

İŞ INVESTMENT

ANNUAL REPORT



2021



iŞ INVESTMENT



İŞ YATIRIM MENKUL DEĞERLER A.Ş.

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

01 JANUARY 2021 – 31 DECEMBER 2021

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1. İŞ INVESTMENT IN BRIEF

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

Today, we provide services to the Turkish capital markets with a wide corporate and individual customer base from our 22 branches located in Adana, Antalya, Bursa, Diyarbakır, Eskişehir, Gaziantep and Kayseri, nine branches in Istanbul (Ataşehir, Güneşli, Kalamış, Levent, Maltepe, Maslak, Nişantaşı, Taksim, Yesilyurt), three in Ankara (Ankara, Anadolu, Başkent) and three in İzmir (İzmir, Ege, 9 Eylül).

At the end of 2021, our total assets stood at TL 14.2 billion with shareholders' equity of TL 2.8 billion, and we recorded a consolidated net profit of TL 1,171 million, marking an increase of 24% compared to the previous year, while generating an average return on equity of 52%.

The long-term national credit rating of our Company, whose shares have been trading on the stock exchange since May 2007 under the ISMEN ticker, and which is currently the only brokerage house to be included in the BIST 100 index, was determined as AAA by Saha Rating, with a short-term national credit rating is A1+. The outlook remains stable for both maturities.

We offer a wide range of services in the field of Corporate Finance, such as equity public offerings, private sector debt securities issuances, mergers and acquisitions, private sector advisory including restructuring and strategic planning, project finance consultancy and venture capital advisory. İş Investment has served as the leader in its sector with 35 public offerings realized since its foundation, in which a total of TL 15.3 billion (USD 7.9 billion) was raised. In the Private Sector Debt Securities market, we have continued our successes with 65 issuances with a size of TL 18.5 billion realized in 2021 and have mediated in over TL 172 billion of transactions since 2010. We maintain our leading position in the sector, having carried out 159 mergers and acquisitions transactions since 2000 with a total size of over USD 13 billion.

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

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

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

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

Our launch of Turkey's first hedge fund serves as one of the most important examples of our products and services which we have developed in accordance with our pioneering and innovative identity.

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

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

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

Summary Balance Sheet (x1,000 TL) 31 December 2021 31 December 2020

	31 December 2021	31 December 2020
Assets		
Current Assets	13.943,176	8.557,210
Non-Current Assets	270,068	218,234
Total Assets	14.213,244	8.775,444
Liabilities		
Short-Term Liabilities	10.963,103	6.479,656
Long-Term Liabilities	178,025	111,373
Non-Controlling Interests	310,198	275,157
Shareholders' Equity of Parent Company	2.761,918	1.909,258
Total Liabilities	14.213,244	8.775,444

Summary Income Statement (x1,000 TL) 1 Jan-31 Dec 2021 1 Jan-31 Dec 2020

	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Sales Revenues, Net	1.071,262	789,783
Interest and Derivative Income from Operating Activities, Net	(4,803)	232,793
Income from Services, Net	879,007	743,600
Other Operating Income, Net	368,086	103,292
Gross Profit	2.313,552	1.869,468
Operating Expenses	(718,815)	(527,278)
Other Income/(Expenses), Net	(67,011)	(73,123)
Operating Profit	1.527,726	1.269,067
Share of Profit/(Loss) of Equity		
Accounted Investments	12,609	(9,086)
Financial Income / (Expenses), Net	20,441	(13,969)
Profit before Tax from Continuing Operations	1.560,776	1.246,012
Tax Expense	(327,300)	(268,707)
Period Profit/Loss	1.233,476	977,305
Non-Controlling Interests	62,572	35,331
Net Profit (Equity Holders of the Company)	1.170,904	941,974
Earnings per Share from Continuing Operations (TL)	3,2983	2,6534

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

Financial Ratios (Consolidated) 31 December 2021 31 December 2020

	31 December 2021	31 December 2020
Current Assets/Short-Term Liabilities	1,3	1,3
Total Equity	3,6	3,0
Return on Equity (%)*	52,1	67,5

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

3. CORPORATE VALUES MISSION AND VISION

CORPORATE VALUES

CUSTOMER ORIENTATION

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

MARKET FOCUS

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

DYNAMISM AND INNOVATION

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

CONFIDENTIALITY

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

REPUTATION

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

VALUE TO THE STAFF

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

TEAM WORK

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

RESPECT FOR THE LAWS, CORPORATE GOVERNANCE PRINCIPLES AND ETHICAL VALUES

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

PERFECTIONISM

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

OBJECTIVITY AND IMPARTIALITY

To ensure that our market commentary is realized with an objective understanding by carrying out relations with the customer without allowing any conflict of interest while fulfilling capital market activities and informing our shareholders correctly, fully and in a timely manner.

SOCIAL RESPONSIBILITY

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

MISSION

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

VISION

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

4. CHAIRMAN'S MESSAGE

Dear Shareholders and Esteemed Stakeholders,

After 2020, when the fallout of the pandemic had been felt most intensely around the world, the global economy had expected to post growth of around 6% in 2021 as a result of the progress achieved in the vaccination rollout and the continued support provided to economies, especially in the form of production and infrastructure investments, by governments and central banks and the delayed demand effect, despite regional differences.

As a result of the strong economic activity seen throughout the year, the Turkish economy posted 11% growth in 2021.

In 2021, a year marked by a high level of volatility in the markets and a low level of predictability, İş Investment increased its consolidated net profit by 24% compared to 2020 reaching TL 1,171 million thanks to its effective risk management, speed in decision-making processes, operational efficiency and diversity of activities providing competitive advantages, while it achieved an average Return on Equity of 52%, well in excess of its cost of equity.

With these results, İş Investment once again demonstrated the sustainability of its strong performance despite the variable conditions, while continue to place the highest priority on the health of its employees while maintaining a minimum physical working order in accordance with the prevailing conditions.

Placing the creation of sustainable value for the capital markets and all of its stakeholders as its primary goal, İş Investment will continue to generate value in 2022 with the importance it attaches to technology along with its approach to corporate governance and agile structure with the support and trust of our shareholders, customers and employees, who are our greatest source of pride, and, in particular, our founder and main partner Türkiye İş Bankası A.Ş.

Respectfully

Hasan Cahit Çınar
İş Investment
Chairman

5. GENERAL MANAGER'S MESSAGE

Dear Shareholders,

In 2021, a year dominated by global supply-side problems, rising inflation, the third wave of the pandemic and a tightening in expansionary policies, economic activity in Turkey was generally strong; however, with the country diverging from conventional economic policies from the end of the first quarter, a combination of the shift in exchange rates, lockdown measures and the high volatility accompanying the negative expectations regarding the general outlook all had a negative impact on the capital markets.

Nevertheless, despite the changing and challenging conditions, İş Investment managed to increase its consolidated net profit by 24% when compared to 2020 by maintaining its strong performance in 2021, supported by the diversity of its operating and income structure, its accuracy in planning, its efficiency and its risk management-based approach to strategic management. İş Investment also notched up an impressive Return on Equity of 52% in 2021. On the other hand, with indices following a volatile course in 2021, İSMEN shares yielded an end-to-end return of 41% for investors, outperforming the BIST 100 index by 12%.

It gives me great pleasure to note that the most important factor behind the successful results was the self-sacrificing and collaborative efforts of the people who work at İş Investment at all levels. On this occasion, I would like to once again thank our most valuable asset - the people of İş Investment - for their contributions during the year 2021.

Just as we are optimistic when we look to 2022, we are also prepared for uncertainties. In line with our strategy, we aim to expand our sales network, start the process of customer acquisition in the digital environment, maintain operational efficiency, implement innovative revenue-increasing projects and ensure our success is sustainable by further enhancing our competitive edge.

Respectfully,

Rıza İhsan Kutlusoy
İş Investment.
General Manager

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

BOARD OF DIRECTORS

Hasan Cahit Çınar	Chairperson
İşıl Dadaylı	Vice Chairperson
Ertuğrul Bozgedik	Member
Hilmi Selçuk Çepni	Member
Volkan Kublay	Member
Tuba Tepret	Member
Hasan Emre Aydın	Member (Independent)
Prof. Dr. Ali Hakan Kara	Member (Independent)
İzzet Selim Yenel	Member (Independent)

Members of the Board of Directors were elected to their posts in the Annual General Meeting held on 29 March 2021 and are to remain in their positions until 31 March 2022. Mr. Hasan Cahit Çınar was appointed as a member of the Board of Directors and was elected as the Chairperson of the Board of Directors on 21 September 2021 to replace Ms. Senar Akkuş, who left the Board of Directors on the same date to be submitted for the approval of the first General Meeting in accordance with Article 363 of the Turkish Commercial Code.

Board members do not hold any executive duties at İş Investment.

THE AUDIT COMMITTEE

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

THE CORPORATE GOVERNANCE COMMITTEE

İzzet Selim Yenel	Head
Volkan Kublay	Member
Kenan Ayvaci	Member

RISK COMMITTEE

Hasan Emre Aydın	Head
Volkan Kublay	Member

EXECUTIVE COMMITTEE

Rıza İhsan Kutlusoy	General Manager
Murat Kural	Assistant General Manager
Özgür İlke Yerlikaya	Assistant General Manager
Ömer Hakan Yamaçoğuz	Assistant General Manager
Kenan Ayvaci	Assistant General Manager

Issued Capital:	355.000.000.-TL
Registered Capital:	750.000.000.-TL

INFORMATION ON SHARES

Ownership Structure (31. 12. 2021 - Public Disclosure Platform)

Commercial Title	Share (%)
Türkiye İş Bankası A.Ş.*	65.74
Other	34.26
Total	100.00

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

Information on Shares Representing the Capital

Class	Registered / Bearer	Total Nominal Value (TL)	Share in Capital (%)	Privileges	Stock Exchange Listing
A	Registered	150,000*	0.04	Six Board members are nominated by a majority of Class A shareholders	Not listed
B	Bearer	354.850,000	99.96	None	103.730,821** shares are listed (Free Float rate 29.2%)
Total		355.000,000	100.00		

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

**Central Registry Agency data dated 31.12.2021

Capital Market Instruments Traded on the Stock Exchange

Type of Capital Market Instrument Traded	Date Trading Started	Related Market
Shares	18.05.2007	Equity Market-BIST Stars BIST Financial/BIST Stars/BIST Dividend/ BIST Dividend 25/BIST 100/BIST 100-30/ BIST ALL/ BIST Brokerage House
Debt Securities*	16.04.2012	Debt Securities Market / Outright Purchases and Sales Market – Offering Market for Qualified Investors
Warrants*	01.11.2010	Equity Market /Structured Products and Fund Market

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

7. GENERAL REVIEW

Economic activity remained strong throughout 2021. The economy posted a vigorous annual rate of real growth of 7.3% in the first quarter, 21.9% in the second quarter (supported by the low base effect) and 7.5% in the third quarter. In the final quarter, economic activity maintained its strength with growth of 9.1% recorded, despite the supply shortages which negatively affected the manufacturing sector. For the year 2021 as a whole, a rate of 11% economic growth was realized.

As we enter 2022, we find ourselves in an environment where domestic demand has slowed and supply constraints such as the chip and energy crisis have suppressed production. Despite inflationary pressures, it had been envisaged that expansionary policies would be maintained in order to support real growth. However, the tensions between Russia and Ukraine, which escalated in February into a war, triggered a number of negative developments for Turkey and the world economy. The disruption to trade traffic in the Black Sea, rising international commodity prices - especially for energy and food - and the sudden stop in tourist bookings from the warring countries to Turkey are expected to exact a heavy toll on economic activity, inflation and the balance of payments throughout 2022. In view of these developments, the risks to our growth forecast of 3.5% for 2022 are on the downside.

We expect the current account, which ended 2021 with a deficit of USD 14.9 billion (1.9% of GDP), to record a deficit of USD 28 billion (3.5% of GDP) in 2022. However, our current account deficit forecast of USD 28 billion is based on our base case scenario, which assumes that the rise in energy prices is partially offset by the introduction of new players and a scaling back of the conflict.

Viewing the balance of payments for the year 2021 in general, there were capital inflows of USD 17.9 billion recorded, excluding swaps from the financial account, and a USD 13.5 billion increase in reserves with an inflow from net errors and omissions of USD 10.5 billion, against the USD 14.9 billion current account deficit. Capital flows are expected to weaken as the current account deficit worsens in 2022.

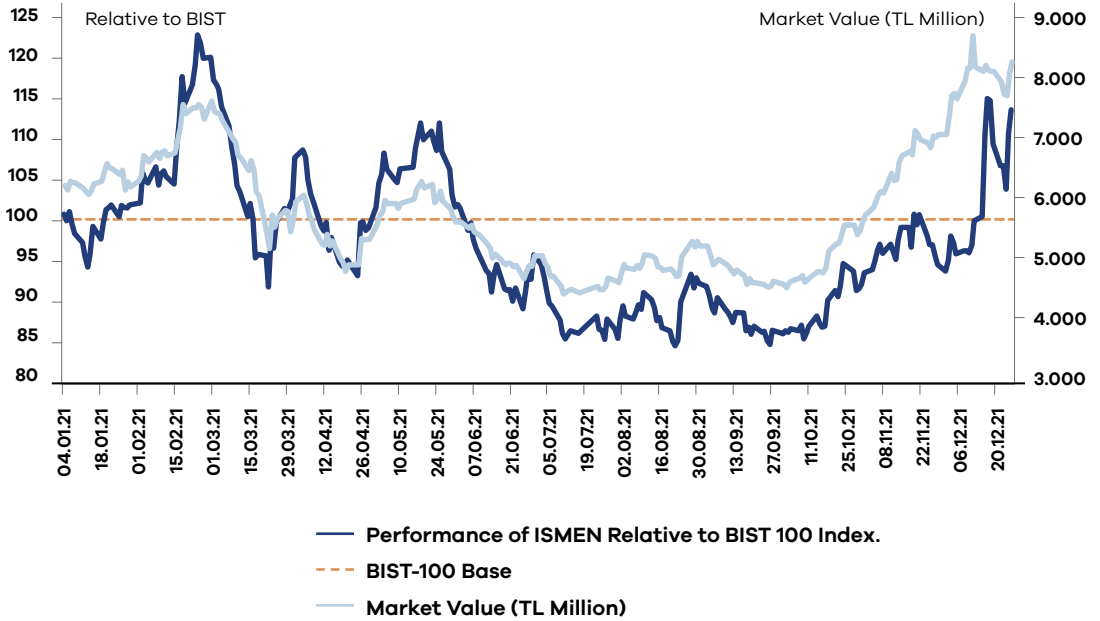
The rate of CPI inflation surged to its highest level for 22 years, reaching 54.4% as of February 2022. According to our base case scenario, inflation is expected to settle in a 65-70% band during the year, before declining back to 48% by the end of the year due to the high base effect.

With the introduction of exchange rate protected deposit accounts, the exemption of tax on minimum wage earnings, the temporary tax exemption for companies in reverse dollarization and additional expansionary policies, the central budget deficit, which had amounted to 2.7% of GDP in 2021, is expected to exceed 5% of GDP in 2022.

8. INVESTOR RELATIONS

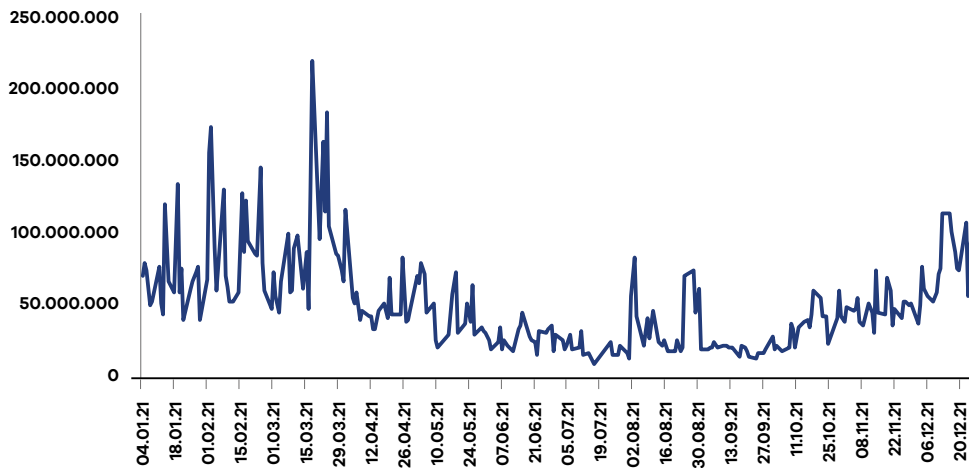
Our Investor Relations activities continued to be carried out effectively in 2021. A number of meetings were held with both domestic and foreign corporate and individual investors during the period in the form of videoconferences and teleconferences.

ISMEN shares ended the year 2021 at a share price of TL 23.34 with a market capitalization of TL 8.3 billion, with the shares outperforming the BIST 100 Index by 11.8% and notching up a return of 40.6% when compared to the end of 2020.



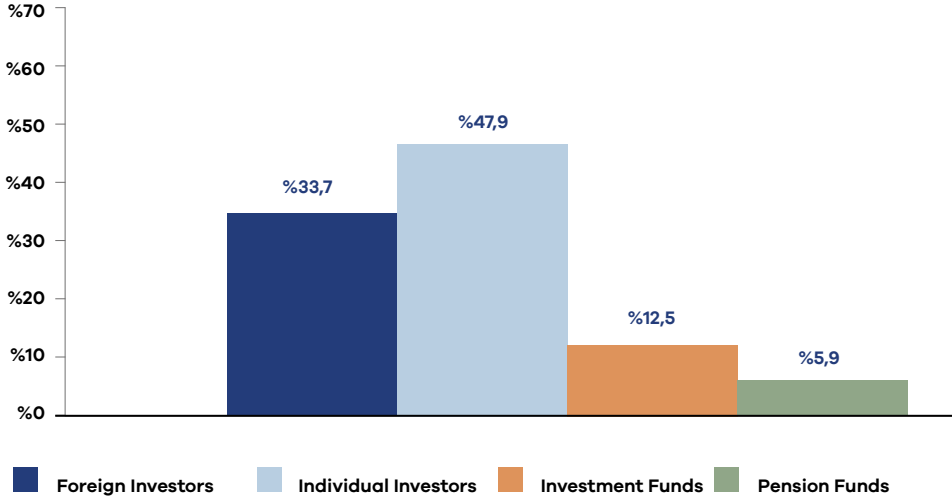
SHARE PRICE PERFORMANCE OF ISMEN - 2021

ISMEN's average daily transaction volume stood at TL 48.8 million in 2021, an increase of 12% year-on-year (2020:TL43.7 million).



ISMEN TRANSACTION VOLUME (TL) - 2021

At the end of the year, 33.7% of our shares in free float, constituting 29.2% of the capital, were held by foreign investors, with 12.5% held by mutual funds, 5.9% by pension funds and 47.9% by individual investors.



ISMEN FREE FLOAT SHAREHOLDING STATUS - 31 DECEMBER 2021

In line with our dividend policy, we maintained our policy of distributing dividends. As set out in the dividend distribution table approved in the Annual General Meeting, a dividend of TL 355 million, corresponding to 37.9% of the distributable profit, was distributed to shareholders in March.

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

On September 24, 2021, SAHA Rating reconfirmed our Company's long-term national credit rating at AAA and its short-term national credit rating as A1+. The outlook is stable for both maturities.

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

Consolidated İş Investment Subsidiaries

Name	Equity Stake	Equity Stake (%)*	Nominal Value
Maxiş Investments Ltd.	6.500,000 GBP	100,0	6.500,000 GBP
Maxis Girişim Sermayesi			
Portföy Yönetimi A.Ş.*	8.000,000 TL	100,0	8.000,000 TL
Efes Varlık Yönetim A.Ş.**	130.000,000 TL	85,1	110.685,714 TL
İş Portföy Yönetimi A.Ş.	65.000,000 TL	70,0	45.500,000 TL
İş Girişim Sermayesi			
Yatırım Ortaklığı A.Ş.	74.652,480 TL	29,0	21.654,298 TL
İş Yatırım Ortaklığı A.Ş.	160.599,284 TL	28,9	46.454,101 TL

*In accordance with the decision taken by our Board of Directors on 8 March 2021, the capital increase of our subsidiary, Maxis Girişim Sermayesi Portföy Yönetimi A.Ş., which was carried out in order to increase the capital from TL 5,000,000 to TL 8,000,000, was completely covered by our Company.

**In accordance with the decision taken by our Board of Directors on 31 March 2021, our Company participated in the capital increase of our subsidiary, Efes Varlık Yönetim A.Ş., which was carried out in order to increase the capital from TL 70,000,000 to TL 130,000,000, in proportion to our share with an amount of TL 51,085,714. (Our consolidated share is 91.1%).

9. DOMESTIC CAPITAL MARKETS

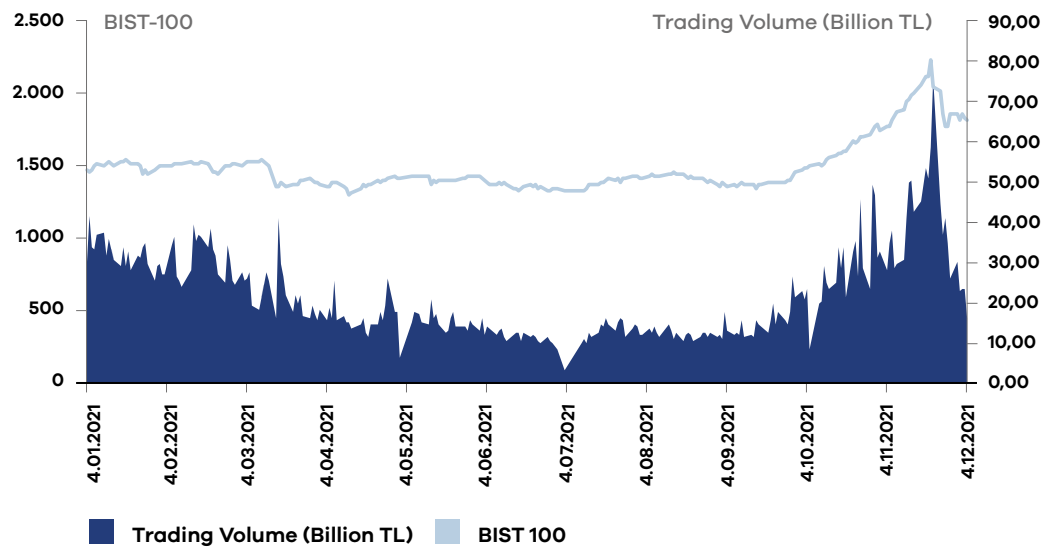
EQUITY MARKET

The BIST 100 index (Index) started the year in bullish form and approached a level of 1,600 early in 2021, before plunging on the back of the hard sales of TL assets due to the turmoil in late March, and the intensive selling by foreign institutional investors in particular. Foreign investor clearing also decreased from 46% to 41% within a very short space of time. While the index was stuck in a 1,350-1,500 band and experienced a period of dormancy, there was a significant erosion of investor interest and a decline in transaction volumes.

Even though the positive movements experienced in some sectors such as iron and steel supported the index in the third quarter, the market was unable to emerge from the rut it had been stuck in until September. Increasing transaction volumes and participation from foreign institutional investors at the end of the quarter started to generate a more positive atmosphere in the market and the index started to rise rapidly in October. Starting the first week of October at 1,390 points, the index posted a rise of 73% to peak at 2,406 points. Up to this level, the index had risen unrelentingly, notching up record closings almost every day - in TL terms. One of the main reasons for the rise in the index was the shift in investor attention towards the Equity Market after the fall in the value of the TL. However, with the 20 December dated announcement of measures aimed at strengthening the TL, the TL posted significant gains against the dollar, setting the stage for a sharp slide in the Equity Market. After plunging to levels as low as 1,726, the index rounded off 2021 at 1,857 points following reaction buying in the closing days of the year.

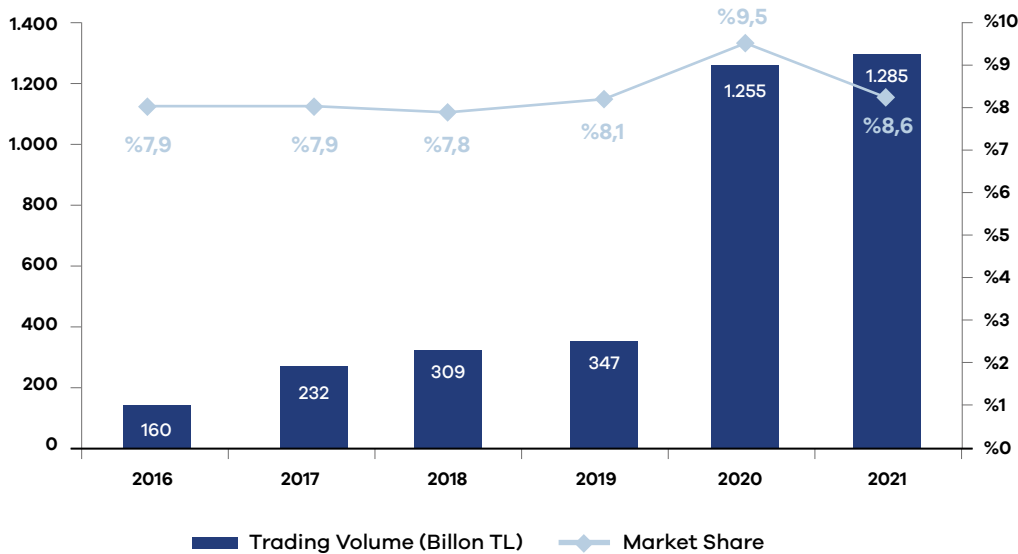
Wrapping up a year with high volatility, the Equity Market closed 2021 with a return of 25.8%. On the other hand, there were significant divergences between Borsa Istanbul indices on a sectoral basis in 2021. While the BIST Industrial Index yielded a return of 45.5%, the BIST Bank Index posted a yield of just 2.4%. View from a global perspective, the BIST 100 performed poorly relative to the MSCI Emerging Market Index, losing 28.8% in dollar terms due to the impact of a sharp devaluation in the Turkish Lira. While 74 of the companies in the index gained value, the remaining 26 lost value.

The course of inflation and monetary policy, fund flows to developing countries and the continuity of the normalization process will be among the key agenda items to determine the direction of the Equity Market in 2022.



2021 PERFORMANCE OF THE BIST 100 INDEX

İş Investment ranked third in the Borsa Istanbul Equity Market in terms of transaction volume, with a volume of TL 1,285 billion and a share of 8.6 % in 2021.



İS INVESTMENT EQUITY MARKET TRADING VOLUME AND MARKET SHARE

In the Securities Lending Market, İS Investment ranked first with a transaction volume ranging with a transaction volume of TL 21.5 billion and a market share of 17.8%.

DEBT SECURITIES MARKET

In line with the domestic debt strategies announced by the Ministry of the Treasury and Finance, domestic borrowing of approximately TL 393.1 billion was realized in 2021, with 28.7% of the auctions held being for fixed coupon TL bonds, followed by CPI indexed bonds with 17.1%, TLREF indexed bonds with 12.3%, FX-based gold lease certificates with 8.9%, FX-based FX government bonds with 8.8%, FX-based gold government bonds with 7.5%, floating rate bonds with 6.4%, non-coupon bonds with 4.6%, TL lease certificates with 2.9% and FX lease certificates with 2.8%. Thus, the Treasury placed more weight on fixed-rate instruments in its debt composition in 2021.

