

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
AND INDEPENDENT AUDITOR'S REPORT
(ORIGINALLY ISSUED IN TURKISH)**

INDEPENDENT AUDITOR'S REPORT

to the General Assembly Gedik Yatırım Menkul Değerler Anonim Şirketi

1) Opinion

We have audited the consolidated financial statements of Gedik Yatırım Menkul Değerler Anonim Şirketi ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated statement of financial position as at December 31, 2023 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

2) Basis of Opinion

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

3) Attention Getting Points

Within the scope of the "Announcement on Inflation Adjustment of Financial Statements of Companies Subject to Independent Audit" dated November 23, 2023 published by POA, consolidated financial statements as of December 31, 2023 are subject to inflation adjustment in accordance with TAS 29 "Financial Reporting in Hyperinflationary Economies". In this context, we draw attention to footnote 2, which includes explanations regarding the transition to inflation accounting. This matter does not affect our opinion.

4) Key Audit Matters

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



Key Audit Matter Revenue Recognition	How the Key Audit Matter is Addressed in the Audit
<p>The Group has revenues amounting to TL 97.128.879.410 recognized under the "revenue" item in the statement of profit or loss for the accounting period 01.01- 31.12.2023. Explanations and footnotes related to these revenues are provided in Note 16 of the accompanying consolidated financial statements as of 31.12.2023.</p> <p>Due to the size of the revenue in the consolidated financial statements, the fact that the total revenue amount is generated from different channels such as securities sales, brokerage commissions and consultancy income and the nature of the Group's operations, the revenue amount is generated from a large number of transactions.</p> <p>The subject area was addressed as a key audit matter.</p>	<p>As part of our audit procedures related to revenue recognition, we assessed whether the Group management's accounting policies for revenue recognition are in accordance with TFRS and the relevant legislation. In addition, we examined the Group's revenue process and assessed the design and effectiveness of internal controls that management has in place to ensure that revenue is recognized in accordance with the relevant accounting standards. We tested a sample of transactions that occurred during the accounting period by comparing the details of those transactions with the relevant supporting documentation to verify that the amount of revenue is appropriately recognized on a transaction-by-transaction basis.</p>

5) Other Matters

The consolidated financial statements of the Company for the year ended December 31, 2022 have been audited by another independent auditor who expressed an unqualified opinion on those financial statements on January 31, 2023.

6) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Turkish Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

7) Independent Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also exercise our professional judgment and maintain professional skepticism throughout the audit:

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

We are responsible for the direction, conduct and oversight of the Group audit. We are also solely responsible for our audit opinion.

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PKF Aday Bağımsız Denetim A.Ş., PKF International Limited ağının üyesi olup hukuken bağımsız bir tüzel kişiliğe sahiptir ve bu ağı diğer üyelerinin faaliyetleri nedeniyle herhangi bir sorumluluk ya da yükümlülük kabul etmemektedir.

PKF Aday Bağımsız Denetim A.Ş. is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.



7) Independent Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

We have communicated to those charged with governance that we comply with relevant ethical requirements regarding independence. We have also communicated to those charged with governance all relationships and other matters that may reasonably be thought to bear on our independence, and the related safeguards, if any.

From those matters communicated to those charged with governance, we determine those matters that were of most significance in our audit of the consolidated financial statements of the current period, and are therefore key audit matters. We may decide not to disclose a matter in our auditor's report if the matter is not permitted by law or in very exceptional circumstances where the adverse consequences of disclosure would reasonably be expected to outweigh the public interest in disclosure.

B) Other Legal and Regulatory Liabilities

1) Pursuant to paragraph four of Article 398 of the TCC Pursuant to paragraph four of Article 398 of the TCC, the Auditor's Report on the Early Detection of Risk System and Committee was submitted to the Company's Board of Directors on March 1, 2024.

2) In accordance with paragraph 4 of Article 402 of the TCC, nothing has come to our attention that may cause us to believe that the Company's bookkeeping activities for the period January 1 - December 31, 2023 are not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

3) Pursuant to subparagraph 4 of Article 402 of the TCC, the Board of Directors provided us with the necessary explanations and submitted the required documents for the audit.

The engagement partner on the audit resulting in this independent audit is Yunus Can ÇARPATAN.

Istanbul, 1 March 2024

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



Yunus Can ÇARPATAN
Partner

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GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED FINANCIAL POSITION AS OF 31 DECEMBER 2023

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

ASSETS	Notes	Current Period 31 December 2023	Previous Period 31 December 2022
CURRENT ASSETS			
Cash and cash equivalents	3	1,341,972,972	3,439,443,631
Financial investments	4.23	1,825,562,940	1,425,037,071
Trade receivables		6,327,170,562	9,224,974,093
- <i>Trade receivables from related parties</i>	6.23	152,367,156	20,173,956
- <i>Trade receivables from non-related parties</i>	6	6,174,803,406	9,204,800,137
Other receivables		554,447,808	739,894,587
- <i>Other receivables from related parties</i>	7.23	11,259	6,830
- <i>Other receivables from non-related parties</i>	7	554,436,549	739,887,757
Prepaid expenses		28,802,150	9,004,296
- <i>Prepaid expenses to non-related parties</i>		28,802,150	9,004,296
Assets related with current period tax	22	-	68,457,120
Total current assets		10,077,956,432	14,906,810,798
NON CURRENT ASSETS			
Financial investments	4	164,125,696	129,478,885
Investments accounted through equity method	21	116,208,338	195,096,124
Other receivables		1,572,849	2,034,051
- <i>Other receivables from non-related parties</i>	7	1,572,849	2,034,051
Right of use assets	10	46,190,459	46,776,671
Tangible assets	9	96,758,114	83,955,909
Intangible assets	11	54,021,523	28,639,252
- <i>Other intangible assets</i>		54,021,523	28,639,252
Prepaid expenses		471,469	377,134
- <i>Prepaid expenses to non-related parties</i>		471,469	377,134
Deferred tax assets	22	17,969,869	143,885,758
Total non-current assets		497,318,317	630,243,784
TOTAL ASSETS		10,575,274,749	15,537,054,582

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

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED FINANCIAL POSITION AS OF 31 DECEMBER 2023

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

LIABILITIES AND EQUITY	Notes	Current Period 31 December 2023	Previous Period 31 December 2022
CURRENT LIABILITIES			
Short term borrowings	5	2,504,093,024	3,129,698,103
Short term borrowings to related parties		4,642,956	-
<i>-Liabilities from short term leases</i>	5.23	4,642,956	-
Short term borrowings to third parties		2,499,450,068	3,129,698,103
<i>-Liabilities from short term leases</i>		12,490,694	49,288,536
<i>-Other short term borrowings</i>		2,486,959,374	3,080,409,567
Trade payables		5,143,931,307	10,240,617,553
<i>- Trade payables to related parties</i>	6.23	311,363,126	107,739,092
<i>- Trade payables to non-related parties</i>	6	4,832,568,181	10,132,878,461
Liabilities regarding employee benefits	13	29,935,793	30,031,339
Income tax liabilities	22	154,153,001	8,862,603
Provisions		28,375,067	38,469,662
<i>- Short term provisions related to employee benefits</i>	13	6,627,674	4,309,156
<i>-Other short term provisions</i>	12	21,747,393	34,160,506
Other payables		31,854,022	25,121,348
<i>- Other payables to related parties</i>	7-23	1,168	-
<i>- Other payables to third parties</i>	7	31,852,854	25,121,348
Total current liabilities		7,892,342,214	13,472,800,608
LONG TERM LIABILITIES			
Long term borrowings	14	24,721,995	15,361,251
<i>Long term borrowings to third parties</i>		24,721,995	15,361,251
<i>- Liabilities from long term leases</i>		24,721,995	15,361,251
Long term provisions		29,994,707	27,886,072
<i>- Long term provisions related to employee benefits</i>	13	29,994,707	27,886,072
Deferred tax liability	22	1,839,746	2,962,725
Total non-current liabilities		56,556,448	46,210,048
EQUITY			
Equity held by the Parent		2,590,031,541	1,974,330,440
Paid-in capital	15	505,000,000	327,600,000
Differences of adjustment of capital	15	1,322,522,208	1,225,838,707
Capital advance	15	-	655,424,422
Treasury shares (-)	15	(91,752,115)	(80,096,224)
Share Premiums	15	307,146,172	-
Accumulated other comprehensive income and expenses that will not be reclassified under profit or loss	15	(4,846,810)	(4,964,798)
<i>- Defined benefit plans remeasurement losses</i>		(4,846,810)	(4,964,798)
Accumulated other comprehensive income and expenses that will be reclassified under profit or loss	15	65,084	438,282
<i>- Shares which will classification in profit/(loss) from other comprehensive income of investments which is valuation through equity method</i>		65,084	438,282
Legal reserves	15	328,632,676	289,357,043
Retained earnings	15	(543,771,531)	(502,290,570)
Net profit for the period		767,035,857	63,023,578
Non-controlling interests	15	36,344,546	43,713,486
TOTAL LIABILITIES AND EQUITY		10,575,274,749	15,537,054,582

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

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

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

PROFIT AND LOSS	Notes	Current Period 1 January - 31 December 2023	Previous Period 1 January - 31 December 2022
Revenues	16	97,128,879,410	154,307,192,534
Cost of sales(-)	16	(94,368,591,175)	(151,799,473,708)
GROSS PROFIT		2,760,288,235	2,507,718,826
General administrative expenses (-)	17	(1,184,483,458)	(837,316,102)
Marketing expenses (-)	17	(171,747,244)	(108,737,123)
Research and development expenses (-)	17	(36,040,222)	-
Other operating income	18	689,768,920	283,884,194
Other operating expenses (-)	18	(144,317,175)	(1,467,889,828)
OPERATING PROFIT		1,913,469,056	377,659,967
Income from investment activities		1,116,042	2,085,574
Expenses from investment activities (-)		(175)	-
Shares from profit of investments accounted through equity method	21	(78,354,646)	(73,180,204)
OPERATING PROFIT BEFORE FINANCE INCOME AND EXPENSES		1,836,230,277	306,565,337
Financial income	20	345,329,249	202,925,842
Financial expenses (-)	20	(91,725,433)	(38,976,055)
Net monetary position gain/(losses)		(900,146,917)	(553,077,550)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		1,189,687,176	(82,562,426)
Tax income / (expense) from continuing operations			
Corporate tax expense (-)	22	(333,546,180)	(22,248,631)
Deferred tax income / (expense)	22	(89,628,122)	167,618,508
(LOSS)/PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		766,512,874	62,807,451
NET PROFIT FOR THE PERIOD		766,512,874	62,807,451
Net profit for the period attributable to:			
Equity holders of the parent		767,035,857	63,023,578
Non-controlling interest		(522,983)	(216,127)
Earnings per share	24	1.5548	0.1924
OTHER COMPREHENSIVE EXPENSES			
Items that will not be reclassified in profit or (loss)			
Defined benefits plans remeasurement losses		168,864	(1,046,929)
Tax expense related to other comprehensive income not to be reclassified under profit or loss		(51,016)	241,302
Items that will be reclassified in profit / (loss)			
Gain or (loss) from re-valuation or reclassification financial assets ready to sale of investments accounted through equity method	21	(533,140)	732,564
Fair value difference other comprehensive income / tax effect		159,942	(294,282)
OTHER COMPREHENSIVE EXPENSES		(255,350)	(367,345)
TOTAL COMPREHENSIVE INCOME		766,257,524	62,440,106
Total comprehensive income attributable to:			
Equity holders of the parent		766,780,647	62,656,815
Non-controlling interest		(523,123)	(216,709)
Comprehensive income per share	24	1.5543	0.1913

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

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

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

	Notes	Paid-in capital	Differences of adjustment of capital	Capital advance	Treasury shares (-)	Share premiums/discounts	Accumulated other comprehensive income and expenses that will not be reclassified in profit or loss	Shares which will classification in profit/loss from other comprehensive income of investments which is valuation through equity method	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 re-measurement losses				Accumulated earnings	Net profit for the period			
Prior period															
Balances at 1 January 2022		252,000,000	1,150,574,613	-	-	-	(4,159,734)	-	-	169,628,670	(63,103,185)	-	1,504,940,364	44,226,883	1,549,167,247
Net profit/(loss) of the period		-	-	-	-	-	-	-	-	-	63,023,578	-	63,023,578	(216,127)	62,807,451
Other comprehensive income		-	-	-	-	-	(805,045)	438,282	-	-	-	-	(366,763)	(581)	(367,344)
Total comprehensive income		-	-	-	-	-	(805,045)	438,282	-	-	-	-	63,023,578	(216,708)	62,440,107
Transfers		-	-	-	-	-	-	-	39,631,788	-	(39,631,788)	-	-	-	-
Capital increase		75,600,000	75,264,094	655,424,422	-	-	-	-	-	-	(150,864,094)	-	655,424,422	-	655,424,422
Increase / (Decrease) due to share reacquisition transactions		-	-	-	(80,096,224)	-	-	-	-	80,096,224	(80,096,224)	-	(80,096,224)	-	(80,096,224)
Acquisition or disposal of subsidiary		-	-	-	-	-	-	-	-	-	(1,973,108)	-	-	(1,028,784)	(3,001,892)
Increase/(decrease) due to share ratio changes that do not result in loss of control in subsidiaries		-	-	-	-	-	(19)	-	-	361	-	-	342	732,095	732,437
Profit distribution		-	-	-	-	-	-	-	-	-	(166,622,171)	-	(166,622,171)	-	(166,622,171)
Balances at 31 December 2022		327,600,000	1,225,838,707	655,424,422	(80,096,224)	-	(4,964,798)	438,282	289,357,043	(502,290,570)	63,023,578	-	1,974,330,440	43,713,486	2,018,043,926
Current period															
Balances at 1 January 2023	15	327,600,000	1,225,838,707	655,424,422	(80,096,224)	-	(4,964,798)	438,282	289,357,043	(502,290,570)	63,023,578	-	1,974,330,440	43,713,486	2,018,043,926
Net profit of the period		-	-	-	-	-	-	-	-	-	767,035,857	-	767,035,857	(522,983)	766,512,874
Other comprehensive income		-	-	-	-	-	117,988	(373,198)	-	-	-	-	(255,210)	(140)	(255,350)
Total comprehensive income		-	-	-	-	-	117,988	(373,198)	-	-	-	-	767,035,857	(523,123)	766,287,524
Transfers		-	-	-	-	-	-	-	27,619,742	-	35,403,836	-	-	-	-
Capital increase		177,400,000	96,683,501	(655,424,422)	-	307,146,172	-	-	-	-	75,083,266	-	888,517	-	888,517
Increase / (Decrease) due to share reacquisition transactions		-	-	-	(11,655,891)	-	-	-	-	11,655,891	(11,655,891)	-	(11,655,891)	-	(11,655,891)
Transactions realised under common control		-	-	-	-	-	-	-	-	-	-	-	(6,845,817)	(6,845,817)	
Profit distribution		-	-	-	-	-	-	-	-	-	(140,312,172)	-	(140,312,172)	-	(140,312,172)
Balances at 31 December 2023	15	505,000,000	1,322,523,208	-	(91,752,115)	307,146,172	(4,846,810)	65,084	328,632,676	(543,271,531)	767,035,857	-	2,590,031,541	36,344,546	2,626,376,087

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

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

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

	Notes	Current Period 1 January - 31 December 2023	Previous Period 1 January - 31 December 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period		926,843,193	(435,011,175)
<i>Profit for the period from continuing operations</i>		766,512,874	62,807,451
Adjustments to reconcile net profit		386,137,068	1,907,236,343
Adjustment for depreciation and amortization expenses	9.10.11	64,120,372	52,529,104
Adjustment for impairment loss (reversal)		(8,768,115)	887,093,850
<i>Provision/(reversal) for doubtful receivables</i>		2,773,299	886,180,401
<i>Adjustment for impairment (reversal) of other financial assets or investments</i>		(8,768,115)	913,449
Adjustment for provisions		14,369,331	(38,914,426)
<i>Adjustments for provisions/(reversals) regarding employee benefits</i>	13	26,782,444	9,943,704
<i>Adjustments for other provisions (reversals)</i>	12	(12,413,113)	(48,858,130)
Adjustments for interest (income)/expenses	20	(253,264,937)	(144,977,434)
<i>Adjustments for interest income</i>		(344,990,370)	(180,969,009)
<i>Adjustments for interest expenses</i>		91,725,433	35,991,575
Adjustments for unrealized currency translation differences		(441,957,604)	331,176,428
Adjustments for retained earnings of investments accounted through equity method	21	78,354,646	73,180,204
Adjustment for tax expense	22	423,174,302	(145,369,877)
Adjustments for gains/(losses) on disposals of tangible assets		(7,961,684)	(2,085,574)
<i>Adjustments for gains / (loses) arised from disposal of tangible assets</i>		(1,115,867)	(2,085,574)
Adjustments for Disposal of Associate, Joint Venture and Financial Investments or Changes in Their Shares		(6,845,817)	-
Monetary gain/(loss)		518,070,757	894,604,068
Changes in working capital		(25,134,622)	(2,333,451,750)
Decrease (Increase) in financial investments		(979,539,658)	(560,702,610)
Adjustments related to increase/(decrease) in trade receivables		1,422,400,821	(5,634,726,513)
<i>(Increase)/Decrease in trade receivables from related parties</i>		(140,871,395)	2,449,203
<i>(Increase)/Decrease in trade receivables from non-related parties</i>		1,563,272,216	(5,637,175,716)
Adjustments related to increase/(decrease) in other receivables		(114,422,758)	(164,999,276)
<i>Decrease (Increase) in other receivables from related parties</i>		(8,682,624)	(17,152,649)
<i>Decrease (Increase) in other receivables from non-related parties</i>		(105,740,134)	(147,846,627)
Decrease (Increase) in prepaid expenses		(17,579,937)	(2,209,237)
Adjustments related to increase/(decrease) in trade payables		(322,623,751)	3,943,283,645
<i>(Increase)/Decrease in trade payables to related parties</i>		246,724,683	26,774,807
<i>(Increase)/Decrease in trade payables to non-related parties</i>		(569,348,434)	3,916,508,838
Increase (Decrease) in payables regarding employee benefits		(13,072,628)	15,917,538
Adjustments related to increase/(decrease) in other payables		(296,711)	111,305,890
<i>Decrease (Increase) in other payables to non related parties</i>		(296,711)	111,305,890
Decrease (increase) in other receivables and current assets		-	(41,321,187)
Net cash generated from operations		(200,672,127)	(71,603,219)
Dividends received		338,879	21,956,833
Payments related with provisions for employee benefits		(13,377,538)	(2,580,536)
Tax Returns/(Payments)		(188,255,782)	(69,366,908)
Other cash inflows/(outflows)		961,193	344,225

