27,663,957	20,731,869

(*) These provisions are regarding as of current period unfinished complaints to legal institutions, possible occupational lawsuits and precautionary provisions for customers whose total assets do not meet their total liabilities.

(**) The “Law on the Creation of Additional Motor Vehicle Tax to Compensate the Economic Losses Caused by the Earthquakes that occurred on 6 February 2023, and Amending Certain Laws and the Decree Law No. 375” numbered 7456 was published on 15 July 2023 at Official Gazette numbered 32249. According to article 21 of the aforementioned law, the corporate tax rate is determined as 25% also, it was determined as 30% of corporate tax rate for banks, companies within the scope of law numbered 6361 (financial leasing, factoring, financing and saving, financing companies) electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. The relevant tax rate change will begin to be applied to returns submitted after 1 October 2023. Therefore, “Current tax provision” in the financial statements of the Group as of 30 June 2023 is calculated over 25% (Note 10). The related provision has been set aside for 5% additional tax arising from the said law change that will occur in the period of 1 January – 30 June 2023.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 17 PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES (Cont’d)

Guarantees given to the third party as follows:

Guarantees given	30 June 2023	31 December 2022
İstanbul Takas ve Saklama Bankası A.Ş.	468,750,000	254,950,000
Borsa İstanbul A.Ş.	170,635,000	75,935,000
Other	412,218	412,218
	639,797,218	331,297,218

As of 30 June 2023 and 31 December 2022 informations about Group’s guarantees, pledge and mortgage as follows:

Guarantees, pledges and mortgages given by the Group	30 June 2023	31 December 2022
A. Total Guarantees Pledges and Mortgages (“GPM”) Given in the name of the Company	639,797,218	331,297,218
B. Total GPM Given in the Name of Fully Consolidated Companies	-	-
C. Total GPM Given to Manage Trading Operations in the name of 3rd parties	-	-
D. Total - Other GPM Given	-	-
i) Total GPM Given in the name of the Parent	-	-
ii) Total GPM Given in the name of other Group companies not included in B and C	-	-
iii) Total GPM given in the name of 3rd parties not included in C	-	-
Total	639,797,218	331,297,218

The Parent Company and its subsidiaries operating in the field of brokerage house and portfolio management in Turkey are in compliance with the Capital Markets Board's Communiqué Serial: V, No: 34 on Principles Regarding the Capital and Capital Adequacy of Intermediary Institutions (“Series: V, No:34 Communiqué”). As of 30 June 2023 and 31 December 2022, the Group fulfills the relevant capital adequacy requirements.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES

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NOTE 18 EMPLOYEE BENEFITS

	30 June 2023	31 December 2022
Short-term liabilities regarding employee benefits		
Social security premium payables	11,751,946	8,845,368
Payables to employee	8,374,431	9,441,686
Tax payable	553,935	461,150
	20,680,312	18,748,204
Short term provisions regarding employee benefits		
Provision for unused vacation	5,952,459	2,615,209
Provision for employment termination benefits	4,268,574	-
	10,221,033	2,615,209
Long term provisions regarding employee benefits		
Provision for employment termination benefits	34,732,800	16,923,941
	34,732,800	16,923,941

NOTE 19 RELATED PARTY DISCLOSURES

Balances with related parties

Short term financial assets from related parties measured at fair value through profit or loss	30 June 2023	31 December 2022
Funds founded by Inveo Portföy Yönetimi A.Ş.	685,164,753	639,069,412
Private sector bills and bonds issued by Inveo Yatırım Holding A.Ş.	344,200,943	8,196,964
	1,029,365,696	647,266,376
Trade receivables from related parties	30 June 2023	31 December 2022
Funds founded by Inveo Portföy Yönetimi A.Ş.	224,244,125	1,102,294
Onur Topaç	12,376,308	11,141,156
Inveo Portföy Yönetimi A.Ş.	5,757	-
Bv Teknoloji İş Geliştirme Danışmanlık ve Organizasyon Hizmetleri A.Ş.	-	40
	236,626,190	12,243,490

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 19 RELATED PARTY DISCLOSURES (Cont'd)