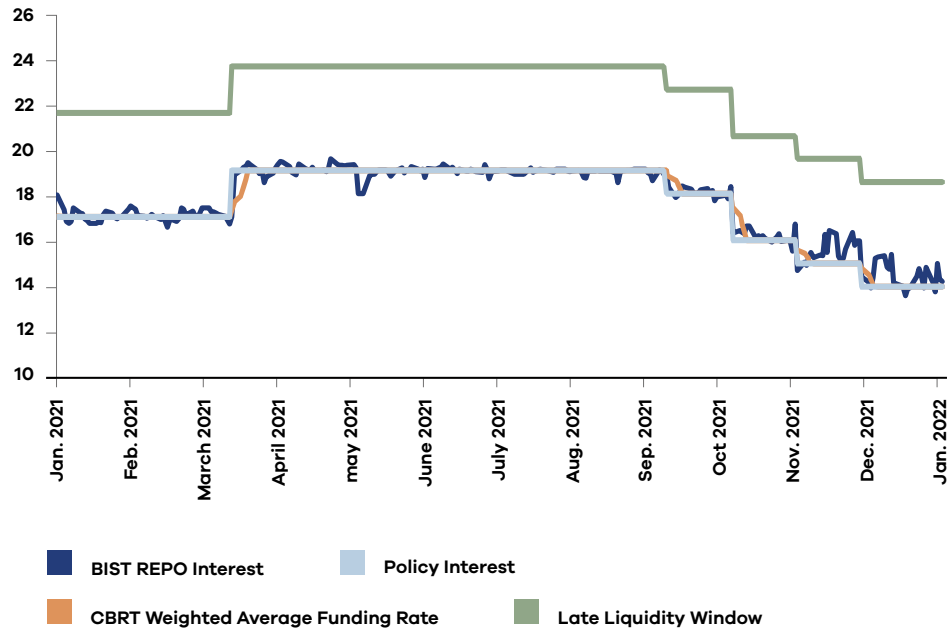
Yields on the benchmark bond in the Debt Securities Market stood at 14.9% at the beginning of the year, with the 10-year bond having a compound yield of 13%. The increase in the policy rate to 19%, as well as the developments experienced in late March, sparked a surge in benchmark bond yields to 20.2%, with the yield on 10-year bonds increasing to 19.5%.

The 10-year bond yield, which had declined to a compound level of 17% in the following months as the policy rate was maintained at 19% and the annual rate of CPI inflation slipped below the policy rate until the end of the second quarter, started to rise again after the CBRT cut its policy rate in September. Inflation expectations increased again as a result of the cut in the policy rate from 19% to 18% in September and further cuts to 14% in the following months. The annual rates of CPI and PPI inflation came in at 36.08% and 79.89% in December. The benchmark bond closed the year with a yield of 22.7% while the 10-year bond ended the year with a 24.6% yield.

Global bond yields jumped in the last quarter of the year, as both developed and developing countries started to price in interest rate hikes. The 10-year T-bonds in the US, which started the year with yields below 1%, saw yields approach 1.8% during the year before declining to below 1.2% and then rising above 1.5% again at the end of the year.

The yield curve in TL-denominated Government Domestic Debt Securities, which had a sloping curve in the first quarter of the year, followed a horizontal course in the middle of the year, while a steepening in the yield curve was observed in the last quarter of the year, the difference between short-term and long-term interest rates in the money markets widened in the same period.

İS Investment ranked third among the brokerage houses with TL 9.2 billion of transaction volume and a 6.3% market share in the Debt Securities Market – Outright Purchases and Sales in 2021.

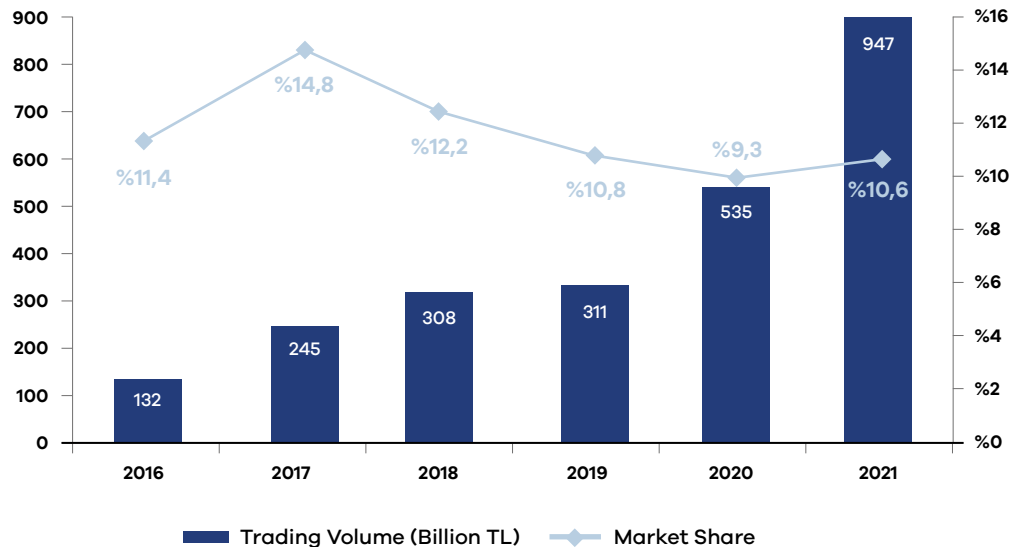


CBRT FUNDING RATES

DERIVATIVES MARKET

The total transaction volume of volume of the Borsa Istanbul Derivatives Market (VIOP) increased by 56% YoY to TL 8,945 billion in 2021.

While İş Investment ranked third in terms of options contracts volumes with a total transaction volume of TL 9 billion and a market share of 17.9%, it ranked second in VIOP in terms of transaction volumes, with a total transaction volume of TL 946.9 billion - up by 77% YoY - and a market share of 10.6%.



İŞ INVESTMENT VIOP TRADING VOLUME AND MARKET SHARE

VIOP continued its market-making activities in equity futures and index option contracts, and our Company ranked third in equity futures transactions and second in index option transactions.

We also maintained our pioneering and leading position in the Warrant Market in 2021. In addition to the S&P 500 and Dow Jones Index warrants introduced to the market during the year, new warrants based on KOZAL, SASA and DOHOL shares were also included in our wide product range. With our newly issued underlying assets, we continued our market making

activities in four different underlying asset groups and 33 different underlying assets and we rounded off 2021 in a leading position with a market share of 84%.

İş Investment has strived to achieve the formation and depth of the Warrant Market in Turkey with the “İş Varant” brand for the last 12 years. The Company targets the creation of a transparent, accessible and easy-to-understand market with the content provided to investors through Isvarant.com, the Warrant Academy and the Warrant Support Line.

In addition, informative and educational videos on the Warrant Market were shared on social media, enabling investors to create effective investment strategies in line with their own expectations while investing in warrants. Our İş Varant Mobile application, which was offered to warrant investors in the first quarter of 2021, continued to be developed in line with the feedback received from investors throughout 2021. The İş Varant Mobile application allows investors to track the warrants issued by İş Investment at real-time prices, select warrants appropriate for them with an intelligent warrant filter, analyze them and gain experience in warrant operations with educational content and demo accounts.

10. INTERNATIONAL CAPITAL MARKETS

The prevailing view among the FED and other central banks that the high inflation figures for the year would be a temporary phenomenon, changed markedly in the last quarter. Rates of Consumer Price inflation came in at 6.2% in October, 6.8% in November and 7% in December, while the December figures set nerves on edge in the markets, being the highest inflation rate recorded in the last 40 years. The FED has also announced that it would end its bond purchases in March 2022 as it starts to scale back its bond purchasing program. Having held back from raising rates during the year, the FED's expectations for 2022 were revised to three rate hikes, with the timing for the first rate hike, which had been expected in the second half of 2022, also being brought forward to March as it became clear that the inflation problem would not be resolved in the short term. Some FED members have expressed a view that four rate hikes will be needed in 2022.

INTERNATIONAL EQUITY MARKETS

Despite the FED's hawkish stance towards interest rate hikes, the highest return among US indices was seen in the S&P 500, which ended the year with a 26.9% return on rising hopes as the delta variant receded throughout 2021 and an improvement in balance sheets on the recovery in global economies. The Nasdaq composite index ended 2021 with a yield of 21.4%, led by technology stocks, while the Dow Jones yielded 18.7%.

European markets performed reasonably well in 2021 with the IBEX 35 yielding 8.77%, the FTSEMIB offering a return of 24.90% and the Euro Stoxx 50 posting a return of 22%, with the German DAX yielding 16.84%, the UK FTSE 100 14.30% and the French CAC 40 30.10%.

FUTURES AND LONDON METAL EXCHANGE (LME)

The upward trend seen in the commodity market in the first half of the year continued in the energy and agriculture group in the third quarter. In addition to the increase in demand for oil and derivative products, production cuts also drove prices higher, while coal prices surged by approximately 200%. In the last quarter, the easing of problems in the energy market precipitated a decline in prices. In the industrial metals market, an upward trend was observed in prices in the first half of the year, due in large part to the recovery in the Chinese economy and supply issues. Metal prices lost momentum in the third quarter as China sold reserves in some metals to prevent price hikes in June. Aluminum prices, on the other hand, decoupled from other metals due to rising energy costs and climbed by about 15% in the July-September period. The decrease in energy costs in the last quarter of the year also led to a decline in aluminum prices. The drop in ready-for-delivery copper stocks in the London Metal Exchange warehouses in October to their lowest level since 1974 precipitated high volatility in prices of the metal, and the price differential between the spot and three maturities widened to USD 1,100. Copper prices, which had risen to levels as high as USD 10,452 in the same period, ended the year at USD 9,720.50 with the new regulations of the London Metal Exchange. In parallel with these developments, commodities such as oil and copper, along with the share indices, were among the products in high demand.

EUROBONDS

While the course of inflation and the policies followed by central banks accordingly guided the market throughout 2021, the unease generated by the emergence of new variants of the virus and supply chain troubles had an impact on bond yields. Despite expectations of higher levels, the upward movement came to a halt after US 10-year T-bond yields edged up to around 1.75% in March. After some easing back in yields in the summer months amid the FED's surmising that the rise in inflation would be temporary, resumed their upward direction in the last quarter of the year in the wake of FED statements warning of the pressures on inflation.

After a strong start to the year, Turkish Treasury Eurobonds demonstrated a weakening performance after the turmoil and interest rate cuts towards the end of March. While domestic investors maintained their buying interest in the field of shorter-term assets throughout the year, foreign investors scaled back their positions. Despite the weak market conditions, liquidity in the company's assets decreased for certain periods and limited access to the assets. New issuances, excluding purchases of domestic investors, remained below expectations, limiting supply and adversely affecting liquidity conditions. While the country risk premium tested levels of 500 basis points after the turmoil experienced towards the end of the first quarter, it reached 635 basis points, levels previously seen during the pandemic peak, due to the rapid movement in exchange rates and the negative impacts with the news of a new variant towards the end of the year.

LEVERAGED TRANSACTIONS

The steps taken by central banks to tackle high inflation were closely followed by the markets, while expectations of a hike in interest rates put pressure on precious metals prices. The gold price, which had fallen to below USD 1,700 during the year due to the rise in US 10-year T-bond yields and rising inflation numbers, stood out as one of the most popular products among investors within the scope of leveraged transactions in the last quarter of 2021. The EUR-USD rate, which had a very active year with the statements from the FED and European Central Bank, was another closely watched product for investors.

CFD contracts based on US indices, which rounded off 2021 with double-digit returns, were among the most traded symbols within the scope of leveraged trading operations. Among US indices, the highest volumes were seen in the CFD contract based on the Nasdaq 100 index.

11. ASSET MANAGEMENT

The total volume of consolidated assets managed by our subsidiary, İş Asset Management, increased by 53% YoY to TL 93.9 billion, with a market share of 14.4% as of the end of 2021. The volume of mutual funds under management increased by 57% YoY to TL 40.7 billion, with a market share of 12.5%. The volume of pension funds under the Company's management increased by 41% YoY reaching TL 41.7 billion, attaining a market share of 17%.

FUND TYPES	ASSETS UNDER MANAGEMENT (MILLION TL) *		ANNUAL CHANGE
	31.12.2020	31.12.2021	(%)
MUTUAL FUNDS	25,852	40,664	57
PENSION FUNDS	29,630	41,674	41
OTHER	5,872	11,536	96
TOTAL	61,354	93,874	53

*Asset size managed by our subsidiary İş Asset Management.

12. DOMESTIC SALES & MARKETING

In 2021, we continued to promote our Company's products and services on digital platforms. Our YouTube channel continued to grow in 2021 with 39,779 new subscribers gained during the year. Based on figures published by BoomSocial, İş Investment ranks fifth in the Youtube Turkey Finance league ranking with a total of 135,211 subscribers.

Our Twitter account gained 25,557 new followers during 2021. Ranking fourth in the Twitter Turkey Finance League with a total of 294,625 followers according to BoomSocial figures, İş Investment maintains its title as Twitter Turkey's largest brokerage house account.

The "İş Varant Mobil" application offered on our İş Varant website, which is widely used by warrant investors, was offered in the app stores in February and allowed investors to experience the warrant market through a trial account when analyzing warrants from their mobile devices. Our foreign trading platform, which had previously been accessible through the "Trade Master Mobile" application, was offered to investors in the app stores in March as a separate application under the name of "TradeMaster International Mobile".

Our new web-based trading platform, TradeMaster Web, which enjoys wide browser support, a user-friendly interface and customizable module structure, was launched in August and introduced to our investors. In addition, our new Research portal, with its diverse range of content, "arastirma.isyatirim.com.tr" was been made available to investors from July.

In December, İş Bank customers were provided with the opportunity to open accounts and conduct transactions in the Borsa Istanbul Derivatives Market (VIOP) through the İşÇep Mobile Application.

13. INSTITUTIONAL SALES

DOMESTIC INSTITUTIONAL SALES

Investment advisory services continued to be provided to portfolio management companies, collective investment companies, insurance and reinsurance companies, private pension companies, pension funds, foundations and other capital market institutions.

In addition, investment advisory services continued to be offered to corporate clients consisting of holding companies and joint stock companies, as well as Family Offices.

As well as providing brokerage services for bond issuances carried out by the İş Bank and Group companies in 2021, the Company intermediated in the issuance of Koç Fiat Kredi bonds as well as the Deva Holding and Migros bond issuances, along with the Tüpraş bond issuance with a maturity of 2 years, amounting to TL 1.1 billion. Institutional investors were contacted in the IPOs of Aydem Renewable Energy, Penta Technology and ATP. In line with the measures taken within the scope of the pandemic, numerous informative meetings were held with corporate customers with the participation of our international capital markets and research specialists.

FOREIGN INSTITUTIONAL SALES

2021 was a year when foreign investors were much more selective in their preferences for emerging markets, while the rate of foreign investor ownership on the Borsa Istanbul Equity Market ended the year at a historic low of 40.6%.

During this period, informative meetings and thematic conferences continued to be organized, bringing foreign investors together with some of the Borsa Istanbul's leading companies. In addition, foreign investors were introduced to the company's management and research specialists working in our IPO projects. The lifting of travel restrictions paved the way for a significant increase in company visits by international corporate investors to Turkey in the second half of the year.

Transaction volume in the VIOP realized by foreign investors amounted to TL 3.15 trillion during 2021, marking an increase of 75% YoY, while in the last quarter of the year this increase was realized at 100%.

14. CORPORATE FINANCE

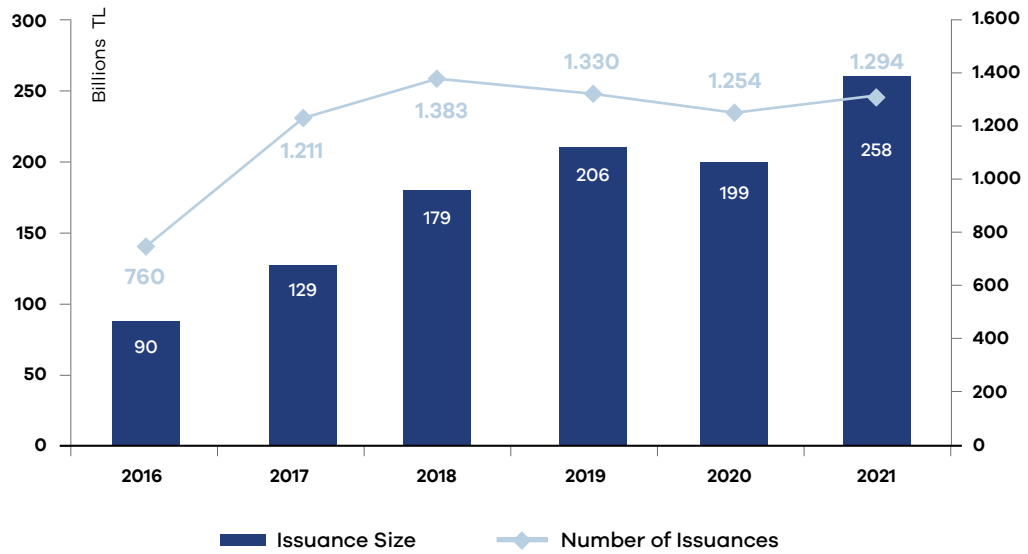
EQUITY PUBLIC OFFERINGS

In 2021, 52 stocks with shares worth TL 21.6 billion were offered to the public in the market. In this period, our Company acted as the consortium leader in the public offerings of three stocks with a total public offering size of TL 2.1 billion - Aydem Yenilenebilir Enerji (TL 1.3 billion), Penta Teknoloji (TL 588 million) and ATP (TL 180 million) - as the consortium leader, and commanded a 9.5% share based on the transaction volume.

In addition to the public offerings which we acted in as the consortium leader, we intermediated in four public offerings for stocks with a total public offering size of TL 4.1 billion as a consortium member - Ziraat Gayrimenkul Yatırım Ortaklığı (TL1.9 billion), Başkent Doğalgaz Dağıtım Gayrimenkul Yatırım Ortaklığı (TL 1.7 billion), Gelecek Varlık Yönetimi (TL360 million) and Konya Kağıt Sanayi ve Ticaret (TL 181 million).

ISSUANCE OF DEBT SECURITIES

The total size of private sector debt security issuances in the market reached TL 258.4 billion in 2021, marking an increase of 30% compared to the previous year for 1,294 issuances.

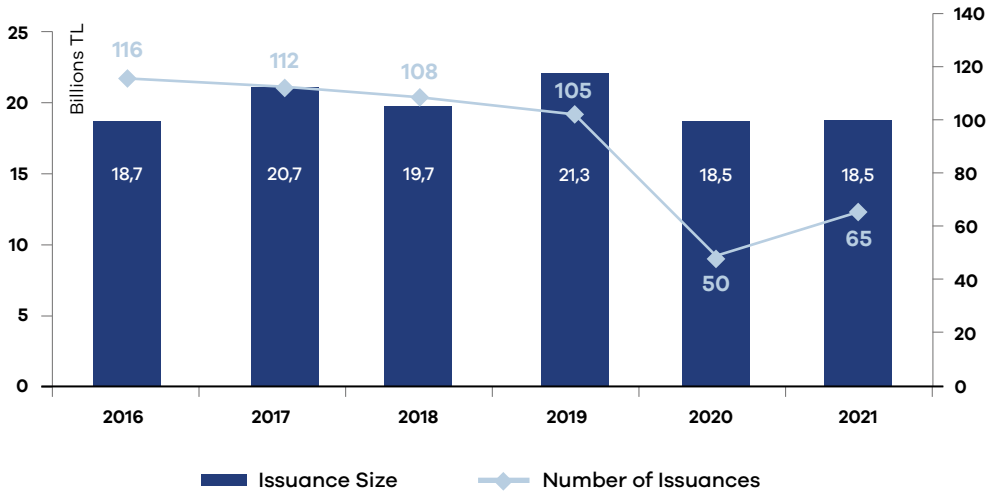


PRIVATE SECTOR DEBT SECURITY ISSUANCE SIZE AND NUMBER OF ISSUANCES (EXCLUDING PRIVATE PLACEMENTS)

Banks accounted for 51% of the total volume of primary market issuances, while non-bank financial institutions and real-sector firms accounted for 42% and 7% of the total, respectively.

In terms of the weighted average term of issuances realized, banks borrowed for an average term of 134 days, non-banking financial institutions for 139 days and real sector companies for 379 days. Of these issuances, 1,225 issuances were offered to qualified investors and 69 through the public offering method.

In 2021, İş Investment brokered 65 issuances with a nominal size of TL 18.5 billion and completed the year with a market share of 7.2%.



DEBT SECURITY ISSUES ARRANGED BY İŞ INVESTMENT

MERGERS & ACQUISITIONS

A total of 220 M&A transactions took place in 2021 with combined volume of USD 10.1 billion (comparing with the USD 10.3 billion for 189 M&A transactions in 2020). Foreign investors accounted for a 51% share of transaction volumes during the year, while their share on the basis of the number of transactions was 31%.

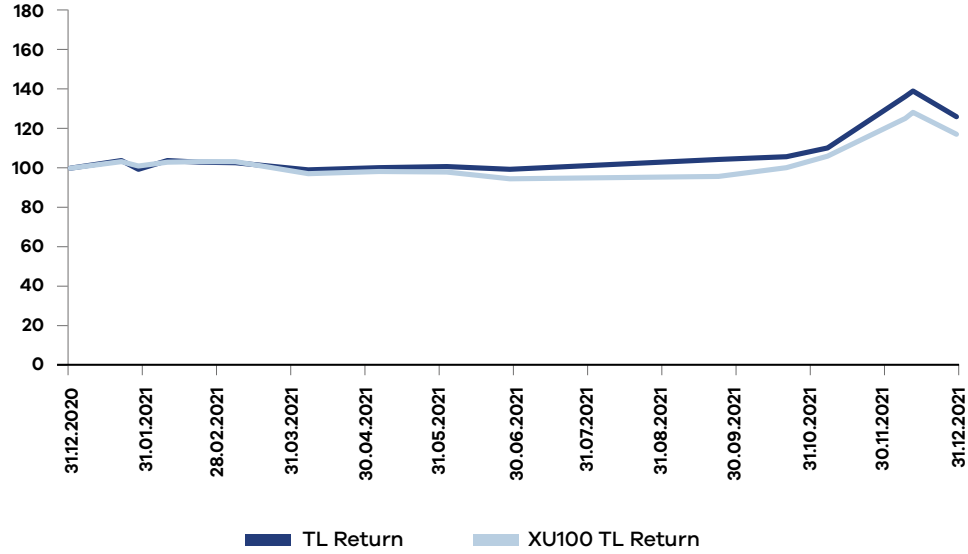
Significant transactions took place in the technology, basic industries, banking and energy sectors where domestic and foreign investors are active. The main objectives of the transactions have been consolidation and increasing market share.

This pace of activity in M&A transactions is expected to continue in 2022. The growing e-commerce and fintech world, in particular, may witness both new investments as well as exits from some existing investments. The increase in raw material prices, shifts in exchange rates and the surge in exports in the production sector are expected to give rise to significant differences in the performance of companies. Accordingly, while the sale of shares and exits from non-strategic business lines are expected for companies which have lagged in terms of performance, companies commanding a dominant position in their market, high exports, strong capital and low levels of indebtedness are expected to see an increase in purchasing transactions. It is observed that these types of companies are also in demand, especially in Europe.

In 2021, İş Investment provided consultancy services to İş Bank for the acquisition of Moka, to Çiftay İnşaat for the acquisition of shares in Batıçım, to Mahindra for the acquisition of Hisarlar, to Wirecard for the acquisition of Türkiye operations by Finch Capital and to Maxis Venture Capital Temiz Enerji Girişim Sermayesi Yatırım Fonu (Clean Energy Venture Capital Fund) for the acquisition of a 50% stake in Adnan Polat Enerji Yatırım A.Ş.

15. RESEARCH

In addition to producing high value-added reports in the fields of macroeconomics and the equity markets, regular reports were published for 51 companies, which constitute 64% of the actual circulation value of the Borsa Istanbul Equity Market, while suggestions in the form of "Buy-Sell-Hold" continued to be issued. The Model Portfolio, which includes a selection of companies for which İş Investment has issued a "Buy" recommendation to, outperformed the BIST 100 Index by 10% in 2021



RETURN OF İŞ INVESTMENT MOST RECOMMENDED STOCK LIST COMPARED TO BIST 100 -2021

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

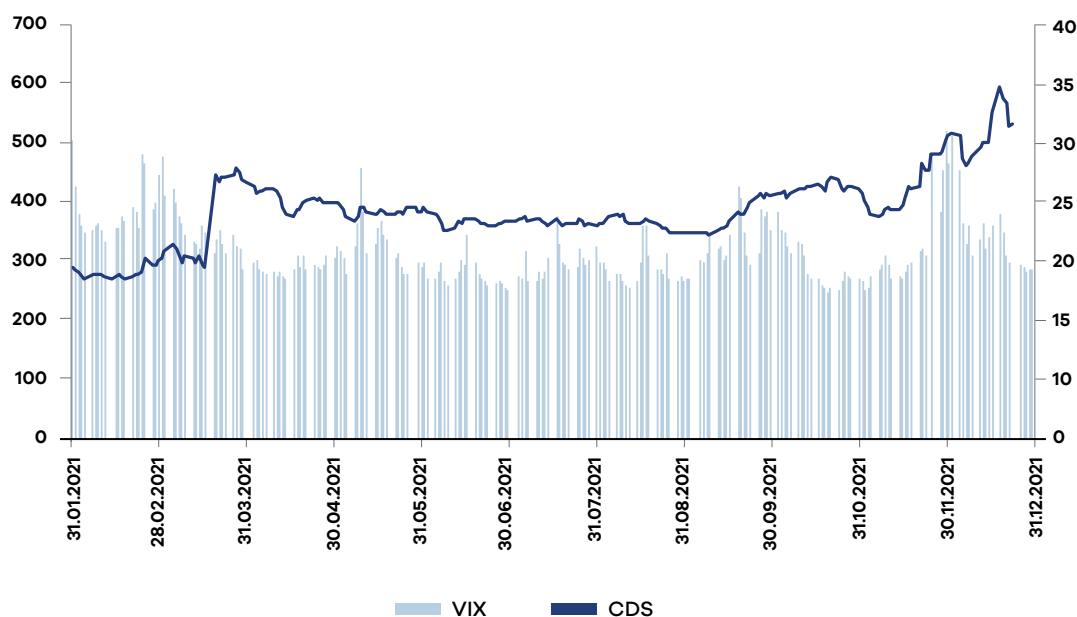
Active participation in domestic sales activities continued in 2021 as well. Investor informative meetings were held to introduce the companies listed on the stock exchange to foreign investors. Together with the sales teams, meetings were organized with investors regarding the country's macroeconomic prospects and the outlook for shares and strategies.

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

16. RISK MANAGEMENT

The Risk Management Department operates under the Board of Directors. The Risk Committee continued to convene regular monthly meetings during the year. The Committee conducted assessments regarding risks regarding the market, the asset-liability structure, loans, operations and other risks arising as a result of the Company's activities, ensuring that risk mitigation measures were taken.

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



TURKEY 5 YEAR CDS AND THE VIX INDEX — 2021

17. AGENDA OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS OF İŞ YATIRIM MENKUL DEĞERLER A.Ş DATED MARCH 24, 2022

1. Opening and chairing the council
2. Reading and deliberation of 2021 Annual Report prepared by the Board of Directors
3. Reading, deliberation of the financial statements and independent Auditor's report of 2021 and approval of the financial statements
4. Approval of members assigned to the Board of Directors during the period
5. The individual acquittal of members of the Board of Directors for their fiduciary responsibilities for 2021
6. Deliberation and decision on the profit distribution of 2021
7. Election of the Members of the Board of Directors and determining their term of office
8. Determination of the salaries to be paid to members of the Board of Directors
9. Selection of the Auditor
10. Presentation of information on the donations made in 2021 and determining of the upper limit of donations to be made in 2022

18. DIVIDEND DISTRIBUTION PROPOSAL OF THE BOARD OF DIRECTORS

The decision was taken to submit a proposal on the following issues to the Ordinary General Meeting General Assembly:

- The distribution of a gross dividend of TL 400,000,000 in cash, to be paid from our Company's distributable profit for the period 1 January 2021 – 31 December 2021, as reported in the financial statements and legal records prepared in accordance with the provisions of Communiqué II-14.1 of the Capital Market Board and in accordance with the Company's Profit Distribution Policy, on May 24, 2022,
- The allocation of TL 110,417,446 in special funds for use in venture capital fund investments in accordance with the provisions of Article 325 of the Tax Procedure Law and Article 10 of the Corporate Tax Law.

19. DIVIDEND DISTRIBUTION TABLE FOR 2021 (TL)

1. Paid in/Issued Capital	355.000,000,00
2. Total Legal Reserves (According to the Legal Records)	146.173,994,49

Information concerning the privileges in dividend distribution,

if any, in the Articles of Association:

There are no privileges.