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

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES**AUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

	<u>Notes</u>	Current Period 1 January - 31 December 2023	Previous Period 1 January - 31 December 2022
CASH FLOWS FROM INVESTING ACTIVITIES		(87,771,859)	(87,109,981)
Cash inflows related to subsidiary sales that will lead to non-losing control		-	732,437
Cash outflows due to Subsidiaries and/or Joint Ventures share acquisition or capital increase		(10,041,310)	(66,346,758)
Cash inflows from sale of tangible assets		2,215,746	3,897,093
Cash outflows from purchases of tangible and intangible assets		(79,946,295)	(25,392,753)
<i>Cash outflows from purchases of tangible assets</i>	9	(42,677,790)	(13,887,695)
<i>Cash outflows from purchases of intangible assets</i>	11	(37,268,505)	(11,505,058)
CASH FLOWS FROM FINANCING ACTIVITIES		(511,023,628)	794,124,575
Capital increase		888,517	655,424,422
Cash inflows from borrowings		(1,764,934,945)	677,459,203
Cash inflows from debt securities issued		1,617,838,050	1,745,833,175
Cash outflows from repayment of debt securities issued		(445,000,000)	(2,165,374,481)
Cash outflows from lease contracts		(20,291,966)	(18,097,519)
Dividends paid		(140,312,172)	(166,622,171)
Interest paid		(91,725,433)	(35,991,575)
Interest received	20	344,990,370	180,969,009
Cash outflow related to acquisitions of the Entity's own shares		(11,655,891)	(80,096,224)
Other cash inflows / (outflows)		(820,158)	620,736
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		331,159,884	293,960,252
EFFECT OF INFLATION ON CASH		(293,960,253)	(149,248,126)
CASH AND CASH EQUIVALENTS			
AT THE BEGINNING OF THE PERIOD	3	381,407,691	236,695,565
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	418,607,322	381,407,691

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

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 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, 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 activity by underwriting and limited custody services.

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 31 December 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 AŞ (Note 15). 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 31 December 2023, 49.15% (31 December 2022: 49.15%) of the Company's shares are traded at the Istanbul Stock Exchange (BIST). The ownership of 13.59% (31 December: 15.13%) of the circulating shares is outside the Group.

During the period ending on 31 December 2023, the number of personnel employed within the Group is 659 (31 December 2022: 577 personnel).

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

As of 31 December 2022, the addresses of the Group's headquarters and branches are as follows:

Headquarters	Altayçeşme Mah. Çamlı Sok. Pasco Plaza 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)	Tıgırcılar Mah. Yeni Cami Sok. Dış Kapı No:5 İç Kapı No:201 Adapazarı/SAKARYA
Branch (Afyon)	Dumlupınar Mahallesi Süleyman Gönçer Caddesi No: 8 ATSO İş Merkezi Kat: 3 İç Kapı No: 7 Merkez / AFYONKARAHİSAR
Branch (Ankara/Çankaya)	Yıldızevler Mah. 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 Atşehir)	Barbaros Mah. İhlamur Bulvarı Sarkaç Sok. Ağaoglu My Prestige No:1 D:12-13 Atşehir/İSTANBUL
Branch (Bodrum Private)	Çırkan Mah. Atatürk Bulvarı No:16C Bodrum/MUĞLA
Branch (Bursa)	İhsaniye Mah. İlknur 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. Yıldızçiçeği 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 Mah. Ankara Karayolu Cad. Dış Kapı No:123/ 2 İç Kapı No:9 İzmit/KOCAELİ
Branch (Karabük)	Bayır Mah. Menderes Cad. Çebioglu Twin Towers B Blok Dış Kapı No:2 İç Kapı No:107 Merkez/KARABÜK
Branch (Karadeniz Ereğli)	Müftü Mah. Süheyla Erel Sok. No:2/1 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 Mah. 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 (Tekirdağ)	Yavuz Mahallesi Hükümet Caddesi No: 167 İç Kapı No: 4 Süleymanpaşa/ Tekirdağ
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. Safter 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 Sok. 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. Aslantepe Cad. No:93/9 Battalgazi/MALATYA
Branch (Nişantaşı)	Vali Konağı Cad. No:77 K:3 D:3 Nişantaşı/Şişli/İSTANBUL
Branch (Suadiye)	Suadiye Mah. Öncü Sokak 2/1 Blok K:8 D:8 Kadıköy/İSTANBUL
Contact office (Niğde)	Aşağı Kayabaşı Mah. Dr. Sami Yağz Cad. No:32 Kat 1/4 NİĞDE

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

Subsidiaries

As of 31 December 2023 and 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:

<u>Subsidiaries</u>	<u>31 December 2023</u>		<u>31 December 2022</u>		<u>Nature of business</u>
	<u>Direct ownership rate(%)</u>	<u>Group effective rate(%)</u>	<u>Direct ownership rate(%)</u>	<u>Group effective rate(%)</u>	
GYT Bilişim ve Ticaret AŞ (*)	100.00	100.00	-	-	Financial technology
Hive Girişim Sermayesi Yatırım Ortaklığı AŞ (**)	88.20	88.20	56.20	56.20	Venture capital
Hiboost Girişim Teknoloji Geliştirme ve Yönetim AŞ	-	88.20	-	56.20	Venture Management Consultancy
Marbaş Menkul Değerler AŞ	100	100	100	100	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 AŞ was registered in the Trade Registry as of 12 April 2023.

Based on the Company's Board of Directors decision dated 1 November 2023 decided to participated to capital increase of GYT Bilişim ve Ticaret AŞ that is 100% ownership of the Company from TL 5,000,000 to TL 50,000,000 and paying before registration %25 of TL 45,000,000 increase capital and paying %75 of TL 45,000,000 increase capital inside 3 years after BoD's decision.

(**) Based on the Company's Board of Directors decision dated 1 November 2023 decided to authorize Hive Girişim which is 100% owned by the Company it's capital corresponds to 12,121,214 shares corresponding to 32% of the shares of Yatırım Ortaklığı AŞ (“Hive”) Group B shares with a total nominal value of 12,121,214 TL, with all rights, free from all encumbrances The company was acquired by nine of its existing partners for a fee of 27.200.002 TL, provided that the necessary permissions were obtained and the share transfer agreement regarding the takeover of Hive shares it was decided to sign it and authorize the General Directorate to carry out the necessary transactions. The relevant application was accepted positively by the CMB on 15 December 2023, and the CMB announced it on 20 December 2023. Approved by. As a result of the relevant transactions, the Company's ownership rate in Hive reached 88.2%.

Investments Accounted Through Equity Method

As of 31 December 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:

<u>Investments accounted through equity method</u>	<u>31 December 2023</u>		<u>31 December 2022</u>		<u>Nature of business</u>
	<u>Direct ownership rate(%)</u>	<u>Group effective rate(%)</u>	<u>Direct ownership rate(%)</u>	<u>Group effective rate(%)</u>	
Misyon Yatırım Bankası A.Ş.	23.00	23.00	23.00	23.00	Investment Bank

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

Long-Term Financial Investments at Fair Value Through Profit or Loss

As of 31 December 2023 and 31 December 2022, Gedik Yatırım Menkul Değerler A.Ş.'s long-term financial investments at fair value through profit or loss, its main field 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.	31 December 2023		31 December 2022		Nature of business
	Direct ownership rate(%)	Group effective rate(%)	Direct ownership rate(%)	Group effective rate(%)	
10 Lift GMBH	-	3.03	-	1.93	Orientation process assistant
Acsight İş Çözümleri Araştırma ve Danışmanlık AŞ	-	3.68	-	2.34	Financial technology
Aposto Teknoloji ve Medya AŞ	-	5.66	-	3.61	Internet newsgroup
Bambulabs Inc.	-	0.59	-	0.38	Application of digital menu
Botgate AI Technology OÜ	-	3.53	-	2.25	Chatbot supported by AI
Delivers Ai Robotik Otonom Sürüş Bilgi Teknolojileri AŞ	-	0.91	-	0.58	Deliver supported by AI
Destek Her Yerde Bilişim AŞ	-	2.65	-	1.69	Personal Advisory
Helo Teknoloji Girişim Yönetim Danışmanlığı AŞ	-	-	-	22.48	Advisory
Hop Teknoloji AŞ	-	3.32	-	2.11	Shared mobility
Houston Bionics Inc.	-	3.17	-	2.02	Robotics technology
Insumo Inc.	-	1.53	-	0.98	Personal efficiency asistant
Inveo Ventures Girişim Sermayesi Yatırım Ortaklığı AŞ	15.00	15.00	15.00	15.00	Venture capital
İyi Yaşa Eğitim ve Sportif Faaliyetler AŞ	-	0.882	-	0.562	Personalized healthy lifestyle platform
Kidokit Çocuk Gelişim AŞ	-	0.018	-	-	Baby-parent education app
Karma Sosyal Bilişim ve Teknoloji AŞ	-	17.64	-	11.24	Social astrology network
Mizanplus Gıda Ticaret AŞ	-	1.75	-	-	Cloud-based industrial kitchen solutions
Mükellef Teknoloji AŞ	-	0.44	-	0.28	Management of established and financial process of companies
Producter Yazılım Tasarım Ve Danışmanlık Hizmetleri AŞ	-	2.65	-	1.69	Task management app
Rezy Teknoloji Ticaret AŞ	-	15.27	-	7.86	Application of digital card
Robomotion Yazılım Otomasyon Sistemleri AŞ	-	1.76	-	1.12	Robotics Technology
Varsapp Teknoloji AŞ	-	4.41	-	-	Daily technological product rental
V-Count Teknoloji AŞ	-	0.47	-	0.30	Headcount systems
VRLab Academy Yazılım AŞ	-	2.94	-	1.87	Online education
Yancep Finansal Teknolojiler AŞ	-	12.59	-	8.75	Financial technology

NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

Basis of accounting standards applied to TFRS

The accompanying consolidated financial statements were prepared in accordance with the Capital Markets Board (“CMB”) Communique 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”). Financial statements and footnotes have been presented in accordance with the “Examples of Financial Statements and User Guide” published by POA on 4 October 2022.

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 except financial investments.

The financial statements have been prepared by reflecting the necessary corrections and classifications in order to make the correct presentation in accordance with the TAS to the legal records prepared on the historical cost basis

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

2.1 Basis of Presentation (Cont’d)

Financial reporting in hyperinflationary periods

As of 1 January 2005, CMB ended formality of “Financial Reporting in Hyperinflationary Economies” to companies which has preparing financial statement suitable to accounting and reporting baseses (“CMB Financial Reporting Standarts”) accepted by CMB and operating in Türkiye.

POA indicated that there wasn’t necessary, companies which has applied Turkish Financial Reporting Standarts (TFRS), with any adjustment in the scope of "TAS 29 Financial Reporting in Hyperinflationary Economies” in year 2021 financial reporting period on 20 January 2022.

In accordance with the CMB announcement made by POA on 23 November 2023, it has been decided that issues and capital market institutions will prepare financial statements according to “Guidance financial reporting in Hyperinflationary Economies” Company presented its consolidated financial statements as of 31 December 2023 on purchasing power basis of 31 December 2023.

TAS 29 to foresee that showing from unit of measurement at the balance sheet date financial statements that have prepare with currency of hyperinflationary economies and showing amounts belong to previous period too same unit by using general price index. One of circumstances that is requiring applying TM29, cumulative total of inflation rate for the 3 years is almost 100% or over. In Türkiye when take basis is Consumer Price Index (CPI) that publish by Türkiye Statistical Institute (TÜİK) aforementioned cumulative rate has become 268% as of 31 December 2023.

Although there is no increase in the price indices at the level mentioned above, the public’s savings are mainly foreign currency, prices of goods and service determine in foreign currency, interest rate, wage and prices depend to general price index, for the cover loss of purchasing power parity including short term transactions determining by adding maturity margin if there is sign of high inflation TAS 29 must be applied.

As of December 2023, the indices and adjustment coefficients which obtained from the Consumer Price Index (CPI) of Türkiye published by the Türkiye Statistical Institute (TÜİK) and used in the adjustment of the consolidated financial statements for the current period. The adjustment that is used in financial statements for the current period (31 December 2023) are as follows:

Date	Index	Conversion factor	Three year Inflation rate
31 December 2023	1.859,38	1,0000	268%
31 December 2022	1.128,45	1,6477	156%
31 December 2021	686,95	2,7067	74%

The main factors regarding financial reporting in hyperinflationary economies according to TAS 29 are as follows:

- As of balance sheet date all items which is except adjusted purchasing power basis indexed by using relevant coefficients of customer price index for current period and previous years.
- Financial statements which belong to previous reporting periods were indexed according to current purchase power basis at latest balance sheet date.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. Monetary items are cash taken and will be paid in cash.

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

2.1 Basis of Presentation (cont’d)

Financial reporting in hyperinflationary periods (cont’d)

The main factors regarding financial reporting in hyperinflationary economies according to TAS 29 are as follows (cont’d):

- Non-monetary assets and liabilities are expressed from the date of acquisition or initial recording to the balance sheet date changes in the general price index during the period are based on purchasing costs and accumulated. It has been restated by reflecting it in the depreciation amounts. Thus, tangible fixed assets, intangible assets, right-of-use assets and similar assets are indexed based on purchase values, Depreciations are also indexed in a similar way. Amounts included in shareholders' equity, whether these amounts are added to the company or As a result of the application of consumer price indices in the periods in which it was formed are adjusted.
- Non-monetary items in the balance sheet are included in the income statement other than those that have an impact on the income statement. All items are based on the periods in which the income and expense accounts were first reflected in the financial statements. They are indexed with the calculated coefficients.
- All items presented in the statement of cash flows are expressed in terms of the current measurement unit at the end of the reporting period and adjusted for inflation. The effect of inflation on cash flows from operating, investing and financing activities is attributed to the relevant item and monetary gain or loss on cash and cash equivalents is presented separately.
- Gain or loss resulting from general inflation on the net monetary position is the difference of adjustments made to non monetary assets, equity items and income statement accounts. Net monetary Gain or loss calculated on the position is included in the net profit.

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.

Comparative information and restatement of prior periods’ 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 31 December 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 - 31 December 2023, has been prepared comparatively with the accounting period of 1 January-31 December 2022. If necessary, comparative information is restated in order to comply with the presentation of the current period financial statements.

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

2.1 Basis of Presentation (cont’d)

Comparative information and restatement of prior periods’ financial statements (cont’d)

Although the Company is an investment enterprise, fair value gains from investments are concerned with main business activities of Company. Thus, fair value gains/loss from ventures investment which is followed under “Other operating income/expense” are classified to revenue item and adjusted according to previous year.

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.

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.

Approval of financial statements

The Board of Directors has approved the financial statements and given authorization for the issuance on 1 March 2024.

Basis of Consolidation

Subsidiaries

Subsidiaries are entities over which the Company 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.

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

2.1 Basis of Presentation (cont'd)

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 2022 TFRS Taxonomy.

The Group has applied the new and revised standards and interpretations that are in compliance with TAS and TFRS and effective as of 31 December 2022, which are related to its field of activity.

The accounting policies adopted in preparation of the consolidated financial statements as of 31 December 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of 1 January 2023 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

Financial Reporting Standarts that is new and revised

The new standarts in force as of 31 December 2023 and the amendments and interpretations to the existing previous standarts:

Narrow scope amendments to TAS 1, Notification of Application 2 and TAS 8; It's valid in annual reporting period which is start in 1 January 2023 or starting after this date. This amendments aim to helping to improve description of accounting policies, and financial statements users differentiate amendments of accounting policy with amendments of accounting forecast.