	30 June 2023	31 December 2022
Other short term receivables from related parties		
Inveo Yatırım Holding A.Ş.	130,639	-
Helo Teknoloji Girişim Yönetim Danışmanlığı A.Ş.	-	4,145
	130,639	4,145
Trade payables to related parties		
Funds founded by Inveo Portföy Yönetimi A.Ş.	77,623,429	-
Inveo Yatırım Holding A.Ş.	35,046,501	141,824
Misyon Yatırım Bankası A.Ş.	25,790,064	12,364,642
Erhan Topaç	19,633,795	36,260,412
Laplace Analytics Finansal Teknolojiler A.Ş.	7,437,295	123,899
Inveo Ventures Girişim Sermayesi Yatırım Ortaklığı A.Ş.	6,455,823	13,011,443
Devexperts Bilgi Dağıtım Hizmetleri A.Ş.	455,118	-
Inveo Araç Kiralama Hizmetleri A.Ş.	400,276	187,784
Finveo MN	579,076	667,857
Inveo Portföy Yönetim A.Ş.	-	844
Finveo UK	218,831	150,007
Inveo Alfa Uluslararası İş Geliştirme Yönetim ve Yatırım A.Ş.	100,658	-
Inveo Beta Uluslararası İş Geliştirme Yönetim ve Yatırım A.Ş.	90,093	135,208
Inveo Delta Uluslararası İş Geliştirme Yönetim ve Yatırım A.Ş.	-	1,434,536
Novel Scala Basın Yayın ve Tanıtım Tic. A.Ş.	34,809	47,195
Fanchain Teknoloji A.Ş.	11,002	34,820
Yancep Finansal Teknolojileri A.Ş.	8,069	-
I-Chain Yatırım Holding A.Ş.	802	836
Ülkü Feyyaz Taktak	-	823,435
Ersan Akpınar	-	1,430
	173,885,641	65,386,172

All short-term lease liabilities of TL 4,421,427 (31 December 2022: none) and long term lease liabilities of TL 687,182 (31 December 2022: none) consists of liabilities to Inveo Araç Kiralama Hizmetleri A.Ş.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES

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NOTE 19 RELATED PARTY DISCLOSURES (Cont'd)

Related party transactions

1 January - 30 June 2023	Rent income	In-group services	Interest income	Other	Total income
Devexperts Teknoloji Yazılım Geliştirme A.Ş.	-	695,204	-	-	695,204
Inveo Yatırım Holding A.Ş.	218,860	517,504	-	-	736,364
Funds founded by Inveo Portföy Yönetimi A.Ş.	145,907	48,638	-	-	194,545
Misyon Yatırım Bankası A.Ş.	-	12,322	-	-	12,322
Inveo Ventures Girişim Sermayesi Yatırım Ortaklığı A.Ş.	14,591	6,500	-	-	21,091
Inveo Alfa Uluslararası İş Geliştirme Yönetim ve Yatırım A.Ş.	14,591	-	-	-	14,591
Inveo Beta Uluslararası İş Geliştirme Yönetim Ve Yatırım A.Ş.	14,591	-	-	-	14,591
ICchain Yatırım Holding A.Ş.	14,591	-	-	-	14,591
Fanchain Teknoloji A.Ş.	14,591	-	-	-	14,591
Total	437,722	1,280,168	-	-	1,717,890

1 January - 30 June 2022	Rent income	In-group services	Interest income	Other	Total income
Inveo Yatırım Holding A.Ş.	134,502	163,245	23,162	-	320,909
Funds founded by Inveo Portföy Yönetimi A.Ş.	-	272,661	-	-	272,661
Inveo Portföy Yönetimi A.Ş.	84,677	172,966	-	-	257,643
Misyon Yatırım Bankası A.Ş.	-	55,993	-	-	55,993
Destek Her Yerde Bilişim A.Ş.	-	-	-	33,000	33,000
Inveo Beta Uluslararası İş Geliştirme Yönetim Ve Yatırım A.Ş.	8,468	-	-	-	8,468
Inveo Alfa Uluslararası İş Geliştirme Yönetim ve Yatırım A.Ş.	8,468	-	-	-	8,468
Inveo Delta Uluslararası İş Geliştirme Yönetim Ve Yatırım A.Ş.	8,468	-	-	-	8,468
Inveo Ventures Girişim Sermayesi Yatırım Ortaklığı A.Ş.	4,234	1,505	-	-	5,739
ICchain Yatırım Holding A.Ş.	4,234	-	-	-	4,234
Total	253,051	666,370	23,162	33,000	975,583