	Based on CMB Regulations	Based on Legal Records
3. Profit for the Current Period	1.498,203,562,63	1.366,999,155,44
4. Taxes Payable (-)	(327.299,588,00)	(290.996,641,00)
5. Net Profit for the Current Period	1.170,903,974,63	1.076,002,514,44
6. Losses from the Previous Years (-)	0,00	0,00
7. Primary Legal Reserves (-)	0,00	0,00
8. NET DISTRIBUTABLE PROFIT FOR THE CURRENT PERIOD	1.170,903,974,63	1.076,002,514,44
9. Donations Made During the Year	203,412,82	
10. Donations-Added Net Distributable Profit for the Current Period	1.171,107,387,45	
11. First Dividend to Shareholders		
- Cash	234.221.477,49	
- Shares	0,00	
- Total	234.221,477,49	
12. Dividends Distributed to the Privileged Shareholders	0,00	
13. Dividends Distributed to the Members of the Board of Directors, Employees, and Similar Persons	0,00	
14. Dividends Distributed to the Holders of the Redeemed Shares	0,00	
15. Second Dividend to the Shareholders	165.778,522,51	
16. Secondary Legal Reserves (-)	38.225,000,00	
17. Statutory Reserves	0,00	
18. Special Reserves	110.417,446,00	
19. EXTRAORDINARY RESERVES	622.261,528,63	527.360,068,44
20. Other resources to be Distributed		
- Profit from the Previous Year		
- Extraordinary Reserves Fund		
- Other Distributable Reserves as Defined in the Articles of Association and the Law		

DIVIDEND RATIO TABLE

	GROUP	TOTAL DISTRIBUTED DIVIDEND		TOTAL DUSRIBUTED DIVIDEND / NET DISTRIBUTABLE PROFIT	DIVIDEND PER SHARE FOR TL 1.00 NOMINAL VALUE	
		CASH (TL)	SHARES (TL)	RATIO (%)	AMOUNT (TL)	RATIO (%)
NET *	A	152,112,68	0,00	0,013	1.0140844	101,40844
	B	359.847,887,32	0,00	30,732	1.0140844	101,40844
	TOTAL	360.000,000,00	0,00	30,745	1.0140844	101,40844

(*) TL 400.000.000 gross cash dividend.

20. CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE STATEMENT

Increasing the quality and quantity of international capital directed to Turkey is of tremendous importance in our developing economy. Global and regional developments in recent years have increased the importance of good corporate governance practices for companies, investors and all related parties. Good governance practices will continue to be one of the most important factors in terms of the growth of companies and the sustainability of their activities in the coming periods, as in 2021.

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

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

In accordance with the decision taken by the Capital Markets Board on 10 January 2019 and numbered 2/49, “The Corporate Governance Compliance Report (URF)” which sets out the compliance status of the Company with the principles whose applications are voluntary from the Corporate Governance Principles and “Corporate Governance information form (KYBF)” which provides information about our existing corporate governance practices, was announced on the Public Disclosure Platform on 3 February, 2022. These notifications may be accessed on the website at <https://www.kap.org.tr/tr/sirket-bilgileri/ozet/1533-is-yatirim-menkul-degerler-a-s>. These notifications will be updated if necessary. In addition, detailed explanations are made about the Company's compliance with the Corporate Governance Principles in the “Sustainability Principles Compliance Framework” section of this Annual Report.

21. SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK

A. GENERAL PRINCIPLES

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

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

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

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

In order to generate long-term value within the scope of Sustainability Policies during the period, a Sustainability Board consisting of relevant unit managers was established under the leadership of the responsible Deputy General Manager in order to ensure that environmental and social factors are applied in the company's activities and decision mechanisms in accordance with corporate governance principles, and to effectively carry out studies in the area of sustainability by identifying and managing any risks which may arise from these issues. The Sustainability Board is required to convene at least four times a year, with the development report to be prepared following these studies being submitted to the Corporate Governance Committee once a year. The Sustainability Board, which was formed in October, held its first meeting in December, and evaluated the performance criteria for the relevant business units in order to increase compliance with environmental, social and corporate governance principles in its activities. Our current key performance indicators have started to be reclassified within the scope of the Sustainability Policies.

The activities carried out within the scope of the Sustainability Policy and the Policies which are complementary to this Policy are reported to the Board of Directors at least once a year. The operational and financial status, position, performance and the development of the Company are disclosed in our quarterly financial statements, annual reports and investor presentations and published on our website. In addition, our website serves as an information tool providing all kinds of information of a general nature, from corporate policies to general assembly information, to all stakeholders. Both our website and our reports directly meet the needs of different stakeholders.

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

Within the scope of Sustainability Principles, our Company's activities and policies are implemented in line with the United Nations Sustainable Development Goals such as Decent Work and Economic Growth, Sustainable Cities and Communities, Terrestrial Life and Partnerships for Purposes.

There were no incidences of violations of environmental legislation in the Company's activities and our Company has not been subjected to any legal sanctions in this regard.

B. ENVIRONMENTAL PRINCIPLES

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

The İş Towers complex was designed to minimize their environmental impacts. Tower 1 in the complex holds a BREEAM In-use Excellence certificate. The application submitted for Tower 2, which is home to our Head Office, is currently awaiting approval.

The process of moving our data center, which is located in the same building as our Head Office, to the İş Bank's Atlas Data Center, had been completed as of March 2021. The Atlas Data Center has been especially designed by taking into consideration green IT applications which will minimize environmental impacts and provide energy efficiency. In addition to being environmentally friendly, the Atlas Data Center, which operates with the latest technology and the highest security standards, holds the LEED v4 Gold certification for Data Centers and was the first data center in Turkey to meet these standards.

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

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

Thanks to the above features, moving our data center to the Atlas Data Center has allowed us to minimize the environmental impact of our operations in this context, paving the way for an annual saving of 86% in our data center's electricity consumption.

Figures pertaining to the energy consumption of our entire organization, including our branches, and Scope 1, Scope 2 and Scope 3 data on greenhouse gas emissions is presented in the tables below.

İŞ INVESTMENT TOTAL ENERGY CONSUMPTION, MWh

Electricity Consumption	2019	2020	2021	Ratio
	MWh	MWh	MWh	(2019)
Fuel & electricity in the Buildings	1.525,2	1.361,3	1.228,5	%68
Electricity purchased from the grid	1.101,5	978,6	300,1	%49
Renewable electricity supply*	0	0	372,5	%0
Natural gas	413,6	371,1	551,0	%18
Generator (diesel)	10,1	11,6	4,9	%1
Vehicle fuels	719,6	502,7	506,4	%32
Diesel	234,4	267,2	333,5	%10
Gasoline	485,2	235,5	172,9	%22
TOTAL	2.244,8	1.864,0	1.734,9	%100

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

İŞ INVESTMENT TOTAL ENERGY CONSUMPTION, GJ

Electricity Consumption	2019	2020	2021	Oran
	GJ	GJ	GJ	(2019)
Fuel & electricity in Buildings	5.490,8	4.900,7	4.422,6	%68
Electricity purchased from the grid	3.965,6	3.522,7	1.080,3	%49
Renewable electricity supply*	0	0	1.341,2	%0
Natural gas	1.489,0	1.336,0	1.983,5	%18
Generator (diesel)	36,2	42,0	17,6	%1
Vehicle fuels	2.590,6	1.809,6	1.823,0	%32
Diesel	843,7	962,0	1.200,7	%10
Gasoline	1.746,9	847,6	622,3	%22
TOTAL	8.081,4	6.710,3	6.245,6	%100

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

İŞ INVESTMENT GREENHOUSE GAS EMISSIONS (SCOPE 1, SCOPE 2, SCOPE 3)

Greenhouse Gas Emissions	2019	2020	2021	Oran
	tCO ₂ e	tCO ₂ e	tCO ₂ e	(2019)
Scope 1	275	211	247	%29
Scope 2	566	467	137	%60
Scope 3*	103	20	21	%11
Total	944	698	405	100

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

Scope 1: Scope 1 emissions are emissions which include the Company's direct emissions. Basically, the fuel consumption of buildings and company vehicles and generator consumption are calculated within this scope. İş Investment's Scope 1 emissions for 2021 are 247 tCO₂e. Compared to the base year 2019, the emission value decreased by 10%.

Scope 2: Scope 2 emissions are emissions which include the Company's indirect energy emissions. Greenhouse gas emissions from the consumption of electricity are calculated under Scope 2. İş Investment's Scope 2 emissions for 2021 stood at 137 tCO₂e, marking a drop of 76% when compared to the base year of 2019.

Scope 3: Scope 3 emissions are emissions which include other indirect emissions from the Company. Emissions from business trips are calculated under this scope. İş Investment's Scope 3 emissions for 2021 stood at 21 tCO₂e. Compared to the base year 2019, the emission value decreased by 80% due to the pandemic.

According to the greenhouse gas emission measurements in 2021, the Scope 1, Scope 2 and Scope 3 values for 2021 were calculated as being 405 tCO₂e in total. This value is 57% lower than in the reference year, 2019.

Our total energy consumption in 2021 stood at 6,245.6 GJ, 23% lower than in the reference year 2019.

On the other hand, İş Investment has realized 372.5 MWh of I-REC certified green electricity consumption in its Head Office campus in 2021. I-REC certified electricity supply commenced in our branches with effect from 2022.

Our company's total water consumption stood at 1,920.8 cubic meters in 2021, a decrease of 6% when compared to 2020 and by 45% when compared to 2019, the reference year. Mains water provided by local governments is used for water consumption. The volume of waste water discharged was as much as the amount of water consumed in 2021. Waste water is discharged into infrastructures such as treatment plants as directed by local governments.

In addition, work continues on the application for ISO 14001 Environmental Management System certification in the İş Kule 2 premises, which is home to our Head Office. In addition, fully environmentally friendly chemicals are used throughout the campus.

In the coming period, studies are planned to be carried out to begin measuring environmental indicators such as recycling, and to disclose the results on a periodical basis upon the completion of the environmental management system processes in the premises where our Head Office is located.

The Clean Energy Venture Capital Investment Fund, established by Maxis Private Equity Portfolio Management (Maxis Girişim Sermayesi Portföy Yönetimi A.Ş.), a 100% owned subsidiary of İş Investment, as well as The Renewable Energy Venture Capital Investment Fund and the Renewable Energy Mixed Fund, established by İş Investment's subsidiary, İş Portföy Yönetimi, in which our Company holds a 70% stake, were also offered to investors.

İş Investment offers its employees the option of using public transportation (personnel service) in order to reduce the environmental impacts which may occur due to personnel transportation, and covers approximately 95% of the cost incurred for this service for incentive purposes.

Operating as a broadly authorized intermediary institution within the scope of capital market legislation, İş Investment cannot provide direct financing to projects, as is the case with investment banks. However, in 2021, İş Investment, as the financial intermediary institution, conducted the TL1.3 billion public offering of Aydem Renewable Energy A.Ş., which operates in the field of development, acquisition and operation of hydroelectric, wind, geothermal and landfill gas production facilities, as the consortium leader, hence contributing to the financing of environmental projects.

Companies which are provided with financial advisory services by İş Investment are informed of the assessment and measures taken on environmental and social impacts and sustainability issues where deemed necessary. Accordingly, customers and other stakeholders involved in the process are also integrated into our Environmental and Social Impacts Policy. In its Environmental and Social Impacts Policy announced to the public, İş Investment declared that it would seek to regularly measure greenhouse gas emissions, which are the main cause of climate change, and to also carry out mitigation activities as a result of its mitigation commitments in the following periods.

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

C. SOCIAL PRINCIPLES

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

İş Investment's Human Resources Policy was revised both as an integral part and complementary to the Sustainability Policy, and approved by the Board of Directors on January 22, 2021 as the "Human Rights and Human Resources Policy" and published on the Company's website. This Policy is regularly reviewed by the Corporate Governance Committee in line with the changes in the requirements and operating conditions, and the updates and changes deemed necessary are approved by the Board of Directors upon the recommendation of the Corporate Governance Committee and then enters into force. An internal audit is carried out to monitor the compliance with the provisions of the Human Rights and Human Resources Policy.

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

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

At the end of 2021, 51% of our employees (or 438 in the entire organizational structure of the Company) were women. Women accounted for 35% of our senior managers and 51% of our middle managers, with 46% for the total of these two groups. On the other hand, women accounted for 49% of the employees joining us in 2021.

Our company's employee turnover rate was 15% in 2021.

İş Investment does not employ child labor or any kind of forced labor.

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

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

No specific representative has been appointed to handle relations with our employees. Each of our employees may submit their wishes, complaints and suggestions through the Human Resources Committee, department managers, the Human Resources Department and the Board of Inspectors.

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

None of our employees experienced any situation which led to more serious consequences, such as injury or death due to a work accident. Likewise, there was no lost of working days for any of our employees as a result of activities carried out.

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

Our Company's publicly disclosed Remuneration Policy applies to managers and employees at all levels. In line with the Remuneration Policy, fixed cash pay is provided at regular intervals and continuously in fixed amounts at certain periods of the year, regardless of performance. Such pay is determined by taking into account the financial position of the Company and are mainly paid to all employees based on merit, their length of service, title and the nature of the work carried out. Variable pay, on the other hand, includes all forms of cash and non-cash payments other than fixed pay, and includes performance-based incentive payments and premiums. Performance-based pay is only offered to certain employees, taking into account the Company's performance and the contribution of the relevant unit and employee. Variable pay is determined in a manner which does not weaken the Company's equity, which takes into account current and potential risks, the capital and liquidity situation and the possibility and time of realization of revenues planned to be obtained in the future. The full text of the Remuneration Policy can be accessed from the Investor Relations / Corporate Governance / Corporate Policies sections of our website. As set out in the Company's financial statements dated 31.12.2021, a total of TL 257.5 million in personnel expenses were provided as wages and similar rights in 2021.

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

In cases where it is foreseen that the process of management reshuffles could cause disruption to the management of the Company, succession planning is applied for the determination of new managers to be appointed. In the event that critical positions become vacant for various reasons, the subject of this planning shall be to predetermine which employees fill such vacant positions among the current personnel, to equip the employees determined for the key positions with the qualifications required by the relevant positions and to train the relevant employees as the future managers. In this context, the Board of Directors is authorized to determine the managers to be appointed and/or promoted to key positions, to evaluate the managers who contribute to the realization of the Company's strategic goals and to assign them to the relevant positions.

Following the measures taken in 2020 due to the pandemic, the measures taken in 2021 in support of the UN's Sustainable Development Goal No. 3 titled "Health and Quality Life" are listed below.

- Apart from some exceptional cases, participation in all international business trips, meetings, training, seminars, conferences, etc. was canceled.
- While employees at the Head Office continue to work remotely, an alternating work was put in place in our branches.
- Customer visits for sales and marketing purposes, supplier company calls were carried out by tele-conference / video-conference via remote interview method to the maximum extent possible, and along with the normalization process, physical interviews were also conducted in accordance with pandemic measures.
- Our customers continued to be directed to the use of digital channels in order to reduce their need to carry out transactions by coming to the branch.
- In our Head Office and Branches, employees who were pregnant, in a high-risk group or over a certain age, or who suffered from metabolic or chronic diseases were provided with the opportunity to work remotely.
- Hand sanitizer products and masks were supplied to both our Head Office and our branches and were prepared for use.

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

Inclusion in group health insurance, social rights in cases such as marriage, birth or natural disaster, as well as rights such as an employer-contributed group pension plan are some of the fringe benefits provided to employees. These issues are publicly disclosed on the Human Resources section of our website.

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

Given the sector in which our Company operates, the caliber and the number of our staff, functions such as forming associations or collective bargaining agreements are not necessary, and such formations are not required. However, our Company does not have any regulations or practices in place which prohibit such activities.

The subject of training is an important element of the Work/Life balance at İş Investment. Our basic training policy is centered around contributing to the professional and personal development of our employees who adopt continuous learning as a philosophy of life, and to provide equal opportunities to employees in this regard. When creating training plans, our aim is to ensure that our employees develop appropriate behavioral patterns in accordance with the corporate culture, while helping them fulfill their duties as well as possible by developing their professional competencies and improving their management skills. Our employees are encouraged to participate in national and international training and certificate programs and all forms of support are provided. With this approach, we continued to ensure the participation of employees in training programs in line with our Company's managerial strategies in 2021. During the period, our training activities were carried out in five different structures: management development programs, seminars, technical and vocational training programs, external training with individual participation and e-learning platform. In 2021, 31 hours of training per employee was carried out, totaling 13,155 employee-hours.

Occupational Health and Safety is one of the important elements of our Human Rights and Human Resources Policy. Training on these issues is regularly offered to employees, and necessary information is provided by raising awareness in these areas. In this context, a total of

3,024 hours of training was provided to employees on Occupational Health and Safety during the term. Our internal regulation on Occupational Health and Safety has been prepared in writing and announced to our employees. The occupational health and safety strategy and the regulation is implemented by the Occupational Health and Safety Committee, which is made up of a health and safety specialist, doctor, human resources and other relevant managerial officials.

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

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

In addition, employees who report any acts or attempts which contravene our Anti-Bribery and Anti-Corruption Policy, which is announced on our website, in good faith, and who are acting in line with the principles of honesty and transparency, shall not be subject to any penalties and or maltreatment.

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

In this context, in support of the UN's Sustainable Development Goal (SDG) No. 8 titled "Decent Work and Economic Growth", İş Investment executed the TradeMaster Campus project which has attracted a number of reputable universities since 2013, in order to advance financial literacy among university students and share fundamental information on the dynamics of the capital markets. In 2021, the number of universities participating in the project increased to 37 with the inclusion of three more universities in the project. In this project, computer laboratories have been established at universities free of charge for the use of students, information is provided on the capital markets and transactions, and training is provided.

In addition, in 2021, 250,000 Eastern Spruce and Wild Pomegranate seeds were scattered on the hills of the Artvin region, a part of the country which is very difficult to access, with "ecoDrone" unmanned aerial vehicles in support of UN's SDG No. 15 titled "Terrestrial Life". Such projects are planned to continue in the coming period.

In addition to this work, "Investing in the Future with Contemporary Art" events were held at the Eskişehir Odunpazarı Modern Museum (OMM), in support of the UN's SDG No. 11 entitled "Sustainable Cities and Communities". These continued to held online on January 23, 6-20 February, and 6-20 March.

The program, which aims to reach students of different departments such as fine arts, art management, museology, architecture, economics, and communication and young people seeking to

develop their career in this field or who are interested in this field, is offered free of charge. These activities are scheduled to continue. In addition, five different projects focused on sustainability and digital arts were implemented in 2021 together with the OMM. Firstly, "Sustainable World Film Days", which focused on solving environmental problems, were held between October 13 and November 5, and free film screenings were held every Wednesday and Friday. "Sustainability Workshops" were then held between October 30 and December 26. While aiming to draw attention to the cycle of nature in these workshops, practical steps which can be taken as individuals for more sustainable living were shared with the participants by expert trainers. As part of the third program of the cooperation, "Digital Art Talks", which offers new perspectives on digital art techniques, production and exhibition, started on December 11 and these talks will continue until the end of January 2022. In December, the "Near Future" podcast series, in which the concept of sustainability was discussed from different perspectives, was broadcast on the İş Investment YouTube channel, Spotify and Google Podcasts. The last event series of the collaboration will take place with the "Digital Art Workshops" to be held at OMM in January 2022. In these workshops, participants will gain opportunities to gain experience in digital art and new media technologies, with the participation of prominent names in their fields.

As set out in the Annual General Meeting held on March 29, 2021, our Company donated TL 300,000 to the Red Crescent Society, TL 99,997 to hospitals affiliated to the Ministry of Health in kind and TL 1,800 in 2020 as part of the efforts to tackle the Covid-19 pandemic, as well as TL 1,800 to the Turkish Education Foundation for representation purposes.

İş Investment carries out its rights and responsibilities among all its stakeholders with the understanding of accountability, equality, transparency, decency and responsibility.

Addresses where customer complaints can be forwarded to are clearly indicated on our website. In addition, our customers may communicate their expectations and suggestions through their assigned investment advisors. Furthermore, our social media accounts are also open for communication. The processes of examination and resolution of the complaints submitted have been determined in writing.

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

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

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

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

D. CORPORATE GOVERNANCE PRINCIPLES

SHAREHOLDERS

The Investor relations department is the unit responsible for informing investors and parties with an interest in the Company's operational and financial performance, fulfilling the obligation of public disclosure within the scope of capital market legislation, corporate governance,

sustainability practices and for the coordination of relations with investors and stakeholders in general. The Investor Relations Department is responsible for the coordination of the İş Investment Disclosure Policy, which is approved by the Board of Directors and disclosed to the public.

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

Kenan Ayvaci
Assistant General Manager
Tel: 212- 350 22 60
Fax: 212- 350 22 61
E-Mail: kayvaci@isyatirim.com.tr

Fatih Mehmet Yılmaz
Financial Director
Tel: 212- 350 22 50
Fax: 212- 350 22 51
E-Mail: fyilmaz@isyatirim.com.tr

Ozan Altan
Investor Relations Manager
Tel: 212 - 350 28 72
Fax: 212 - 350 28 73
E-Mail: oaltan@isyatirim.com.tr

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

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

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

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

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

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

İş Investment held its Annual General Meeting for the 2019 fiscal year on 29 March, 2021. Invitations for the Annual General Meeting, including the meeting date and agenda, were published on 1 March 2021 within the scheduled time as defined in the applicable legislation and the Corporate Governance Principles of the Capital Markets Board, on the Public Disclosure Platform (KAP), on the corporate website and in the Electronic General Meeting System (e-GEM) of the Central Registry Agency (in Turkish: MKK), and were also sent by post to registered shareholders. It was also announced in the Turkish Trade Registry Gazette dated 5 March 2021 and numbered 10281.

Based on the examination of the list of those attending the Annual General Meeting, it was established that out of the Company's shares with a total nominal value of TL 355,000,000, of which shares with a total nominal value of TL 150,000 are Class A shares, shares with a total nominal value of TL 263,997,410.13 were represented, thus, the meeting quorum stipulated in both the relevant law and the Articles of Association has been achieved.

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

The invitation to the General Assembly meeting is served at least three weeks in advance of the date of the meeting, excluding the date of such announcement and also the date of such meeting. In accordance with the Articles of Association, each share with a nominal value of TL 1.00 shall have one vote and shareholders may exercise their rights of vote during general meetings in proportion to the overall nominal value of the shares which they hold (one share has one voting right). There is no cumulative voting right.

Article 13 / d of the Articles of Association states that the quorum for general meetings and for the resolutions to be adopted shall be governed by the provisions of the Turkish Commercial Code as well as the Capital Market Law. In respect of the general meetings to be held in relation to the matters prescribed under the 1st and the 3rd paragraphs of the Article 421 of the Turkish Commercial Code, the quorum for meeting specified under Article 418 of the Turkish Commercial Code shall prevail.

Accordingly, general meetings convene with the presence of the shareholders or their representatives who meet at least one quarter of the capital, except for the cases where a heavier quorum is stipulated in the Turkish Commercial Code or the Articles of Association. This quorum must be maintained throughout the meeting. If the mentioned quorum is not reached in the first meeting, the quorum is not sought for the second meeting to be held. Resolutions are adopted with the majority of the votes present at the meeting. Decisions regarding the amendment of the articles of association are taken by the majority of the votes present at the general meeting, whereby at least half of the Company's capital is represented unless otherwise provided in the law and the articles of association. If the meeting quorum stipulated by law cannot be achieved in the first meeting, a second meeting can be held, provided that it does not exceed one month. In the second meeting, the new quorum is for at least one-third of the Company's capital to be represented in the meeting. On the other hand, resolutions to change the Articles of Association regarding issues such as completely changing the Company's area of business, to issue privileged shares and to limit the transfer of registered shares are taken with the affirmative votes of the shareholders or their representatives who constitute at least seventy-five percent of the capital.

Pursuant to Article 8 of the Articles of Association, in the event that the capital is increased, the existing shareholders shall be entitled to exercise preemptive rights in relation to purchasing new shares at the portion of their shareholding with regard to the capital of the Company. The terms of exercise in relation to such preemptive rights shall be determined by the Board of Directors.

Due care is taken to ensure that general meetings are held in a manner which will not cause inequality among shareholders and ensure the participation of shareholders at the lowest possible cost in order to increase the participation of shareholders. General Meetings are held in Istanbul, where the Company's head office is located, as set out in our Articles of Association. Istanbul is also the city where shareholders are most concentrated in proportional terms. The chair of the meeting shall exercise care to communicate the topics on the agenda impartially, clearly, and in detail during the general meeting. Shareholders are offered the opportunity to voice their opinions and direct their questions with equal conditions. The chair of the meeting ensures that every question asked by the shareholders at the general meeting, and which does not come within the scope of trade secrets or inside information, is directly answered during the General Meeting. If the question asked is irrelevant to the agenda or is too complex to be answered instantly, it is responded to in writing by the Investor Relations Department within a maximum of 15 days. Within this framework, members of the Board of Directors, relevant senior executives and the investor relations manager, officials responsible for the preparation of financial statements and auditors attend the General Meeting to provide necessary information and respond to questions regarding the issues that are special on the agenda.

In accordance with our Disclosure Policy, our shareholders, investors and other interested parties have the opportunity to direct their questions, suggestions and criticisms by means of e-mail, letter, telephone and face-to-face meetings outside the General Assembly. The necessary information and feedback is provided within the framework of the relevant legislation and in accordance with the principles of protecting internal information.

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

During the Annual General Meeting, information was provided on the grants and donations made during the reporting period under a dedicated agenda item. Independent auditors also participate in our general meetings. No request was made by the stakeholders to participate in the meeting as an observer.

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

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

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

ENTITLEMENT TO DIVIDENDS, DIVIDEND DISTRIBUTION POLICY AND TIMING

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

İş Investment's Dividend Distribution Policy was presented for the purpose of informing shareholders in the first Annual General Meeting that was convened as a publicly held company on 28 April 2008. Updated within the framework of applicable legislation, our dividend poli-

cy was approved in the Annual General Meeting convened on March 25, 2014. Our Dividend Distribution Policy is constantly made public on our Turkish and English websites (www.isyatirim.com.tr/ & www.isinvestment.com) and through our annual and interim activity reports.

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

The final decision on the distribution of the profit is taken by the General Assembly in line with the proposal of the Board of Directors, taking into consideration the provisions of the Turkish Commercial Code, the Capital Market Law and other legislation governing the Company.

In its aim of securing a high dividend income for its shareholders as a publicly held company, as well as expanding the Company's business lines and service range, the Board of Directors takes into account the considerations set out below within the framework of the applicable legislation:

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

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

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

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

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

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

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

On 31 March 2021, İş Investment distributed cash dividends totaling a gross amount of TL 355,000,000 from its 2020 profit, corresponding to 37.9% of the distributable profit, in accordance with its Dividend Policy.

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

PUBLIC DISCLOSURE AND TRANSPARENCY

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

The Board of Directors is authorized and responsible for fulfilling the public disclosure obligation and for monitoring, supervising and improving the Information Policy at İş Invest-

ment. The Investor Relations Department and the Assistant General Manager reported by this Department have been assigned for the coordination of the Information Policy. The work carried out by these authorities within the scope of the Information Policy is reported to the Corporate Governance Committee.

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

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

The full text of the Information Policy is accessible on our website at www.isyatirim.com.tr. İş Investment's websites, offering content in Turkish and English, are accessible at the addresses of www.isyatirim.com.tr and www.isinvestment.com. Both websites were renewed in the first quarter of 2017 and are actively used for the purposes of public disclosure. The information posted on these websites is constantly updated.

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

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

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

STAKEHOLDERS

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

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

Stakeholders are adequately informed of corporate policies and business processes and may also make use of direct communication channels accessible on our website, while our clients may contact the investment advisors assigned to them or use any other direct or indirect method of their choice to convey their complaints and feedback to our Company or management bodies. In addition, our Ethical Values and Our Policy on Tackling the Financial Crimes and Sanctions are constantly published both on the corporate website and on the Intranet. Complaints received by the Company within this framework are submitted to the Audit Committee after being reviewed by the authorized departments in chronological order.

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

Directors did not receive any requests for such a meeting during the reporting period.