Amendment in TAS 12, International Tax Reform;Temporary exemption valid for year end of the 31 December 2023, explanation requirements valid accounting period starting from dated 1 January 2023 and accept to early application.

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.

TFRS 17, Insurance Contracts; It's valid in annual reporting period which is start in 1 January 2023 or starting after this date. This standart replace to TFRS 4 already which is give permission to diverse appliation. TFRS 17 will change accounting from basis all business which is arrange inestment contract which has participation feature depend to request with insurance contracts.

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

2.1 Basis of Presentation (cont’d)

Financial Reporting Standards that is new and revised (cont’d)

The standards in force as of 31 December 2023 and the amendments and interpretations to the existing previous standards (cont’d)

However, in the letter dated 6 April 2023 sent by the Public Oversight Authority (KGK) to the Association of Insurance, Reinsurance and Pension Companies of Türkiye, insurance, reinsurance companies and pension companies, banks with partnerships/investments in these companies and banks with partnerships/investments in these companies It has been reported that it has been concluded that it would be appropriate to apply TFRS 17 in the consolidated and individual financial statements of other companies as of 1 January 2024. These changes did not have any material impact on the financial position or performance of the Company.

The standards, changes and amendments that have been published as of 31 December 2023 but have not yet entered into force:

TAS 21 Lack of Changeable: It’s valid in annual reporting period which is start in 1 January 2025 or starting after this date. A business affect from this changes when it has a transaction or operating that made in foreign currency that can not convertible another currency in the spesific date of measure fort he spesific goal. It can change when a currency has possibility obtain another currency (with normal delay). Transaction come true by a market or swap mechanism that applicable rights or liabilities.

TAS 7 and changes of about supplier financing on TFRS 7: It’s valid in annual reporting period which is start in 1 January 2024 or starting after this date. This changes require to make explanation about effects on supplier financing contrats and liabilities of business, cash flows and liquidite risks to increase transparent. Disclosure requirements are the IAAS (International Association of Accounting Standarts)'s response to investors' concerns that some companies' supplier financing agreements are not sufficiently clear and hinder investors' analysis.

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 Company evaluates the effects of these standards, amendments and improvements on the financial statements.

TSRS 1, ‘General requirements for disclosure of sustainability-related financial information; It’s valid in annual reporting period which is start in 1 January 2024 or starting after this date. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity’s value chain.

TSRS 2, ‘Climate-related disclosures’; It’s valid in annual reporting period which is start in 1 January 2024 or starting after this date. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

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

2.1 Basis of Presentation (cont’d)

Financial Reporting Standarts that is new and revised (cont’d)

The standarts, changes and amendments that have been published as of 31 December 2023 but have not yet entered into force: (cont’d)

With all this, in POA’s decision of board that is publish in Legal Gazette dated 29 December 2023 has explained since 1 January 2024 be subject to obligatory sustainability reporting of certain business. In the scope of “Board Decision About Application Scope Türkiye Sustainability Reporting Standarts (TSRS)” dated 5 January 2024 is counted businesses that scope of sustainability application goal of determine businesses that is subject to Sustainability Reporting.

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 2022.

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

If the application of changes in the accounting estimates affects the financial results of a specific period, the accounting estimate change is applied in that specific period, if they affect the financial results of current and following periods; the accounting policy estimate is applied prospectively in the period in which such change is made. There is no significant change in accounting estimates for the accounting period from 1 January to 31 December 2022.

2.4 Summary of significant accounting policies

As of 31 December 2023, the financial statements have been prepared by applying the accounting policies that are consistent with the accounting policies applied during the preparation of the financial statements for the year ended 31 December 2022. Therefore, the financial statements should be evaluated together with the financial statements for the year ended 31 December 2022.

The important accounting policies followed in the preparation of the financial statements are summarized below.

Revenue

Securities trading profits

Securities trading gains/losses are reflected in the profit or loss statement on the date the Group's buy/sell order is given on its behalf.

Interest income and expense and profit share income

Interest income and expenses are recognized in the income statement of the relevant period on an accrual basis. Interest income includes the income obtained from the coupons of fixed and variable income investment instruments and the interests arising from reverse repo transactions with Settlement and Custody Bank Money Market.

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

2.4 Summary of significant accounting policies (cont'd)

Dividend income from stock investments is recognized when the shareholders' right to receive dividends arises.

Fee and commission income and expenses

Fees and commissions are generally reflected in the income statement on the date they are collected or paid. However, portfolio management commissions and agency commissions are accounted for on an accrual basis. Stock transaction commissions are accounted for by netting off with commission returns.

Capital markets brokerage services

Brokerage service fees given to customers for trading in capital markets are reflected in the income statement on the date of the purchase/sale transaction. Income arising from transactions is associated with the income statement on an accrual basis on a daily basis, until the collection becomes doubtful in line with the management's estimation and interpretation.

Property, plant and equipment

Property, plant and equipment are presented with at their net values after deducting accumulated depreciation over their book values.

Depreciation is allocated using the straight-line method over the book values of property, plant and equipment, taking into account their useful lives. The estimated useful lives of these assets are as follows:

	<u>Useful Life</u>
Plant, machinery and equipments	4-15 Years
Leasehold improvements	5 Years
Buildings	10-50 Years
Motor Vehicles	5-10 Years
Furniture and fixtures	2-50 Years

Normal maintenance and repair expenses incurred on a property, plant and equipment are recognized as an expense. Investment expenditures, which increase the capacity of the tangible asset and increase the benefit to be obtained from it in the future, are added to the cost of the tangible asset. Investment expenditures consist of cost elements such as expenses that extend the useful life of the asset, increase the service capacity of the asset, increase the quality of the goods or services produced or reduce the cost.

In case the carrying value of the property, plant and equipment in the balance sheet is higher than the estimated recoverable value, the value of the said asset is reduced to its recoverable value and the provision for impairment is associated with expense accounts. Evaluate at the end of each reporting period whether there is any indication that the impairment loss recognized in previous periods may no longer exist or may have decreased, and in case of such an indication, the recoverable amount of the related asset is estimated and the carrying amount of the asset is increased to the recoverable amount determined by the new estimates. canceled by being associated with income accounts. The carrying amount increased due to the reversal of the impairment loss cannot exceed the carrying amount that it would have reached had the impairment loss not been recognized for the asset in question in previous periods.

Gain or loss arising on the disposal of an item of property, plant and equipment is determined in accordance with the carrying amount of the asset and is recognized to the profit or loss and other comprehensive income statement.

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

2.4 Summary of significant accounting policies (cont’d)

Intangible Assets

Intangible assets include information systems and computer software. These are recorded at acquisition cost and depreciated on a straight-line basis over their estimated useful lives of 3 to 15 years from the date of acquisition. In case of impairment, the book value of intangible assets is reduced to their recoverable value.

	<u>Useful Life</u>
Rights	3-15 Years

Financial instruments

Financial assets

The Group classifies and recognizes its financial assets as “financial assets whose fair value difference is reflected on profit / loss”, “financial assets whose fair value difference is reflected on other comprehensive income” and “financial assets measured at amortized cost”.

The purchase and sale transactions of these financial assets are recorded according to the delivery date and are removed from the records.

The classification of financial assets is determined by the management in accordance with the market risk policies determined by the management, based on the purpose of the acquisition, and at the date of acquisition.

All financial assets at fair value through profit or loss and financial assets that are recorded at fair value except for initially than the fair market value, if at cost, including acquisition charges associated with the investment are shown.

Financial assets at fair value through profit or loss

Financial assets classified as financial assets at fair value through profit or loss in the Group are part of a portfolio that is obtained for the purpose of profit from the fluctuations in the short-term price and similar factors in the market.

Financial assets at fair value through profit or loss are initially measured at fair value, and are subsequently remeasured at their fair value. In determining the fair value, the best buy order waiting as of the balance sheet date is taken into consideration. If the price formation which is the basis for the fair value is not realized within the active market conditions, it is accepted that the fair value is not determined reliably and the discounted value calculated according to the effective interest method is taken into consideration as the fair value. Gains and losses resulting from the valuation are included in the profit and loss accounts.

Financial assets carried at fair value through other comprehensive income

Financial assets held for the purpose of collecting the contractual cash flows or selling the financial asset where the cash flows of the assets represent only the principal and interest payments and are not defined as financial assets at fair value through profit or loss; Fair value differences are classified as assets that are reflected in other comprehensive income.

Aforementioned assets are valued at fair value in the periods following their recognition. If the price formations that form the basis of the fair value do not occur in active market conditions, it is accepted that the fair value is not determined reliably and the “discounted value” calculated according to the effective interest method is taken into consideration.

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

2.4 Summary of significant accounting policies (cont’d)

Financial instruments (cont’d)

Unrealized gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are not recognized in the statement of income until or any other comprehensive income or expense to be reclassified in the loss.

When these financial assets are collected or disposed of, the accumulated fair value differences reflected in the shareholders' equity are reflected to the income statement.

Interest or profit shares of financial assets are accounted for as interest income and dividend income.

Financial assets are measured at amortized cost

Financial assets are measured at amortized cost if the financial asset is held under a business model that aims at collecting contractual cash flows and the contractual provisions on financial assets result in cash flows that include interest payments on principal and principal balances on certain dates. Such assets are initially recognized at cost including the transaction costs. Subsequent to the recognition, the effective interest rate method is used for valuation with the amortized cost.

Trade receivables are financial assets measured at amortized cost, other than those held for trading or short-term sales, from those created by the borrower. Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The abovementioned trade receivables are initially recognized at amortized cost using the effective interest rate method, with acquisition costs calculated to the extent that their fair value reflects their fair value. The fees paid and other similar expenses related to the assets received as collateral are not accepted as part of the transaction cost and are reflected in the expense accounts.

Measurement of expected credit loss provision

The measurement of expected credit loss provision for financial assets and financial assets at fair value through profit or loss is an area that requires the use of advanced models and significant assumptions about the future economic situation. A number of important decisions need to be taken to implement the accounting requirements for measuring expected credit losses. They are listed below:

- Determination of criteria for significant increase in credit risk
- Selection of appropriate models and assumptions to measure expected credit losses
- Determine the expected credit loss and the number and probability of prospective scenarios for each type of product / market
- Identify a similar set of financial assets for the purposes of measuring expected credit losses

Repurchase and reverse repurchase agreements

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

Loans and receivables

Commercial and other receivables and loans that have fixed and determinable payments and are not traded in the market are classified in this category. Loans and receivables are shown by deducting the impairment from their discounted cost by using the effective interest method.

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

2.4 Summary of significant accounting policies (cont'd)

Financial instruments (cont'd)

Cash and cash equivalent

The nominal and book values of cash in cash in TL and deposits in banks are considered to have fair value. Time deposits in banks can be in the form of current accounts, or they can be in the form of time deposits as a part of the investment portfolio for return purposes.

The part of the difference between the sales and repurchase price of the securities purchased on the condition of a resale, which corresponds to the period according to the internal discount rate method, is classified in the “sales revenues” account in the income statement.

Futures and Options Market (“VIOP”) Transactions

Cash collaterals given for trading in VIOP are classified as cash and cash equivalents. Profits and losses resulting from transactions made during the period are recorded in other income / (expenses) from main activities in the income statement. As a result of valuation of open transactions at market prices, valuation differences reflected in the income statement, commissions paid and interest income generated as a result of remuneration of the remaining collateral are netted off and shown as cash and cash equivalents.

Trade receivables /payables

Receivables generated through various reasons on behalf of the Group are reclassified as Trade Receivables even if it's short term. These receivables are temporarily generated commission and marketable security costs rather than the receivables arising through sales of goods and services. Book values are accepted as fair value as their terms are short.

Payables generated through purchases of goods and services from suppliers are accounted as Trade Payables. As these payables are not rediscounted as their terms are short and not subjected to interest, as they are not financial transactions essentially.

Receivables arising from forwarding money sales to Takas Bank Money Market and debts from forwarding money purchases are evaluated with their fair values in the balance sheet as a result of being subjected to income and expense rediscount using the effective interest method. These are shown in the Financial Investments item as they are part of the Group's investment portfolio.

Financial liabilities

The Group's financial liabilities and equity instruments are classified based on contractual regulations, the definition of a financial liability and an equity instrument. The contract representing the right in the assets remaining after all the debts of the Group have been deducted is a financial instrument based on equity. The accounting policies applied for certain financial liabilities and equity instruments are stated below.

Financial liabilities are classified as financial liabilities whose fair value differences are reflected in profit or loss or other financial liabilities.

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

2.4 Summary of significant accounting policies (cont’d)

Financial instruments (cont’d)

Financial liabilities (cont’d)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are recognized initially at fair value and are revalued at fair value at each balance sheet date. The change in fair value is recognized in the income statement. Net gains or losses recognized in the income statement also include the amount of interest paid for that particular financial liability.

Futures and options contracts and derivatives

The Group is mainly engaged in derivative transactions consisting of forward foreign exchange and contract positions based on the Borsa Istanbul Index. In order to protect trading positions from market fluctuations, hedging forward foreign exchange transactions are made from time to time. On the other hand, forward transactions based on foreign exchange and securities are also carried out for trading purposes, and forward transactions are also carried out on behalf of customers. As of the statement of financial position date, transactions related to derivative financial instruments are made for trading purposes and evaluated at fair value, and the related interest and foreign exchange differences are reflected in the decision or loss statement on an accrual basis.

Other financial liabilities

Other financial liabilities, including borrowings, net of transaction costs are accounted for at fair value. Other financial liabilities are subsequently measured by the effective interest rate method, with interest expense using the effective interest method and carried at amortized cost.

Effects of exchange rates changes

Transactions in foreign currency, at the exchange rate valid on the date of the transaction; monetary assets and liabilities in foreign currency were converted into Turkish lira at the foreign exchange buying rate of the Central Bank of the Republic of Turkey at the end of the period. Income and expenses resulting from the translation of foreign currency items are included in the income statement of the relevant period.

Borrowing costs

In the case of assets that require significant time to be ready for use or sale, borrowing costs that are directly attributable to their acquisition, construction or production are included in the cost of the asset until it is ready for use or sale. Financial investment income obtained by temporarily investing the unspent portion of the investment loan in financial investments is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recorded in the income statement in the period in which they are incurred.

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

2.4 Summary of significant accounting policies (cont’d)

Provisions, contingent assets and liabilities

Provisions are recognized when the Group has legal and constructive obligation as a result of a past event, and an outflow of resources embodying economic benefits will probably be required to settle the obligation, a reliable estimate can be made of the amount of the obligation. Liabilities and assets that are due to past events and whose existence is not fully under control are not included in the financial statements and are not considered as contingent liabilities and assets, and are not included in the financial statements. (Note 12).

If the probable probability of outflow of resources with economic benefits for the items treated as contingent liabilities becomes probable, this contingent liability is included in the financial statements in response to the financial statements of the period in which the probability change occurs, except in cases where a reliable estimate cannot be made.

Employee benefits / retirement pay liability

Defined benefit plans

The Group accounts for its obligations regarding severance pay and leave rights in accordance with the provisions of the “Turkish Accounting Standard for Employee Benefits” (“TAS 19”) and classifies them in the “Provisions for employee benefits” account in the balance sheet.

According to the current labor laws in Turkey, the company is obliged to make a certain lump sum payment to the employees who are dismissed due to retirement or resignation and for reasons other than the behaviors specified in the Labor Law. The provision for severance pay is calculated over the present value of the probable obligation under the Labor Law using certain actuarial estimates and reflected in the financial statements.

Defined contribution plans

The Group has to pay contributions to the Social Security Institution (Institution) in the amounts determined by law on behalf of its employees. These contributions are expensed on the date they are accrued.

The Group records the bonus as a liability and expense based on a method that takes into account the Group's profitability, budget realization and performance criteria.

Income tax

Corporate tax

Corporate tax is calculated in accordance with the provisions of the Tax Procedure Law, and tax expenses other than this tax are accounted for in operating expenses.

Turkish tax legislation does not allow the parent company to file a tax return on its subsidiaries and affiliates. Therefore, provisions for taxes reflected in these financial statements have been calculated separately for all companies included in the full consolidation.

It is deducted when there is a legal right to set off current tax assets against current tax liabilities or if such assets and liabilities are associated with income tax collected by the same tax authority.

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

2.4 Summary of significant accounting policies (cont’d)

Income tax (cont’d)

Deferred tax

Deferred tax is recognized in respect of temporary differences between the recorded values of assets and liabilities in the financial statements and their tax values, using the liability method. Provided that they are subject to the tax legislation of the same country and there is a legally enforceable right to set off current tax assets from current tax liabilities, deferred tax assets and deferred tax liabilities can be mutually offset.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Statement of cash flows

Cash and cash equivalents include cash and bank deposits, and short-term investments with high liquidity that can be easily converted to a specific amount of cash, with a maturity of 3 months or less. The Group's cash and cash equivalents in the cash flow statement; It is shown by deducting blocked deposit balances and interest accruals from the total cash and cash equivalents.