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES

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NOTE 19 RELATED PARTY DISCLOSURES (Cont'd)

Related party transactions (cont'd)

1 April - 30 June 2023	Rent income	In-group services	Interest income	Other	Total income
Devexperts Teknoloji Yazılım Geliştirme A.Ş.	-	64,982	-	-	64,982
Inveo Yatırım Holding A.Ş	218,860	457,544	-	-	676,404
Funds founded by Inveo Portföy Yönetimi A.Ş.	72,954	21,550	-	-	94,504
Inveo Ventures Girişim Sermayesi Yatırım Ortaklığı A.Ş.	7,296	3,000	-	-	10,296
Inveo Alfa Uluslararası İş Geliştirme Yönetim ve Yatırım A.Ş.	7,296	-	-	-	7,296
Inveo Beta Uluslararası İş Geliştirme Yönetim Ve Yatırım A.Ş.	7,296	-	-	-	7,296
ICchain Yatırım Holding A.Ş	7,296	-	-	-	7,296
Fanchain Teknoloji A.Ş.	7,296	-	-	-	7,296
Total	328,294	547,076	-	-	875,370

1 April - 30 June 2022	Rent income	In-group services	Interest income	Other	Total income
Inveo Portföy Yönetimi A.Ş.	42,339	145,187	-	-	187,526
Inveo Yatırım Holding A.Ş	70,994	84,146	18,785	-	173,925
Funds founded by Inveo Portföy Yönetimi A.Ş.	-	159,963	-	-	159,963
Misyon Yatırım Bankası A.Ş.	-	50,755	-	-	50,755
Inveo Ventures Girişim Sermayesi Yatırım Ortaklığı A.Ş.	4,234	1,505	-	-	5,739
ICchain Yatırım Holding A.Ş	4,234	-	-	-	4,234
Inveo Alfa Uluslararası İş Geliştirme Yönetim ve Yatırım A.Ş.	4,234	-	-	-	4,234
Inveo Beta Uluslararası İş Geliştirme Yönetim ve Yatırım A.Ş.	4,234	-	-	-	4,234
Inveo Delta Uluslararası İş Geliştirme Yönetim ve Yatırım A.Ş.	4,234	-	-	-	4,234
Total	134,503	441,556	18,785	-	594,844

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 19 RELATED PARTY DISCLOSURES (Cont'd)**Related party transactions (cont'd)**

1 January - 30 June 2023	In-group services	Consulting expense	Other	Total expense
Devexperts Bilgi Dağıtım Hizmetleri A.Ş.	-	(3,733,928)	-	(3,733,928)
Inveo Yatırım Holding A.Ş.	(980,283)	-	-	(980,283)
Finar İletişim Teknolojileri A.Ş.	-	(188,386)	-	(188,386)
Helo Teknoloji Girişim Yön.Dan.A.Ş.	-	(343,240)	-	(343,240)
Laplace Analytics Finansal Teknolojiler A.Ş.	-	(25,355)	-	(25,355)
Yancep Finansal Teknolojiler A.Ş.	-	(60,948)	-	(60,948)
Total	(980,283)	(4,351,857)	-	(5,332,140)

1 January - 30 June 2022	In-group services	Consulting expense	Other	Total expense
Devexperts Bilgi Dağıtım Hizmetleri A.Ş.	(1,267,030)	-	-	(1,267,030)
Inveo Yatırım Holding A.Ş.	(1,218,087)	-	-	(1,218,087)
Helo Teknoloji Girişim Yön.Dan.A.Ş.	-	(969,429)	-	(969,429)
Novel Scala Basın Yayın ve Tanıtım Tic. A.Ş.	(638,892)	-	-	(638,892)
Finar İletişim Teknolojileri A.Ş.	(110,643)	-	-	(110,643)
Destek Her Yerde Bilişim A.Ş.	(90,196)	-	-	(90,196)
İyi Yaşa Eğitim ve Sportif Faaliyetler A.Ş.	(49,687)	-	-	(49,687)
Inveo Portföy Yönetimi A.Ş.	-	-	(284)	(284)
Total	(3,374,535)	(969,429)	(284)	(4,344,248)