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

This right provides İş Investment employees, who hold a very special place among the stakeholders, with the means to communicate their opinions and suggestions concerning Company management through both the Human Resources Department and their own managers. İş Investment delivers its capital market services to investors within the framework of ethical values and based on a client-focused approach to investment banking. In this vein, the Company aims to analyze evolving client demands and changing market conditions in order to identify needs and to develop products and services which will best meet these needs. Keeping client secrets in confidence within the framework of the legislation is a much-valued corporate attribute.

Relations with clients are handled through investment advisors. The objective of all investment advisors is to invest assets in the investment instruments which best fit the respective client's risk-reward profiles. İş Investment clients may convey their requests and expectations to the investment advisors assigned to them.

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

BOARD OF DIRECTORS

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

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

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

The Board of Directors leads the maintenance of effective communication channel between the Company and its shareholders, and is responsible for the elimination and resolution of any possible conflicts while coordinating the activities of the Investor Relations Department through the corporate Governance Committee for this purpose.

İş Investment Board Members

Name Surname	Position	Profession	Positions Held in the Company in the Past 5 Years	Most recent External Positions Held	Share in the Company's Capital (%)	Repre- sented Share Group	Independent Member of the Board of Directors	Committees and Duties
Hasan Cahit Çınar	Chairman	Banker	-	Türkiye İş Bankası A.Ş. Deputy General Manager, Türkiye Şişe ve Cam Fabrikaları A.Ş. Vice Chairman, İş Bank AG Member of the Board of Directors	-	-	Not an Independent Member	-
İşıl Dadaylı	Vice Chair- person	Banker	Member of the Board of Directors	Türkiye İş Bankası A.Ş. Capital Markets Division Manager	-	-	Not an independent Member	-
Ertuğrul Bozgedik	Member of the Board of Directors	Banker	Member of the Board of Directors	-	-	-	Not an independent Member	-
Hilmi Selçuk Çepni	Member of the Board of Directors	Banker	Member of the Board of Directors	Türkiye İş Bankası A.Ş. Kozyatağı Corporate Branch Managerü	-	-	Not an independent Member	-
Volkan Kublay	Member of the Board of Directors	Banker	Member of the Board of Directors	Türkiye İş Bankası A.Ş. Unit Manager of the Subsidiaries Division, Efes Varlık Yönetim A.Ş. Member of the Board of Directors , İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. Member of the Board of Directors, İş Yatırım Ortaklığı A.Ş. Member of the Board of Directors	-	-	Not an in- dependent Member	Member of the Corporate Governance Committee and the Risk Committee

İş Investment Board Members

Name Surname	Position	Profession	Positions Held in the Company in the Past 5 Years	Most recent External Positions Held	Share in the Company's Capital (%)	Repre- sented Share Group	Independent Member of the Board of Directors	Committees and Duties
Tuba Tepret	Member of the Board of Directors	Banker	Member of the Board of Directors	Türkiye İş Bankası A.Ş. Private Banking Marketing and Sales Division Manager	-	-	Not an independent Member	
Hasan Emre Aydın	Member of the Board of Directors	Banker	Member of the Board of Directors	Elsan Elektrik ve Ticaret A.Ş. Vice Chairman, Faturalab Elektronik Ticaret ve Bilişim Hizmetleri A.Ş. Vice Chairman	-	-	Independent Member	Head of the Risk Committee and Member of the Audit Committee
Prof. Dr. Ali Hakan Kara	Member of the Board of Directors	Economist	Member of the Board of Directors	Bilkent University Faculty of Economics Department	-	-	Independent Member	Denetimden Sorumlu Komite Başkanı
İzzet Selim Yenel	Member of the Board of Directors	Ambas- sador (P)	Member of the Board of Directors	Global Affairs Forum Chief Executive Officer	-	-	Independent Member	Kurumsal Yönetim Komitesi Başkanı, Denetimden Sorumlu Komite Üyesi

BOARD OF DIRECTORS

Members of the Board of Directors do not have executive duties in İş Investment. The General Manager is the head of execution.

The qualifications required by the Independent Board Members are specified in the Corporate Governan- ce Communiqué. Statements of Independence from İş Investment Independent Board Members are inclu- ded in the annual reports.

The Articles of Association stipulate that the General Manager cannot be the Chairman of the Board at the same time.

The proportion of the members in our Board of Directors who are women is currently 22%.

The issue of Board Members taking on other duties outside İş Investment is subject to general provisions. However, it is stipulated in the Articles of Association that members of the Board of Directors may not seek authorization from the Annual General Meeting of Shareholders to be exempted from the prohibition on conducting business or competing with İş Investment.

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

Hasan Cahit Çınar
Chairman

Hasan Cahit Çınar graduated from the Department of International Relations, Faculty of Political Science in Ankara University. He attended the Munich Ludwig-Maximilians University between 1989 and 1990 and began his career at İş Bank as an Assistant Specialist at Economic Research Division in 1991 and joined the Board of Inspectors as an Assistant Inspector in 1992. He was appointed to the Commercial Loans Division in 2001 as an Assistant Manager. He was appointed to a position in İş Bank in Frankfurt, Germany in 2004, and became the Regional Manager of Commercial Loans Department in 2007, Head of the Commercial Loans Underwriting Division in 2010 and Manager of Güneşli Corporate Branch in 2013. He was appointed as a Chief Executive Officer at İş Bank AG on 25 March 2016. Appointed as the Deputy General Manager of İş Bank on 5 October 2018, Mr. Çınar was elected to the Board of Directors of İş Investment on 21 September 2021 and assumed the position of Chairman of the Board from this date.



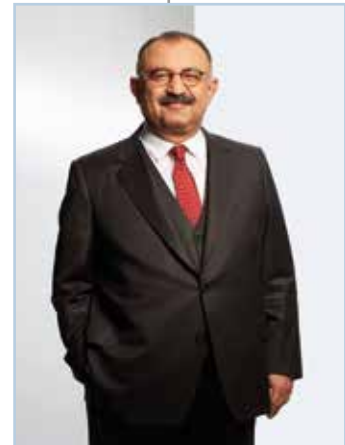
Işıl Dadaylı
Vice Chairman

Işıl Dadaylı graduated with a degree in Economics (in English) from the Faculty of Economics at Istanbul University in 1991. In the same year, she joined İş Bank's Asset Management Division as an assistant specialist trainee. She resigned from her position at the Bank in 1995 to work as a marketing specialist for Reuters Enformasyon Ltd. Şti. for two years. Having returned to her position as an assistant specialist at İş Bank's Asset Management Division in 1999, Ms. Dadaylı became an Assistant Manager in the same Division in 2004 and a Unit Manager in the Capital Markets Division in 2007. After her appointment as a Unit Manager to the Treasury Division in 2008, she was appointed as the Head of the Private Banking Marketing and Sales Division in June 2011 and as the Head of Capital Markets Division of İş Bank in May 2019. Ms. Dadaylı has been a member of İş Investment Board of Directors since April 1, 2013.



Ertuğrul Bozgedik
Member

Ertuğrul Bozgedik graduated from the Department of Economics, Faculty of Political Science at Ankara University. He began his career as an Assistant Inspector on the Board of Inspectors at İş Bank in 1986. He was appointed as Assistant Manager of the 2nd Loans Department in 1995 and the Regional Manager of the 1st Loans Department in 1999, the Regional Manager in the Non-Performing Loans Department in 2002 and the Head of the Corporate Loans Department in 2004. Mr. Bozgedik was appointed to the position of Chairman of the Board of Inspectors in 2008 and to the post of Assistant General Manager in 2011. Mr. Bozgedik, who was elected as a member of İş Bank's Board of Directors on 31 March 2017 and as the Vice Chairman of the Board on 1 April 2019, served in this capacity until 31 March 2020. Mr. Bozgedik was appointed to the Board of Directors of İş Investment on 29 June 2020.





Hilmi Selçuk Çepni
Member

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



Volkan Kublay
Member

Volkan Kublay graduated with a degree in Economics (in English) from the Faculty of Economics and Administrative Sciences at Marmara University in 1998. He joined İş Bank in 2000 as an assistant inspector trainee and was appointed as an Assistant Manager at the Subsidiaries Division in 2008. Having sat on the Boards of Directors of various group companies, Mr. Kublay was brought to the position of Unit Manager of the Subsidiaries Division Capital Market Unit in 2012, following his post where he dealt with banking and financial services subsidiaries. On 11 May 2018, Mr. Kublay was appointed as a member of the Board of Directors of İş Investment where he also serves as a member on the Corporate Governance Committee and Risk Committee.



Tuba Tepret
Member

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

Hasan Emre Aydın
Member-Independent

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



Prof. Dr. Ali Hakan Kara
Member-Independent

Having graduated with a Bachelor's degree in Electrical and Electronics Engineering from the Middle East Technical University, Ali Hakan Kara completed an MA degree in Economics at Bilkent University and Ph.D. in Economics at New York University. He began his career at the Central Bank of the Republic of Turkey (CBRT) in 2002. After holding various managerial positions he became General Manager of Research and Monetary Policy between 2008-2012 and Chief Economist between 2012 and 2019. He played a leading role in the analysis, design, and implementation and communication of monetary and macro-prudential policies in Turkey in this period. He then became an Assistant Professor in Economics in 2012. He gave lectures at New York University and the Middle East Technical University and was invited to numerous academic conferences, panels and international conferences as a lecturer. His research works deal with the Turkish Economy and Monetary Policy, and published many reviews and books which have been referred to by more than 2,000 research studies. He served as an editor of the Central Bank Review and a member of the management committee of the International Journal of Central Banking and member of the board of trustee of the Parlar Foundation at the Middle East Technical University. Mr. Kara, who has been a professor of Central Banking and Financial Markets Practices at Bilkent University Department of Economics since February 2020, teaches courses on Monetary Economics, the Turkish Economy and Financial Markets. Mr.Kara was appointed to the Board of Directors of İŞ Investment as an Independent Member on 20 March 2020 where he also serves as the Chairman of the Audit Committee.





İzzet Selim Yenel
Member-Independent

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

DECLARATION OF INTEREST

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

I hereby declare the following for the purpose of my candidacy for taking on the position of Independent Member of the Board of Directors during the Annual General Meeting of İş Investment (“Company”) on 29 March 2021:

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

Yours sincerely,

Hasan Emre Aydın

DECLARATION OF INTEREST

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

I hereby declare the following for the purpose of my candidacy for taking on the position of Independent Member of the Board of Directors during the Annual General Meeting of İş Investment (“Company”) on 29 March 2021:

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

Yours sincerely,

Prof. Dr. Ali Hakan Kara

DECLARATION OF INTEREST

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

I hereby declare the following for the purpose of my candidacy for taking on the position of Independent Member of the Board of Directors during the Annual General Meeting of İş Investment (“Company”) on 29 March 2021:

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

Yours sincerely,

İzzet Selim Yenel

Executive Board

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

Rıza İhsan Kutlusoy
General Manager

Rıza İhsan Kutlusoy graduated from the Department of Business Administration at the Middle East Technical University. He joined İş Bank in 1988 as an assistant Inspector on the Board of Inspectors. He was appointed as an Assistant Manager in the Capital Markets Division in 1996 and became Unit Manager in the same Division in 1998 and Manager in 2002. He was appointed as the Manager of the Galata Branch in 2006 and as the Head of the Risk Management Division in 2008. He was promoted to the post of Assistant General Manager of İş Bank in April 2011. Mr. Kutlusoy has been General Manager of İş Investment since March 2016.



Murat Kural
Assistant General Manager

Murat Kural graduated with a Bachelor's degree in Electronics and Communication Engineering from Istanbul Technical University in 1987 and completed a Master's degree from the Institute of Business Administration at Bilkent University in 1989. He started working at the Privatization Administration of the Prime Ministry in 1990 and held this post until 1997, when he became the President of the Treasury. In the same year he moved to the World Bank in the capacity of an advisor. He joined İş Investment as the Corporate Finance Manager in 1999, undersigning many public offering and privatization projects. Mr. Kural has been serving as an Assistant General Manager since 2002.



Özgür İlke Yerlikaya
Assistant General Manager

Özgür İlke Yerlikaya graduated from the Faculty of Business at Dokuz Eylül University in 1997, and went on to complete a Master's degree from the Accounting and Finance Department of the same university in 1999. After completing his education, he embarked on his capital markets career as an Investment Specialist in 2000. Between 2003 and 2011, he served as an investment specialist and a Special Savings and Investment Center manager in Izmir. Mr. Yerlikaya began working as the Izmir branch Manager at İş Investment in May 2011 and was appointed as the Director of the Branches Outside Istanbul in 2015. Mr. Yerlikaya has been serving as an Assistant General Manager since February 2018.





Ömer Hakan Yamaçoğuz
Assistant General Manager

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



Kenan Ayvacı
Assistant General Manager

Kenan Ayvacı graduated with a degree in Business Administration from the Faculty of Administrative Sciences at the Middle East Technical University in 1997. He joined İş Bank as an assistant inspector on the Board of Inspectors in 1998 and was appointed as the Assistant Manager of the Capital Markets Division in 2006. He completed a graduate degree at Galatasaray University and was appointed as a Unit Manager in 2010. He became the Head of the Capital Markets Division in 2016 and was also appointed as a member of the Board of Directors of İş Investment in June 2016. Mr. Ayvacı has been serving as an Assistant General Manager since May 2019.

RISK MANAGEMENT AND INTERNAL CONTROL MECHANISM

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

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

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

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

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

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

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

In addition, consultancy, audit and rating services are obtained from different institutions, ensuring that there is no conflict of interest in this area. The assets and liabilities of the companies involved in the consolidation are audited and reconciled within the scope of general internal audit practices.

OPINION OF THE AUDIT COMMITTEE REGARDING THE INTERNAL CONTROL SYSTEM

Re.: Financial statements dated 31 December 2021
Date: 3 February, 2022

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

2. We have reviewed the financial statements for the period of 1 January 2021 - 31 December 2021, and in view of the fact that no negative findings were raised by the responsible managers of the Company or by the independent auditor with regard to the Company's accounting principles or the factuality and accuracy of these reports to be publicly disclosed, the decision was taken to present the Company's financial statements for perusal by the Board of Directors.

Hasan Emre Aydın
Member

İzzet Selim Yenel
Member

Ali Hakan Kara
Head

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

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

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

OPERATING PRINCIPLES OF THE BOARD OF DIRECTORS

The Board of Directors at İŞ Investment meets on a monthly basis at the minimum, and may convene at more frequent intervals as and when necessary. The meeting agenda is determined upon the proposal of the General Manager and approval by the Chair of the Board. The meeting invitation is issued by the Chair or the Vice Chair of the Board of Directors.

In 2021, the Board of Directors met 11 times, while the average rate of attendance of Board Members in meetings was 99%.

An Assistant General Manager has been assigned as a "Rapporteur" in order to keep members of the Board of Directors informed and to ensure sound communication.

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

The General Assembly did not take any decisions on account of related party or material transactions. No losses or costs were incurred for any transactions not performed within this framework. Explanations regarding transactions with related parties during the period are presented in detail in footnote 6 of the financial statements disclosed to the public on the same date.

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

OPERATING PRINCIPLES OF THE BOARD OF DIRECTORS

The Articles of Association stipulate that members of the Board of Directors may not seek authorization in the Annual General Meeting of Shareholders from any exemption of the prohibition on conducting business or competing with İş Investment.

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

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

An Audit Committee, Corporate Governance Committee and Risk Committee function at İş Investment. All members of the Audit Committee and the heads of the Corporate Governance and Risk Committees are independent members. The duties of the Nomination and Remuneration Committees have been charged to the Corporate Governance Committee.

AUDIT COMMITTEE

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

The Audit Committee meets at least four times a year on a quarterly basis. The results of the committee are recorded in the minutes and presented to the Board of Directors. The Committee met on 11 occasions in 2021.

The Audit Committee also evaluates issues and processes related to internal control every month, and did not identify any unusual situations in 2021.

CORPORATE GOVERNANCE COMMITTEE

İzzet Selim Yenel	- Head
Volkan Kublay	- Member
Kenan Ayvaci	- Member

The Corporate Governance Committee has also assumed the responsibilities of the Nomination and Remuneration Committees. The Committee meets at least four times a year on a quarterly basis. The results of the committee are recorded in the minutes and presented to the Board of Directors. The Committee met on six occasions in 2021.

RISK COMMITTEE

Hasan Emre Aydın	- Head
Volkan Kublay	- Member

The Risk Committee meets at least four times a year on a quarterly basis. The results of the committee are recorded in the minutes and presented to the Board of Directors. The Committee met on 11 occasions in 2021.

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

The committees may seek the views of independent experts with the approval of the Board of Directors on matters which require expertise and are deemed necessary regarding their activities. The Company covers the cost of consultancy services required by the committees. The duties and responsibilities of the committees and their operating procedures and principles are publicly disclosed on the KAP and in the Investor Relations/Corporate Governance/Corporate Policies section of our website.

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

STRATEGIC GOALS OF THE COMPANY – EVALUATION OF ACTIVITIES

The strategic goals devised by the Executive Committee in relation to İŞ Investment's activities are presented in a report to the Board of Directors. This report covers information and forecasts concerning national and international markets, as well as macroeconomic assessments. The strategic goals determined within the framework of such information and forecasts are approved by the Board of Directors upon necessary assessments following discussion of the prior period performance. In that context, the Board of Directors concluded that the Company had attained its operational and financial performance targets for 2021, and that the committees had worked efficiently in accordance with their job descriptions.

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

On the other hand, İŞ Investment submitted a total of 13 assessments and evaluations to the Capital Markets Board, Borsa Istanbul and the Turkish Capital Markets Association in 2021 on legislative amendments and revisions regarding its activities in support of the UN's Sustainable Development Goal No. 17, entitled "Partnerships for Purposes".

MISSION, VISION AND CORPORATE VALUES

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

FINANCIAL RIGHTS EXTENDED TO THE BOARD OF DIRECTORS

The Articles of Association stipulates that the monthly salaries, premiums, bonuses and attendance fees of Board members shall be determined by the General Assembly of Shareholders.

Based on the decisions passed during the Company's Annual General Meeting held on 29 March 2021, it was determined that a monthly gross attendance fee of TL 16,300 would be paid to members of the Board of Directors. The minutes of the Annual General Meeting have been publicly disclosed in the form of a material event statement and also posted on the corporate website. A performance-based rewarding system is not implemented for the determination of Board Members' financial rights. The total benefits provided to the Members of the Board of Directors and senior executives such as travel, accommodation and representation expenses, cash facilities, insurance and similar benefits (consolidated) amounted to TL40.5 million in 2021.

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

22. AFFILIATE REPORT AND RELATED PARTY TRANSACTIONS

The related party transactions of our Company are set out in detail in the footnotes of our financial statements and on our Company's website.

AFFILIATE REPORT RESULT

The commercial transactions which the Company realized with its controlling shareholder, İş Bank, and Group companies affiliated to İş Bank in the fiscal year covering the period 1 January – 31 December 2021, which are detailed herein, were required in line with the Company's activity and were carried out on an arm's length basis. The controlling company neither led any decisions to the detriment of the controlling company, subsidiary thereof or the Company, nor did they carry out any transactions which would result in any loss to the controlling company or a subsidiary of the Company.

Board of Directors
İş Investment

İŞ YATIRIM MENKUL DEĞERLER A.Ş.

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<https://www.isyatirim.com.tr/en-us/contact/Pages/default.aspx#page-1>

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

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

1) Opinion

We have audited the annual activity report of İş Yatırım Menkul Değerler Anonim Şirketi and its Subsidiaries (the "Group") for the 1 January 2021 – 31 December 2021 accounting period. In our opinion, the consolidated financial information included in the annual report of the Board of Directors and the evaluations carried out by the Board of Directors on the status of the Group are consistent, in all material respects, with the full set of consolidated financial statements audited and the information which we obtained during the independent audit, and reflect the truth.

2) Basis for Opinion

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

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

We have expressed a positive opinion in our auditor report dated 03/02/2022 regarding the full set of consolidated financial statements of the Group for the 1 January 2021 - 31 December 2021 fiscal period.

4) Responsibility of the Board of Directors Regarding the Annual Report

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

- a) To prepare the annual report within the first three months of the balance sheet date and to submit the report to the general assembly.
- b) To prepare the annual report in a manner which reflects the flow of the activities of the Group for that year and its financial status in all aspects accurately, completely, straightforwardly, truthfully and honestly. In this report, the financial situation is evaluated according to the consolidated financial statements. The report also highlights the development of the Company and the Group and the risks which it may encounter. The evaluation of the Board of Directors regarding these issues is also included in the report.

c) The annual report also includes the following:

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

While preparing the annual report, the Board of Directors also takes into account the secondary legislation regulations drawn up by the Ministry of Customs and Trade and related institutions.

5) The Responsibility of the Independent Auditor Regarding the Independent Audit of the Annual Report

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

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

The responsible auditor who conducted and finalized this independent audit is Fatih Polat.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

A member firm of Ernst & Young Global Limited

Fatih Polat, SMMM
Sorumlu Denetçi



3 February 2022
Istanbul, Türkiye

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED
DECEMBER 31, 2021 WITH INDEPENDENT AUDITORS' REPORT THEREON

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INDEPENDENT AUDITOR'S REPORT

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

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

A. Report on the Financial Statements

1) Opinion

We have audited the consolidated financial statements of İş Yatırım Menkul Değerler A.Ş. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of profit and loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the same period, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards (TFRS).

2) Basis for Opinion

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

INDEPENDENT AUDITOR'S REPORT

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

3) Key Audit Matters

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

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

4) Responsibilities of Management and Directors for the Financial Statements

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

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

B. Report on Other Legal and Regulatory Requirements

- 1) The Auditor's Report on the Early Risk Detection System and Committee organized in accordance with the fourth paragraph of Article 398 of the Turkish Commercial Code No. 6102 ("TCC") was presented to the Company's Board of Directors on February 3, 2022.
- 2) In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") no 6102; no significant matter has come to our attention that causes us to believe that the Group's bookkeeping activities for the period January 1 - December 31, 2021 are not in compliance with the code and provisions of the Group's articles of association in relation to financial reporting.
- 3) In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The engagement partner on the audit resulting in this independent auditor's report is Fatih Polat.

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

Fatih Polat
Partner
February 3, 2022
Istanbul, Turkey

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 and 2020**

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

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

		Audited Current Period	Audited Prior Period
	Notes	31 December 2021	31 December 2020
ASSETS			
Current Assets			
Cash and Cash Equivalents	7	1.552.493.809	500.747.020
Financial Investments	8	2.934.296.995	1.863.105.037
Trade Receivables	11	8.424.740.854	5.570.028.495
<i>Due from Related Parties</i>	6	48.310.956	23.211.338
<i>Other Trade Receivables</i>		8.376.429.898	5.546.817.157
Other Receivables	12	817.293.053	414.434.097
<i>Due from Related Parties</i>	6	318.637	59.711
<i>Other Receivables</i>		816.974.416	414.374.386
Derivative Instruments	39	106.295.153	109.293.507
Inventories	14	60.445.125	67.075.059
Prepaid Expenses		22.241.733	14.927.510
Current Tax Assets	35	5.087.475	208.742
Other Current Assets	26	15.099.618	10.681.633
SUBTOTAL		13.937.993.815	8.550.501.100
Assets Held For Sale	33	5.182.756	6.709.194
TOTAL CURRENT ASSETS		13.943.176.571	8.557.210.294
Non-current Assets			
Financial Investments	8	89.612.255	73.510.266
Other Receivables	12	196.911	1.270.386
<i>Due From Related Parties</i>	6	150	150
<i>Other Receivables</i>		196.761	1.270.236
Investments in Equity Accounted Investees	17	15.569.311	2.960.518
Right of use Assets	19	49.622.006	35.945.434
Tangible Assets	20	35.390.438	32.450.555
Intangible Assets		61.340.027	57.745.301
<i>Goodwill</i>	18	38.593.847	38.593.847
<i>Other Intangible Assets</i>	21	22.746.180	19.151.454
Prepaid Expenses		368.604	591.475
Deferred Tax Assets	35	17.968.018	13.760.181
TOTAL NON-CURRENT ASSETS		270.067.570	218.234.116
TOTAL ASSETS		14.213.244.141	8.775.444.410

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2021 and 2020

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

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

	Notes	Audited Current Period 31 December 2021	Audited Prior Period 31 December 2020
LIABILITIES			
Short-Term Liabilities			
Short Term Borrowings	9	4.594.784.270	979.106.453
<i>Due to Related Parties</i>		38.393.763	87.808.546
<i>Due to Third Parties</i>		4.551.112.376	887.428.895
<i>Lease Payables to Related Parties</i>	6	1.617.753	474.784
<i>Lease Payables to Third Parties</i>		3.660.378	3.394.228
Short-Term Portion of Long-Term Borrowings	9	26.093.665	7.886.159
<i>Due to Related Parties</i>		8.597.563	1.745.066
<i>Due to Third Parties</i>		7.579.746	6.141.093
<i>Due to leasing transactions to unrelated parties</i>		9.916.356	-
Other Financial Liabilities	10	150.719	32.249.477
Trade Payables	11	5.841.748.222	5.032.047.665
<i>Due to Related Parties</i>	6	4.396.311	2.174.342
<i>Due to Third Parties</i>		5.837.351.911	5.029.873.323
Payables Related to Employee Benefits		4.524.737	3.565.853
Other Payables	12	60.204.144	34.613.153
<i>Due to Related Parties</i>	6	2.001.413	253.303
<i>Due to Third Parties</i>		58.202.731	34.359.850
Derivative Instruments	39	211.472.975	184.926.984
Current Tax Liabilities	35	16.096.447	74.713.811
Short-Term Provisions		135.801.857	105.355.262
<i>Provisions for Employee Benefits</i>	25	46.728.059	44.035.357
<i>Other Short-Term Provisions</i>	23	89.073.798	61.319.905
Other Current Liabilities	26	72.226.305	25.190.905
TOTAL CURRENT LIABILITIES		10.963.103.341	6.479.655.722
Long-Term Liabilities			
Long-Term Borrowings	9	60.560.619	53.586.206
<i>Due to Related Parties</i>		6.392.968	12.284.592
<i>Due to Third Parties</i>		9.027.286	5.444.547
<i>Lease Payables to Related Parties</i>	6	21.470.239	19.721.543
<i>Lease Payables to Third Parties</i>		23.670.126	16.135.524
Other Payables	12	2.010.836	2.910.885
<i>Due to Related Payables</i>		2.010.836	2.910.885
<i>Other Payables</i>		16.168.784	13.308.332
Long-Term Provisions			
<i>Employee Benefits</i>	25	16.168.784	13.308.332
Deferred Tax Liabilities	35	53.502.595	24.991.789
Other Long Term Liabilities	26	45.782.430	16.576.341
TOTAL NON-CURRENT LIABILITIES		178.025.264	111.373.553
EQUITY			
Total Equity Attributable to Equity Holders of the Company		2.761.918.203	1.909.258.332
Paid in Capital	27	355.000.000	355.000.000
Share Premium		246.823	1.303.326
Other Comprehensive Income and Expenses to be classified to Profit or Loss	27	(6.874.095)	(6.243.966)
<i>Currency Translation Differences</i>		(6.874.095)	(6.243.966)
Other Comprehensive Income and Expenses to be Reclassified to Profit or Loss		88.968.316	56.507.110
<i>Currency Translation Differences</i>	27	37.585.160	11.824.581
<i>Fair Value Reserve</i>		51.383.156	44.682.529
Other Reserves	27	192.753.848	83.753.848
Restricted Reserves	27	181.812.427	139.503.482
Prior Year's Profit/Loss	27	779.106.909	337.460.212
Profit for the Year		1170.903.975	941.974.320
Non-Controlling Interests	27	310.197.333	275.156.803
TOTAL EQUITY		3.072.115.536	2.184.415.135
TOTAL LIABILITIES		14.213.244.141	8.775.444.410