Share capital and dividends

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

Subsequent events

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

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

Related parties

The Group's related parties include organizations that can directly or indirectly control or significantly influence the other party through shareholding, contractual rights, family relations or similar means. In the accompanying financial statements, the shareholders of the Group and the companies owned by these shareholders, their key management personnel and other companies known to be related are defined as related parties.

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

2.4 Summary of significant accounting policies (cont’d)

Related parties (cont’d)

The party is deemed to be related to the Group if one of the following criteria exists:

i) Through one or more intermediaries of the said party, directly or indirectly:

- Controlling the Group, being controlled by the Group, or
- Under common control with the Group (including parent companies, subsidiaries and subsidiaries in the same line of business);
- Having a stake in the company that will enable it to have significant influence; or has joint control over the Group;

ii) The party is an affiliate of the Group;

iii) The party is a joint venture in which the Group is a venture;

iv) The party is member of the key management personnel of the Group as its parent;

v) The party is a close member of the family of any individual referred to in (i) or (iv);

vi) The party is an entity that is controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or;

vii) The party, which is a related party of the group or a business entity's employee benefit plans are post-employment should be provided in.

Related party transactions with related parties, regardless of resources, services or obligations, whether or not for a consideration of transfers.

IFRS 16 Leases

The Company leases various offices and vehicles. Lease agreements are usually made for various fixed periods but may have extension options as described below. Rental terms can be negotiated individually and include a wide variety of different terms and conditions. Lease agreements are not subject to any contracts, but leased assets cannot be used as guarantees for borrowing purposes.

Until 2018, leases of property, plant and equipment were classified as finance leases or operating leases. Payments made under the operational lease (net of any incentives received from the lessee) are recognized in profit or loss on a straight-line basis over the lease term. As of January 1, 2019, leases are recognized as a right-of-use asset and a related liability on the date the leased asset is available for use by the Company. Each lease payment is split between the liability and the cost of financing. The cost of financing is recognized in profit or loss over the lease term to generate a fixed interest rate on the remaining balance of the loan for each period. A right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's useful life or the lease term.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-item fixed payments), minus rent incentives receivables,
- Variable rental payments depending on index or rate,
- Amounts expected to be paid by the lessee under the residual value guarantee,
- The price of a put option if the lessee will exercise the option,
- If the rental agreement reflects the tenant using this option, the payment of penalties for terminating the rental agreement.

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES

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

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

2.4 Summary of significant accounting policies (cont'd)

IFRS 16 Leases (cont'd)

Lease payments are discounted using the interest rate applied to the lease. If this rate cannot be determined, the lessee's alternative borrowing rate is used as the rate at which the lessee would have to borrow the funds needed to acquire an asset of similar value under similar terms and conditions in a similar economic environment.

Right of use assets are measured at cost using:

- Initial measurement amount of the lease liability,
- Rent payments made on or before the start date, minus rental incentives received,
- Initial direct costs,
- Restoration costs.

Payments related to short-term finance leases and leases of low value assets are recognized as an expense recognized on a straight-line basis through profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low value assets consist of IT equipment and small office furniture.

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. Althoughh 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

	31 December 2023	31 December 2022
Cash at banks	1,103,011,346	3,254,923,759
<i>Time deposits</i>	685,082,575	1,445,894,312
<i>Demand deposits</i>	417,928,771	1,809,029,447
Receivables from Settlement and Takasbank market	241,580,000	191,250,279
Expected credit loss (-)	(2,618,374)	(6,730,407)
	<u>1,341,972,972</u>	<u>3,439,443,631</u>

The maturity of the Group's time deposits varies between 4 and 34 days and the interest rate varies between 2% and 44.50% (31 December 2022: : 3-40 days, 8.50% - 26.5%).

Cash and cash equivalents in the Group's cash flow statement as of 31 December 2023 and 2022; It is shown by deducting blocked deposit balances and interest accruals from the total cash and cash equivalents.

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIESNOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

NOTE 3 CASH AND CASH EQUIVALENTS (Cont’d)

	31 December 2023	31 December 2022
Cash and cash equivalents	1,344,591,346	3,446,174,038
Customer assets (-)	(923,365,650)	(3,058,035,940)
Expected credit loss (-)	(2,618,374)	(6,730,407)
	418,607,322	381,407,691

NOTE 4 FINANCIAL INVESTMENTS*Financial assets measured at fair value through
other comprehensive income*

	31 December 2023	31 December 2022
İstanbul Takas ve Saklama Merkezi AŞ	5,979,756	5,979,756
Borsa İstanbul AŞ	1,734,996	1,734,996
	7,714,752	7,714,752

*Long term financial assets measured at fair
value through profit or loss*

	31 December 2023	31 December 2022
Inveo Ventures Girişim Sermayesi Yatırım Ortaklığı AŞ (1)	57,589,602	42,459,266
Hop Teknoloji AŞ (2)	36,126,911	36,871,282
Yancep Finansal Teknolojiler AŞ (18)	21,914,978	1,184,141
Aposto Teknoloji ve Medya AŞ (3)	4,157,851	4,351,567
VRLab Academy Yazılım AŞ (5)	3,444,157	3,081,084
Destek Her Yerde Bilişim AŞ (12)	3,083,030	2,467,349
Mükellef Teknoloji AŞ (7)	2,944,277	3,080,496
Bambulabs, Inc (6)	2,943,820	3,080,973
Acsight İş Çözümleri Araştırma ve Danışmanlık AŞ (8)	2,943,820	3,073,822
Delivers Ai Robotik Otonom Sürüş Bilgi Teknolojileri AŞ (10)	2,768,783	2,792,023
Karma Sosyal Bilişim ve Teknoloji AŞ (14)	2,694,214	1,848,586
Houston Bionics Inc. (11)	2,649,438	2,772,876
Varsapp Teknoloji AŞ (24)	2,606,000	-
Mizanplus Gıda Ticaret AŞ (22)	1,898,550	-
10 Lift GMBH (15)	1,628,695	1,642,366
Producter Yazılım Tasarım ve Danışmanlık Hizmetleri AŞ (16)	1,473,117	1,540,487
Insumo Inc. (17)	1,384,391	1,448,889
V-Count Teknoloji AŞ (9)	1,027,945	2,937,827
Kidokit Çocuk Gelişim AŞ (23)	992,243	-
İyi Yaşa Eğitim ve Sportif Faaliyetler AŞ (19)	883,146	923,351
Robomotion Yazılım Otomasyon Sistemleri AŞ (21)	667,210	329,546
Rezy Teknoloji Ticaret AŞ (20)	588,764	616,195
Startup Bilişim Teknolojileri AŞ	2	-
Botgate AI Technology O.Ü. (4)	-	3,284,732
Helo Teknoloji Girişim Yönetim Danışmanlığı AŞ (13)	-	1,977,275
	156,410,944	121,764,133

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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NOTE 4 FINANCIAL INVESTMENTS (Cont’d)

(1) At the Board of Directors (“BoD”) dated 10 February 2022, the company was decided to become shareholder of Inveo Ventures Girişim Sermayesi Yatırım Ortaklığı A.Ş. which will be establishing with TL 65,000,000 capital, amounting to TL 9,750,000 rate of 15.00%. In this context, an application was 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 31 December 2023 has been determined by an independent institution using the net asset value method.

(2) Hivc Girişim Sermayesi Yatırım Ortaklığı A.Ş. which is a subsidiary of the Group, was invested regarding BoD decision dated 18 May 2021 to Hop Teknoloji A.Ş. (“Hop”) amounting TL 996,192. As a result of the related investment, the Group participated in Hop Teknoloji A.Ş. with effective rate of 1.69%. After the investment made by Inveo Ventures, on of Hop’s shareholders also the Group’s financial investment, the Group’s effective ownership rate of Hop become 1.57%, 36,636 shares from shareholders with a nominal value of TL 1 had been taken over by Hivc, one of the subsidiaries of the Group. As a result of aforementioned transactions, the Group’s effective ownership rate of Hop became 3.32%.

The fair value of Hop as of 31 December 2023 has been determined by an independent institution using the historical transactions method.

(3) An investment of TL 1,033,000 was made in Aposto Teknoloji ve Medya A.Ş. (“Aposto”), pursuant to the Board of Directors decision of the Group’s one of subsidiaries Hivc Girişim Sermayesi Yatırım Ortaklığı A.Ş. dated 10 June 2021. As a result of the related investment, the Group participated in Aposto Teknoloji ve Medya A.Ş. with an effective rate of 5.66%.

The fair value of Aposto as of 31 December 2023 has been determined by an independent institution using the historical transactions method.

(4) An investment of TL 788,064 equivalent of EUR 50,000 was made in Botgate AI Technology OÜ (“Botgate”), pursuant to the Board of Directors decision of the Group’s one of subsidiaries Hivc Girişim Sermayesi Yatırım Ortaklığı A.Ş. dated 10 December 2021. According to the Board of Directors decision dated 7 March 2022 of Hivc, simple -agreement-for future equity investment has been made to Botgate amounting to TL 799,000 equivalent of EUR 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 3.53%.

It’s forward to the Company by founder of Botgate that activities is not continue positively inside of 2023. Althoughh there is no formal decision by Botgate about this the Company has been allocate impairment for Botgate because of that uncertain situation and precautionary principle.

The fair value of Botgate as of 31 December 2023 has been determined by an independent institution using the historical transactions method.

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

NOTE 4 FINANCIAL INVESTMENTS (Cont’d)

(5) An investment of TL 807,450 was made in VRLab Academy Yazılım A.Ş. (“Vrlab”), pursuant to the Board of Directors decision of the Group's one of subsidiaries Hivc Girişim Sermayesi Yatırım Ortaklığı A.Ş. dated 15 April 2021. As a result of the related investment, the Group participated in VRLab Academy Yazılım A.Ş with an effective rate of 2.94%.

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 2.94% was preserved.

The fair value of Vrlab as of 31 December 2023 has been determined by an independent institution using the historical transactions method.

(6) Hivc Girişim Sermayesi Yatırım Ortaklığı A.Ş. which is a subsidiary of the Group, was invested regarding BoD decision dated 17 May 2022 to “Bambulabs Inc.” amounting TL 1,577,900 equivalent of USD 100,000. With the related investment, the Group’s effective ownership rate of Bambulabs has been 0.59%.

The fair value of Bambulabs as of 31 December 2023 has been determined by an independent institution using the historical transactions method.

(7) Hivc Girişim Sermayesi Yatırım Ortaklığı A.Ş. which is a subsidiary of the Group, was invested regarding BoD decision dated 19 April 2022 to “Mükellef Teknoloji A.Ş.” amounting TL 1,467,500 equivalent of USD 100,000. With the related investment, the Group’s effective ownership rate of Mükellef has been 0.44%.

(8) Hivc Girişim Sermayesi Yatırım Ortaklığı A.Ş. which is a subsidiary of the Group, was invested regarding BoD decision dated 21 December 2022 to “Acsight İş Çözümleri Araştırma ve Danışmanlık Anonim Şirketi (“Cloud4feed”)” amounting TL 1,865,490 equivalent of USD 100,000. Related investment registered by Turkish Trade Registry Directorate dated in 29 December 2022. After investment, the Group’s effective ownership rate of Cloud4feed has been 3.68%.

(9) An investment of TL 1,242,537 USD equivalent of 100,003 was made in V-Count Teknoloji A.Ş (“V-Count”), pursuant to the Board of Directors decision of the Group's one of subsidiaries Hivc Girişim Sermayesi Yatırım Ortaklığı A.Ş. dated 22 December 2021. As a result of the related investment, the Group participated in V-Count Teknoloji A.Ş with an effective rate of 0.47%.

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 0.47% was preserved.

The fair value of V-Count as of 31 December 2023 has been determined by an independent institution using the historical transactions method.

(10) Hivc Girişim Sermayesi Yatırım Ortaklığı A.Ş. which is a subsidiary of the Group, was invested regarding BoD decision dated 14 January 2022 to Delivers Ai Robotik Otonom Sürüş Bilgi Teknolojileri A.Ş. (“Delivers AI”) amounting TL 1,322,608 equivalent of EUR 85,000. With the related investment, the Group’s effective ownership rate of Delivers AI has been 0.91%.

The fair value of Delivers as of 31 December 2023 has been determined by an independent institution using the historical transactions method.

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

NOTE 4 FINANCIAL INVESTMENTS (Cont’d)

(11) An investment of USD 90,000 was made in Houston Bionics Inc. ("Houston Bionics"), pursuant to the Board of Directors decision of the Group's one of subsidiaries Hiboost Girişim Teknoloji Geliştirme ve Yönetim A.Ş. dated 6 April 2021. The Group participated in Houston Bionics Inc. with an effective rate of 3.17%. At the Board of Directors dated 3 November 2021 of Hivc Girişim Sermayesi Yatırım Ortaklığı A.Ş., one of the subsidiaries of the Group, it was decided to transfer the ownership rights of Hiboost over Houston Bionics to Hivc for amount of TL 748,080. The relevant transition process was completed as of 11 November 2021. 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 3.17%.

The fair value of Houston Bionics as of 31 December 2023 has been determined by an independent institution using the historical transactions method.

(12) Hivc Girişim Sermayesi Yatırım Ortaklığı A.Ş. which is a subsidiary of the Group, was invested regarding BoD decision dated 11 March 2022 to Destek Her Yerde Bilişim A.Ş. (“Evimdeki Psikolog”) amounting TL 1,500,000. With the related investment, the Group’s effective ownership rate of Evimdeki Psikolog has been 2.65%.

The fair value of Destek Her Yerde Bilişim A.Ş. as of 31 December 2023 has been determined by an independent institution using the historical transactions method.

(13) An investment of TL 1,200,000 was made in Helo Teknoloji Girişim Yönetim Danışmanlığı A.Ş. (“Helo”), pursuant to the Board of Directors decision of the Group's one of subsidiaries Hivc Girişim Sermayesi Yatırım Ortaklığı A.Ş. (“Hivc”) dated 7 June 2021. As a result of the related investment, the Group participated in Helo Teknoloji Girişim Yönetim Danışmanlığı A.Ş. with an effective rate of 22.48%.

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.

(14) Hiboost Girişim Teknoloji Geliştirme ve Yönetim A.Ş. (“Hiboost”) which is a subsidiary of the Group, was invested simple-agreement-for-future-equity regarding BoD decision dated 12 April 2022 to Karma Sosyal Bilişim ve Teknoloji A.Ş. (“Karma”) amounting TL 51,500. Hiboost was also invested additional simple-agreement-for-future-equity to Karma amounting TL 635,908 in 5 August 2022. The portion of related investments that will have an effective ratio of 1.7% for the Group has been converted into shares. If this investment turns into shares from the current valuation, it is anticipated that the Group will have a share of 17.64%. With the related investment, the Group’s effective ownership rate of Karma has been 17.64%.

Communiqué on Principles Concerning Venture Capital Investment Trusts (III-48.3) was issued to “Karma Sosyal Bilişim ve Teknoloji AŞ” (“Karma”) with the decision of Hivc Girişim Girişim Yatırım Ortaklığı AŞ (“Hivc”), one of the subsidiaries of the Group, dated 17 October 2023. In accordance with articles 21/f and 21/f, it was decided to make venture capital investment through a mixture of debt and equity financing.

Hivc Girişim Sermayesi Yatırım Ortaklığı A.Ş. (“Hivc”) one of the subsidiaries of the Group, based on the decision of BoD dated 7 October 2023, it was decided to take over 1 piece of registered group A share for TL 1 from Miraç Mutlu İspir who has share of Company and Company is pay TL 803,382 scope of investment contract to Karma as a investment. Scope of investment contract that will sign as a add to related investment, it was decided to investing to Karma amounting TL 1,672,355 equivalent of USD 60,000. The company invested a total of TL 2,475,737 to Karma and owns 17,638% of Karma's capital.

The fair value of Karma as of 31 December 2023 has been determined by an independent institution using the historical transactions method.

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NOTE 4 FINANCIAL INVESTMENTS (Cont’d)

(15) Hiboost Girişim Teknoloji Geliştirme ve Yönetim A.Ş. (“Hiboost”) which is a subsidiary of the Group, was invested regarding BoD decision dated 11 April 2022 to “10 Lift GMBH” amounting TL 827,797 equivalent of EUR 50,000. With the related investment, the Group’s effective ownership rate of 10 Lift GMBH has been 3.03%.

The fair value of 10 Lift GMBH as of 31 December 2023 has been determined by an independent institution using the historical transactions method.

(16) Hivc Girişim Sermayesi Yatırım Ortaklığı A.Ş. (“Hivc”) which is a subsidiary of the Group, was invested regarding BoD decision dated 8 March 2022 to Producter Yazılım Tasarım ve Danışmanlık Hizmetleri A.Ş. (“Producter”) amounting TL 715,060 equivalent of USD 50,000. With the related investment, the Group’s effective ownership rate of Producter has been 2.65%.

The fair value of Producter as of 31 December 2023 has been determined by an independent institution using the historical transactions method.