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 19 RELATED PARTY DISCLOSURES (Cont'd)**Related party transactions (cont'd)**

1 April - 30 June 2023	In-group services	Consulting expense	Other	Total expense
Devexperts Bilgi Dağıtım Hizmetleri A.Ş.	-	(3,733,928)	-	(3,733,928)
Inveo Yatırım Holding A.Ş.	(546,049)	-	-	(546,049)
Finar İletişim Teknolojileri A.Ş.	-	(188,386)	-	(188,386)
Laplace Analytics Finansal Teknolojiler A.Ş.	-	(25,355)	-	(25,355)
Total	(546,049)	(3,947,669)	-	(4,493,718)

1 April - 30 June 2022	In-group services	Consulting expense	Other	Total expense
Helo Teknoloji Girişim Yön. Dan. A.Ş.	-	(757,347)	-	(757,347)
Devexperts Bilgi Dağıtım Hizmetleri A.Ş.	(590,996)	-	-	(590,996)
Inveo Yatırım Holding A.Ş.	(546,461)	-	-	(546,461)
Novel Scala Basın Yayın ve Tanıtım Tic. A.Ş.	(412,744)	-	-	(412,744)
Finar İletişim Teknolojileri A.Ş.	(110,643)	-	-	(110,643)
Total	(1,660,844)	(757,347)	-	(2,418,191)

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 19 RELATED PARTY DISCLOSURES (Cont'd)**Short term benefits provided to top management**

	1 January - 30 June 2023	1 January - 30 June 2022
Short term benefits provided to top management	41,414,615	12,181,841
	<u>41,414,615</u>	<u>12,181,841</u>

NOTE 20 EARNINGS PER SHARE

	1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Net profit from continuing operations for the period attribute to equity holders of the parent	581,132,404	187,804,753	387,692,374	91,618,480
Weighted average number of shares outstanding (*)	481,477,348	327,600,000	481,477,348	327,600,000
Profit per share	<u>1.2070</u>	<u>0.5733</u>	<u>0.8052</u>	<u>0.2797</u>
Total comprehensive income attribute to equity holders of the parent	580,592,929	187,819,167	387,581,932	91,620,634
Weighted average number of shares outstanding (*)	481,477,348	327,600,000	481,477,348	327,600,000
Comprehensive income per share	<u>1.2059</u>	<u>0.5733</u>	<u>0.8050</u>	<u>0.2797</u>

(*) Due to TAS 33 requirements regarding capital increase, earnings per share for the interim accounting period 1 January - 30 June 2022 have been recalculated.

NOTE 21 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS**Capital risk management**

The Group manages its capital to ensure its operations will be able to continue as a going concern while maximizing its profit through the optimization of the debt and equity balance.

The Group's capital structure consists of short term and long term borrowings disclosed in note 6, cash and cash equivalents disclosed in note 3, short and long-term financial investments disclosed in note 5 and equity items issued capital, reserves and retained earnings disclosed in order at note 11. In addition, the Group monitors capital adequacy within the framework of the Capital Markets Board's Communiqué Serial: V, No: 34 on Principles Regarding the Capital and Capital Adequacy of Intermediary Institutions.

The management of the Group considers the cost of capital and the risks associated with each class of capital. The management of the Group aims to balance its overall capital structure through the payment of dividends, new share issues and the issue of new debt or the redemption of existing debt.