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

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

AS IF DECEMBER 31, 2021 and 2020

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

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

		Audited Current Period	Audited Prior Period
	Notes	1 January - 31 December 2021	1 January - 31 December 2020
STATEMENT OF PROFIT OR LOSS			
Revenue	28	142.503.416.043	109.583.692.115
Sales Revenue	28	141.261.126.476	108.504.007.574
Interest and Derivative Income from Operating Activities, Net	28	(4.803.291)	232.792.579
Service Income, Net	28	879.006.795	743.600.429
Other Operating Income, Net	28	368.086.063	103.291.533
Cost of Sales (-)	28	(140.189.864.090)	(107.714.224.569)
GROSS PROFIT/LOSS		2.313.551.953	1.869.467.546
Administrative Expenses (-)	29	(515.711.355)	(367.208.882)
Marketing Expenses (-)	29	(199.591.641)	(157.136.277)
Research and Development Expenses (-)	29	(3.511.931)	(2.932.629)
Other Operating Income	30	42.412.533	21.617.766
Other Operating Expenses (-)	30	(109.423.145)	(94.740.643)
OPERATING PROFIT/LOSS		1.527.726.414	1.269.066.881
Share of Profit/Loss of Equity Accounted Investees, Net of Income Tax	17	12.608.793	(9.086.241)
OPERATING PROFIT/LOSS BEFORE FINANCE COST		1.540.335.207	1.259.980.640
Finance Income	31	164.946.366	83.734.575
Finance Costs (-)	32	(144.505.481)	(97.703.044)
PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS		1.560.776.092	1.246.012.171
Income Tax from Continuing Operations	35	(327.299.588)	(268.706.987)
<i>Current Tax Expense</i>		(302.319.924)	(238.415.857)
<i>Deferred Tax Income/(Expense)</i>		(24.979.664)	(30.291.130)
PROFIT FROM CONTINUING OPERATIONS		1.233.476.504	977.305.184
PROFIT FROM DISCONTINUED OPERATIONS		-	-
PROFIT FOR THE YEAR		1.233.476.504	977.305.184
Profit Attributable to:			
Non-controlling interests		62.572.529	35.330.864
Equity holders of the company		1.170.903.975	941.974.320
		1.233.476.504	977.305.184
Earnings per share			
Earnings Per Share from Continuing Operations	36	3,2983	2,6534
Earnings Per Share from Discontinued Operations		-	-
Diluted Earnings Per Share			
Diluted Earnings Per Share from Continuing Operations	36	3,2983	2,6534
Diluted Earnings Per Share from Discontinued Operations		-	-

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

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
AS OF DECEMBER 31, 2021 and 2020**

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

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

		Audited Current Period	Audited Prior Period
	Notes	1 January - 31 December 2021	1 January - 31 December 2020
PROFIT FOR THE YEAR		1.233.476.504	977.305.184
OTHER COMPREHENSIVE INCOME:			
Items that not to be reclassified to profit or loss	34	(338.422)	1.090.270
Defined benefit plans re-measurement gains		(423.028)	1.362.837
Taxes related to comprehensive income that will not be reclassified to profit or loss		84.606	(272.567)
<i>Deferred Tax Expense/Income</i>	35	<i>84.606</i>	<i>(272.567)</i>
Items that are or may be reclassified to profit or loss	34	17.605.503	8.941.782
Net change in fair values of available for sale financial assets		6.826.967	9.568.436
Change in currency translation reserve		11.119.883	(148.233)
Tax related to other comprehensive income that will be reclassified to profit or loss		(341.347)	(478.421)
OTHER COMPREHENSIVE INCOME		17.267.081	10.032.052
TOTAL COMPREHENSIVE INCOME		1.250.743.585	987.337.236
Total Comprehensive Income Attributable to:			
Non-Controlling Interests		48.687.796	31.681.966
Equity Holders of the Company		1.202.055.789	955.655.270
		1.250.743.585	987.337.236

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF DECEMBER 31, 2021 and 2020**

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

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

			Other Comprehensive Income to be classified to be profit or loss	Other Comprehensive Income to be reclassified to be profit or loss	
	Paid in Capital	Share Premium	Defined Benefit Plans Re- Measurement Gains and Losses	Currency Translation Difference	Fair Value Reserve
Balance on January 1, 2020	355.000.000	1.317.449	(7.085.607)	6.856.675	35.565.276
Transfers to Reserves	-	-	-	-	-
Total Comprehensive Income	-	-	841.641	4.932.770	7.906.538
Change in Non-Controlling Interests	-	(14.123)	-	35.136	1.210.715
Dividends	-	-	-	-	-
Other	-	-	-	-	-
Balance on January 31, 2020	355.000.000	1.303.326	(6.243.966)	11.824.581	44.682.529
			Other Comprehensive Income to be classified to be profit or loss	Other Comprehensive Income to be reclassified to be profit or loss	
	Paid in Capital	Share Premium	Defined Benefit Plans Re- Measurement Gains and Losses	Currency Translation Difference	Fair Value Reserve
Balance on January 1, 2021	355.000.000	1.303.326	(6.243.966)	11.824.581	44.682.529
Transfers to Reserves	-	-	-	-	-
Total Comprehensive Income	-	-	(630.129)	25.760.579	6.021.365
Change in Non-Controlling Interests	-	(1.056.503)	-	-	679.262
Dividends	-	-	-	-	-
Balance on December 31, 2021	355.000.000	246.823	(6.874.095)	37.585.160	51.383.156

Retained Earnings							
	Other Reserves	Restricted Reserves	Prior Year's Profit/Loss	Net Profit/Loss For The Year	Shareholders' Equity	Non-Controlling Interest	Equity
	33.758.962	104.849.263	193.856.773	382.874.162	1.106.992.953	286.142.460	1.393.135.413
	50.000.000	34.954.285	297.919.877	(382.874.162)	-	-	-
	-	-	-	941.974.320	955.655.269	31.681.966	987.337.235
	(5.114)	(300.066)	(343.765)	-	582.783	2.058.427	2.641.210
	-	-	(140.000.000)	-	(140.000.000)	(43.367.722)	(183.367.722)
	-	-	(13.972.673)	-	(13.972.673)	(1.358.328)	(15.331.001)
	83.753.848	139.503.482	337.460.212	941.974.320	1.909.258.332	275.156.803	2.184.415.135

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

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
AS OF DECEMBER 31, 2021 and 2020**

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

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

		Audited Prior Year	Audited Prior Year
	Notes	1 January - 31 December 2021	1 January - 31 December 2020
A. CASH FLOWS FROM OPERATING ACTIVITIES		(2.007.659.700)	(597.814.437)
Net Profit for the year		1.233.476.504	977.305.184
Adjustments to reconcile net profit/(loss)			
Adjustments for depreciation and amortization	20-21	20.768.374	21.097.425
Changes in provisions		52.545.389	50.268.094
Interest income and expenses	7-9	12.395.807	2.749.780
Adjustments related to share-based payments		(4.575.392)	(3.383.227)
Adjustments related to fair value losses/gains		(8.755.466)	(12.298.931)
Changes in tax loss/income	35	327.299.588	268.706.987
Gain/losses from sales of tangible assets	20-21	(630)	(309.536)
Adjustments related to investments accounted for using the equity method	17	(13.413.818)	9.086.241
Other adjustments related to profit/loss reconciliation		71.823.504	17.413.662
Changes in net working capital			
Increases/decreases in inventories		6.629.934	(1.445.634)
Increases/decreases in trade receivables		(2.854.712.359)	(2.430.973.347)
Increases/decreases in financial investments		(895.926.228)	(1.001.798.269)
Increases/decreases in other receivables		(426.333.486)	(300.890.121)
Changes in restricted deposits	7	(330.838)	(2.765)
Increases/decreases in trade payables		809.700.557	1.997.649.406
Increases/decreases in other payables		25.182.650	14.577.952
Cash flows from operating activities			
Current tax paid		(361.613.983)	(200.545.806)
Employment termination benefits paid/return		(1.819.807)	(5.021.532)
B. CASH FLOWS FROM INVESTING ACTIVITIES		(22.299.176)	(14.798.232)
Proceeds from acquisition of associates		-	(2.278.359)
Proceeds from disposal of property, plant and equipment	20	1.208.616	4.348.417
Cash inflow from sales of tangible assets	20	(15.788.575)	(13.334.709)
Dividend income	31	4.575.392	3.383.227
Cash outflow from purchases of intangible assets	21	(12.294.609)	(6.916.808)
C. CASH FLOWS FROM FINANCING ACTIVITIES		3.055.695.279	(451.164.379)
Proceeds from financial liabilities		51.555.145.841	22.133.646.508
Repayments of financial liabilities		(49.280.340.525)	(21.530.796.356)
Dividends paid	27	(380.132.965)	(183.367.722)
Change in time deposits with original maturities longer than three months		(186.963.950)	614.450.730
Change in other financial liabilities		(5.552.767)	134.876.036
Financing cash inflows from commercial paper		1.353.539.645	-
Financial cash outflows from commercial paper		-	(1.619.973.575)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES (A+B+C)		1.025.736.403	(1.063.777.048)
D. EFFECTS OF UNREALIZED EXCHANGE LOSS/(GAIN) ON CASH AND CASH EQUIVALENTS		25.760.579	4.932.770
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		1.051.496.982	(1.058.844.278)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	7	503.076.111	1.561.920.389
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	7	1.554.573.093	503.076.111

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

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021 and 2020**

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

1. ORGANIZATION AND OPERATIONS OF THE GROUP

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

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

Levent Mahallesi, Meltem Sokak, İş Kuleleri, Kule - 2 Kat 13, 34330, Beşiktaş/İstanbul/Turkey
Telephone: + 90 (212) 350 20 00 Fax: + 90 (212) 350 20 01
<http://www.isyatirim.com.tr>

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

As of December 31, 2021, the Company has 438 employees (31 December 2020: 375).

As of December 31, 2021, the details of the Company's subsidiaries included in consolidation are as follows:

Subsidiaries:

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

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

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

Efes Varlık Yönetim AŞ

The subsidiary has been established on February 8, 2011. The purpose of the subsidiary is to buy and sell receivables and other assets of deposit banks, participation banks and other financial institutions.

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

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

İş Portföy Yönetimi AŞ:

This subsidiary was registered with the Istanbul Trade Registry on 23 September 2000 and its foundation was published in the Trade Registry Gazette No: 5168 on 6 November 2000. Its purpose is to perform capital market activities in accordance with its Articles of Association and the Capital Markets Law and the related regulation. This participation offers only portfolio management and investment advisory services within the context of capital market activities to institutional investors.

İş Yatırım Ortaklığı AŞ:

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

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021 and 2020

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

1. ORGANIZATION AND OPERATIONS OF THE GROUP (cont'd)

Maxis Girişim Sermayesi Portföy Yönetimi AŞ:

The activity of the subsidiary established on November 2, 2017 and started operating in May 17, 2018 is the establishment and management of venture capital investment funds within the framework of the Capital

Markets Law and related legislative provisions. An application has been made to the Capital Markets Board for the relevant transaction.

Maxis Investments Ltd.:

The subsidiary has been established with the official registration with "The Official Seal of the Registrar of Companies" on August 8, 2005 located on 7 Princes Street, London. The purpose of the subsidiary is to perform profitable operations in the international capital markets.

Associates and jointly controlled entities:

Associates are entities on which the Group has significant influence apart from subsidiaries. Significant influence is the participation power to govern the financial and operating policies of an entity without having individually or jointly control power. Joint ventures are controlled by the Group with a contractual agreement and the Group have the authority on strategic, financial and operational decisions of joint ventures by these agreements. The details of Group's associates as of December 31, 2021 are as follows:

Associate

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

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basis of presentation

Financial reporting standards

Approval of Financial Statements

The Group's consolidated financial statements as at and for the year then ended December 31, 2021 have been approved by the Board of Directors and authorization for issue has been given on February 3, 2022. The General Assembly has the authority to amend the consolidated financial statements after publishing.

Preparation of Consolidated Financial Statements and Statement of Compliance to TAS

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

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021 and 2020**

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

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**2.1. Basis of presentation** (cont'd)**Financial reporting standards** (cont'd)

The accompanying consolidated financial statements as of December 31, 2020 have been prepared by the KGK on the basis of sub-paragraph (b) of Article 9 of the Statutory Decree numbered 660 ("Decree"), approved by the Board decision dated June 2, 2016 and numbered 30, and subsequently, with the Revenue from TFRS-15 Customer Contracts. It is presented in accordance with the updated TAS taxonomy published under the name of "2019 TFRS", which was announced to the public on 15 April 2019 together with the changes in TFRS-16 Leases standards. The Company and its subsidiaries in Turkey, the legal books and the statutory financial statements of the Turkish Commercial Code ("TCC") and tax legislation to keep in accordance with the accounting principles and are prepared. Enterprises controlled by a subsidiary operating in foreign countries prepare their accounting records and legal financial statements in the currencies of the countries in which they operate and in accordance with the legislation of those countries.

Functional and Reporting Currency

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

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

	31 December 2021	31 December 2020
USD	12,9775	7,3405
EURO	14,6823	9,0079
GBP	17,4530	9,9438

Assumption of Going Concern

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

Basis of Consolidation*Subsidiaries:*

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

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021 and 2020**

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

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

2.1. Basis of Presentation (cont'd)

Basis of Consolidation (cont'd)

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

Subsidiaries	Ownership as at 31 December 2021	Ownership as at 31 December 2020
Efes Varlık Yönetim AŞ	91,14%	91,14%
İş Girişim Sermayesi Yatırım Ortaklığı AŞ	29,01%	29,01%
İş Portföy Yönetimi AŞ	70,00%	70,00%
İş Yatırım Ortaklığı AŞ	29,45%	29,45%
Maxis Girişim Sermayesi Portföy Yönetimi AŞ	100,00%	100,00%
Maxis Investments Ltd.	100,00%	100,00%
Nevotek Bilişim Ses ve İletişim Sis. San. ve Tic. AŞ ("Nevotek") ^(*)	95,37%	95,37%
Ortopro Tıbbi Aletler Sanayi ve Ticaret AŞ ("Ortopro") ^(*)	97,22%	97,22%
Toksöz Spor Malzemeleri Ticaret AŞ ("Toksöz Spor") ^(*)	90,63%	90,63%
Mikla Yiyecek ve İçecek AŞ ("Mikla") ^(*)	83,57%	83,57%

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

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

Associates and joint ventures:

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

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

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

Associates	Place of incorporation	Share on capital (%)		Main Business Area
		31 December 2021	31 December 2020	
Radore ^(*)	Türkiye	25,50	25,50	Data Services
Mika Tur ^(*)	Türkiye	40,00	40,00	Travel Agency Licensed
Elidaş	Türkiye	10,05	10,05	Warehousing

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

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021 and 2020**

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

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)***2.1 Basis of Presentation** *(cont'd)***Basis of Consolidation** *(cont'd)*Goodwill:

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

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

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

Transactions eliminated on consolidation:

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

2.2 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of December 31, 2021 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2021 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

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

2.3 Basis of Presentation of the Consolidated Financial Statements

i) The new standards, amendments and interpretations which are effective as of January 1, 2021 are as follows:

Interest Rate Benchmark Reform - Phase 2 - Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16

In December 2020, the POA issued Interest Rate Benchmark Reform - Phase 2, Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 to provide temporary reliefs which address the financial reporting effects when an interbank offering rate (IBOR) is replaced with an alternative nearly risk-free rate (RFR, amending the followings. The amendments are effective for periods beginning on or after 1 January 2021. Earlier application is permitted and must be disclosed.

Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform

The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Under this practical expedient, if the interest rates applicable to financial instruments change as a result of the IBOR reform, the situation is not considered as a derecognition or contract modification; instead, this would be determined by recalculating the carrying amount of the financial instrument using the original effective interest rate to discount the revised contractual cash flows.

The practical expedient is required for entities applying TFRS 4 Insurance Contracts that are using the exemption from TFRS 9 Financial Instruments (and, therefore, apply TAS 39 Financial Instruments: Classification and Measurement) and for TFRS 16 Leases, to lease modifications required by IBOR reform.

Relief from discontinuing hedging relationships

- The amendments permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Amounts accumulated in the cash flow hedge reserve are deemed to be based on the RFR.
- For the TAS 39 assessment of retrospective hedge effectiveness, on transition to an RFR, entities may elect on a hedge-by-hedge basis, to reset the cumulative fair value changes to zero.
- The amendments provide relief for items within a designated group of items (such as those forming part of a macro cash flow hedging strategy) that are amended for modifications directly required by IBOR reform. The reliefs allow the hedging strategy to remain and not be discontinued.
- As instruments transition to RFRs, a hedging relationship may need to be modified more than once. The phase two reliefs apply each time a hedging relationship is modified as a direct result of IBOR reform.

Separately identifiable risk components

The amendments provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**2.3 Basis of Presentation of the Consolidated Financial Statements** (cont'd)

i) The new standards, amendments and interpretations which are effective as of January 1, 2021 are as follows: (cont'd)

Additional disclosures

Amendments need additional TFRS 7 Financial Instruments disclosures such as; How the entity is managing the transition to RFRs, its progress and the risks to which it is exposed arising from financial instruments due to IBOR reform, quantitative information about financial instruments that have yet to transition to RFRs and If IBOR reform has given rise to changes in the entity's risk management strategy, a description of these changes.

The amendments are mandatory, with earlier application permitted. While application is retrospective, an entity is not required to restate prior periods.

Amendments to IFRS 16 - Covid-19-Related Rent Concessions and Covid-19-Related Rent Concessions beyond 30 June 2021

In June 2020, the POA issued amendments to TFRS 16 Leases to provide relief to lessees from applying TFRS 16 guidance on lease modifications to rent concessions arising a direct consequence of the Covid-19 pandemic. In April 7, 2021, POA extended the exemption to include concessions that cause a decrease in lease payments whose maturity expired on or before June 30, 2022.

A lessee will apply the amendment for annual reporting periods beginning on or after 1 April 2021. Early application of the amendments is permitted.

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

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

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

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. The Group will wait until the final amendment to assess the impacts of the changes.

Amendments to TFRS 3 - Reference to the Conceptual Framework

In July 2020, the POA issued amendments to TFRS 3 Business combinations. The amendments are intended to replace to a reference to a previous version of the Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing requirements of TFRS 3. At the same time, the amendments add a new paragraph to TFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments issued to TFRS 3 which are effective for periods beginning on or after 1 January 2022 and must be applied prospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in TFRS standards (2018 Version).

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

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

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

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

Amendments to TAS 16 - Proceeds before intended use

In July 2020, the POA issued amendments to TAS 16 Property, plant and equipment. The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and costs of producing those items, in profit or loss. The amendments issued to TAS 16 which are effective for periods beginning on or after 1 January 2022. Amendments must be applied retrospectively only to items of PP&E made available for use on or after beginning of the earliest period presented when the entity first applies the amendment.

There is no transition relief for the first time adopters.

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

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

In July 2020, the POA issued amendments to TAS 37 Provisions, Contingent Liabilities and Contingent assets. The amendments issued to TAS 37 which are effective for periods beginning on or after 1 January 2022, to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and also apply a "directly related cost approach". Amendments must be applied prospectively to contracts for which an entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed.

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

TFRS 17 - The new Standard for insurance contracts

The POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted. The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

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

On January 15, 2021, the POA issued amendments to TAS 1 Presentation of Financial Statements. The amendments issued to TAS 1 which are effective for periods beginning on or after 1 January 2023, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted.

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

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**2.3 Basis of Presentation of the Consolidated Financial Statements** (cont'd)**ii) Standards issued but not yet effective and not early adopted** (cont'd)**Amendments to TAS 8 - Definition of Accounting Estimates**

In August 2021, the POA issued amendments to TAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments issued to TAS 8 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date. Earlier application is permitted.

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

Amendments to TAS 1 - Disclosure of Accounting Policies

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

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

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

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

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

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

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

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

Annual Improvements - 2018-2020 Cycle

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

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

Improvements are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted for all.

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

2.4. Comparative Figures

The consolidated financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period consolidated financial statements.

2.5. Summary of Significant Accounting Policies

Revenue:

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

Interest income and expenses

Interest income and expenses are recognized in the statement of profit or loss on an accrual basis. Interest income include coupon payments on fixed income securities, interest income on the Stock Exchange Money Market transactions and reverse repurchase agreements and interest on guarantees given for futures transactions.

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

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

Dividend income

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

Private equity

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

IT, audio and communication systems

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

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

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

Trade of orthopedics, medical equipments and sport products

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

Food and beverage services revenue

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

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

Restaurant sponsorship revenue

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

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

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

Revenue (cont'd):

Restaurant commission revenue

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

Sport goods sold

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

Inventories:

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

Tangible Assets:

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

Depreciation

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

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

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

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

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

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

Subsequent expenditure

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

Right-of-use assets

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

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

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

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

Right-of-use assets are subject to impairment.

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

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

Lease liabilities

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

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

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

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

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

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

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

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

Short-term leases and leases of low-value assets

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

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

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

Trademarks and Licenses:

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

Computer Software:

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

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

Intangible Assets Acquired in a Business Combination:

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

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

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

Intangible Assets: (cont'd)

Internally-generated intangible assets - research and development expenditure

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

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

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

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

Derecognition of intangible assets

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

Impairment of Assets:

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

Assets Held for Sale:

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

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

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

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

Financial Instruments:

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

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

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

Financial Assets:

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

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

Financial assets at FVTPL

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

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

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

Financial Instruments: (cont'd)

Financial assets measured at amortized cost

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

Financial assets at FVTOCI

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

Repurchase and reverse repurchase agreements

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

Cash and cash equivalents

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

Impairment of financial assets/expected credit loss

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

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

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**2.5. Summary of Significant Accounting Policies** (cont'd)**Financial Instruments:** (cont'd)Impairment of financial assets/expected credit loss (cont'd)

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

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

Trade receivables and provision for doubtful receivables

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

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

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

Financial liabilities:

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

Other financial liabilities

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

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

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

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

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

Financial Instruments: (cont'd)

Forward, Option Contracts and Derivative financial instruments:

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

Cash flow hedges

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

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

Recognition and removal of financial assets and liabilities:

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

Business Combinations:

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

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

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

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

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

Impact of Foreign Currency Fluctuations:

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

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

Earnings per Share:

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

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

Events after the Reporting Period:

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

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

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

Events after the Reporting Period (cont'd):

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

Provisions, Contingent Assets and Liabilities:

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

Related Parties:

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

Segment Reporting:

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

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

Tax Assets and Liabilities:

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

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

Current Tax

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

Deferred Tax

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

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**2.5. Summary of Significant Accounting Policies** (cont'd)**Tax Assets and Liabilities:** (cont'd)

Since the tax rate effective as of 1 January 2022 has changed to 23%, 23% tax rate has been used for temporary differences expected to be realized/closed within 1 year. However, since the corporate tax rate applicable after 2022 is 20%, 20% tax rate is used for the current differences expected to be realized/closed after 2022.

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

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

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

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

Employee Benefits/Retirement Pay Liability:Retirement pay liability

According to the related regulation the Group is obliged to pay employee termination benefits to employees who retire, die, quit for their military service obligations, who have been dismissed after completing one year as defined in the related regulation. The provision for employment termination benefits represents the present value of the future estimation liability in case of retirement of the Group's employees.

As of December 31, 2021, the maximum ceiling amount for employee severance indemnity is TL 8.285 (December 31, 2020: TL 7.117). As disclosed in Note 24, the Group has used some actuarial assumptions in computation of provision for employee severance indemnity. Actuarial differences are recognized in profit or loss as incurred. Retirement pay ceiling for the calculation of provision for employee termination benefits, announced by the Ministry of Labor. Actuarial differences are recognized in other comprehensive income and presented prior year's profit or loss.

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

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

Employee Benefits/Retirement Pay Liability: *(cont'd)*

Defined contribution plans

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

Bonus payments

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

Other short-term benefits

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

Retirement plans

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

Statement of Cash Flows:

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

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

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

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

Share Capital and Dividends:

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

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

2.6. Significant Accounting Judgements, Estimates and Assumptions

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

There has not been significant change in estimates and assumptions of the Company management for the accounting policies adopted in the preparation of consolidated financial statements.

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

The Covid-19 epidemic, which has recently emerged in China, spreads to various countries around the world and causes potentially fatal respiratory infections, causes disruptions in operations, especially in countries that are overly exposed to the epidemic, and negatively affects economic conditions both regionally and globally. As a result of the spread of Covid-19 around the world, various measures have been taken in our country as well as in the world to prevent the transmission of the virus and are still being taken. In addition to these measures, economic measures are also taken to minimize the economic effects of the virus epidemic on individuals and businesses in our country and worldwide. The Company Management predicts that the effects of the current situation will not be significant in the financial statements. In addition, the estimates and assumptions used in the upcoming periods will be reviewed.

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

Note 11 - Trade receivables and payables

Note 17 - Investments in equity accounted investees

Note 18 - Goodwill (**)

Note 19 - Right of use assets

Note 20 - Tangible assets

Note 21 - Intangible assets

Note 23 - Provisions, contingent assets and liabilities

Note 25 - Employee benefits

Note 35 - Tax assets and liabilities

According to accounting policies explained in note 21, the Group tests impairment of goodwill every year. Recoverable amount of cash generating units are specified according to value in use. These calculations require estimations.

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3. BUSINESS COMBINATIONS

Disclosed in Note 17.