(17) Hivc Girişim Sermayesi Yatırım Ortaklığı A.Ş. (“Hivc”) which is a subsidiary of the Group, was invested simple-agreement-for-future-equity regarding BoD decision dated 14 July 2021 to Insumo Inc (“Insumo”) amounting TL 172,280 equivalent of USD 20,000. Hivc, was also invested additional simple-agreement-for-future-equity regarding BoD decision dated 11 April 2022 to “Insumo Inc.” amounting TL 293,640 equivalent of USD 20,000. These investments have not yet turned into shares. If these investments turn into shares from the current valuation, it is anticipated that the Group will have a share of 0.98%. With the related investment the Group’s effective ownership rate of Insumo has been 1.53%.

The fair value of Insumo as of 31 December 2023 has been determined by an independent institution using the historical transactions method.

(18) Company was invested regarding BoD decision dated 11 March 2022 to Yancep Finansal Teknolojiler A.Ş. (“Yancep”) amounting TL 811,619. Hiboost Girişim Teknoloji Geliştirme ve Yönetim A.Ş. (“Hiboost”) which is a subsidiary of the Group, was invested regarding BoD decision dated 11 March 2022 to Yancep Finansal Teknolojiler A.Ş. amounting TL 368,918. As a result of the related investments, the Group participated in Yancep with direct ownership rate of 15.81%, effective rate of 20.81%. Company was handover its all direct shares 11,069 pieces regarding BoD decision dated 23 June 2022 to Inveo Portföy Yönetimi A.Ş. Birinci Fintech Girişim Sermayesi Yatırım Fonu (6,954 pieces) with a cost of TL 509,893 and to Hiboost (4,115 pieces) with a cost of TL 301,726. Based on Hiboost’s BoD decision dated 21 September 2022, an additional investment of 594,606 TL was made to Yancep. As a result of the related transactions, the Group’s effective ownership rate of Yancep has been 12.59%.

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 of 12.59% was preserved.

The fair value of Yancep as of 31 December 2023 has been determined by an independent institution using the historical transactions method.

(19) Hivc Girişim Sermayesi Yatırım Ortaklığı A.Ş. (“Hivc”) which is a subsidiary of the Group, was invested regarding BoD decision dated 7 April 2022 to “İyi Yaşa Eğitim ve Spor Faaliyetler A.Ş.” amounting TL 443,460 equivalent of USD 30,000. With the related investment, the Group’s effective ownership rate of İyi Yaşa Eğitim ve Spor Faaliyetler A.Ş. has been 0.8819%.

The fair value of İyi Yaşa as of 31 December 2023 has been determined by an independent institution using the historical transactions method.

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES

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NOTE 4 FINANCIAL INVESTMENTS (Cont’d)

(20) Hiboost Girişim Teknoloji Geliştirme ve Yönetim A.Ş. (“Hiboost”) which is a subsidiary of the Group, was sign a simple-agreement-for-future-equity with Rezy Teknoloji Ticaret A.Ş. (“Tamly”). Pursuant of related agreement, Hiboost will make investment to Rezy amounting USD 40,000 in various periods. According to aforesaid agreement, Hiboost made convertible investments of TL 183,903 equivalent to USD 10,000 on 21 and 26 September 2022, TL 186,048 equivalent to USD 10,000 on 31 October 2022 and TL 186,412 equivalent of USD 10,000 on 14 December 2022. The portion of the related investments that will have an effective ratio at 0.32% for the Group has been converted into shares. If this investment turns into shares from the current valuation, it is anticipated that the Group will have a share of 15.27%. With the related investment, the Group’s effective ownership rate of Tamly has been 15.27%.

The fair value of Rezy as of 31 December 2023 has been determined by an independent institution using the historical transactions method.

(21) An investment of TL 200,000 was made in Robomotion Yazılım Otomasyon Sistemleri A.Ş. (“Robomotion”), pursuant to the Board of Directors decision of the Group’s one of subsidiaries Hivc Girişim Sermayesi Yatırım Ortaklığı A.Ş. (“Hivc”) dated 7 June 2021. As a result of the related investment, the Group participated in Robomotion Yazılım Otomasyon Sistemleri A.Ş. with an effective rate of 1.76%.

The fair value of Robomotion as of 31 December 2023 has been determined by an independent institution using the historical transactions method.

(22) 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 1.75%.

(23) 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 0.018%.

(24) Hivc Girişim Sermayesi Yatırım Ortaklığı A.Ş. (“Hivc”) which is subsidiary of the Group, was invested regarding BoD decision dated 1 August 2023 to Varsapp Teknoloji AŞ (“Varsapp”) amounting TL 2,606,000. Along with the related investment, the Group’s effective ownership rate of Varsapp of 4.41% was preserved.

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>	31 December 2023	31 December 2022
İstanbul Takas ve Saklama Merkezi AŞ	5,979,756	5,979,756
Borsa İstanbul AŞ	1,734,996	1,734,996
	<u>7,714,752</u>	<u>7,714,752</u>

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES

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NOTE 4 FINANCIAL INVESTMENTS (Cont’d)

The movement table of the Group's long-term financial assets at fair value through profit or loss for the period from 1 January to 31 December 2023 is as follows:

Long term financial assets measured at fair value through profit or loss	1 January 2023	Financial investment purchases	Disposals of financial investment	Financial investment valuation increase	Financial investment valuation decrease	Monetary Loss/Gain	31 December 2023
Inveo Ventures Girişim Sermayesi Yatırım Ortaklığı AŞ	42,459,266	-	-	31,821,250	-	(16,690,914)	57,589,602
Hop Teknoloji AŞ	36,871,282	-	-	13,749,883	-	(14,494,254)	36,126,911
Yancep Finansal Teknolojiler AŞ	1,184,141	1,544,071	-	19,652,257	-	(465,491)	21,914,978
Aposto Teknoloji ve Medya AŞ	4,351,567	-	-	1,516,903	-	(1,710,619)	4,157,851
VRLab Academy Yazılım AŞ	3,081,084	494,341	-	1,079,919	-	(1,211,187)	3,444,157
Destek Her Yerde Bilişim AŞ	2,467,349	-	-	1,583,030	-	(967,349)	3,083,030
Mükellef Teknoloji AŞ	3,080,496	-	-	1,074,737	-	(1,210,956)	2,944,277
Bambulabs, Inc	3,080,973	-	-	1,073,990	-	(1,211,143)	2,943,820
Acsight İş Çözümleri Araştırma ve Danışmanlık AŞ	3,073,822	-	-	1,078,330	-	(1,208,332)	2,943,820
Delivers Ai Robotik Otonom Sürüş Bilgi Teknolojileri AŞ	2,792,023	-	-	1,074,316	-	(1,097,556)	2,768,783
Houston Bionics, Inc.	2,772,876	-	-	966,591	-	(1,090,029)	2,649,438
Varsapp Teknoloji AŞ	-	2,606,000	-	-	-	-	2,606,000
Karma Sosyal Bilişim ve Teknoloji AŞ	1,848,586	2,475,737	(635,908)	-	(267,515)	(726,687)	2,694,213
Mizan Plus Gıda Tic. AŞ	-	1,898,550	-	-	-	-	1,898,550
10 Lift GMBH	1,642,366	-	-	631,950	-	(645,621)	1,628,695
Producter Yazılım Tasarım Ve Danışmanlık Hizmetleri AŞ	1,540,487	-	-	538,202	-	(605,572)	1,473,117
Insumo Inc	1,448,889	-	-	505,066	-	(569,564)	1,384,391
V-Count Teknoloji AŞ	2,937,827	30,366	-	-	(782,800)	(1,157,448)	1,027,945
Kidokit Çocuk Gelişim AŞ	-	992,243	-	-	-	-	992,243
İyi Yaşa Eğitim Ve Sportif Faaliyetler AŞ	923,351	-	-	322,768	-	(362,973)	883,146
Robomotion Yazılım Otomasyon Sistemleri AŞ	329,546	-	-	467,210	-	(129,546)	667,210
Rezy Teknoloji Ticaret AŞ	616,195	-	-	214,798	-	(242,229)	588,764
Startup Bilişim Teknoloji Ve Danışmanlık AŞ	-	2	-	-	-	-	2
Helo Teknoloji Girişim Yön. Dan. AŞ	1,977,275	-	(1,200,000)	-	-	(777,275)	-
Botgate AI Technology	3,284,732	-	-	-	(1,993,490)	(1,291,242)	-
	121,764,133	10,041,310	(1,835,908)	77,351,200	(3,043,805)	(47,865,987)	156,410,943

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NOTE 4 FINANCIAL INVESTMENTS (Cont’d)

The movement table of the Group's long-term financial assets at fair value through profit or loss for the period from 1 January to 31 December 2022 is as follows:

Long term financial assets measured at fair value through profit or loss	1 January 2022	Financial investment purchases	Disposals of financial investment	Financial investment valuation increase	Financial investment valuation decrease	Monetary Loss/Gain	31 December 2022
Inveo Ventures Girişim Sermayesi Yatırım Ortaklığı A.Ş.	-	9.750.000	-	16.018.352	-	16.690.914	42.459.266
Hop Teknoloji A.Ş	3.859.821	36.636	-	20.914.377	-	12.060.448	36.871.282
Aposto Teknoloji ve Medya A.Ş.	3.398.580	-	-	1.385.339	-	(432.352)	4.351.567
Botgate AI Technology	1.987.042	799.000	-	460.375	-	38.315	3.284.732
VRLab Academy Yazılım A.Ş.	3.512.643	-	-	572.147	-	(1.003.706)	3.081.084
Bambulabs,Inc	-	1.577.900	-	291.930	-	1.211.143	3.080.973
Mükellef Teknoloji A.Ş.	-	1.467.500	-	402.040	-	1.210.956	3.080.496
Acsight İş Çözümleri Araştırma Ve Danışmanlık A.Ş.	-	1.865.490	-	-	-	1.208.332	3.073.822
V-Count Teknoloji A.Ş.	3.356.225	-	-	540.418	-	(958.816)	2.937.827
Delivers Ai Robotik Otonom Sürüş Bilgi Teknolojileri A.Ş.	-	1.322.608	-	371.858	-	1.097.557	2.792.023
Houston Bionics, Inc.	3.161.379	-	-	514.872	-	(903.375)	2.772.876
Destek Her Yerde Bilişim A.Ş.	-	1.500.000	-	-	-	967.349	2.467.349
Helo Teknoloji Girişim Yön.Dan.A.Ş.	3.248.062	-	-	-	-	(1.270.787)	1.977.275
Karma Sosyal Bilişim ve Teknoloji A.Ş.	-	687.408	-	434.491	-	726.688	1.848.587
10 Lift GMBH	-	827.797	-	168.948	-	645.621	1.642.366
Producter Yazılım Tasarım Ve Danışmanlık Hizmetleri A.Ş.	-	715.060	-	219.855	-	605.572	1.540.487
Insumo Inc	702.529	293.640	-	326.135	-	126.585	1.448.889
Yancep Finansal Teknolojiler A.Ş	-	1.265.250	-	-	(546.600)	465.491	1.184.141
İyi Yaşa Eğitim Ve Sportif Faaliyetler A.Ş.	-	443.460	-	116.918	-	362.973	923.351
Rezy Teknoloji Ticaret A.Ş.	-	556.363	-	-	(182.397)	242.229	616.195
Robomotion Yazılım Otomasyon Sistemleri A.Ş	541.344	-	-	-	-	(211.798)	329.546
Laplace Analytics Finansal Teknolojiler A.Ş.	2.646.561	-	(977.775)	-	-	(1.668.786)	-
Finar İletişim Teknolojileri A.Ş.	2.706.718	-	(1.000.000)	-	-	(1.706.718)	-
	29.120.904	23.108.112	(1.977.775)	42.738.055	(728.997)	29.503.835	121.764.134

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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NOTE 5 SHORT TERM BORROWINGS

Current liabilities	31 December 2023	31 December 2022
Issued debt instruments (**)	1,506,023,363	1,250,260,272
Payables to Settlement and Takasbank (*)	777,078,229	1,777,213,822
Loans (***)	203,857,782	51,582,173
Liabilities from short term leases to non-related parties	12,490,694	49,288,536
Liabilities from short term leases to related parties (****)	4,642,956	-
Liabilities arising from short selling transactions	-	1,353,300
	<u>2,504,093,024</u>	<u>3,129,698,103</u>

(*) Payables to Settlement and Custody Bank have an average maturity of 3 days and interest rates vary 41.92% (31 December 2022: 2 days 8.05% and 12.1%)

(**) Details of issued debt instruments as of 31 December 2023 and 2022 are as follows:

31 December 2023

Security code	Nominal amount (TL)	Issuance date	Due date	Interest rate (%)	Interest type
TRFGDKM12410	155,000,000	25 January 2023	24 January 2024	18.00	Fixed
TRFGDKM22419	100,000,000	21 August 2023	19 February 2024	21.00	Fixed
TRFMARB42419	50,000,000	17 October 2023	15 April 2024	TL Ref	Floating
TRFGDKM52416	100,000,000	31 August 2023	27 May 2024	22.00	Fixed
TRFGDKM62415	145,000,000	06 June 2023	04 June 2024	22.00	Fixed
TRFMARB62417	50,000,000	12 July 2023	20 June 2024	38.00	Fixed
TRFGDKM82413	200,000,000	14 August 2023	12 August 2024	20.00	Fixed
TRFGDKM82421	100,000,000	31 August 2023	29 August 2024	23.00	Fixed
TRFGDKM92412	200,000,000	07 September 2023	05 September 2024	24.00	Fixed
TRFGDKM92420	200,000,000	18 September 2023	16 September 2024	25.00	Fixed
TRFGDKM92438	200,000,000	27 September 2023	25 September 2024	28.00	Fixed

31 December 2022

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

(***) Loans have an average maturity of 1-3 days and interest rates are between 40.00% and 43.62% (31 December 2022: 2 days 15.75%)

(****) As of 31 December 2023 and 31 December 2022, the Group's borrowings of leases to regarding party explain in Note 23.

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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NOTE 6 TRADE RECEIVABLES AND PAYABLES

(*) As of 31 December 2023 the Group has allocated a loan amounting to TL 2,122,804,016 (31 December 2022: TL 2,502,218,818) to its customers to be used in stock transactions. As of 31 December 2023 customer guarantees amounting to TL 6,800,455,557 are hold against the loan given by the Group (31 December 2022: TL 12,024,135,384).

Current trade receivables	31 December 2023	31 December 2022
Receivables from credit customers (*)	2,122,804,016	2,334,291,516
Receivables from the Settlement and Custody Center	2,078,127,346	1,362,443,857
Receivables from futures and option contracts	961,303,916	2,606,596,696
Receivables from customers	756,095,660	2,502,218,818
Trade receivables from related parties (Note 23)	152,367,156	20,173,956
Receivables from outright purchases and sales transactions	141,697,557	202,523,678
Receivables from foreign spot market guarantees	102,727,051	184,264,416
Guarantees given for borrowed securities	-	5,210,449
Other trade receivables	12,047,860	7,250,707
Doubtful trade receivables	506,635,422	831,240,577
Provision for doubtful trade receivables (-)	(506,635,422)	(831,240,577)
	6,327,170,562	9,224,974,093

The movement of the Group's doubtful receivables as of 2023 and 2022 is as follows:

Movement of provision doubtful trade receivables	1 January - 31 December 2023	1 January - 31 December 2022
Opening balance	(831,240,577)	(12,164,608)
Charge for the period	(2,773,299)	(886,180,401)
Collections	961,193	344,225
Monetary gain/(loss)	326,417,261	66,760,207
Closing balance	(506,635,422)	(831,240,577)

Short term trade payables	31 December 2023	31 December 2022
Debts to the Settlement and Custody Center	1,671,293,890	1,303,668,694
Payables to customers	1,190,551,063	3,914,627,807
Liabilities from futures and options contracts	961,303,916	2,606,596,696
Liabilities from customer deposits	449,605,038	1,189,176,513
Trade payables to related parties (Note 23)	311,363,126	107,739,092
Payables to credit customers	305,211,631	719,968,315
Payables from outright purchases and sales transactions	115,302,605	175,159,398
Liabilities from foreign spot market guarantees, net	102,727,051	184,264,418
Suppliers	36,572,987	39,416,620
	5,143,931,307	10,240,617,553

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 7 OTHER RECEIVABLES AND PAYABLES

	31 December 2023	31 December 2022
Short term other receivables		
Deposits and guarantees given (*)	547,969,094	739,166,006
Other short term receivables	6,467,455	721,751
Other receivables from related parties (Note 23)	11,259	6,830
	<u>554,447,808</u>	<u>739,894,587</u>
Long term other receivables		
Receivables from personnel	782,000	825,842
Deposits and guarantees given	509,634	693,493
Other	281,215	514,716
	<u>1,572,849</u>	<u>2,034,051</u>

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

	31 December 2023	31 December 2022
Deposits and guarantees given		
Takasbank and BIST guarantees	498,924,310	460,968,994
Guarantees given to foreign investment entities for foreign leveraged transactions	49,044,784	278,197,012
	<u>547,969,094</u>	<u>739,166,006</u>
Short term other liabilities		
Taxes and funds payables	28,647,372	22,466,836
Debt to liquidity providers	2,527,957	2,552,789
Other short term payables	677,525	101,723
Other payables to related parties (Note 23)	1,168	-
	<u>31,854,022</u>	<u>25,121,348</u>