The management of the Group reviews capital by leverage ratio to be consistent with other firms in the industry. The aforementioned ratio is calculated by dividing the net debt by the total capital. Net debt is calculated by deducting cash and cash equivalents from the total debt amount. The Group also monitors the effect of TFRS 16 in net debt calculation. Total capital is calculated as equity plus net debt as shown in the consolidated balance sheet.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES

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NOTE 21 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management

Credit risk management

The credit risks that the Group's financial assets are exposed to are as follows:

	Receivables					
	Trade receivables		Other receivables			
30 June 2023	Related party	Other party	Related party	Other party	Deposit in banks	Financial investments
Maximum credit risk as of the balance sheet date (A+B+C+D+E)	236,626,190	3,126,114,717	130,639	1,420,037,389	1,608,206,620	1,372,420,923
- Part of the maximum risk take under guarantee with collaterals	-	-	-	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired	236,626,190	3,126,114,717	130,639	1,420,037,389	1,608,206,620	1,372,420,923
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired.	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	504,032,045	-	-	-	-
- Impairment (-)	-	(504,032,045)	-	-	-	-
- Part of the net value taken under guarantee through collateral etc.	-	-	-	-	-	-
- Not past due (gross carrying value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Part of the net value taken under guarantee through collateral etc.	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 21 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management (cont'd)

Credit risk management (cont'd)

The credit risks that the Group's financial assets are exposed to are as follows:

	Receivables					
	Trade receivables		Other receivables			
31 December 2022	Related party	Other party	Related party	Other party	Deposit in banks	Financial investments
Maximum credit risk as of the balance sheet date (A+B+C+D+E)	12,243,490	5,586,354,979	4,145	450,269,264	1,975,391,258	943,275,455
- Part of the maximum risk take under guarantee with collaterals	-	-	-	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired	12,243,490	5,586,354,979	4,145	450,269,264	1,975,391,258	943,275,455
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired.	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	504,476,454	-	-	-	-
- Impairment (-)	-	(504,476,454)	-	-	-	-
- Part of the net value taken under guarantee through collateral etc.	-	-	-	-	-	-
- Not past due (gross carrying value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Part of the net value taken under guarantee through collateral etc.	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in Turkish Lira (“TL”) unless otherwise stated.)

NOTE 21 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont’d)

Financial risk management (cont’d)

Market risk management

Currency risk management

The foreign currency position of the group as of 30 June 2023 and 31 December 2022 is as follows:

Currency Position Table

	30 June 2023				
	TL Equivalents	US Dollars	Euro	Pound	Other
1. Trade receivables	-	-	-	-	-
2a. Monetary financial assets	1,113,256,725	42,625,887	234,079	119,825	610,013
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current assets (1+2+3)	1,113,256,725	42,625,887	234,079	119,825	610,013
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non-current assets (5+6+7)	-	-	-	-	-
9. Total assets (4+8)	1,113,256,725	42,625,887	234,079	119,825	610,013
10. Trade payables	1,453,518	51,982	1,416	2,087	-
11. Financial liabilities	15,160	586	-	-	-
12a. Other monetary liabilities	-	-	-	-	-
12b. Other non-monetary liabilities	-	-	-	-	-
13. Short term liabilities (10+11+12)	1,468,678	52,568	1,416	2,087	-
14. Trade payables	-	-	-	-	-
15. Financial liabilities	-	-	-	-	-
16a. Other monetary liabilities	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-
17. Long term liabilities (14+15+16)	-	-	-	-	-
18. Total liabilities (13+17)	1,468,678	52,568	1,416	2,087	-
19. Out of balance sheet derivative instruments net assets/ (liabilities) position (19a-19b)	(296,139,271)	(11,447,385)	-	-	-
19a. Total amount of hedged assets	-	-	-	-	-
19b. Total amount of hedged liabilities	296,139,271	11,447,385	-	-	-
20. Net foreign currency assets / (liabilities) position (9-18+19)	815,648,776	31,125,934	232,663	117,738	610,013
21. Monetary items net foreign currency assets/(liability) position (1+2a+5+6a-10-11-12a-14-15-16a)	1,111,788,047	42,573,319	232,663	117,738	610,013
22. Fair value of financial instruments uses for foreign currency hedge	295,606,968	11,447,385	-	-	-
23. Hedged portion amount of foreign currency assets	-	-	-	-	-
24. Hedged portion amount of foreign currency liabilities	-	-	-	-	-

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES

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

NOTE 21 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont’d)

Financial risk management (cont’d)

Market risk management (cont’d)