4. GROUP ENTITIES

As of December 31, 2021 and 2020, summary financial information of the Group's subsidiaries is as follows:

31 December 2021						
	İş Yatırım Ortaklığı AŞ	İş Portföy Yönetimi AŞ	İş Girişim Sermayesi Yatırım Ortaklığı AŞ (Consolidated)	Efes Varlık Yönetim AŞ	Maxis Girişim Sermayesi Portföy Yönetimi AŞ	Maxis Investments Ltd.
Non-Current Assets	430.745	55.080.905	109.648.844	9.727.589	2.527.224	1.242.154
Current Assets	275.155.041	218.942.817	255.828.288	204.477.437	12.299.561	315.917.241
Long Term Liabilities	683.276	4.701.549	43.842.898	13.117.095	2.036.715	-
Short Term Liabilities	1.048.619	28.804.730	270.338.503	75.870.979	2.872.636	240.367.027
Net Assets	273.853.891	240.517.443	51.295.731	125.216.952	9.917.434	76.792.368
Carrying Value of Non-Controlling Interests	-	-	(10.022.827)	-	-	-
Revenue	287.298.679	199.447.237	381.129.203	97.475.253	12.477.309	32.564.223
Profit/(Loss)	50.811.337	97.016.196	(5.530.993)	22.553.768	4.691.085	12.240.487
Non-Controlling Interests	-	-	(3.926.452)	-	-	-
Total Comprehensive Income	50.797.824	98.653.331	23.291.759	22.553.768	4.786.130	12.240.487
Comprehensive Income	-	-	951.232	-	-	-
Cash Flows Related to Operating Activities	(62.858.078)	89.688.780	10.578.150	-	612.427	28.640.530
Cash Flows Related to Investing Activities	(59.507)	(3.918.890)	9.839.961	548.416	(119.801)	(1.042.607)
Cash Flows Related to Financing Activities	(25.437.823)	(25.000.000)	11.247.042	14.869.922	3.000.000	(4.568.365)
Net Increase/(Decrease) on Cash and Cash Equivalents	(88.355.408)	31.270.833	11.041.549	(29.399.549)	3.798.797	23.029.558

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4. GROUP ENTITIES (cont'd)

31 December 2020						
	İş Yatırım Ortaklığı AŞ	İş Portföy Yönetimi AŞ	İş Girişim Sermayesi Yatırım Ortaklığı AŞ (Consolidated)	Efes Varlık Yönetim AŞ	Maxis Girişim Sermayesi Portföy Yönetimi AŞ	Maxis Investments Ltd.
Non-Current Assets	580.800	38.236.526	90.888.823	7.765.351	515.485	179.933
Current Assets	249.525.754	149.078.436	246.487.196	220.065.449	2.434.444	574.614.944
Long Term Liabilities	985.739	6.178.660	36.196.588	7.939.383	442.265	-
Short Term Liabilities	1.011.261	14.272.190	226.369.036	177.267.213	376.360	541.334.594
Net Assets	248.109.554	166.864.112	74.810.395	42.624.204	2.131.304	33.460.283
Carrying Value of Non- Controlling Interests	-	-	(10.974.059)	-	-	-
Revenue	231.029.388	142.341.481	307.454.696	89.516.828	2.401.506	23.230.675
Profit/(Loss)	27.974.546	59.255.696	(4.808.408)	10.320.941	(326.047)	6.894.975
Non-Controlling Interests	-	-	(3.413.489)	-	-	-
Total Comprehensive Income	27.957.488	63.329.202	(11.164.674)	10.431.497	(325.266)	6.894.975
Comprehensive Income	-	-	1.528.522	-	-	-
Cash Flows Related to Operating Activities	-	68.181.382	(8.332.905)	3.082.215	(193.425)	8.513.588
Cash Flows Related to Investing Activities	(20.386)	47.163.833	45.016.378	2.203.912	(7.480)	22.183
Cash Flows Related to Financing Activities	(55.445.366)	(21.360.000)	(35.191.193)	40.982.677	-	(2.969.200)
Net Increase/(Decrease) on Cash and Cash Equivalents	(33.655.432)	74.127.918	1.492.280	43.186.589	(250.608)	5.566.571

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5. SEGMENT REPORTING

Segments	Securities Brokerage	Investment Trust
	1 January- 31 December 2021	1 January - 31 December 2021
Revenue		
Sales revenue	140.569.641.269	263.802.042
Interest and derivative income from operating activities (net)	(120.928.937)	23.496.637
Services income (net)	714.526.769	-
Other operating income (net)	368.086.063	-
Cost of sales (-)	(139.708.783.080)	(219.257.838)
GROSS PROFIT/LOSS	1.822.542.084	68.040.841
Administrative expenses (-)	(363.414.484)	(4.736.399)
Marketing expenses (-)	(140.340.200)	(2.395.075)
Research and development expenses (-)	-	-
Other operating income	30.259.447	-
Other operating expenses (-)	(79.472.576)	-
OPERATING PROFIT/LOSS	1.269.574.271	60.909.367
Share of profit/(loss) of equity accounted investees	375.851	-
OPERATING PROFIT/LOSS BEFORE FINANCE COSTS	1.269.950.122	60.909.367
Finance income	112.869.956	696.493
Finance costs (-)	(3.204.611)	(10.794.523)
PROFIT OR LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS	1.379.615.467	50.811.337
Tax income/(expense) from continuing Operations	(290.996.641)	-
- Current tax expenses	(263.656.005)	-
- Deferred tax income/(expense)	(27.340.636)	-
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	1.088.618.826	50.811.337
PROFIT FOR DISCONTINUED OPERATIONS	-	-
PROFIT/(LOSS) FOR THE YEAR	1.088.618.826	50.811.337
Profit/(Loss) attributable to:		
Non-Controlling interests	-	35.847.398
Equity holders of the Company	1.088.618.826	14.963.939
	1.088.618.826	50.811.337
Other informations		
Acquisition of tangible and intangible assets	20.213.056	59.507
Depreciation and amortization charges	(18.318.517)	(285.032)

Portfolio Management	Private Equity	Asset Management	Elimination Adjustments	Total
1 January - 31 December 2021	1 January - 31 December 2021	1 January - 31 December 2021	1 January - 31 December 2021	1 January - 31 December 2021
43,184,262	381,129,203	3,119,380	250,320	141,261,126.476
-	-	94,355,873	(1,726,864)	(4,803,291)
168,740,284	-	-	(4,260,258)	879,006,795
-	-	-	-	368,086,063
(10,126,126)	(251,697,046)	-	-	(140,189,864.090)
201,798,420	129,432,157	97,475,253	(5,736,802)	2,313,551,953
(77,444,393)	(34,317,343)	(37,644,601)	1,845,865	(515,711,355)
(3,032,214)	(56,429,487)	-	2,605,335	(199,591,641)
-	(3,511,931)	-	-	(3,511,931)
142,943	12,201,085	-	(190,942)	42,412,533
(5,103)	(9,924,107)	(20,021,359)	-	(109,423,145)
121,459,653	37,450,374	39,809,293	(1,476,544)	1,527,726,414
-	12,232,942	-	-	12,608,793
121,459,653	49,683,316	39,809,293	(1,476,544)	1,540,335,207
25,832,657	47,635,320	1,119,111	(23,207,171)	164,946,366
(12,842,542)	(102,768,351)	(14,895,454)	-	(144,505,481)
134,449,768	(5,449,715)	26,032,950	(24,683,715)	1,560,776,092
(32,742,487)	(81,278)	(3,479,182)	-	(327,299,588)
(34,015,048)	(952,089)	(3,696,782)	-	(302,319,924)
1,272,561	870,811	217,600	-	(24,979,664)
101,707,281	(5,530,993)	22,553,768	(24,683,715)	1,233,476,504
-	-	-	-	-
101,707,281	(5,530,993)	22,553,768	(24,683,715)	1,233,476,504
29,104,859	(3,926,452)	1,998,264	(451,540)	62,572,529
72,602,422	(1,604,541)	20,555,504	(24,232,175)	1,170,903,975
101,707,281	(5,530,993)	22,553,768	(24,683,715)	1,233,476,504
2,932,381	4,288,237	550,423	-	28,043,604
(4,677,118)	(8,753,031)	(944,752)	-	(32,978,450)

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5. SEGMENT REPORTING (cont'd)

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

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

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5. SEGMENT REPORTING (cont'd)

Segments	Securities Brokerage	Investment Trust	Portfolio Management
	1 January- 31 December 2020	1 January - 31 December 2020	1 January - 31 December 2020
Revenue			
Sales revenue	107.945.227.555	225.937.293	19.068.590
Interest and derivative income from operating activities (net)	145.220.636	5.074.466	-
Services income (net)	620.993.089	17.629	125.674.397
Other operating income (net)	103.291.533	-	-
Cost of sales (-)	(107.312.660.424)	(197.224.344)	(21.610.512)
GROSS PROFIT/LOSS	1.502.072.389	33.805.044	123.132.475
Administrative expenses (-)	(249.565.559)	(4.144.727)	(52.399.588)
Marketing expenses (-)	(99.017.796)	(3.045.445)	(9.509.823)
Research and development expenses (-)	-	-	-
Other operating income	12.605.075	16.693	381.331
Other operating expenses (-)	(51.320.293)	-	(3.162)
OPERATING PROFIT/LOSS	1.114.773.816	26.631.565	61.601.233
Share of profit/(loss) of equity accounted investees	134.968	-	-
OPERATING PROFIT/LOSS BEFORE FINANCE COSTS	1.114.908.784	26.631.565	61.601.233
Finance income	58.388.582	1.514.289	18.783.704
Finance costs (-)	(9.111.543)	(171.308)	(4.533.345)
PROFIT OR LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS	1.164.185.823	27.974.546	75.851.592
Tax income/(expense) from continuing Operations	(246.219.535)	-	(16.921.943)
- Current tax expenses	(221.052.324)	-	(17.035.305)
- Deferred tax income/(expense)	(25.167.211)	-	113.362
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	917.966.288	27.974.546	58.929.649
PROFIT FOR DISCONTINUED OPERATIONS	-	-	-
PROFIT/(LOSS) FOR THE YEAR	917.966.288	27.974.546	58.929.649
Profit/(Loss) attributable to:			
Non-Controlling interests	-	19.736.042	17.776.709
Equity holders of the Company	917.966.288	8.238.504	41.152.940
	917.966.288	27.974.546	58.929.649
Other informations			
Acquisition of tangible and intangible assets	10.545.902	20.386	2.161.683
Depreciation and amortization charges	(13.147.569)	(243.706)	(3.789.822)

Private Equity	Asset Management	Elimination Adjustments	Total
1 January - 31 December 2020	1 January - 31 December 2020	1 January - 31 December 2020	1 January - 31 December 2020
307,454,696	6,319,440	-	108,504,007,574
-	83,197,388	(699,911)	232,792,579
-	-	(3,084,686)	743,600,429
-	-	-	103,291,533
(182,729,289)	-	-	(107,714,224,569)
124,725,407	89,516,828	(3,784,597)	1,869,467,546
(33,573,706)	(28,149,029)	623,727	(367,208,882)
(48,585,243)	-	3,022,030	(157,136,277)
(2,932,629)	-	-	(2,932,629)
9,175,738	-	(561,071)	21,617,766
(16,773,313)	(26,643,875)	-	(94,740,643)
32,036,254	34,723,924	(699,911)	1,269,066,881
(9,221,209)	-	-	(9,086,241)
22,815,045	34,723,924	(699,911)	1,259,980,640
37,425,921	-	(32,377,921)	83,734,575
(59,483,865)	(24,402,983)	-	(97,703,044)
757,101	10,320,941	(33,077,832)	1,246,012,171
(5,565,509)	-	-	(268,706,987)
(328,228)	-	-	(238,415,857)
(5,237,281)	-	-	(30,291,130)
(4,808,408)	10,320,941	(33,077,832)	977,305,184
-	-	-	-
(4,808,408)	10,320,941	(33,077,832)	977,305,184
(3,413,489)	914,435	317,166	35,330,864
(1,394,919)	9,406,506	(33,394,998)	941,974,320
(4,808,408)	10,320,941	(33,077,832)	977,305,184
5,523,994	1,999,552	-	20,251,517
(20,461,826)	(649,678)	-	(38,292,601)

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5. SEGMENT REPORTING (cont'd)

Segments	Securities Brokerage	Investment Trust	Portfolio Management
Balance sheet information	31 December 2020	31 December 2020	31 December 2020
Assets	7.970.725.339	250.106.554	190.264.891
Cash and cash equivalents	165.629.214	169.085.932	91.525.128
Financial investments (short term)	1.743.691.132	73.099.942	38.465.057
Financial investments (long term)	227.517.070	-	28.793.101
Trade receivables	5.272.132.075	7.259.208	19.165.867
Other receivables	410.538.095	23.505	36.206
Derivative instruments	108.525.239	-	768.268
Investment in equity accounted investees	1.675.013	-	-
Other assets	41.017.500	637.967	11.511.264
Liabilities	6.128.086.677	1.997.000	21.269.475
Financial liabilities	687.662.081	668.034	5.498.366
Other financial liabilities	32.144.533	-	-
Trade payables	4.969.946.942	849.887	74.715
Other payables	28.914.779	68.717	1.847.183
Derivative instruments	184.926.984	-	-
Other liabilities	224.491.358	410.362	13.849.211
Net assets	1.842.638.662	248.109.554	168.995.416

Private Equity	Asset Management	Elimination adjustments	Total
31 December 2020	31 December 2020	31 December 2020	31 December 2020
337.376.019	227.830.800	(200.859.193)	8.775.444.410
60.287.829	14.218.917	-	500.747.020
18.109.746	-	(10.260.840)	1.863.105.037
-	-	(182.799.905)	73.510.266
81.847.210	197.720.231	(8.096.096)	5.570.028.495
4.774.183	-	332.494	415.704.483
-	-	-	109.293.507
1.285.505	-	-	2.960.518
171.071.546	15.891.652	(34.845)	240.095.084
262.565.624	185.206.596	(8.096.097)	6.591.029.275
171.842.886	174.907.451	-	1.040.578.818
104.944	-	-	32.249.477
68.313.973	908.743	(8.046.595)	5.032.047.665
3.084.225	3.658.636	(49.502)	37.524.038
-	-	-	184.926.984
19.219.596	5.731.766	-	263.702.293
74.810.395	42.624.204	(192.763.096)	2.184.415.135

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6. RELATED PARTY TRANSACTIONS

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

Deposits in Türkiye İş Bankası AŞ	31 December 2021	31 December 2020
Demand Deposits	4.361.060	27.948.783
Times Deposits	57.369.514	139.108.343
	61.730.574	167.057.126
Borrowings from Türkiye İş Bankası AŞ	31 December 2021	31 December 2020
Loans	45.539.898	96.330.314
	45.539.898	96.330.314
İş Faktoring AŞ	31 December 2021	31 December 2020
Factoring debt	7.844.396	5.507.890
	7.844.396	5.507.890
Payables from leases	31 December 2021	31 December 2020
Türkiye İş Bankası AŞ	5.440.211	5.215.966
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	15.115.653	14.980.361
TİB Men. Mun. Sos. Güv. Ve Yard. San. Vakfı	1.809.619	-
Milli Reasürans TAŞ	722.509	-
	23.087.992	20.196.327

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6. RELATED PARTY TRANSACTIONS (cont'd)

	31 December 2021			
	Receivables		Payables	
	Trading	Non- Trading	Trading	Non- Trading
Balances with related parties				
Türkiye İş Bankası AŞ	2.385.432	-	2.200.861	740.175
Anadolu Anonim Türk Sigorta Şirketi	8.280.899	-	187.937	17.971
Anadolu Hayat Emeklilik AŞ	11.735.952	-	-	2.803
Funds Founded and Managed	22.182.487	279.317	40.393	-
SoftTech Yazılım Tekn. Araş. Gel. ve Paz. Tic. A.Ş.	2.500.000	-	1.935.687	-
Milli Reasürans TAŞ	1.150.610	-	-	-
Other	75.577	39.470	31.433	1.240.464
	48.310.956	318.787	4.396.311	2.001.413
	31 December 2020			
	Receivables		Payables	
	Trading	Non- Trading	Trading	Non- Trading
Balances with related parties				
Türkiye İş Bankası AŞ	3.947.338	150	1.054.589	527
Anadolu Anonim Türk Sigorta Şirketi	4.997.587	-	115.132	10.480
Anadolu Hayat Emeklilik AŞ	4.388.395	-	-	-
Funds Founded and Managed	8.608.829	32.968	-	-
SoftTech Yazılım Tekn. Araş. Gel. ve Paz. Tic. A.Ş.	1.000.000	-	939.867	-
Other	269.189	26.743	64.754	242.296
	23.211.338	59.861	2.174.342	253.303

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6. RELATED PARTY TRANSACTIONS (cont'd)

	1 January- 31 December 2021			
	Fee and brokerage commission income	Interest income on time deposits	Dividend received	Other
Related party transactions (income)				
Türkiye İş Bankası AŞ	165.307.456	16.333.516	-	-
Anadolu Hayat Emeklilik AŞ	34.631.569	-	-	18.453
Anadolu Anonim Türk Sigorta Şirketi	9.409.362	-	-	-
Türkiye Sınai Kalkınma Bankası AŞ	-	154.589	-	-
T.Şişe ve Cam Fabrikaları AŞ	1.449.118	-	26.162	-
İş Faktoring A.Ş.	3.017.954	664.561	-	-
İş Finansal Kiralama AŞ	4.722.732	610.622	-	-
Funds Founded and Managed	128.849.786	-	-	-
Other	3.784.261	401.002	3.574	-
	351.172.239	18.164.290	29.736	18.453

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6. RELATED PARTY TRANSACTIONS (cont'd)

	1 January- 31 December 2020			
	Fee and brokerage commission income	Interest income on time deposits	Dividend received	Other
Related party transactions (income)				
Türkiye İş Bankası AŞ	210.317.102	27.748.464	-	1.223
Anadolu Hayat Emeklilik AŞ	25.333.025	-	-	6.971
Anadolu Anonim Türk Sigorta Şirketi	6.430.209	-	-	184.043
İş Gayrimenkul Yatırım Ortaklığı AŞ	578.165	-	-	-
Türkiye Sınai Kalkınma Bankası AŞ	-	262.661	-	-
İş Faktoring AŞ	2.123.845	-	-	-
T.Şişe ve Cam Fabrikaları AŞ	729.088	-	2.788	252.937
İş Finansal Kiralama AŞ	1.314.856	-	-	-
Trakya Cam San. AŞ	387.189	-	929	-
Funds Founded and Managed	89.589.464	-	-	-
Other	874.074	-	4.218	176.757
	337.677.017	28.011.125	7.935	621.931
		1 January- 31 December 2021	1 January- 31 December 2020	
Compensation of key management personnel				
Salaries and other short-term benefits		40.548.240	33.936.631	
		40.548.240	33.936.631	

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6. RELATED PARTY TRANSACTIONS (cont'd)

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

⁽¹⁾ Payments made under TFRS 16

1 January- 31 December 2021

Transaction commission expenses	Personnel insurance contribution	Office insurance	Rent expenses (*)	Administrative expenses	Technical service and consultancy expenses
33.844.732	-	-	3.136.035	6.006	247.209
-	-	-	6.019.760	458.278	-
-	4.203.103	669.080	-	27.622	-
-	873.887	54.137	-	-	-
-	-	-	-	4.434.100	-
-	-	-	-	-	6.489.385
-	-	-	-	-	-
-	-	-	855.890	-	-
-	-	-	-	-	16.441.359
-	-	-	-	93.466	138.783
33.844.732	5.076.990	723.217	10.011.685	5.019.471	23.316.737

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6. RELATED PARTY TRANSACTIONS (cont'd)

	1 January- 31 December 2021			
Related party transactions (expenses)	Letters of guarantee commission expenses	Custody commission expenses	Interest on borrowings	Other interest expenses
Türkiye İş Bankası AŞ	904.239	538.477	21.689.296	535.175
İş Gayrimenkul Yatırım Ortaklığı AŞ	-	-	-	-
Anadolu Anonim Türk Sigorta Şirketi	-	-	-	753.658
Anadolu Hayat Emeklilik AŞ	-	-	-	-
İş Merkezleri Yönetim ve İşletim AŞ	-	-	-	-
İş Net Elektronik Bilgi Ür. Dağ. Tic. ve İlet. Hiz. AŞ	-	-	-	-
İş Faktoring AŞ	-	-	-	1.556.886
Türkiye İş Bankası Kültür Yayınları İş - Türk Ltd. Şti.	-	-	-	-
SoftTech Yazılım Tekn. Araş. Gel. ve Paz. Tic. A.Ş.	-	-	-	-
Other	-	-	-	50
	904.239	538.477	21.689.296	2.845.769

⁽¹⁾ Payments made under TFRS 16

1 January- 31 December 2021

Transaction commission expenses	Personnel insurance contribution	Office insurance	Rent expenses (*)	Administrative expenses	Technical service and consultancy expenses
23.488.432	-	-	886.207	-	202.258
-	-	-	5.649.298	-	-
-	3.035.453	268.377	-	-	-
-	692.819	-	-	-	-
-	-	-	-	4.023.173	-
-	-	-	-	-	1.111.790
-	-	-	-	-	-
-	-	-	657.971	-	-
-	-	-	-	-	8.869.447
-	-	-	-	69.741	135.022
23.488.432	3.728.272	268.377	7.193.476	4.092.914	10.318.517

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7. CASH AND CASH EQUIVALENTS

	31 December 2021	31 December 2020
Cash	83.088	30.574
Cash at banks	1.090.347.683	253.288.816
<i>Demand deposits</i>	259.255.712	72.291.762
<i>Time deposits (with maturities less than three months)</i>	831.091.971	180.997.054
Type B mutual funds	13.840.018	2.642.353
Receivable from reverse repurchase agreements	224.445.586	206.890.922
Other cash equivalents	96.528	10.000
Receivables from money market placements	227.253.625	41.787.912
Expected loss provision	(3.572.719)	(3.903.557)
	1.552.493.809	500.747.020

Cash and cash equivalents in the Group's consolidated statement of cash flows as of December 31, 2021 and December 31, 2020 are presented by netting off interest accruals and time deposits:

	31 December 2021	31 December 2020
Cash and cash equivalents	1.552.493.809	500.747.020
Interest accrual	(1.693.435)	(1.574.466)
Restricted deposits	200.000	-
Expected loss provision	3.572.719	3.903.557
	1.554.573.093	503.076.111

Maturities and interest rates of time deposits as of December 31, 2021 and December 31, 2020 are as follows:

31 December 2021				
	Interest Rate (%)	Maturity	Currency Type	Amount (TL)
Time deposit in FX	1,00	11.01.2022	USD	1.965.775
Time deposit in FX	0,35	04.01.2022-24.01.2022	GBP	49.566.520
Time deposit in TL	13,75-25,00	03.01.2022-11.02.2022	TL	778.552.422
Money market placements	16,40-17,00	03.01.2022	TL	227.123.304
Interest accrual				1.137.575
				1.058.345.596

31 December 2020				
	Interest Rate (%)	Maturity	Currency Type	Amount (TL)
Time deposit in FX	0,02	15.01.2021	USD	1.142.604
Time deposit in FX	0,35	04.01.2021-01.02.2021	GBP	29.831.400
Time deposit in TL	10,00-18,25	04.01.2021-05.02.2021	TL	149.091.009
Money market placements	16,10-18,40	04.01.2021-18.01.2021	TL	41.379.000
Interest accrual				1.340.953
				222.784.966

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7. CASH AND CASH EQUIVALENTS (cont'd)

Maturities and interest rates of reverse repurchase agreements as of 31 December 2021 and 31 December 2020 are as follows:

31 December 2021				
	Interest Rate (%)	Maturity	Cost	Carrying Value
Reverse repurchase agreement	12,75-15,01	03.01.2022	224.362.901	224.448.685
			224.362.901	224.448.685
31 December 2020				
	Interest Rate (%)	Maturity	Cost	Carrying Value
Reverse repurchase agreement	4,41-18,00	04.01.2021	206.797.489	206.890.922
			206.797.489	206.890.922

8. FINANCIAL INVESTMENTS

Current financial assets	31 December 2021	31 December 2020
Time deposits with maturities more than three months and settlement and custody bank money market receivables	44.615.703	-
Financial assets at fair value through profit or loss	2.889.681.292	1.863.105.037
	2.934.296.995	1.863.105.037
Non-current financial assets	31 December 2021	31 December 2020
Available for sale financial assets	70.233.526	62.831.573
Financial assets at fair value through profit or loss	19.378.729	10.678.693
	89.612.255	73.510.266
31 December 2021		
Financial assets at fair value through profit or loss	Cost	Carrying value
Government bonds and treasury bills	391.403	407.631
Private sector bonds	180.955.378	195.646.112
Equity shares	2.188.944.463	2.234.487.694
Foreign currency securities	87.101.967	112.180.842
Investment funds	233.393.193	366.337.742
	2.690.786.404	2.909.060.021
31 December 2020		
Financial assets at fair value through profit or loss	Cost	Carrying value
Government bonds and treasury bills	7.639.751	7.930.665
Private sector bonds	137.136.787	140.677.915
Equity shares	1.293.065.477	1.308.194.208
Foreign currency securities	260.654.023	275.410.262
Investment funds	112.298.477	141.570.680
	1.810.794.515	1.873.783.730

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8. FINANCIAL INVESTMENTS (cont'd)

Annual interest rate ranges of government bonds and treasury bills held for trading purposes as of December 31, 2021 are 18,86%. (31 December 2020: 17,39%).

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

	31 December 2021	
Financial Assets at Fair Value Through Other Comprehensive Income	Ownership Rate (%)	Carrying value
Listed Entities		
İş Gayrimenkul Yatırım Ortaklığı AŞ	1,13	43.576.574
Unlisted Entities		
İstanbul Takas ve Saklama Bankası AŞ	0,87	11.543.400
Borsa İstanbul AŞ	0,38	15.096.668
Yatırım Finansman Menkul Değ. AŞ	0,06	16.884
		70.233.526
	31 December 2020	
Financial assets available for sale	Ownership Rate (%)	Carrying value
Listed Entities		
İş Gayrimenkul Yatırım Ortaklığı AŞ	1,13	36.174.621
Unlisted Entities		
İstanbul Takas ve Saklama Bankası AŞ	0,87	11.543.400
Borsa İstanbul AŞ	0,38	15.096.668
Yatırım Finansman Menkul Değ. AŞ	0,06	16.884
		62.831.573

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9. FINANCIAL PAYABLES

Financial Payables	31 December 2021	31 December 2020
Payables to Stock Exchange Money Market	2.054.153.000	666.607.000
Payables from bills	1.353.539.644	-
Short-term bank loans	1.138.321.141	297.560.470
Long-term bank loans	15.420.254	17.729.139
Short-term portion of long-term bank loans	16.087.705	4.200.689
Interest accruals on payables to Stock Exchange Money Markets	19.426.022	790.320
Interest accruals on bank loans	16.311.540	4.434.906
Short-term debts from lease transactions	5.278.131	3.869.012
Long-term debts from lease transactions	45.140.365	35.857.067
The short-term portion of long-term leases	9.916.356	-
Financial leasing and factoring debts	7.844.396	9.530.215
	4.681.438.554	1.040.578.818

Of the factoring and leasing debts amounting to TL 17.760.752 in financial debts, TL 7.432.630 is in US Dollars and TL 411.765 is in Euro.

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9. FINANCIAL PAYABLES (cont'd)

As of December 31, 2021 and December 31, 2020, interest rates and maturities of bank borrowings are as follows:

31 December 2021					
Description	Amount	Currency Type	Interest Rate (%)	Maturity	Amount TL
Principal	1.137.452.197	TL	17,25-30,00	04.01.2022-13.12.2024	1.137.452.197
Interest accrual	15.828.411				15.828.411
Principal	32.376.903	USD	2,26-7,50	03.01.2022-20.08.2050	32.376.903
Interest accrual	483.129				483.129
					1.186.140.640
31 December 2020					
Description	Amount	Currency Type	Interest Rate (%)	Maturity	Amount TL
Principal	267.868.269	TL	8,00-22,50	13.01.2021-13.12.2024	267.868.269
Interest accrual	3.442.714				3.442.714
Principal	7.032.495	USD	2,26-7,50	04.01.2021-20.08.2050	51.622.029
Interest accrual	135.167				992.192
					323.925.204

As of December 31, 2021 the maturity and interest rates of the debt securities issued by the Group are as follows:

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

As of 31 December 2020, the Group has no debt securities issued.

As of December 31, 2021 and December 31, 2020, interest rates and maturities of payables to stock exchange money market are as follows:

31 December 2021					
Description	Amount	Currency Type	Interest Rate (%)	Maturity	Amount TL
Principal	2.054.153.000	TL	16,50-20,00	03.01.2022-17.02.2022	2.054.153.000
Interest accrual	19.426.022	TL			19.426.022
	2.073.579.022				2.073.579.022
31 December 2020					
Description	Amount	Currency Type	Interest Rate (%)	Maturity	Amount TL
Principal	666.607.000	TL	16,00-18,25	04.01.2021-29.01.2021	666.607.000
Interest accrual	790.320	TL			790.320
	667.397.320				667.397.320

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10. OTHER FINANCIAL LIABILITIES

	31 December 2021	31 December 2020
Liabilities from short selling transactions	150.719	32.249.477
	150.719	32.249.477

11. TRADE RECEIVABLES AND PAYABLES

Current trade receivables	31 December 2021	31 December 2020
Receivables from customers	1.260.517.925	2.360.791.591
Receivables from clearing houses on derivative transactions	2.627.797.681	1.162.825.554
Receivables from clearing houses	2.654.049.185	1.051.661.164
Receivables from credit customers	1.645.731.823	770.538.467
Purchase of nonperforming loans	182.665.300	197.720.231
Due from related parties (Note 6)	48.310.956	23.211.338
Commission and fund management fee receivables	3.560.742	2.148.059
Other trade receivables	2.107.242	1.132.091
Doubtful trade receivables	62.725.881	22.911.024
Provisions for doubtful trade receivables (-)	(62.725.881)	(22.911.024)
	8.424.740.854	5.570.028.495

As of December 31, 2021, the average interest rates applied to customers on margin trading are 22,45% (December 31, 2020: 27,98%).

As of December 31, 2021, the Group holds the equity shares of the listed entities as collaterals received in relation to receivables from customers on margin trading with an amount of TL 3.361.258.685 (December 31, 2020: TL 1.733.018.215).

As of December 31, 2021, the Group holds letters of guarantee with an amount of TL 136.017.178 in relation to the derivative transactions of its customers (December 31, 2020: TL 84.509.618).