NOTE 8 PREPAID EXPENSES

	31 December 2023	31 December 2022
Short term prepaid expenses		
Advertising expense	15,123,848	42,648
Insurance expense	7,779,781	3,610,852
Software and data expense	4,622,246	4,275,773
Other expenses	1,276,275	1,075,023
	<u>28,802,150</u>	<u>9,004,296</u>

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 9 TANGIBLE ASSETS

Cost value	Buildings	Machinery plant and equipment	Vehicles	Furniture and fixtures	Leasehold improvements	Total
Opening balance as of 1 January 2023	9,017,688	104,408,358	6,712,760	313,303,713	44,753,830	478,196,349
Additions	-	28,976,101	2,056,824	9,518,884	2,125,981	42,677,790
Disposals	-	(81,954,112)	(832,719)	(245,640,274)	-	(328,427,105)
Closing balance as of 31 December 2023	9,017,688	51,430,347	7,936,865	77,182,323	46,879,811	192,447,034
Accumulated depreciation						
Opening balance as of 1 January 2023	(3,142,622)	(89,883,756)	(3,466,156)	(270,617,677)	(27,130,229)	(394,240,440)
Charge of the year	(184,245)	(5,804,956)	(827,996)	(13,418,901)	(8,539,608)	(28,775,706)
Disposals	-	80,985,843	832,719	245,508,664	-	327,327,226
Closing balance as of 31 December 2023	(3,326,867)	(14,702,869)	(3,461,433)	(38,527,914)	(35,669,837)	(95,688,920)
Carrying value as of 31 December 2023	5,690,821	36,727,478	4,475,432	38,654,409	11,209,974	96,758,114

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES

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

NOTE 9 TANGIBLE ASSETS (Cont’d)

Cost value	Buildings	Machinery plant and equipment	Vehicles	Furniture and fixtures	Leasehold improvements	Total
Opening balance as of 1 January 2022	12,247,193	102,303,476	5,252,581	305,884,170	41,964,797	467,652,217
Additions	-	2,124,577	1,460,179	7,513,906	2,789,033	13,887,695
Disposals	(3,229,505)	(19,695)	-	(94,363)	-	(3,343,563)
Closing balance as of 31 December 2022	9,017,688	104,408,358	6,712,760	313,303,713	44,753,830	478,196,349
Accumulated depreciation						
Opening balance as of 1 January 2022	(4,382,859)	(85,127,042)	(2,613,866)	(258,765,803)	(19,328,353)	(370,217,923)
Charge of the year	(205,778)	(4,772,717)	(852,290)	(11,921,900)	(7,801,876)	(25,554,561)
Disposals	1,446,015	16,003	-	70,026	-	1,532,044
Closing balance as of 31 December 2022	(3,142,622)	(89,883,756)	(3,466,156)	(270,617,677)	(27,130,229)	(394,240,440)
Carrying value as of 31 December 2022	5,875,066	14,524,602	3,246,604	42,686,036	17,623,601	83,955,909

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIESNOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 10 RIGHT OF USE ASSETS

Cost Value	Buildings and vehicles	Total
Opening balance as of 1 January 2023	98,883,364	98,883,364
Additions	26,915,371	26,915,371
Changes regarding lease contracts	(10,218,059)	(10,218,059)
Disposals	(23,855,487)	(23,855,487)
Closing balance as of 31 December 2023	91,725,189	91,725,189
Accumulated Amortization		
Opening balance as of 1 January 2023	(52,106,693)	(52,106,693)
Charge of the year	(23,458,432)	(23,458,432)
Changes regarding lease contracts	7,465,077	7,465,077
Disposals	22,565,318	22,565,318
Closing balance as of 31 December 2023	(45,534,730)	(45,534,730)
Carrying value as of 31 December 2023	46,190,459	46,190,459
Cost Value		
Opening balance as of 1 January 2022	63,172,750	63,172,750
Additions	17,821,845	17,821,845
Disposals	(3,214,532)	(3,214,532)
Changes regarding lease contracts	21,103,301	21,103,301
Closing balance as of 31 December 2022	98,883,364	98,883,364
Accumulated Amortization		
Opening balance as of 1 January 2022	(30,520,791)	(30,520,791)
Charge of the year	(21,362,649)	(21,362,649)
Disposals	(3,437,785)	(3,437,785)
Changes regarding lease contracts	3,214,532	3,214,532
Closing balance as of 31 December 2022	(52,106,693)	(52,106,693)
Carrying value as of 31 December 2022	46,776,671	46,776,671

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in Turkish Lira (“TL”) unless otherwise stated)

NOTE 11 INTANGIBLE ASSETS

Cost Value	Rights	Total
Opening balance as of 1 January 2023	112,129,125	112,129,125
Additions	37,268,505	37,268,505
Closing balance as of 31 December 2023	149,397,630	149,397,630
Accumulated Amortization		
Opening balance as of 1 January 2023	(83,489,873)	(83,489,873)
Charge of the year	(11,886,234)	(11,886,234)
Closing balance as of 31 December 2023	(95,376,107)	(95,376,107)
Carrying value as of 31 December 2023	54,021,523	54,021,523
Cost Value		
Opening balance as of 1 January 2022	100,858,813	100,858,813
Additions	11,505,058	11,505,058
Exits from the scope of consolidation	(234,746)	(234,746)
Closing balance as of 31 December 2022	112,129,125	112,129,125
Accumulated Amortization		
Opening balance as of 1 January 2022	(77,689,135)	(77,689,135)
Charge of the year	(5,611,894)	(5,611,894)
Exits from the scope of consolidation	(188,844)	(188,844)
Closing balance as of 31 December 2022	(83,489,873)	(83,489,873)
Carrying value as of 31 December 2022	28,639,252	28,639,252

NOTE 12 PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES

Short term debt provisions	31 December 2023	31 December 2022
Cautionary provisions (*)	16,687,821	25,603,410
Interest payment fee return provisions	2,736,565	3,571,578
Expense provisions	1,594,126	2,041,772
Comission return provisions	728,881	2,943,746
	21,747,393	34,160,506

(*) 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.

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NOTE 12 PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES (Cont’d)

Guarantees given	31 December 2023	31 December 2022
Borsa İstanbul AŞ	175,785,000	420,081,115
İstanbul Takas ve Saklama Bankası AŞ	1,091,338	289,640,945
Diğer	603,850,880	679,212
	780,727,218	710,401,272
Guarantees, pledges and mortgages given by the Group	31 December 2023	31 December 2022
A. Total Guarantees Pledges and Mortgages (“GPM”) Given in the name of the Company	780,727,218	710,401,272
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	780,727,218	710,401,272

The Parent Group 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 31 December 2023, and 31 December 2022, the Group fulfills the relevant capital adequacy requirements.

The ratio of other GPM’s given by the Group to the Group's equity is 0% as of 31 December 2023 (0% as of 31 December 2022).

NOTE 13 PROVISIONS FOR EMPLOYEE BENEFITS

Short-term liabilities regarding employee benefits	31 December 2023	31 December 2022
Social security premium payables	18,775,999	14,125,172
Payables to employee	9,636,612	15,482,406
Tax payable	1,523,182	423,761
	29,935,793	30,031,339

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

NOTE 13 PROVISIONS FOR EMPLOYEE BENEFITS (Cont’d)

<u>Short term provisions regarding employee benefits</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
Provision for unused vacation	6,627,674	4,309,156
	<u>6,627,674</u>	<u>4,309,156</u>
<u>Long term provisions regarding employee benefits</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
Provision for employment termination benefits	29,994,707	27,886,072
	<u>29,994,707</u>	<u>27,886,072</u>

Provision for employment termination benefits is set aside within the framework of the following explanations:

According to the Turkish Labor Law, the Group employs personnel who have completed one year and whose relationship with the Group has been terminated or retired, who have completed 25 years of service (20 for women) and retired (aged 58 for women, 60 for men), called up for military service or passed away. liable to pay severance pay. After the legislative change on 23 May 2002, some transitional clauses regarding the length of service before retirement were issued.

Severance pay liability is not legally subject to any funding and there is no funding requirement.

The provision for severance pay is calculated by estimating the present value of the probable obligation to be paid in case of retirement of the employees.

TFRS requires actuarial valuation methods to be developed to estimate the Group's provision for severance pay. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	<u>31 December 2023</u>	<u>31 December 2022</u>
Inflation rate	23.72%	6.33%
Interest rate	27.05%	11.63%
Discount rate	2.69%	4.98%

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NOTE 13 PROVISIONS FOR EMPLOYEE BENEFITS (Cont’d)

The basic assumption is that the ceiling provision for each year of service will increase in proportion to inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the expected effects of inflation. The severance pay provision of the Company is calculated over TL 35,058.58 (1 January 2023: TL 19,892.83), which is effective as of 1 January 2024, since the severance pay ceiling is adjusted every six months.

The movements of provision for employment termination benefits during the period are as follows:

	<u>2023</u>	<u>2022</u>
Beginning period, 1 January	27,886,072	28,849,166
Service cost	24,463,926	11,384,394
Interest cost	868,732	503,381
Termination benefits paid	(13,377,538)	(2,580,536)
Actuarial loss / (gain)	(168,864)	1,046,929
Monetary Loss/Gain	(9,677,621)	(11,317,262)
Ending period, 31 December	<u>29,994,707</u>	<u>27,886,072</u>

Movements of provision for unused vacation during the period are as follows:

	<u>2023</u>	<u>2022</u>
Beginning period, 1 January	4,309,156	5,749,846
Provision expense during the period	3,802,478	969,699
Provision reversals during the period (-)	(7,147)	-
Monetary Loss/Gain	(1,476,813)	(2,410,389)
Ending period, 31 December	<u>6,627,674</u>	<u>4,309,156</u>

NOTE 14 LONG TERM BORROWINGS

As of 31 December 2023, and 2022, the Group's long-term borrowings are as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>
Long term borrowings		
Liabilities from long term leases to non-related parties	24,721,995	15,361,251
	<u>24,721,995</u>	<u>15,361,251</u>

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NOTE 15 SHARE CAPITAL

Paid-in capital

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

Shareholders	31 December 2023		31 December 2022	
	Share rate (%)	Share amount	Share rate (%)	Share amount
Inveo Yatırım Holding A.Ş.	50.85	256,773,058	50.85	166,571,992
Other Partners (Public Offering)	49.15	248,226,942	49.15	161,028,008
Total paid-in capital	100.00	505,000,000	100.00	327,600,000
Differences of adjustment of capital		1,322,522,208		1,225,838,707
Total paid-in capital		1,827,522,208		1,553,438,707

As of 31 December 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 AŞ (Note 15). 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.

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

Shareholders	31 December 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
Differences of adjustment of capital		1,322,522,208		1,225,838,707
Total paid-in capital		1,827,522,208		1,553,438,707

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NOTE 15 SHARE CAPITAL (Cont’d)

Capital advance

	31 December 2023	31 December 2022
Capital advance	-	655,424,422
	-	655,424,422

Treasury 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 5,994,660 shares which clearing was completed as of 31 December 2023 also corresponds to 2.77% of the Company's capital, were reacquired amounting to TL 40,068,364 (31 December 2022: none). The Company is in the process of increasing its capital from TL 327,600,000 to TL 505,000,000 as of the balance sheet date, pursuant to the permissions of the Capital Markets Board dated 9 December 2022 and 13 December 2022. Pursuant to the CMB Communiqué on Repurchased Shares (II-22.1), new share purchase rights cannot be exercised, and can only be sold on Borsa İstanbul Preemptive Rights Coupon Market. In this context, the Company sold its rights to buy new shares with a nominal value of TL 5,993,271 in the Borsa İstanbul Preemptive Rights Coupon Market at an average price of TL 3,28, in accordance with the Capital Markets Board's Communiqué on Repurchased Shares, and also generated a revenue of TL 19,679,094. Relevant income is classified as “Capital advance” in shareholders' equity. There has been no sale of repurchased shares as of report date.

	31 December 2023	31 December 2022
Treasury shares	91,752,115	80,096,224
	91,752,115	80,096,224

Other comprehensive income / (expenses)

As of 31 December 2023, in accordance TAS 19, amount losses of cumulative actuarial after tax effect arising from the Group’s employee termination benefits was TL 4,846,810 (31 December 2022: TL 4,964,798). The mentioned amount is included in the “Defined benefit plans remeasurement losses” accounted under the equity of the Group.

As of 31 December 2023, in accordance TFRS 9, amount cumulative income of after tax effect arising from Group’s investments accounted through equity method was TL 65,084 (31 December 2022: TL 438,282). Related amount is included in the “Gains/(losses) on financial assets at fair value through other comprehensive income” accounted under the equity of the Group.

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

Items will not be reclassified under profit or loss	2023	2022
Beginning period, 1 January	(4,964,798)	(4,159,734)
Change during the period	117,988	(805,064)
Ending period, 31 December	(4,846,810)	(4,964,798)

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NOTE 15 SHARE CAPITAL (Cont’d)

Other comprehensive income / (expenses) (cont’d)

Items will be reclassified under profit / (loss)	2023	2022
Beginning period, 1 January	438,282	-
Change during the period	(373,198)	438,282
Ending period, 31 December	65,084	438,282

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 31 December 2023, a reserve fund has been set aside for the repurchased shares amounting to TL 121,631,382 (31 December 2022:64,704,380) within the restricted reserves set aside from profit in the consolidated financial statements of the Group as of 31 December 2023.

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

	31 December 2023	31 December 2022
Restricted reserves appropriated from profits		
Reserves due to reacquired shares	91,752,115	80,096,224
Legal reserves	236,880,561	209,260,819
	328,632,676	289,357,043
Accumulated earnings		
Retained earnings	(665,402,913)	(566,994,950)
Extraordinary reserves	121,631,382	64,704,380
	(543,771,531)	(502,290,570)

Non-Controlling Interests/Non-Controlling Profit and Loss

As of 31 December 2023, non-controlling interest is TL 36,344,546 (31 December 2022: TL 43,713,486). Profit of minority interests in the amount of TL 522,983, which occurred between 1 January - 31 December 2023, is shown separately from the net profit for the period in the financial statements (2022: TL 216,127 loss).

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NOTE 16 REVENUE AND COST OF SALES

Revenue	1 January - 31 December 2023	1 January - 31 December 2022
Sales	94,258,585,457	151,983,172,498
Service income, net	952,961,845	884,290,730
Other income from operating activities, net	447,066,410	532,983,100
	95,658,613,712	153,400,446,328
Interest income	1,470,265,698	906,746,206
	97,128,879,410	154,307,192,534

As of 31 December 2023 and 2022, the details of sales and cost of sales are as follows:

Sales	1 January - 31 December 2023	1 January - 31 December 2022
Private sector bills and bonds	84,102,725,464	133,362,298,516
Equity shares	6,705,475,391	17,050,581,025
Eurobond	2,829,182,659	1,341,970,882
Investment funds	526,542,305	146,277,656
Government bonds	67,242,499	61,075,045
Other	27,417,139	20,969,374
	94,258,585,457	151,983,172,498
Cost of sales (-)	1 January - 31 December 2023	1 January - 31 December 2022
Private sector bills and bonds	(83,971,848,061)	(133,376,301,963)
Equity shares	(6,939,899,422)	(16,882,757,759)
Eurobond	(2,786,320,074)	(1,320,191,436)
Investment funds	(522,645,104)	(103,586,255)
Government bonds	(65,360,931)	(59,250,129)
Other	(82,517,583)	(57,386,166)
	(94,368,591,175)	(151,799,473,708)

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NOTE 16 REVENUE AND COST OF SALES (Cont’d)

As of 31 December 2023 and 2022, the details of service income are as follows:

Service income	1 January - 31 December 2023	1 January - 31 December 2022
Intermediation commission income	931,699,927	920,070,530
Portfolio management commission income	20,083,524	548,901
Other service income	29,708,019	2,332,600
	981,491,470	922,952,031

As of 31 December 2023 and 2022, the details of discounts from service sales are as follows:

Service sale returns	1 January - 31 December 2023	1 January - 31 December 2022
Commission returns (-)	(28,529,625)	(38,661,301)
	(28,529,625)	(38,661,301)

Other income from operating activities, net	1 January - 31 December 2023	1 January - 31 December 2022
Valuation increase / (decrease) from derivative market transactions,	394,660,805	(540,671,113)
Leveraged trading income	39,678,137	31,576,479
Service income of market maker	2,226,355	2,479,562
Valuation income marketable securities	423,360,842	977,084,181
Profits/(losses) from foreign exchange market transactions trading, net	113,569,477	386,508,094
Interest expenses	(38,899,948)	(93,352,015)
Interest expense of finance bond	(234,264,180)	(190,652,621)
Takasbank Expense	(401,040,523)	(146,814,780)
Dividends income	144,390,884	92,452,694
Option prim profits	3,384,561	14,372,619
	447,066,410	532,983,100