Currency risk management (cont’d)

Currency Position Table

	31 December 2022				
	TL Equivalents	US Dollars	Euro	Pound	Other
1. Trade receivables	206,722,514	10,525,084	403,799	60,292	556,520
2a. Monetary financial assets	1,127,348	60,292	4	-	-
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current assets (1+2+3)	207,849,862	10,585,376	403,803	60,292	556,520
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non-current assets (5+6+7)	-	-	-	-	-
9. Total assets (4+8)	207,849,862	10,585,376	403,803	60,292	556,520
10. Trade payables	672,898	28,438	4,675	2,087	-
11. Financial liabilities	636,175	33,965	-	-	-
12a. Other monetary financial liabilities	-	-	-	-	-
12b. Other non-monetary financial liabilities	-	-	-	-	-
13. Short term liabilities (10+11+12)	1,309,073	62,403	4,675	2,087	-
14. Trade payables	-	-	-	-	-
15. Financial liabilities	-	-	-	-	-
16a. Other monetary financial liabilities	-	-	-	-	-
16b. Other non-monetary financial liabilities	-	-	-	-	-
17. Long term liabilities (14+15+16)	-	-	-	-	-
18. Total liabilities (13+17)	1,309,073	62,403	4,675	2,087	-
19. Out of balance sheet derivative instruments					
net assets/ (liabilities) position (19a-19b)	-	-	-	-	-
19a. Total amount of hedged assets	-	-	-	-	-
19b. Total amount of hedged liabilities	-	-	-	-	-
20. Net foreign currency assets / (liabilities)					
position (9-18+19)	206,540,789	10,522,973	399,128	58,205	556,520
21. Monetary items net foreign currency assets/(liability)					
position (1+2a+5+6a-10-11-12a-14-15-16a)	206,540,789	10,522,973	399,128	58,205	556,520
22. Fair value of financial instruments					
uses for foreign currency hedge	-	-	-	-	-
23. Hedged portion amount of foreign currency assets	-	-	-	-	-
24. Hedged portion amount of foreign currency liabilities	-	-	-	-	-

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

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

NOTE 22 FINANCIAL INSTRUMENTS

Categories and fair value of financial instruments

Fair value is the amount at which a financial investment could be exchanged in a current transaction between voluntary parties, other than in a forced sale or liquidation, and is best determined by an established market price, if any. The estimated fair values of financial investments have been determined by the Group using available market information and appropriate valuation methods. However, judgements used in interpreting market data for fair value estimate purposes. Accordingly, the estimates presented here may not be indicative of the values that the Group could obtain in a current market transaction.

The following methods and assumptions were used to estimate the fair value of financial instrument which it is practicable to estimate a fair value:

Financial assets

It is accepted that the fair values of the balances denominated in foreign currency, which are translated at year-end rates, approximate their book values. Cash and cash equivalents are presented at their fair values. Trade receivables and receivables from related parties are recorded with their discounted values and it is assumed that their fair values approximate their book values.

Market prices are taken as a basis in determining the fair values of financial assets.

Financial liabilities

Trade payables, payables to related parties, financial liabilities and other monetary liabilities are estimated to be approximated to their fair values with their discounted book values, and the fair values of the balances based on foreign currency translated with year-end rates are considered to approximate their book values. Due to the fact that most of the bank loans used by the Group are variable-rate and the fixed-rate bank loans are not long-term, it is accepted that the carrying values of the bank loans shown with the amortized cost method approach their fair values.

The fair values and book values of the Group's financial assets and liabilities are as follows:

	30 June 2023		31 December 2022	
	Fair value	Carrying value	Fair value	Carrying value
Financial assets				
Trade receivables	3,362,740,907	3,362,740,907	5,598,598,469	5,598,598,469
Cash and cash equivalents	1,746,514,875	1,746,514,875	2,087,375,602	2,087,375,602
Financial assets	1,372,420,923	1,372,420,923	943,275,455	943,275,455
Other receivables	1,420,168,028	1,420,168,028	450,273,409	450,273,409
Financial liabilities				
Short term borrowings	2,822,681,198	2,822,681,198	1,873,157,885	1,873,157,885
Short term liabilities from leases	17,352,357	17,352,357	29,913,008	29,913,008
Long term liabilities from leases	31,719,349	31,719,349	9,322,679	9,322,679
Trade payables	3,470,893,903	3,470,893,903	6,214,892,808	6,214,892,808
Other payables	39,225,191	39,225,191	14,818,955	14,818,955