Doubtful Trade Payables Transactions	31 December 2021	31 December 2020
Opening balance	22.911.024	23.569.232
Increase (decrease) in the provision	39.814.857	(658.208)
Closing balance	62.725.881	22.911.024

Short term trade payables	31 December 2021	31 December 2020
Payables to customers	1.644.284.294	3.070.867.094
Payables to clearing houses on derivative transactions	4.070.328.090	1.842.574.280
Trade payables	80.902.351	69.151.995
Payables to clearing house	30.959.200	40.606.321
Due to related parties	10.947.387	6.673.633
Other trade payables	4.326.900	2.174.342
	5.841.748.222	5.032.047.665

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12. OTHER RECEIVABLES AND PAYABLES

Other current receivables	31 December 2021	31 December 2020
Deposits and guarantees given	342.818.148	101.808.054
Collaterals given for futures	467.434.731	307.799.644
Due from related parties (Note 6)	318.637	59.711
Other receivables	6.721.537	4.766.688
	817.293.053	414.434.097
Other non-current receivables	31 December 2021	31 December 2020
Deposits and guarantees given	196.761	1.270.236
Due from related parties (Note 6)	150	150
	196.911	1.270.386
Other short-term payables	31 December 2021	31 December 2020
Taxes and fund payables	54.486.133	29.352.010
Due to related parties (Note 6)	1.760.920	253.303
Other payables	3.957.091	5.007.840
	60.204.144	34.613.153
Other long-term payables	31 December 2021	31 December 2020
Other payables	2.010.836	2.910.885
	2.010.836	2.910.885

13. RECEIVABLES AND PAYABLES FROM FINANCIAL SECTOR OPERATIONS

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

14. INVENTORIES

Inventories	31 December 2021	31 December 2020
Trading goods and other inventories, net	60.445.125	67.075.059
	60.445.125	67.075.059

15. BIOLOGICAL ASSETS

None (December 31, 2020: None).

16. ASSETS RELATED TO ONGOING CONSTRUCTION CONTRACTS

None (December 31, 2020: None).

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17. INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES

As of 31 December 2021 and 31 December 2020, the details of the Group's associates and joint ventures are as follows:

	Shareholding interest (%)		Main business area
	31 December 2021	31 December 2020	
Radore	25,50	25,50	Data Services
Mika Tur	40,00	20,00	Tourism
Elidaş	10,05	10,05	Licensed Warehousing

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

	31 December 2021	31 December 2020
The Group's share in associate's net assets	(6.516.372)	(18.988.704)
Goodwill in equity accounted investees	7.607.415	7.607.415
Intangible assets	14.478.268	14.341.807
Investments in equity accounted investees	15.569.311	2.960.518

Goodwill in equity accounted investees:

Associates and joint ventures	31 December 2021	31 December 2020
Radore	7.607.415	7.607.415
Mika Tur	-	-
Elidaş	-	-
Total	7.607.415	7.607.415

	1 January - 31 December 2021	1 January - 31 December 2020
Revenue	1.078.884.548	361.475.256
Profit/(Loss) for the period	35.145.168	(22.362.795)
The Group's share in the profit/(loss) of associates	12.608.793	(9.086.241)

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17. INVESTMENT IN EQUITY ACCOUNTED INVESTEEES (cont'd)

Radore:

The Group participated in the capital of Radore Data Services Anonim Şirketi ("Radore"), which operates in the data center management branch of the information technologies sector, at a rate of 25.50% on December 1, 2014.

	31 December 2021	31 December 2020
The Group's share in associate's net assets	(536.879)	(2.070.976)
Goodwill in equity accounted investees	7.607.415	7.607.415
Intangible assets	329.059	3.053.612
Investments in equity accounted investees	7.399.595	8.590.051
	31 December 2021	31 December 2020
Balance at 1 January	8.590.051	9.611.763
Share of Profit/Loss of Equity Accounted Investees	1.534.097	(1.048.141)
Other	(2.724.553)	26.429
Balance at 31 December	7.399.595	8.590.051

Mika Tur (Tatil Budur):

The Group purchased 20% (twenty percent) of the shares of Tatil Budur's main capital on 6 November 2015 from the shareholders of Tatil Budur. On August 4, 2020, Çetin Yılmaz, one of the partners, transferred the shares corresponding to 20% of his capital to İş Girişim, free of charge, in accordance with the share transfer agreement signed. After the share transfer, the Group's share in This is Holiday has become 40%.

	31 December 2021	31 December 2020
The Group's share in associate's net assets	(7.642.223)	(18.341.068)
Intangible assets	14.261.047	11.288.195
Investments in equity accounted investees	6.618.824	(7.052.873)
	31 December 2021	31 December 2020
Balance at 1 January	(7.052.873)	156.637
Shares of profits/(losses) of investments valued using the equity method	10.698.845	(8.285.449)
Increase in the Group's share in the net assets of subsidiaries	2.972.852	1.075.939
Balance at 31 December	6.618.824	(7.052.873)

Elidaş:

The Group participated in the establishment capital of Ege Tarım Ürünleri Licensed Warehousing AŞ (Elidaş), which was established on January 3, 2011 to operate licensed cotton warehouses, with a 10% share. As a result of the capital increases in 2012 and 2013, the share in the capital increased to 10.05%. The Group has classified Elidaş, which was classified in the Financial Assets at Fair Value through Other Comprehensive Income in previous years, to the Investments Valued by the Equity Method as of 2020.

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17. INVESTMENT IN EQUITY ACCOUNTED INVESTEEES (cont'd)

	31 December 2021	31 December 2020
The Group's share in associate's net assets	1.662.730	1.423.340
Investments in equity accounted investees	1.662.730	1.423.340
	31 December 2021	31 December 2020
Balance at 1 January	1.423.340	-
Current period inflow	-	1.175.991
Shares of profits/(losses) of investments valued using the equity method	239.390	247.349
	1.662.730	1.423.340

18. GOODWILL

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

	31 December 2021	31 December 2020
Ortopro	9.206.500	9.206.500
Toksöz	22.354.606	22.354.606
Mikla	26.871.534	26.871.534
Değer düşüklüğü	(19.838.793)	(19.838.793)
	38.593.847	38.593.847

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

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

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

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

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

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19. RIGHT TO USE ASSETS

Cost Value	Offices and Branches	Vehicles	Other	Total
Opening balance	61.630.059	4.496.012	5.046.066	71.172.137
Additions	39.528.598	2.790.906	-	42.319.504
Disposals	(4.654.413)	(1.805.705)	(5.046.066)	(11.506.184)
Currency Translation Differences	(297.256)	-	-	(297.256)
Closing balance on 31 December 2021	96.206.988	5.481.213	-	101.688.201
Accumulated depreciation				
Opening Balance (-)	(29.094.532)	(2.168.307)	(2.940.081)	(34.202.920)
Charge for the period (-)	(23.937.226)	(1.064.492)	(1.758.019)	(26.759.737)
Disposals (+)	3.160.061	1.023.491	4.698.100	8.881.652
Currency Translation Differences	14.810	-	-	14.810
Closing balance on 31 December 2021	(49.856.887)	(2.209.308)	-	(52.066.195)
Net book value at 1 January 2021	32.535.527	2.327.705	2.105.985	36.969.217
Net book value at 31 December 2021	46.350.101	3.271.906	-	49.622.006
Cost Value				
Opening balance	60.318.165	3.645.200	3.838.964	67.802.329
Classification	(4.257.968)	-	-	(4.257.968)
Additions	7.249.160	689.011	1.207.100	9.145.271
Disposals	(2.404.028)	-	-	(2.404.028)
Currency Translation Differences	250.782	-	-	250.782
Closing balance on 31 December 2020	61.156.111	4.334.211	5.046.064	70.536.386
Accumulated depreciation				
Opening Balance (-)	(17.154.287)	(1.431.489)	(1.276.149)	(19.861.925)
Classification	418.703	-	-	418.703
Charge for the period (-)	(14.853.973)	(799.089)	(1.663.933)	(17.316.995)
Disposals (+)	2.247.816	13.719	-	2.261.535
Currency Translation Differences	(92.270)	-	-	(92.270)
Closing balance on 31 December 2020	(29.434.011)	(2.216.859)	(2.940.082)	(34.590.952)
Net book value at 1 January 2020	43.163.878	2.213.711	2.562.815	47.940.404
Net book value at 31 December 2020	31.722.100	2.117.352	2.105.982	35.945.434

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19. RIGHT TO USE ASSETS (cont'd)

Leasing Payables

Opening balance on 1 January 2021	42.669.398
Recorded on 1 January	35.257.305
Interest expense	14.223.329
Paid rent	(31.348.626)
Disposals	(466.554)
Closing balance on 31 December 2021	60.334.852
Short-term lease payables	15.194.487
Long-term lease payables	45.140.365
Total	60.334.852

Leasing Payables

Opening balance on 1 January 2020	51.920.902
Recorded on 1 January	3.502.410
Interest expense	7.862.293
Paid rent	(23.559.526)
Closing balance on 31 December 2020	39.726.079
Short-term lease payables	3.869.012
Long-term lease payables	35.857.067
Total	39.726.079

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20. TANGIBLE ASSETS

Cost	Machinery and Equipment	Vehicles	Furniture and Fixtures	Other Tangible Assets	Leasehold Improvements	Total
Opening balances on 1 January 2021	19.601.679	2.545.728	46.329.849	261.864	39.987.079	108.726.199
Foreign currency translation differences	620.701	-	1.123.820	-	2.251.404	3.995.925
Additions	4.755.420	353.963	2.706.632	275.000	7.657.980	15.748.995
Disposals	(102.571)	-	(4.404.753)	-	(16.715)	(4.524.039)
Closing balances on 31 December 2021	24.875.229	2.899.691	45.755.548	536.864	49.879.748	123.947.080
Accumulated depreciation						
Opening balances on 1 January 2021	(14.108.151)	(785.758)	(34.253.692)	(238.482)	(26.849.981)	(76.236.064)
Foreign currency translation differences	(609.093)	-	(1.096.966)	-	(2.166.506)	(3.872.565)
Charge for the period	(2.534.223)	(522.472)	(4.258.407)	(134)	(4.470.629)	(11.785.865)
Disposals	20.223	-	3.794.919	-	(477.290)	3.337.852
Closing balance on 31 December 2021	(17.231.244)	(1.308.230)	(35.814.146)	(238.616)	(33.964.406)	(88.556.642)
Carrying value at 1 January 2021	5.493.528	1.759.970	12.076.157	23.382	13.137.098	32.490.135
Carrying value at 31 December 2021	7.643.985	1.591.461	9.941.402	298.248	15.915.342	35.390.438
Cost	Machinery and Equipment	Vehicles	Furniture and Fixtures	Other Tangible Assets	Leasehold Improvements	Total
Opening balances on 1 January 2020	15.969.754	1.870.478	52.154.358	387.208	40.486.667	110.868.465
Foreign currency translation differences	170.034	-	321.244	-	828.602	1.319.880
Classification	-	-	(8.978.024)	-	(6.014.926)	(14.992.950)
Additions	3.641.822	1.032.002	3.893.488	-	4.767.397	13.334.709
Disposals	(179.931)	(356.752)	(1.170.284)	-	(120.234)	(1.827.201)
Closing balances on 31 December 2020	19.601.679	2.545.728	46.220.782	387.208	39.947.506	108.702.903
Accumulated depreciation						
Opening balances on 1 January 2020	(11.282.450)	(593.301)	(36.786.201)	(252.965)	(25.423.089)	(74.338.006)
Foreign currency translation differences	(185.486)	-	(311.209)	-	(615.676)	(1.112.371)
Classification	-	-	7.393.017	-	4.147.818	11.540.835
Charge for the period	(2.779.963)	(434.994)	(5.603.022)	(1.797)	(5.078.935)	(13.898.711)
Disposals	139.751	242.538	1.053.723	-	119.893	1.555.905
Closing balance on 31 December 2020	(14.108.148)	(785.757)	(34.253.692)	(254.762)	(26.849.989)	(76.252.348)
Carrying value at 1 January 2020	4.687.304	1.277.177	15.368.157	134.243	15.063.578	36.530.459
Carrying value at 31 December 2020	5.493.531	1.759.971	11.967.090	132.446	13.097.517	32.450.555

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21. INTANGIBLE ASSETS

Cost	Distribution Network, Patent, License and Leasing Agreements	Computer software and Licenses	Total
Opening balance on 1 January 2021	26.962.486	51.538.314	78.500.800
Exchange differences	-	6.274.273	6.274.273
Disposals	(32.691)	(9.129)	(41.820)
Additions	33.003	12.261.606	12.294.609
Closing balance on 31 December 2021	26.962.798	70.065.064	97.027.862
Accumulated amortization			
Opening balance on 1 January 2021	(22.986.374)	(36.362.972)	(59.349.346)
Exchange differences	-	(5.969.847)	(5.969.847)
Disposals	11.089	8.931	20.020
Charge for the period	(245.277)	(8.737.232)	(8.982.509)
Closing balance on 31 December 2021	(23.220.562)	(51.061.120)	(74.281.682)
Carrying value at 1 January 2021	3.976.112	15.175.342	19.151.454
Carrying value at 31 December 2021	3.742.236	19.003.944	22.746.180
Cost			
	Distribution Network, Patent, License and Leasing Agreements	Computer software and Licenses	Total
Opening balance on 1 January 2020	27.098.697	44.089.957	71.188.654
Exchange differences	-	1.699.500	1.699.500
Classification	(79.560)	(146.646)	(226.206)
Disposals	(56.651)	(1.021.307)	(1.077.958)
Additions	-	6.916.808	6.916.808
Closing balance on 31 December 2020	26.962.486	51.538.312	78.500.798
Accumulated amortization			
Opening balance on 1 January 2020	(23.074.101)	(28.462.823)	(51.536.924)
Exchange differences	-	(1.602.400)	(1.602.400)
Classification	69.506	65.377	134.883
Disposals	27.724	826.087	853.811
Charge for the period	(9.503)	(7.189.211)	(7.198.714)
Closing balance on 31 December 2020	(22.986.374)	(36.362.970)	(59.349.344)
Carrying value at 1 January 2020	4.024.596	15.627.134	19.651.730
Carrying value at 31 December 2020	3.976.112	15.175.342	19.151.454

22. GOVERNMENT INCENTIVES AND GRANTS

None (December 31, 2020: None).

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23. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Current provisions	31 December 2021	31 December 2020	
Legal claims	19.636.565	21.905.327	
Other liabilities and expense accruals	69.437.233	39.414.578	
	89.073.798	61.319.905	
1 January-31 December 2021			
	Legal claims	Other	Total
Opening balance	21.905.327	39.414.578	61.319.905
Additional provisions	9.689.516	31.734.700	41.424.216
Canceled provisions	(9.942.649)	(1.113.731)	(11.056.380)
Payments	(2.015.629)	(598.314)	(2.613.943)
Closing balance	19.636.565	69.437.233	89.073.798
1 January-31 December 2020			
	Legal claims	Other	Total
Opening balance	10.349.297	1.417.337	11.766.634
Additional provisions	13.092.230	38.003.741	51.095.971
Canceled provisions	(1.089.827)	(6.500)	(1.096.327)
Payments	(446.373)	-	(446.373)
Closing balance	21.905.327	39.414.578	61.319.905

In relation to the Company's subsidiary, Toksöz Spor Malzemeleri Ticaret A.Ş., within the case no 2017/372, which was opened in the 3rd Commercial Court of First Instance; it has been decided to cancel the capital decrease decision taken in the extraordinary general assembly dated 28.02.2017 and the decision regarding the capital increase taken in the extraordinary general assembly dated 07.04.2017.

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

	31 December 2021	31 December 2020
Customer portfolio-Debt Instruments	2.544.776.496	2.516.484.139
Eurobond	2.847.734.853	1.869.870.363
Equity shares	16.751.558.045	18.665.538.296
Mutual funds - units	24.852.899.786	23.564.179.907

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

As of December 31, 2021, and 2020, letters of guarantee and promissory notes given by the Group are as follows:

	31 December 2021	31 December 2020
İstanbul Takas ve Saklama Bankası AŞ	705.000.000	295.000.000
Borsa İstanbul AŞ	135.000	135.000
Sermaye Piyasası Kurulu	1.776	1.776
Other	324.573.738	152.595.836
	1.029.710.514	447.732.612

As of December 31, 2021, letters of guarantee and promissory notes amounting to TL 1.029.710.514 given by the Group contains USD 13.000.000 that equals to TL 168.707.500 and GBP 5.000.000 that equals to TL 73.411.500 (As of December 31, 2020, letters of guarantee and promissory notes amounting to TL 447.732.612 given by the Group contains USD 13.000.000 that equals to TL 95.426.500 and GBP 5.000.000 that equals to TL 49.719.000).

Guarantee/pledge/mortgage ("GPM") position of the Group as at 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Guarantees/Pledges/Mortgages given by the Company		
A. GPM given on behalf of its own legal entity	787.591.514	302.587.112
GPM	787.591.514	302.587.112
Financial investments	-	-
B. GPM given on behalf of consolidated subsidiaries	242.119.000	145.145.500
GPM	242.119.000	145.145.500
Financial investments	-	-
C. Total amount of GPM given on behalf of other third parties' debt	-	-
D. Other GPM	-	-
i. Total amount of GPM given on behalf of the Parent	-	-
ii. Total amount of GPM given on behalf of other	-	-
iii. Total amount of GPM given on behalf of third parties not covered	-	-
TOTAL	1.029.710.514	447.732.612

As of December 31, 2021, GPM, amounting to TL 242.119.000 given for fully consolidated subsidiaries, contains USD 13.000.000 that equals to TL 168.707.500 and GBP 5.000.000 that equals to TL 73.411.500 (As of December 31, 2020, GPM, amounting to TL 145.145.500 given for fully consolidated subsidiaries, contains USD 13.000.000 that equals to TL 95.426.500 and GBP 5.000.000 that equals to TL 49.719.000). Proportion of GPM to the Group's equity as of December 31, 2021 is 33,52% (December 31, 2020: 20,50%).

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24. COMMITMENTS

Derivative commitments and option agreements of the Group as of December 31, 2021 and 2020 are as follows:

31 December 2021				
Derivatives instrument description	SHORT POSITION		LONG POSITION	
	Notional Amount	Notional Amount (TL)	Notional Amount	Notional Amount (TL)
Foreign currency based				
Option agreements	1.000.000	16.350.000	1.200.000	19.250.000
Forward and swap agreements	200.027.705	4.635.485.090	197.307.499	5.299.203.360
Futures agreements	34.531.473	856.360.885	91.097.434	867.996.099
Index based				
Option agreements	3.783.417	23.840.126	26.972.545	334.960.490
Futures agreements	1.845.594	2.273.629.023	136.130	368.745.243
Other	14.000	5.057.462	-	-
31 December 2020				
Derivatives instrument description	SHORT POSITION		LONG POSITION	
	Notional Amount	Notional Amount (TL)	Notional Amount	Notional Amount (TL)
Foreign currency based				
Option agreements	253.846	2.524.195	47.555.284	66.700.480
Forward and swap agreements	458.753.459	4.583.391.564	490.090.609	5.888.981.224
Futures agreements	30.267.412	665.346.376	72.327.000	606.539.736
Index based				
Option agreements	3.000.098	14.844.780	26.620.205	259.930.040
Futures agreements	98.394.200	1.059.894.799	1.205.700	1.057.698.481
Other	2.000	14.681	51.000	374.366

25. PROVISIONS RELATED TO EMPLOYEE BENEFITS

Short-term employee benefits:

	31 December 2021	31 December 2020
Unused vacation pays liability and miscellaneous bonus provision	46.728.059	44.035.357

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

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

	1 January- 31 December 2021	1 January- 31 December 2020
	Provision Amount	Provision Amount
Opening balance	44.035.357	29.533.873
Payments	(29.554.564)	(24.834.418)
Additional provisions	32.247.266	39.335.902
Closing balance	46.728.059	44.035.357

Long-term employee benefits:

	31 December 2021	31 December 2020
Employee severances pay liability	16.168.784	13.308.332
Total	16.168.784	13.308.332

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

The applicable retirement pays provision ceiling as at December 31, 2021 is TL 8.285 for the calculation of employment termination benefits (December 31, 2020: TL 7.117). The retirement pay provision ceiling is revised semi-annually, and TL 8.285, which is effective from December 2021, is taken into consideration in the calculation of provision for employment termination benefits (December 31, 2020; The retirement pay provision ceiling effective from July 1, 2020 amounts to TL 7.117).

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

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying statement of financial position as of December 31, 2021, the provision has been calculated by estimating the present value of the future probable obligation arising from the retirement of the employees. The provision at the respective balance sheet date has been calculated assuming an annual inflation rate of 15,07% (December 31, 2020: 8,00%) calculated by the average of inflation rate 19,10% (December 31, 2020: 12,40%) and discount rate assumptions 3,50% (December 31, 2020: 4,07%). The estimated rate of severance indemnity amounts to be retained in the Group is also taken into account.

	31 December 2021	31 December 2020
Opening balance, 1 January	13.308.332	13.949.382
Service cost	3.081.602	1.981.524
Interest cost	2.425.654	1.742.101
Payments made during the year	(2.778.691)	(3.001.838)
Actuarial difference	131.887	(1.362.837)
Provision for employee benefits	16.168.784	13.308.332

Retirement Benefits

Beginning from 2006, the Group has started to contribute certain amount of private pension payments for its employees. In the current year, total contributions paid amount to TL 752.087. (Contributions paid as of December 31, 2020 is TL 674.221).

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26. OTHER ASSETS and LIABILITIES

Other current assets	31 December 2021	31 December 2020
Income accruals	6.515.099	2.179.708
Deferred VAT	3.066.310	4.381.656
Advances given for purchases	985.875	833.875
Business advances	553.020	81.851
Personnel advances	840.649	898.542
Other	3.138.665	2.306.001
	15.099.618	10.681.633
Other short-term liabilities	31 December 2021	31 December 2020
Expense accruals	63.174.527	20.881.659
Advances received	165.054	1.489.167
Deferred Income	5.015.857	2.478.893
Other	3.870.867	341.186
	72.226.305	25.190.905
Other long-term liabilities	31 December 2021	31 December 2020
Income related to future years	40.480.000	16.500.000
Income for the coming years	5.302.430	76.341
	45.782.430	16.576.341

27. EQUITY

a. Capital

The capital structure of the Company as of December 31, 2021 and December 31, 2020 are as follows:

Shareholders	31 December 2021		31 December 2020	
	Share (%)	Amount	Share (%)	Amount
Türkiye İş Bankası AŞ (Group A)	0,04	150.000	0,05	150.000
Türkiye İş Bankası AŞ (Group B)	65,70	233.243.395	65,70	233.243.379
Other (Group B)	34,26	121.606.605	34,25	121.606.621
Total	100,00	355.000.000	100,00	355.000.000

The authorized share capital ceiling of the Company is TL 750.000.000 and paid-in capital of the Company is TL 355.000.000 (December 31, 2020: TL 355.000.000 TL).

The capital has been divided into 3 55.000.000 (Three Hundred Fifty-Five Million) shares each having a value of TL 1.00 (December 31, 2020: 355.000.000). TL 150.000 of the shares is Group A (December 31, 2020: 150.000 TL), and TL 354.850.000 is Group B shares (December 31, 2020; TL 354.850.000). According to the Articles of Association, additional Group A shares cannot be issued during new capital increases. Six members of the Board of Directors out of nine are elected among the nominees determined by Group A shareholders and three members by Group B shareholders.

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27. EQUITY (cont'd)**b. Fair Value Reserve**

	1 January- 31 December 2021	1 January- 31 December 2020
Opening balance	38.438.563	28.479.669
Change in non-controlling interests	679.262	1.210.715
Increase/(decrease) in value of assets available for sale	6.021.366	7.906.538
Defined benefit plans re-measurement gains and losses	(630.130)	841.641
Closing balance	44.509.061	38.438.563

Fair Value Reserve:

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

c. Foreign Currency Translation Differences

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

d. Restricted Reserves

	31 December 2021	31 December 2020
Legal reserves	181.761.565	139.452.620
Statutory reserves	50.862	50.862
Total	181.812.427	139.503.482

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

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27. EQUITY (cont'd)

e. Prior Year's Profit

The prior year's profit and extraordinary reserves disclosed in prior year's profit in the statement of financial position of the Group as of December 31, 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Extraordinary reserves	733.233.556	325.979.808
Prior year's profit	45.873.353	11.480.404
Total	779.106.909	337.460.212

Profit Distribution:

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

At the Ordinary General Assembly Meeting of the Company held on March 29, 2021 the Company decided to distribute dividend to shareholders TL 355.000.000. Dividend was paid on April 2, 2021.

f. Other Reserves

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

	1 January- 31 December 2021	1 January- 31 December 2020
Opening balance	83.753.848	33.758.962
Change in non-controlling interests	-	(5.114)
Reserve for venture capital fund	109.000.000	50.000.000
Closing Balance	192.753.848	83.753.848

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27. EQUITY (cont'd)

g. Change in Non-Controlling Interests

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

	1 January- 31 December 2021	1 January- 31 December 2020
Opening balance	275.156.803	286.142.460
Profit for the year attributable to non-controlling interest portion	62.572.529	35.330.865
Re-measurement gains of defined benefit plans (including tax effect)	(338.422)	248.628
Revaluation and classification gains/losses	755.962	1.183.476
Foreign currency translation differences	(14.302.273)	(6.439.331)
Changes in non-controlling interest	11.485.699	2.058.427
Dividends paid	(25.132.965)	(43.367.722)
Closing balance	310.197.333	275.156.803

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28. SALES AND COST OF SALES

	1 January- 31 December 2021	1 January- 31 December 2020
Sales revenue		
Sales of equity shares and certificates	55.192.960.363	19.753.047.213
Sales of private sector bonds	22.669.053.735	25.689.787.075
Sales of government bonds	50.171.731.668	52.711.104.823
Sales of warrants	12.676.457.707	10.018.157.593
Sales of mutual funds	165.633.677	28.317.073
Other	385.289.326	303.593.797
Total	141.261.126.476	108.504.007.574
Cost of Sales		
Purchase of equity shares and certificate	(54.949.246.588)	(19.742.471.458)
Purchase of private sector bonds	(22.558.854.937)	(25.559.289.545)
Purchase of government bonds	(50.126.871.940)	(52.685.072.831)
Purchase of warrants	(12.269.365.003)	(9.527.197.826)
Purchase of mutual funds	(33.827.883)	(17.504.419)
Depreciation and amortization expenses	(1.455.954)	(2.659.356)
Other	(250.241.785)	(180.029.134)
Total	(140.189.864.090)	(107.714.224.569)
Interest income from operating and derivative activities, (net)		
Interest income/(expenses) (net)	123.652.556	111.577.050
Forward transaction revenues/(expenses) (net)	(71.175.773)	125.997.338
Leveraged foreign exchange transaction income/(expense) (net)	81.959.578	65.159.714
Government and private sector bond income	22.495.747	22.575.508
Interest expenses on bank loans	(10.061.992)	(8.792.873)
Interest on financing bonds	(49.168.390)	(59.906.715)
Interest on Stock Exchange Money Market transactions	(102.505.017)	(23.817.443)
Total	(4.803.291)	232.792.579
Service income		
Commission income on trading of derivative transactions	186.777.725	146.699.927
Commission income on trading of equity shares	448.889.210	429.886.977
Portfolio management fees	167.036.951	123.461.084
Corporate finance income	43.590.161	20.345.434
Commission income on trading of mutual funds	30.047.168	23.096.920
Commission income on trading of repurchase agreements	7.306.920	4.781.916
Purchase/sale brokerage commissions of debt securities	15.005.764	8.063.477
Commission income on trading of debt securities	2.010.558	1.181.858
Other commissions and income	12.034.355	11.596.395
Deductions from service income		
Commission returns	(33.692.017)	(25.513.559)
Service income (net)	879.006.795	743.600.429
Interest income from customers	323.405.583	95.620.564
Other operating income	44.680.480	7.670.969
Other operating income (net)	368.086.063	103.291.533

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

	1 January- 31 December 2021	1 January- 31 December 2020
Research and development expenses	(3.511.931)	(2.932.629)
Marketing expenses	(199.591.641)	(157.136.277)
Administrative expenses	(515.711.355)	(367.208.882)
	(718.814.927)	(527.277.788)

Research and development expenses

Personnel expenses	(1.600.736)	(1.172.475)
Amortization expenses	(1.275.853)	(1.217.274)
Transportation expenses	(26.170)	(6.617)
Other expenses	(609.172)	(536.263)
	(3.511.931)	(2.932.629)

Marketing expenses

Foreign marketable securities transaction fees	(51.381.133)	(36.465.792)
Personnel expenses	(21.389.991)	(18.231.365)
Rent warehouse and store expenses	(8.985.256)	(9.363.084)
Custody expenses	(27.896.233)	(19.356.241)
Publication and advertisement expenses	(7.434.667)	(7.169.134)
Future derivative exchange transaction fees	(30.316.706)	(18.251.719)
Depreciation and amortization expenses	(3.384.775)	(3.925.338)
Equity shares transaction and registration fees	(19.410.273)	(17.670.144)
Fixed income securities transaction and registration fees	(2.603.201)	(1.837.278)
Transportation expenses	(441.876)	(502.644)
Securities lending commission expenses	(177.716)	(552.549)
Other marketing expenses	(26.169.814)	(23.810.989)
	(199.591.641)	(157.136.277)