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NOTE 17 EXPENSES BY NATURE

	1 January - 31 December 2023	1 January - 31 December 2022
Marketing expenses		
Advertising expenses	(94,622,299)	(48,440,471)
Stock market share expenses	(47,750,719)	(35,832,278)
Takasbank expenses	(11,611,628)	(8,889,755)
Sales expenses and losses	(3,010,716)	(895,065)
Derivative exchange transaction fees	(2,307,187)	(3,303,611)
Colocation expenses	(8,970,994)	(7,937,138)
Other expenses	(3,473,701)	(3,438,805)
	(171,747,244)	(108,737,123)
Research and development expenses		
Personnel expenses	(32,446,591)	-
Data processing and software expenses	(453,022)	-
Depreciation and amortization expenses	(2,859,960)	-
	(35,759,573)	-
General administration expenses		
Personnel expenses	(695,576,983)	(490,268,100)
Data processing and software expenses	(135,402,584)	(107,636,096)
Taxes, duties and fees expenses	(70,112,138)	(31,610,417)
Depreciation and amortization expenses	(61,260,412)	(52,529,104)
Data communication expenses	(45,447,960)	(38,722,806)
Representation and hospitality expenses	(33,093,495)	(16,837,408)
Travel and transportation expenses	(25,786,554)	(17,075,058)
Disallowable expenses	(23,689,566)	(4,818,915)
Consulting expenses	(14,859,763)	(13,793,869)
Communication expenses	(13,261,551)	(11,998,262)
Commission expenses	(10,797,317)	(7,507,417)
Building management expenses	(7,069,802)	(7,104,527)
Collateral expenses	(5,930,247)	(4,352,773)
Dues expense	(5,889,697)	(4,968,795)
Electricity and heating expenses	(4,831,254)	(6,140,736)
Social expenses	(4,610,069)	(2,397,060)
Maintenance and repair expenses	(1,891,858)	(1,461,801)
Stationery expenses	(1,341,811)	(4,542,145)
Insurance expenses	(1,112,589)	(966,085)
Minor fixture expenses	(749,232)	(927,126)
Law, enforcement and notary expenses	(460,265)	(486,599)
Rent expenses	(111,087)	(2,456,202)
Other expenses	(21,197,224)	(8,714,801)
	(1,184,483,458)	(837,316,102)

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NOTE 18 OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES)

Income from other operating activities	1 January - 31 December 2023	1 January - 31 December 2022
Foreign exchange gains	577,211,856	242,663,966
Bist stock market share revenues	25,859,339	8,568,122
Marketable securities revaluation income	9,168,421	298,021
Commission income	5,039,925	2,266,840
Reversal of provisions	41,397,512	2,775,406
Consulting income	3,920,266	-
Dividens income	1,182,317	-
Other	25,989,284	27,311,839
	689,768,920	283,884,194
Expenses from other operating activities	1 January - 31 December 2023	1 January - 31 December 2022
Foreign exchange expense	(135,254,252)	(573,840,394)
Provision expenses	(2,135,196)	(889,588,130)
Custody Bank expenses	(483,178)	(305,418)
Marketable securities revaluation expenses	(400,306)	(1,211,470)
Commission Expense	(4,200,806)	(1,019,491)
Other	(1,843,437)	(1,924,925)
	(144,317,175)	(1,467,889,828)

NOTE 19 INCOME AND EXPENSES FROM INVESTING ACTIVITIES)

Income from investing activities	1 January - 31 December 2023	1 January - 31 December 2022
Gain on sale of tangible assets	1,116,042	2,085,574
	1,116,042	2,085,574
Expenses from investing activities	1 January - 31 December 2023	1 January - 31 December 2022
Loss on sale of marketable securities	(175)	-
	(175)	-

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NOTE 20 FINANCIAL INCOME / EXPENSES)

	1 January - 31 December 2023	1 January - 31 December 2022
Finance income		
Interest income	344,990,370	180,969,009
Dividend income	338,879	21,956,833
	<u>345,329,249</u>	<u>202,925,842</u>
Finance expenses		
Interest expenses	(91,725,433)	(35,991,575)
Foreign exchange expense	-	(2,984,480)
	<u>(91,725,433)</u>	<u>(38,976,055)</u>

NOTE 21 INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

	Group's effective rate% 31 December 2023	Group's effective rate% 31 December 2022	31 December 2023	31 December 2022
Investments accounted through equity method				
Misyon Yatırım Bankası A.Ş.	23.00	23.00	116,208,338	195,096,124
			<u>116,208,338</u>	<u>195,096,124</u>

Movement of investments accounted through equity method	2023	2022
1 January	195,096,124	190,851,800
Expense from associates	(78,354,646)	(73,180,204)
Capital adjustment positive differences	-	33,453,318
Capital increase	-	35,000,000
Gain on financial assets at fair value through other comprehensive income	(533,140)	732,564
Share acquisition	-	8,238,646
31 December	<u>116,208,338</u>	<u>195,096,124</u>

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

NOTE 22 TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX)

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

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. Based on the aforementioned decision, with the amendment made in Article 32 of the Corporate Tax Law No. 5520, the corporate tax rate is decided to apply as 30% in the financial sector; for banks, companies within the scope of Law No. 6361 (financial leasing, factoring, financing and savings finance companies), Electronic payment and money institutions, Authorized foreign exchange institutions, Asset management companies, Capital market institutions, Insurance and reinsurance companies and Pension companies.

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 30% 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.

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NOTE 22 TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX) (Cont’d)

In the determination of the corporate tax base, in addition to the exceptions stated above, the 8th, 9th and 10th articles of the Corporate Tax Law and the reductions specified in the 40th article of the Income Tax Law are also taken into account.

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

Current tax liabilities	31 December 2023	31 December 2022
Corporate tax provision for the current year	333,546,180	22,248,631
Less prepaid taxes	(179,393,179)	(13,386,028)
	154,153,001	8,862,603

The tax expenses of the Company for the periods of 2023 and 2022 are as follows:

Tax expense	1 January - 31 December 2023	1 January - 31 December 2022
Current period corporate tax expense	(333,546,180)	(22,248,631)
Deferred tax income	(89,628,122)	167,618,508
	(423,174,302)	145,369,877

The reconciliation between tax expense and accounting profit is as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Profit before tax	1,189,687,176	(82,562,426)
Effective tax rate	30%	30%
Tax expense calculated with tax rate	(356,906,153)	24,768,728
Non-deductible expenses and additions	(400,124,016)	(182,863,446)
Deductions and exemptions	583,254,175	387,093,991
Monetary Loss/Gain	(249,398,308)	(83,629,396)
	(423,174,302)	145,369,877

The Group's current tax assets for the years 31 December 2023 and 2022 are as follows:

Current tax assets	31 December 2023	31 December 2022
Current tax assets	-	68,457,120
	-	68,457,120

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NOTE 22 TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX) (Cont’d)

Deferred tax

As of 31 December 2023 and 2022 accumulated temporary differences and deferred tax assets and liabilities calculated by using effective tax rates are summarized as below:

	31 December 2023	31 December 2022
<i>Deferred tax assets / (liabilities) bases</i>		
Adjustments related to cost and amortization on tangible assets	(37.680.504)	(27.385.940)
Valuation increase of marketable securities	(65.176.182)	299.979.234
Leases	(1.241.860)	16.506.605
Adjustments related to provision for employee termination benefits	28.133.066	23.220.535
Provision for unused vaction	2.302.238	3.818.870
Provision for estimated credit loses	2.135.196	6.730.407
Current period losses	-	592.060.268
Adjustments for investments valued using the equity method	11.074.557	(1.118.087)
Other	4.552.468	3.383.603
Deferred tax assets / (liabilities) basis, net	(55.901.021)	917.195.495
	31 December 2023	31 December 2022
<i>Deferred tax assets / (liabilities), net</i>		
Adjustments related to cost and amortization on tangible assets	(6.212.157)	(6.956.353)
Valuation increase of marketable securities	10.832.161	(13.325.128)
Leases	(69.684)	4.083.411
Adjustments related to provision for employee termination benefits	6.185.326	5.955.730
Provision for unused vaction	690.671	951.026
Provision for estimated credit loses	533.799	1.682.602
Current period losses	-	148.015.068
Adjustments for investments valued using the equity method	3.322.367	(335.426)
Other	847.640	852.103
Deferred tax assets / (liabilities), net	16.130.123	140.923.033

The movement of deferred tax assets is as follows:

	2023	2022
Beginning period, 1 January	140,923,033	2,022
Period tax (expense) / income	(89,628,122)	167,618,508
Deferred tax written to the comprehensive income statement	(51,016)	(52,980)
Monetary Loss/Gain	(35,113,772)	(26,644,517)
Ending period, 31 December	16,130,123	140,923,033

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 23 RELATED PARTY DISCLOSURES**Balances with related parties**

Short term financial assets from related parties measured at fair value through profit or loss	31 December 2023	31 December 2022
Funds founded by Inveo Portföy Yönetimi AŞ	952,268,132	1,052,994,670
Private sector bills and bonds issued by Inveo Yatırım Holding AŞ	7,810,322	13,506,138
	960,078,454	1,066,500,808
Trade receivables from related parties	31 December 2023	31 December 2022
Funds founded by Inveo Portföy Yönetimi AŞ	103,350,632	1,816,283
Onur Topaç	48,415,588	18,357,607
Ersan Akpınar	557,456	-
Inveo Yatırım Holding AŞ	43,480	-
Bv Teknoloji İş Geliştirme Danışmanlık ve Organizasyon Hizmetleri AŞ	-	66
	152,367,156	20,173,956
Other receivables from related parties	31 December 2023	31 December 2022
Inveo Yatırım Holding AŞ	1,259	-
Startup Bilişim Teknoloji ve Danışmanlık AŞ	10,000	6,830
	11,259	6,830

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIESNOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 23 RELATED PARTY DISCLOSURES (Cont’d)**Balances with related parties (cont’d)**

Trade payables to related parties	31 December 2023	31 December 2022
Funds founded by Inveo Portföy Yönetimi AŞ	257,137,165	-
Inveo Yatırım Holding AŞ	-	109,206
Misyon Yatırım Bankası AŞ	2,286	20,373,583
Erhan Topaç	4,629,076	59,747,339
Laplace Analytics Finansal Teknolojiler AŞ	-	204,152
Inveo Ventures Girişim Sermayesi Yatırım Ortaklığı AŞ	43,505,730	21,439,334
Devexperts Bilgi Dağıtım Hizmetleri AŞ	-	1,100,447
Inveo Araç Kiralama Hizmetleri AŞ	448	-
Finveo MN	1,676,296	309,417
Inveo Portföy Yönetim AŞ	398,825	-
Finveo UK	249,741	247,171
Inveo Alfa Uluslararası İş Geliştirme Yönetim ve Yatırım AŞ	3,573,189	222,786
Inveo Beta Uluslararası İş Geliştirme Yönetim ve Yatırım AŞ	112,290	2,363,727
Inveo Delta Uluslararası İş Geliştirme Yönetim ve Yatırım AŞ	5,582	124,488
Novel Scala Basın Yayın ve Tanıtım Tic. AŞ	29,781	77,765
Fancham Teknoloji AŞ	35,628	57,374
I-Chain Yatırım Holding AŞ	406	1,378
Inveo Portföy Yönetim AŞ	-	1,391
Ülkü Feyyaz Taktak	-	1,356,798
Ersan Akpınar	-	2,356
Other	6,683	380
	311,363,126	107,739,092

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NOTE 23 RELATED PARTY DISCLOSURES (Cont’d)

Related party transactions

1 January - 31 December 2023	Rent income	In-group services	Interest income	Other	Total income
Inveo Yatırım Holding AŞ	-	-	47,874	-	47,874
Devexperts Teknoloji Yazılım Geliştirme AŞ	-	-	-	695,204	695,204
Funds founded by Inveo Portföy Yönetimi AŞ	269,144	105,613	-	-	374,757
Inveo Alfa Uluslararası İş Geliştirme Yönetim ve Yatırım AŞ	29,387	74,719	-	-	104,106
Inveo Ventures Girişim Sermayesi Yatırım Ortaklığı AŞ	29,387	22,250	-	-	51,637
Inveo Beta Uluslararası İş Geliştirme Yönetim ve Yatırım AŞ	29,387	-	-	-	29,387
Inveo Delta Uluslararası İş Geliştirme Yönetim ve Yatırım AŞ	29,387	-	-	-	29,387
Marbaş Menkul Değerler AŞ	-	1,871,952	-	-	1,871,952
Startup Bilişim Teknoloji ve Danışmanlık AŞ	29,387	-	-	69,229	98,616
HIVC Girişim Sermayesi Yatırım Ortaklığı AŞ	29,387	-	-	-	29,387
IChain Yatırım Holding AŞ	29,387	-	-	-	29,387
Fanchain Teknoloji AŞ	29,387	-	-	-	29,387
Misyon Yatırım Bankası AŞ	-	12,322	-	-	12,322
Inveo Araç Kiralama AŞ	23,500	-	-	-	23,500
Total	527,740	2,086,856	47,874	764,433	3,426,903
1 January - 31 December 2022	Rent income	In-group services	Interest income	Other	Total income
HIVC Girişim Sermayesi Yatırım Ortaklığı AŞ	11,290	-	-	-	11,290
Inveo Portföy Yönetimi AŞ	7,097	2,327,226	-	-	2,334,323
Marbaş Menkul Değerler AŞ	-	90,196	-	-	90,196
Startup Bilişim Teknoloji ve Danışmanlık AŞ	-	7,097	-	-	7,097
Inveo Alfa Uluslararası İş Geliştirme Yönetim ve Yatırım AŞ	277,326	271,500	-	1,395	550,221
Inveo Delta Uluslararası İş Geliştirme Yönetim Ve Yatırım AŞ	103,302	-	-	-	103,302
IChain Yatırım Holding AŞ	55,993	-	-	-	55,993
Hiboost Girişim Tekn. Geliş. ve Yönt. AŞ	213,793	-	-	141,864	355,657
Fanchain Teknoloji AŞ	16,935	-	-	-	16,935
Total	685,736	2,696,019	-	143,259	3,525,014

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NOTE 23 RELATED PARTY DISCLOSURES (Cont’d)**Related party transactions (cont’d)**

1 January - 31 December 2023	In-group services	Consulting expense	Other	Total expense
Devexperts Bilgi Dağıtım Hizmetleri AŞ	-	(8,213,927)	-	(8,213,927)
Inveo Yatırım Holding AŞ	(2,459,744)	-	-	(2,459,744)
Helo Teknoloji Girişim Yön. Dan. AŞ	-	(259,422)	-	(259,422)
Yancep Finansal Teknolojiler AŞ	-	(187,190)	-	(187,190)
Novel Scala Basın Yayın ve Tanıtım Tic. AŞ	(2,531)	-	-	(2,531)
Total	(2,462,275)	(8,660,539)	-	(11,122,814)

1 January - 31 December 2022	In-group services	Consulting expense	Other	Total expense
Helo Teknoloji Girişim Yön. Dan. AŞ	-	(3,486,827)	-	(3,486,827)
Inveo Portföy Yönetimi AŞ	-	-	(693)	(693)
Total	-	(3,486,827)	(693)	(3,487,520)

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NOTE 23 RELATED PARTY DISCLOSURES (Cont’d)

Benefits provided to top management

	1 January - 31 December 2023	1 January - 31 December 2022
Short term benefits provided to top management	67,022,918	39,311,811
	<u>67,022,918</u>	<u>39,311,811</u>

NOTE 24 EARNINGS PER SHARE

Earnings per share disclosed in the accompanying statement of income are determined by net income divided by the weighted average number of shares circulating during the year.

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

In case of preference shares, profit per share is calculated by deducting the after-tax amounts related to the preferred shares from the profit or loss of the Company for the period.

For the period of 31 December 2023 and 2022, earning per share of the Company's shares are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Net profit from continuing operations for the period attribute to equity holders of the parent	767,035,857	63,023,578
Weighted average number of shares outstanding (*)	493,335,342	327,600,000
Profit per share	<u>1.5548</u>	<u>0.1924</u>
Total comprehensive income attribute to equity holders of the parent	766,780,647	62,656,815
Weighted average number of shares outstanding (*)	493,335,342	327,600,000
Comprehensive income per share	<u>1.5543</u>	<u>0.1913</u>

(*) Due to TAS 33 requirements regarding bonus issue, earnings per share for the accounting period 1 January - 31 December 2022 has been recalculated.

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NOTE 25 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 5 and note 14, cash and cash equivalents disclosed in note 3, short and long-term financial investments disclosed in note 4 and equity items such as issued capital, reserves and retained earnings disclosed in note 15. 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 balance sheet.

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NOTE 25 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont'd)

Capital risk management (cont'd)

As of 31 December 2023 and 2022, the net debt/total capital ratio is as follows:

	31 December 2023			31 December 2022		
	Before TFRS 16	TFRS 16 Effect	After TFRS 16	Before TFRS 16	TFRS 16 Effect	After TFRS 16
Total debt	2,560,669,041	(4,642,956)	2,556,026,085	3,170,180,702	(19,595,692)	3,150,585,010
Minus: Cash and cash equivalent	(418,607,322)	-	(418,607,322)	(231,466,288)	-	(231,466,288)
Minus: Short term financial investments	(1,825,562,940)	-	(1,825,562,940)	(868,519,192)	-	(868,519,192)
Minus: Long term financial investments	(164,125,696)	-	(164,125,696)	(74,756,263)	-	(74,756,263)
Net debt	152,373,083	(4,642,956)	147,730,127	1,995,438,959	(19,595,692)	1,975,843,267
Equity	2,626,376,087	(16,506,605)	2,609,869,482	2,018,043,926	(2,189,827)	2,015,854,099
Total capital	2,778,749,170	(21,149,561)	2,757,599,609	4,013,482,885	(21,785,519)	3,991,697,366
Gearing ratio	%5	%22	%5	%50	%90	%49

Financial risk management

The Group is exposed to market risk (currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk due to its activities. The Group's risk management program generally focuses on minimizing the potential negative effects of uncertainty in financial markets on the Group's financial performance.