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

NOTE 22 FINANCIAL INSTRUMENTS (Cont'd)**Categories and fair value of financial instruments (Cont'd)**

The fair value of financial assets and liabilities is determined as follows:

- Level 1: Financial assets and liabilities are valued at stock market prices traded on the active market for identical assets and liabilities.
- Level 2: Financial assets and liabilities are valued at the inputs used to find the price of the related asset or liability that can be observed in the market directly or indirectly other than the stock market price specified in the first level.
- Level 3: Financial assets and liabilities are valued from inputs that are not based on marketable data used to find the fair value of the asset or liability.

The level classifications of financial assets and liabilities shown at their fair values are as follows:

30 June 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<i>Financial assets measured at fair value through profit or loss</i>			
Marketable securities	5,294,827	91,190,511	-
Private sector bills and bonds	422,789,560	-	-
Investment funds	852,287,907	-	-
<i>Financial assets measured at fair value through other comprehensive income</i>			
Other marketable securities	-	-	858,118

31 December 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<i>Financial assets measured at fair value through profit or loss</i>			
Marketable securities	38,380,331	73,898,145	-
Private sector bills and bonds	189,694,905	-	-
Investment funds	640,443,956	-	-
<i>Financial assets measured at fair value through other comprehensive income</i>			
Other marketable securities	-	-	858,118

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2023

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NOTE 23 EVENTS AFTER THE BALANCE SHEET DATE

The share reacquisition program of Gedik Yatırım Menkul Değerler A.Ş.’s, which was initiated with the decision of the board of directors dated 26 May 2022 and revised with the decision of the board of directors dated 14 February 2023, with the purchase of 306,262 shares at a price of TL 9.7 on 21 July 2023, the shares of GEDİK owned by Gedik Yatırım Menkul Değerler AŞ reached 10,150,000. With this purchase, the total number of shares purchased between 26 May 2022 and 21 July 2023 has reached 10,150,000, and the buyback program of Gedik Yatırım Menkul Değerler AŞ has been terminated.

The “Afyon Branch” of Gedik Yatırım Menkul Değerler A.Ş. was registered on 19 July 2023 and enter into service at “Dumlupınar Mahallesi Süleyman Gönçer Caddesi ATSO İş Merkezi Kat:3 iç kapı no:7 Merkez / AFYONKARAHİSAR”.

Pursuant to the decision of the board of directors of Gedik Yatırım Menkul Değerler A.Ş. dated 19 July 2023, the title of the branch with the title of Gedik Yatırım Menkul Değerler A.Ş. Tophane Branch was changed to “Gedik Yatırım Menkul Değerler A.Ş. Central Branch” and the Central Branch was transferred in order to serve the investors in better physical conditions from the address “Necatibey Cad. Alipaşa Değirmeni Sok. No: 24 Beyoğlu/İSTANBUL”, where it operates, to the address “Altayçeşme Mah. Çamlı Sk. Ofis Park İş Merkezi Blok No: 21 İç Kapı No:45 Maltepe / İSTANBUL”. Relevant amendments have been registered in the Trade Registry as of 28 July 2023.

The application made by Marbaş Menkul Değerler A.Ş., a 100% subsidiary of the Group, which operates as a Partially Authorised Intermediary Institution, to the Capital Markets Board to be authorised as a Board authorised Intermediary Institution, was accepted positively as of 13 July 2023.

Within the scope of the sponsorship agreement between Gedik Yatırım Menkul Değerler A.Ş., the parent company of the Group, and Fenerbahçe Futbol AŞ, Gedik Yatırım Menkul Değerler A.Ş. became the ”Official Sponsor” of Fenerbahçe Football A Team for the 2023-2024 season. Gedik Yatırım has been the Knee-highs Sponsor of Fenerbahçe Football A Team in Turkey and Europe in the 2023-2024 football season.

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