Risk management is carried out by a central finance department in line with policies approved by the Board of Directors. Regarding risk policies, financial risk is defined and evaluated by the Group's finance department, and tools are used to reduce risk by working with the Group's operation units. A written general legislation regarding risk management and written procedures covering various risk types such as exchange rate risk, interest risk, credit risk, use of derivative products and other non-derivative financial instruments and how to evaluate excess liquidity are established by the Board of Directors.

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NOT 25 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont’d)

Financial risk management (cont’d)

Credit risk management

The credit risks to which the financial assets of the Group exposed are as follows:

31 December 2023	Receivables				Deposit in banks	Financial investments
	Trade receivables		Other receivables			
	Related party	Other party	Related party	Other party		
Maximum credit risk as of the balance sheet date (A+B+C+D+E)	152,367,156	6,174,803,406	11,259	556,009,398	1,103,011,346	1,989,688,636
- Part of the maximum risk take under guarantee with collaterals	-	-	-	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired	152,367,156	6,174,803,406	11,259	556,009,398	1,103,011,346	1,989,688,636
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)	-	506,635,422	-	-	-	-
- Impairment (-)	-	(506,635,422)	-	-	-	-
- Part of the net value taken under guarantee through collateral	-	-	-	-	-	-
- Not past due (gross carrying value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Part of the net value taken under guarantee through collateral	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

31 December 2022	Receivables				Deposit in banks	Financial investments
	Trade receivables		Other receivables			
	Related party	Other party	Related party	Other party		
Maximum credit risk as of the balance sheet date (A+B+C+D+E)	20,173,956	9,204,800,137	6,830	741,921,808	3,254,923,759	1,554,515,956
- Part of the maximum risk take under guarantee with collaterals	-	-	-	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired	20,173,956	9,204,800,137	6,830	741,921,808	3,254,923,759	1,554,515,956
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)	-	831,240,577	-	-	-	-
- Impairment (-)	-	(831,240,577)	-	-	-	-
- Part of the net value taken under guarantee through collateral	-	-	-	-	-	-
- Not past due (gross carrying value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Part of the net value taken under guarantee through collateral	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

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NOTE 25 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont’d)

Financial risk management (cont’d)

Liquidity risk management

Liquidity risk is the risk that an entity will be unable to meet its net funding requirements. The occurrence of events that result in a decrease in fund resources, such as deterioration in the markets or a decrease in the credit score, causes the formation of liquidity risk. The Group management manages the liquidity risk by allocating funds and keeping sufficient cash and similar resources to fulfill its current and potential liabilities.

The distribution of the Group's non-derivative financial liabilities according to their remaining maturities according to their undiscounted cash flows as of 31 December 2023 and 2022 is as follows:

31 December 2023

Contractual maturity analysis	Carrying value	Total cash outflows			
		per contract	Less than 3 months	3-12 months	1-5 Years
Payables to Settlement and Custody Bank	777,078,229	777,078,229	777,078,229	-	-
Issued debt instruments	1,506,023,363	1,702,786,850	293,294,795	1,409,492,055	-
Bank loans	203,857,782	464,706,136	372,359,544	92,346,592	-
Liabilities from leases	41,855,645	61,131,680	7,245,919	17,426,629	36,459,132
Trade payables	5,143,931,307	5,144,679,879	4,738,987,787	304,269,069	101,423,023
Other short term liabilities	31,854,022	31,854,022	31,854,022	-	-
Total	7,704,600,348	8,182,236,796	6,220,820,296	1,823,534,345	137,882,155

31 December 2022

Contractual maturity analysis	Carrying value	Total cash outflows			
		per contract	Less than 3 months	3-12 months	1-5 Years
Payables to Settlement and Custody Bank	1,777,213,822	1,777,213,822	1,777,213,822	-	-
Issued debt instruments	1,250,260,272	1,416,941,768	549,681,096	867,260,672	-
Bank loans	51,582,173	55,371,950	3,789,777	51,582,173	-
Liabilities from leases	64,649,787	72,354,100	4,513,628	13,528,722	54,311,750
Other financial liabilities	1,353,300	1,353,300	1,353,300	-	-
Trade payables	31,852,854	10,240,617,553	9,704,542,816	402,056,052	134,018,685
Other short term liabilities	31,854,022	31,854,022	31,854,022	-	-
Total	3,208,766,230	13,595,706,515	12,072,948,461	1,334,427,619	188,330,435

Market risk management

Due to its activities, the Group is exposed to financial risks related to changes in foreign exchange rates and interest rates. Market risks encountered at the Group level are measured on the basis of sensitivity analysis. Compared to the previous year, there has been no change in the market risk the Group is exposed to in the current period, or in the method of handling the risks encountered or in the method used to measure these risks.

As of 31 December 2022 and 31 December 2021, the buying rates for TL are as follows:

	31 December 2023		31 December 2022	
	Buying	Selling	Buying	Selling
US Dollar	29.4382	18.6983	29.4913	18.7320
Euro	32.5739	19.9349	32.6326	19.9708
Pound	37.4417	22.4892	37.6369	22.6065

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NOTE 25 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont’d)

Financial risk management (cont’d)

Market risk management (cont’d)

Currency risk management

As of 31 December 2023, the Group's foreign currency position is as follows:

Currency Position Table

	31 December 2023				
	TL Equivalents	US Dollars	Euro	Pound	Other
1. Trade receivables	-	-	-	-	-
2a. Monetary financial assets	960,098,588	33,885,124	432,376	494,802	680,217
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current assets (1+2+3)	960,098,588	33,885,124	432,376	494,802	680,217
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)	960,098,588	33,885,124	432,376	494,802	680,217
10. Trade payables	1,394,681	45,462	2,688	2,088	-
11. Financial liabilities	16,072	586	-	-	-
12a. Other monetary liabilities	-	-	-	-	-
12b. Other non-monetary liabilities	-	-	-	-	-
13. Short term liabilities (10+11+12)	1,410,753	46,048	2,688	2,088	-
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)	1,410,753	46,048	2,688	2,088	-
19. Out of balance sheet derivative instruments net assets/ (liabilities) position (19a-19b)	(692,780,760)	(25,260,000)	-	-	-
19a. Total amount of hedged assets	-	-	-	-	-
19b. Total amount of hedged liabilities	692,780,760	25,260,000	-	-	-
20. Net foreign currency assets / (liabilities) position (9-18+19)	265,907,075	8,579,076	429,688	492,714	680,217
21. Monetary items net foreign currency assets/(liability) position (1+2a+5+6a-10-11-12a-14-15-16a)	958,687,835	33,839,076	429,688	492,714	680,217
22. Fair value of financial instruments uses for foreign currency hedge	691,535,442	25,260,000	-	-	-
23. Hedged portion amount of foreign currency assets	-	-	-	-	-
24. Hedged portion amount of foreign currency liabilities	-	-	-	-	-

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NOTE 25 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)

As of 31 December 2022, the Group's foreign currency position is as follows:

Currency Position Table

	31 December 2022				
	TL Equivalents	US Dollars	Euro	Pound	Other
1. Trade receivables	-	-	-	-	-
2a. Monetary financial assets	237,981,044	10,245,830	238,822	60,292	556,520
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current assets (1+2+3)	237,981,044	10,245,830	238,822	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)	237,981,044	10,245,830	238,822	60,292	556,520
10. Trade payables	818,581	28,438	4,675	2,088	-
11. Financial liabilities	762,865	33,965	-	-	-
12a. Other monetary financial liabilities	-	-	-	-	-
12b. Other non-monetary financial liabilities	-	-	-	-	-
13. Short term liabilities (10+11+12)	1,581,446	62,403	4,675	2,088	-
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)	1,581,446	62,403	4,675	2,088	-
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)	236,399,598	10,183,427	234,147	58,204	556,520
21. Monetary items net foreign currency assets/(liability) position (1+2a+5+6a-10-11-12a-14-15-16a)	236,399,598	10,183,427	234,147	58,204	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	-	-	-	-	-

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

NOTE 25 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)

i) Foreign currency sensitivity

Foreign currency risk generally arises from the US Dollars, Euro and Pound. The table below shows the Group's sensitivity to 10% changes in US Dollars, Euro and Pound exchange rates, excluding tax effects, assuming all other variables remain constant.

Sensitivity analyzes regarding the exchange rate risk that the Group is exposed to at the reporting date are determined according to the change at the beginning of the financial year and are kept constant throughout the reporting period. The negative amount represents the decrease effect on profit before tax of 10% increase in value of US Dollars, Euro and Pound against TL.

	Foreign currency sensitivity analysis table			
	31 December 2023		31 December 2022	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
	Change by 10 % in Turkish Lira against the USD			
1- US Dollars net asset / liability	99,616,149	(99,616,149)	19,041,276	(19,041,276)
2- US Dollars hedging part (-)	-	-	-	-
3- US Dollars net effect (1+2)	99,616,149	(99,616,149)	19,041,276	(19,041,276)
	Change by 10 % in Turkish Lira against the EUR			
4- Euro net asset / liability	1,399,661	(1,399,661)	466,770	(466,770)
5- Euro hedging part (-)	-	-	-	-
6- Euro net effect (1+2)	1,399,661	(1,399,661)	466,770	(466,770)
	Change by 10 % in Turkish Lira against the GBP			
7- Pound net asset / liability	1,844,805	(1,844,805)	130,895	(130,895)
8- Pound hedging part (-)	-	-	-	-
9- Pound net effect (1+2)	1,844,805	(1,844,805)	130,895	(130,895)
	Change by 10 % in Turkish Lira against the Australian Dollar			
10- Australian Dollar net asset / liability	1,509,823	(1,509,823)	767,419	(767,419)
11- Australian Dollar hedging part (-)	-	-	-	-
12- Australian Dollar net effect (1+2)	1,509,823	(1,509,823)	767,419	(767,419)
16- Total	104,370,438	(104,370,438)	20,406,360	(20,406,360)

Interest risk management

The Group's borrowing at fixed and variable interest rates exposes the Group to interest rate risk. The said risk is managed by the Group by making an appropriate distribution between fixed and variable rate debts through interest rate swap agreements. Hedging strategies are evaluated regularly to ensure that they are consistent with the interest rate expectation and defined risk. Thus, it is aimed to review the balance sheet position and to keep interest expenditures under control at different interest rates by establishing an optimal hedging strategy.

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NOTE 25 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont’d)

Financial risk management (cont’d)

Market risk management (cont’d)

Interest risk management (cont’d)

Sensitivity analyzes are determined according to the interest rate risk exposed at the reporting date and the anticipated interest rate change at the beginning of the financial year and are kept constant throughout the reporting period. Group management expects a 1% fluctuation in the interest rates of floating rate bank loans. The said amount is also used in the reports made to the key management within the Group.

The distribution of the Group's interest rate sensitive financial assets and liabilities is as follows:

		31 December 2023	31 December 2022
Fixed interest rate financial instruments			
Financial assets	Cash and cash equivalents	685,082,575	1,445,894,312
	Financial assets measured at fair value through profit or loss	799,696,159	306,518,481
Financial liabilities	Bank loans	203,857,782	51,582,173
	Issued debt instruments	1,506,023,363	1,777,213,822
	Payables to Settlement and Custody Bank	777,078,229	1,250,260,272
Floating interest rate financial instruments			
Financial assets	Financial assets measured at fair value through profit or loss	1,182,277,725	1,240,282,723
Financial liabilities	Liabilities from leases	29,364,951	15,361,251

Categories and fair value of financial instruments

The fair value is the amount at which a financial instrument can change hands in a current transaction between voluntary parties, except in a forced sale or liquidation, and is best determined by a resulting market price, if any. Estimates are used in the estimation of fair price and the interpretation of market data. However, judgment is used in interpreting market data for fair value estimation purposes. Accordingly, the estimates presented here may not indicate the amounts the company can achieve 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:

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NOTE 26 FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND FINANCIAL DISCLOSURES IN THE FRAMEWORK OF HEDGE ACCOUNTING)

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:

	31 December 2023		31 December 2022	
	Fair value	Carrying value	Fair value	Carrying value
Financial assets				
Trade receivables	6,327,170,562	6,327,170,562	9,224,974,093	9,224,974,093
Financial assets	1,989,688,636	1,989,688,636	1,554,515,956	1,554,515,956
Cash and cash equivalents	1,341,972,972	1,341,972,972	3,439,443,631	3,439,443,631
Other receivables	556,020,657	556,020,657	741,928,638	741,928,638
Financial liabilities				
Short term borrowings	2,486,959,374	2,486,959,374	3,080,409,567	3,080,409,567
Short term liabilities from leases	17,133,650	17,133,650	49,288,536	49,288,536
Long term liabilities from leases	24,721,995	24,721,995	15,361,251	15,361,251
Trade payables	5,143,931,307	5,143,931,307	10,240,617,553	10,240,617,553
Other payables	31,854,022	31,854,022	25,121,348	25,121,348

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.

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 26 FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND FINANCIAL DISCLOSURES IN THE FRAMEWORK OF HEDGE ACCOUNTING)

Categories and fair value of financial instruments

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

31 December 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	9,639,140	156,410,944	-
Private sector bills and bonds	799,696,159	-	-
Investment funds	1,016,227,641	-	-
<i>Financial assets measured at fair value through other comprehensive income</i>			
Other marketable securities	-	-	7,714,752

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	63,240,391	121,764,133	-
Private sector bills and bonds	306,518,481	-	-
Investment funds	640,443,956	-	-
<i>Financial assets measured at fair value through other comprehensive income</i>			
Other marketable securities	-	-	7,714,752

NOTE 27 OTHER MATTERS THAT MAY AFFECT THE FINANCIAL STATEMENTS SIGNIFICANTLY OR MUST BE EXPLAINED FOR THE FINANCIAL STATEMENTS TO BE CLEAR, INTERPRETABLE AND UNDERSTANDABLE

27.1 Independent auditor / Fees for services received from an independent audit firm

In the accounting period of 1 January - 31 December 2023, the amount paid by the Company for the independent audit service received from the independent audit firm is 135.000 TL + VAT (1 January - 31 December 2022: 375.000 TL + VAT).

GEDİK YATIRIM MENKUL DEĞERLER AŞ AND ITS SUBSIDIARIES

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NOTE 27 OTHER MATTERS THAT MAY AFFECT THE FINANCIAL STATEMENTS SIGNIFICANTLY OR MUST BE EXPLAINED FOR THE FINANCIAL STATEMENTS TO BE CLEAR, INTERPRETABLE AND UNDERSTANDABLE

27.2 Detail of monetary loss/gain

Detail of monetary loss/gain that was occurred from effect of hyperinflationary accounting belong to 1 January - 31 December 2023 period are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Short term prepaid expenses	5,998,962	3,310,745
Rights of use assets	13,336,527	19,203,160
Tangible assets	43,743,352	60,238,375
Paid-in capital	(308,879,584)	(177,918,178)
Share Premiums	(109,654,875)	-
Capital Advance	-	(201,376,332)
Treasury shares (-)	49,982,459	64,056,813
Retained earnings	(212,342,491)	(99,918,561)
Legal reserves	(221,061,887)	(32,493,844)
Defined benefit plans remeasurement losses	1,077,538	1,333,056
Effect of income statement items index	(162,346,918)	(189,512,784)
Monetary loss/gain	<u>(900,146,917)</u>	<u>(553,077,550)</u>

NOTE 28 EVENTS AFTER THE BALANCE SHEET DATE

Based on the Company's Board of Directors decision dated 23 January 2024, it was applied to CMB for open new branch to “Büyükesat Mahallesi Kemer Sokak No :6 İç Kapı No :4 Çankaya/Ankara”. The relevant application was received positively by the CMB as of 20 February 2024. The relevant application was registered dated 23 February 2024.

Within the scope of Board of Directors decision dated 23 January 2024, Company resolved to initiate a share buyback program. It has been decided to maximum number of shares and allocate identified TL 15,000,000 amounting to TL 250,000,000 for the buyback.

Pursuant to the changes name of building center of Company, Company’s address has updated as “Altayçeşme Mahallesi Çamlı Sokak Pasco Plaza No :21 İç Kapı No :45 Kat: 10-11-12 Maltepe/ İstanbul” instead of “Altayçeşme Mahallesi Çamlı Sokak Ofis Park İş Merkezi No :21 İç Kapı No :45 Kat: 10-11-12 Maltepe/ İstanbul”. Address name change was published in the Trade Registry Gazette dated 19 February 2024 and numbered 11025.

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