Administrative expenses

Personnel expenses	(234.509.451)	(193.358.962)
Communication expenses	(75.256.986)	(41.357.164)
Taxes and dues	(108.020.347)	(52.467.324)
Rent expenses	(24.639.085)	(21.540.430)
Outsourcing expenses	(126.981)	(5.304.266)
Depreciation and amortization expenses	(26.861.868)	(30.490.633)
Operating expenses	(10.249.506)	(8.243.605)
Board of Directors attendance fees	(5.056.500)	(4.467.600)
Transportation expenses	(2.648.404)	(1.713.762)
Other administrative expenses	(28.342.227)	(8.265.136)
	(515.711.355)	(367.208.882)

Total operating expenses	(718.814.927)	(527.277.788)
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30. OTHER OPERATING INCOME/(EXPENSE)

	1 January- 31 December 2021	1 January- 31 December 2020
Other operating income		
Commission from cash and marketable securities transactions	7.327.715	4.439.025
Reversals of provisions	23.543.265	5.503.300
Gain on sale of tangible assets	629	309.536
Other	11.540.924	11.365.905
Total	42.412.533	21.617.766

	1 January- 31 December 2021	1 January- 31 December 2020
Other operating expenses		
Paid commission and charges	(3.718.415)	(1.631.699)
Write-off expenses	(3.556.473)	(9.482.352)
Provisions	(97.094.046)	(72.920.037)
Other	(5.054.211)	(10.706.555)
Total	(109.423.145)	(94.740.643)

31. NON-OPERATING FINANCE INCOME

	1 January- 31 December 2021	1 January- 31 December 2020
Foreign currency gains	54.703.458	31.449.312
Interest income on	35.123.885	21.656.617
<i>Times deposits</i>	28.212.660	9.312.110
<i>Debt securities</i>	1.903.615	11.913.931
<i>TPP interest income</i>	5.007.610	430.576
Dividend income from associates	4.575.392	3.383.228
Interest income on guarantees	63.195.634	23.545.698
Reverse repo interest income	1.089.342	691.912
Other financial income	6.258.655	3.007.808
Total	164.946.366	83.734.575

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32. NON-OPERATING FINANCE COST

	1 January- 31 December 2021	1 January- 31 December 2020
Interest expenses	(41.850.143)	(45.111.422)
<i>Bank borrowings</i>	<i>(41.850.143)</i>	<i>(45.111.422)</i>
Factoring and Leasing Expenses	(1.298.267)	(1.249.574)
Leasing transactions TFRS 16	(1.653.502)	(6.005.698)
Foreign currency losses	(60.435.607)	(37.077.224)
Commission expenses on letters of guarantee	(1.980.149)	(1.130.661)
Commission and interest expenses paid for sales	(15.480.158)	(4.075.856)
Other financial expenses	(21.807.655)	(3.052.609)
Total	(144.505.481)	(97.703.044)

33. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS**Assets Held for Sale**

	31 December 2021	31 December 2020
Buildings	1.831.600	2.330.660
Other tangible assets	3.351.156	4.378.534
	5.182.756	6.709.194

34. ANALYSIS OF OTHER COMPREHENSIVE INCOME ITEMS

As of 31 December 2021 and 2020, other comprehensive income accounted in financial income/(expenses) are as follows:

	1 January- 31 December 2021	1 January- 31 December 2020
Changes in fair value of available for sale	6.826.967	9.568.436
Changes in foreign currency translation differences	11.119.883	(148.233)
Tax income/expenses relating to other comprehensive income	(341.347)	(478.421)
	17.605.503	8.941.782

For the years ended December 31, 2021 and December 31, 2020, defined benefit plans accounted in other comprehensive income are as follows:

	1 January- 31 December 2021	1 January- 31 December 2020
Re-measurement gains/losses in defined benefit plans	(423.028)	1.362.837
Tax income/expenses relating of other comprehensive income	84.606	(272.567)
	(338.422)	1.090.270

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35. TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

As of 31 December 2021, the Company is subject to 20% corporate tax for its subsidiaries established in Turkey (excluding İş Girişim Sermayesi and İş Yatırım Ortaklığı) and its subsidiary Maxis Investments Ltd established abroad. However, in accordance with the temporary 13th article added to the Corporate Tax Law, 25% tax rate will be applied for 2021 corporate earnings and 23% tax rate for 2022 corporate earnings.

This rate is applicable to the tax base derived upon exemptions and deductions stated in the tax legislation and by addition of disallowable expenses to the commercial revenues of the companies with respect to the tax legislation. Corporate tax is required to be filed by the twenty-fifth day of the fourth month following the balance sheet date and taxes must be paid by the end of the fourth month.

The tax legislation provides for a temporary tax of 25% (23% for 2022 tax periods) to be calculated based on earnings generated for each quarter. Temporary tax is declared by the 17th day of the second month following each quarter and corresponding tax is payable by the 17th day of the same month. The amounts thus calculated and paid are offset against the final corporate tax liability for the year. If there is excess temporary tax paid even if it is already offset, this amount may be refunded or offset.

Corporate tax losses can be carried forward for a maximum period of 5 years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

10% withholding applies to dividends distributed by resident real persons, those who are not liable to income and corporation tax, non-resident real persons, non-resident corporations (excluding those that acquire dividend through a permanent establishment or permanent representative in Turkey) and non-resident corporations exempted from income and corporation tax.

Dividend distribution by resident corporations to resident corporations is not subject to a withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable.

As of December 31, 2021 and 2020, provision for tax legislation has been calculated within the scope of legislation.

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35. TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Tax liability includes current period tax liability and deferred tax liability. If the tax is not directly related to a transaction that is accounted under equity, it is included within the statement of income.

Nevotek, the subsidiary of the Group, is subject to current income and corporate income tax in Turkey. However, according to provisional second article of Law 4691 Technology Development Zones and Law 5035, gains from software and R&D activities in technology development zones of income and corporate income taxpayers operating in that zone are exempted from income and corporate taxes until December 31, 2023. Also, researchers, programmers and R&D personnel working in these regions, and related fees are exempted from all taxes until December 31, 2023. On March 12, 2011, in accordance with the Law No 6170 Amendments to the Technology Development Zones Law, the date has been extended until 31 December 2023. No tax liability has been recognized in the accompanying financial statements relating to Nevotek since it does not have any tax liability estimation from activities other than software and R&D activities.

The subsidiary's income in California, the United States of America is exposed to both federal and state income tax. The federal tax rate is gradual and between 15% - 35%, the state tax rate is 8,84%.

Taxation for Investment Trusts:

In accordance with the Clause (1) (d) in Article 5 of the Corporate Tax Law No: 5520 and dated June 21, 2006 in effect from January 1, 2006, portfolio management income of the securities investment funds and trusts in Turkey is exempt from tax. This exemption is also applied to the advance corporate tax.

Based on the Clause (3) in Article 15 of the same law, 15% withholding tax is applied on the portfolio management income of the securities investment funds and trusts in Turkey, which is exempt from tax, whether it is distributed or not. In accordance with the Clause (4) of the same article, the Council of Ministers is authorized to reduce this withholding rate to 0% or to increase it up to the corporate tax rate.

In accordance with the Law No: 5527 and the Provisional Article 67 the Clause (1) which were introduced in the Income Tax Law No: 193 with the Law No: 5281 to be applied from January 1, 2006 to December 31, 2015 effective from January 1, 2006, 15%, 10% and 0% withholding tax is applied for securities mutual funds' and trusts' purchase and sale income from securities and other capital market instruments and periodical returns through banks and brokerage companies for the periods of January 1, 2006 - July 22, 2006, July 23, 2006 - September 30, 2006 and subsequent to October 1, 2006, respectively. The effective date of Temporary Article 67 of the Income Tax Law has been extended until December 31, 2025.

As per the Clause (8) of the Provisional Article 67, 15% withholding tax is applied on the securities investment funds established in accordance with the Capital Markets Law (including funds traded on stock exchange, mortgage finance funds and asset finance funds) and securities investment trusts' portfolio income that is exempt from corporate tax, whether distributed or not. There is no further withholding tax for the related income under the Article 94. Upon the decision made by the Council of Ministers numbered 2006/10731 and dated 23 July 2006, the related withholding tax rate was applied as 10% for the period July 23, 2006 - September 30, 2006 and 0% subsequent to October 1, 2006.

Income Withholding Tax:

In addition to corporate taxes, companies should also calculate income withholding taxes on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. Income tax withholding was applied as 10% in all companies between April 24, 2003 and July 22, 2006, and as 15% between July 22, 2006 and December 20, 2021. As of December 21, 2021, this rate is applied as 10% with the Presidential Decree No. 4936. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

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35. TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Current tax payable	31 December 2021	31 December 2020
Current tax liability	298.301.431	226.945.843
Prepaid taxes and funds	(282.204.984)	(152.232.032)
	16.096.447	74.713.811
Tax expense	1 January - 31 December 2021	1 January - 31 December 2020
Current tax expense	(302.319.924)	(238.415.857)
Deferred tax income/(expense)	(24.979.664)	(30.291.130)
Total	(327.299.588)	(268.706.987)
Tax expense from continuing operations	(327.299.588)	(268.706.987)
	(327.299.588)	(268.706.987)
Income tax recognized directly in equity	1 January - 31 December 2021	1 January- 31 December 2020
Valuation of available-for-sale financial assets	(341.347)	(478.421)
Re-measurement gains of defined benefit plans	84.606	(272.567)
	(256.741)	(750.988)

Current Tax Assets:

As of December 31, 2021 and 2020, the current tax assets of the Group consist of taxes paid in advance through withholding tax amounting to TL 282.204.984 and TL 152.232.032, respectively.

Deferred Tax:

Deferred tax is calculated by using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Currently enacted tax rates are used to determine deferred income tax at the balance sheet date.

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Deferred tax assets and liabilities are offset in case where there is a legally enforceable right to set off current tax assets against current tax liabilities, provided that they are subject to the tax legislation of the same country.

20-23% of taxes are applied in the calculation of deferred tax assets and liabilities (2020: 20- 22%).

	31 December 2021	31 December 2020
Deferred tax assets	17.968.018	13.760.181
Deferred tax liabilities	(53.502.595)	(24.991.789)
Deferred tax assets/(liabilities) (net)	(35.534.577)	(11.231.608)

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35. TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Deferred Tax: (cont'd)

Temporary differences subject to deferred tax	31 December 2021	31 December 2020
Useful life differences on tangible and intangible assets	(10.188.245)	5.618.825
Fair value reserve on financial assets	27.191.268	23.739.270
Provisions	(14.437.417)	47.828.995
IFRS 16 Effect	12.048.986	-
IFRS 9 Effect	(2.394.382)	-
Subsidiary valuation differences	49.195.691	35.282.900
Retirement pay provision	(16.168.784)	(13.308.332)
Employee benefits	(9.452.468)	(8.483.985)
Valuation of marketable securities and loans	213.575.149	55.247.490
Provision for doubtful receivables	(28.156.674)	(755.445)
Provision for impairment of inventories	(167.733)	(2.016.770)
Accrued expenses	(4.720.792)	(23.309.550)
Total	216.324.599	119.843.398
Statuary losses carried forward	(29.237.675)	(37.780.175)
General Total	187.086.924	82.063.223
Deferred tax assets/(liabilities)	31 December 2021	31 December 2020
Useful life differences on tangible and intangible assets	2.547.061	(1.123.765)
Fair value reserve on financial assets	(6.797.817)	(4.747.854)
Provisions	3.609.354	(9.565.799)
IFRS 16 Effect	(3.012.246)	-
IFRS 9 Effect	598.596	-
Subsidiary valuation differences	(2.459.785)	(1.764.145)
Retirement pay provision	2.606.150	2.550.268
Employee benefits	2.363.117	1.696.797
Valuation of marketable securities and loans	(49.122.284)	(11.049.498)
Provision for doubtful receivables	7.039.168	151.089
Provision for impairment of inventories	42.772	403.354
Accrued expenses	1.203.802	4.661.910
Useful life differences on tangible and intangible assets	5.847.535	7.556.035
Deferred tax assets/(liabilities), net	(35.534.577)	(11.231.608)
Movement of deferred tax assets/(liabilities)	31 December 2021	31 December 2020
Opening balance, 1 January (*)	(11.231.608)	20.975.799
Deferred tax income/(expense)	(24.979.664)	(30.291.130)
Other Corrections	776.696	(1.165.289)
Deferred tax income/(expense) recorded in equity	(100.001)	(750.988)
Closing balance	(35.534.577)	(11.231.608)

Tax legislation in Turkey does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, are calculated on a separate-entity basis. Deferred tax assets are recognized when it is probable that the tax benefit will be utilized in the future.

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35. TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Deferred Tax: (cont'd)

Total tax charge for the period can be reconciled to the accounting profit as follows:

Reconciliation of tax provision	1 January - 31 December 2021	1 January - 31 December 2020
Profit from operating activities	1.560.776.092	1.246.012.171
Tax-exempt subsidiary profit	(50.811.337)	-
Taxable profit	1.509.964.755	1.246.012.171
Income tax using the Company's domestic tax rate	(390.194.023)	(274.122.678)
Tax exempt income	68.509.266	31.941.552
Disallowable expenses	(21.096.261)	(17.289.082)
Dividends and other tax-exempt income	16.069.511	5.511.938
Others	250.732	(14.748.717)
Corrections for previous years	(838.813)	-
Tax expense	(327.299.588)	(268.706.987)

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. In this context, The Group, according to the best estimates, with the profit that is predicted for the next years, deferred tax assets calculated on tax losses that can be deducted. Accordingly, the Company has calculated deferred tax assets in the amount of TL 29.237.635 as of December 31, 2021 (December 31, 2020: TL 37.780.175) deferred tax has been subject that can be offset against tax losses amount of TL 5.847.535 (December 31, 2020: TL 7.556.035). In the future, due to lack of probable that taxable profits will be used for the realization of the temporary differences and deferred tax assets have not been recognized for these items.

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36. EARNINGS PER SHARE

As of December 31, 2021 and 2020, the Company's weighted average number of shares and computation of earnings per share are as follows:

Earnings per share	1 January- 31 December 2021	1 January- 31 December 2020
Average number of shares in circulation throughout the period (total)	355.000.000	355.000.000
Profit for the year attributable to equity holders of the Company	1.170.903.975	941.974.320
Basic and diluted earnings per share from continuing operations	3,2983	2,6534
Total discontinued operations attributable to equity holders of the Company	-	-
Basic and diluted earnings per share obtained from discontinued operations	-	-

37. EFFECTS OF EXCHANGE RATE CHANGES

Analysis of the effects of changes in foreign exchange on December 31, 2021 and December 31, 2020 is disclosed in Note 40.

38. REPORTING IN HYPERINFLATIONARY PERIODS

In accordance with the CMB's resolution No: 11/367 issued on March 17, 2005, companies operating in Turkey which prepare their financial statements in accordance with the CMB Accounting Standards from January 1, 2005 (including the application of IFRS) are not subject to inflation accounting effective.

Therefore, since January 1, 2005, TAS 29 "Financial Reporting in Hyperinflationary Economies" is not applied in the accompanying consolidated financial statements.

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39. DERIVATIVE INSTRUMENTS

The details of the derivative instruments as of December 31, 2021 and 2020 are as follows:

		31 December 2021	
Derivative instruments	Maturity Date	Assets	Liabilities
Swap agreements	04.02.2022-03.03.2022	73.740.479	76.468.879
Forward contracts	03.01.2022-14.01.2022	16.689.388	24.987.588
Options	05.01.2022-28.02.2022	15.800.411	1.226.100
Warrants	26.01.2022-21.04.2022	64.875	108.790.408
		106.295.153	211.472.975
		31 December 2020	
Derivative instruments	Maturity Date	Assets	Liabilities
Swap agreements	04.01.2021-17.02.2021	77.134.382	58.358.790
Forward contracts	04.01.2021-02.03.2021	29.051.907	28.084.538
Options	08.01.2021-29.03.2021	3.065.600	479.986
Warrants	29.01.2021-30.04.2021	41.618	98.003.670
		109.293.507	184.926.984

40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS

Capital Risk Management:

In its capital management, while the Group maintains to continue its operations on a going concern basis, it also maximizes its return through the optimization of the debt and equity balance.

The funding structure of the Group consists of debt, which includes the borrowings disclosed in Note 9, cash and cash equivalents and equity comprising issued capital, reserves and retained earnings.

The Group's Board of Directors reviews the capital structure monthly. As part of this review, the Board considers the cost of capital and the risks associated with each class of equity. Based on the recommendations of the Board of Directors, the Group balances its overall capital structure through the payment of dividends, new share issues and investment in shares of associates and subsidiaries as well as issuance of a new debt or the redemption of an existing debt.

The Group continues its general capital risk management strategy since 2007.

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40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Factors:

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the uncertainty of financial markets and seeks to minimize the potential negative effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Risk Management Department, which is independent from steering, under policies approved by the Board of Directors. The Group's Risk Management Department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board sets out written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Credit Risk:

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit risk is mitigated by receiving equity shares of listed entities as collateral in accordance with the legal requirements of the CMB against credit lines utilized by customers. The Group's credit risk is predominantly in Turkey, where it operates.

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40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

Credit Risk (cont'd):

Exposed credit risks through types of financial instruments:

	31 December 2021			
	Receivables			
	Trade Receivables		Other Receivables	
	Related Parties	Third Parties	Related parties	Third parties ⁽¹⁾
Maximum credit risk exposure as at report date	48.310.956	8.376.429.898	318.637	6.721.537
- The part of maximum risk under guarantee with collateral etc.	-	5.560.298.933	-	-
A. Net book value of financial assets that are neither past due nor impaired	48.310.956	8.376.429.898	318.637	6.721.537
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-
- the part under guarantee with collateral etc.	-	-	-	-
D. Net book value of impaired assets	-	-	-	-
- Past due (gross carrying amount)	-	62.725.881	-	-
- Impairment (-)	-	(62.725.881)	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-
E. Elements including credit risk on off balance sheet	-	-	-	-

⁽¹⁾ Deposits and guarantees and collaterals are excluded since they are not financial assets.

⁽²⁾ Equity securities are excluded since they do not expose any credit risk

⁽³⁾ Contains USD 13.000.000 that equals to TL 168.707.500, and GBP 5.000.000 that equals to TL 73.411.500

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40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

Credit Risk: (cont'd)

Credit risks exposed by types of financial instruments:

	31 December 2020			
	Receivables			
	Trade Receivables		Other Receivables	
	Related Parties	Third Parties	Related parties	Third parties⁽¹⁾
Maximum credit risk exposure as at report date	23.211.338	5.546.817.157	59.711	4.766.688
- The part of maximum risk under guarantee with collateral etc.	-	4.182.991.222	-	-
A. Net book value of financial assets that are neither past due nor impaired	23.211.338	5.546.817.157	59.711	4.766.688
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)	-	22.911.024	-	-
- Impairment (-)	-	(22.911.024)	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-
E. Elements including credit risk on off balance sheet	-	-	-	-

⁽¹⁾ Deposits and guarantees and collaterals are excluded since they are not financial assets.

⁽²⁾ Equity securities are excluded since they do not expose any credit risk

⁽³⁾ Contains USD 13.000.000 that equals to TL 95.426.500 and GBP 5.000.000 that equals to TL 49.719.000).

31 December 2020
Cash and Cash Equivalents

Financial investments⁽²⁾	Bank deposits	Repurchase agreements	Type B liquid mutual funds	Other⁽³⁾
628.421.095	253.288.816	206.890.922	2.642.353	145.145.500
7.930.665	-	206.890.922	-	145.145.500
628.421.095	253.288.816	206.890.922	2.642.353	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	145.145.500

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40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

Interest rate risk:

The Group is exposed to interest rate risk due to volatile market prices of its financial assets at both fixed and floating interest rates. The Group's exposure to interest rate risk sensitivity depends on the mismatch among maturities of interest rate sensitive assets and liabilities. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate assets and liabilities.

The Group's interest rate sensitive financial instruments' allocations on respective statement of financial position dates are presented below:

		Interest Risk Position Table	
		31 December 2021	31 December 2020
Fixed interest rate instruments			
Cash and Cash Equivalents	Cash at banks - time deposits	875.707.674	180.997.054
	Receivables from Stock Exchange Money Market	227.253.625	41.787.912
	Receivables from reverse repurchase agreements	224.445.586	206.890.922
Financial assets	Financial assets at fair value through profit or loss	117.183.514	285.700.313
Financial liabilities	Payables to Stock Exchange Money Market	(2.073.579.022)	(667.397.320)
	Bank borrowings	(1.186.121.372)	(321.311.417)
	Finance lease liabilities	(50.418.496)	(39.726.079)
	Payables from financial leasing transactions	-	-
	Payables from commercial paper	(1.353.539.644)	-
	Short-term factoring liabilities	(7.844.396)	(9.530.215)
Floating interest rate instruments			
Cash and Cash Equivalents	Type B mutual funds	13.840.018	2.642.353
Financial assets	Financial assets at fair value through profit or loss	191.051.071	72.316.938
	Held-to-maturity financial assets	-	-
Trade receivables	Receivables from customers on margin trading	1.645.731.823	770.538.467
Financial liabilities	Bank borrowings	(19.268)	(2.613.787)

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40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

The Group's exposure to interest rate risk and market price risk are related to fixed income financial assets classified as financial assets at fair value through profit or loss. Based on the analysis calculated by the Group, if the interest rate for TL were increased/decreased by 1% with the assumption of keeping all other variables constant, the effect on the fair value of fixed income financial assets and net profit/loss for the period ended as of December 31, 2021 and 2020 would have been as follows:

31 December 2021				
Type of risk	Risk rate	Direction of risk	Effect on net profit	Effect on equity
Interest rate risk	1%	Increase	(2.237.217)	(2.907.745)
		Decrease	2.901.950	3.572.478
31 December 2020				
Type of risk	Risk rate	Direction of risk	Effect on net profit	Effect on equity
Interest rate risk	1%	Increase	(746.250)	(746.250)
		Decrease	845.251	845.251

Stock price risk:

If Borsa İstanbul Index were increased/decreased by 10% with the assumption of keeping all other variables constant, the effect on the fair value of equity shares and net profit/loss of the Group for the period ended as of December 31, 2021 would have been as follows:

31 December 2021				
Type of risk	Risk rate	Direction of risk	Effect on net profit	Effect on equity
Stock price risk	10%	Increase	(21.486.076)	(20.173.759)
		Decrease	(44.594.393)	(45.906.710)
31 December 2020				
Type of risk	Risk rate	Direction of risk	Effect on net profit	Effect on equity
Stock price risk	10%	Increase	(14.403.738)	(13.263.257)
		Decrease	(14.906.116)	(16.046.597)

Liquidity risk:

Liquidity risk is the Group's default in meeting its net funding liabilities. Events causing a decrease in funding resources such as market deteriorations or decrease in credit ratings are major reasons of liquidity risk. The Group manages its liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities through a constant monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities.

The following table details the Group's expected maturity for its non-derivative financial liabilities. The table below has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will accrue for those liabilities except where the Group is entitled and intense to repay the liability before its maturity.

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40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk (cont'd):

	31 December 2021						Total
	Current	Less than 1 month	1 - 3 months	3 - 12 months	1 year and thereafter	Undi- strbuted	
ASSETS							
Cash and cash equivalents	279.955.738	1.107.757.925	151.127.097	-	-	13.653.049	1.552.493.809
Financial investments	2.234.487.711	115.259.252	146.384.643	44.055.137	44.714.977	349.395.275	2.934.296.995
Trade receivables	13.087.976	8.156.964.135	55.228.703	23.923.200	230.296	175.306.544	8.424.740.854
Other receivables	630.515	812.400.423	-	-	-	4.262.115	817.293.053
Other long-term receivables	125.076	-	-	-	10.946	60.889	196.911
Other current/non-current assets	54.584.989	46.748	8.597.103	5.813.143	1.139.513	33.061.059	103.242.555
Long-term financial investments	-	-	-	19.378.729	25.506.427	44.727.099	89.612.255
Derivative instruments	-	77.789.500	28.505.653	-	-	-	106.295.153
Total assets	2.582.872.005	10.270.217.983	389.843.199	93.170.209	71.602.159	620.466.030	14.028.171.585
LIABILITIES							
Financial liabilities	61.333.954	952.550.428	3.462.686.855	72.107.000	52.195.975	80.564.341	4.681.438.554
Other financial liabilities	-	150.719	-	-	-	-	150.719
Trade payables	20.455.076	5.767.998.812	28.776.674	18.285.065	6.232.595	-	5.841.748.222
Other payables	324.625	56.647.940	-	2.599.675	-	2.642.740	62.214.980
Derivative instruments	-	154.483.709	56.193.406	795.860	-	-	211.472.975
Liabilities related to employee benefits	1.001.166	949.262	2.053.351	520.958	-	-	4.524.737
Provisions (short-term)	343.739	692.335	42.852.903	3.440.080	-	88.472.800	135.801.857
	83.458.560	6.933.473.205	3.592.563.190	97.748.639	58.428.570	171.679.881	10.937.352.044
Liquidity surplus/(gap)	2.499.413.446	3.336.744.778	(3.202.719.991)	(4.578.430)	13.173.589	448.786.149	

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40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk (cont'd):

	31 December 2020						Total
	Current	Less than 1 month	1 - 3 months	3 - 12 months	1 year and thereafter	Undi- stributed	
ASSETS							
Cash and cash equivalents	71.942.196	369.921.494	58.873.330	-	-	10.000	500.747.020
Financial investments	1.342.953.537	14.164.876	5.825.515	310.880.497	82.469.269	106.811.343	1.863.105.037
Trade receivables	6.768.899	5.297.600.405	24.277.486	25.326.531	42.665	216.012.509	5.570.028.495
Other receivables	38.687	412.794.630	-	-	-	1.600.780	414.434.097
Other long-term receivables	116.686	-	-	-	1.122.407	31.293	1.270.386
Other current/non-current assets	53.276.357	564.221	4.279.108	2.239.955	420.834	32.703.944	93.484.419
Long-term financial investments	-	-	-	-	10.678.693	62.831.573	73.510.266
Derivative instruments	-	100.048.121	9.245.386	-	-	-	109.293.507
Total assets	1.475.096.362	6.195.093.747	102.500.825	338.446.983	94.733.868	420.001.442	8.625.873.227
LIABILITIES							
Financial liabilities	70.493.006	684.123.433	139.756.260	100.784.313	21.114.792	24.307.013	1.040.578.818
Other financial liabilities	-	32.144.533	-	-	-	104.944	32.249.477
Trade payables	11.945.255	4.978.846.536	29.614.514	7.223.995	2.872.021	1.545.344	5.032.047.665
Other payables	36.876	30.802.751	-	3.038.983	-	3.645.428	37.524.038
Derivative instruments	-	105.304.531	79.245.038	377.415	-	-	184.926.984
Liabilities related to employee benefits	1.383.288	57.768	1.575.691	466.367	-	82.739	3.565.853
Provisions (short-term)	227.523	-	41.357.254	3.470.402	-	60.300.083	105.355.262
	84.085.948	5.831.279.552	291.548.757	115.361.476	23.986.813	89.985.551	6.436.248.097
Liquidity surplus/ (gap)	1.391.010.414	363.814.195	(189.047.932)	223.085.507	70.747.055	330.015.891	

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40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk (cont'd):

31 December 2021						
Contractual maturities	Carrying value	Total contractual cash outflows (I+II+III+IV)	Less than 3 months (I)	3 - 12 months (II)	1 - 5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Bank loans	1.186.140.640	1.192.918.260	1.080.920.286	97.231.220	13.324.954	1.441.800
Trade payables	5.841.748.222	5.867.990.919	5.840.700.042	27.290.877	-	-
Other payables	62.214.980	62.338.047	60.327.211	-	2.010.836	-
Payables to Stock Exchange Money Markets	2.073.579.022	2.279.676.931	2.279.676.931	-	-	-
Funds from commercial paper	1.353.539.644	1.378.040.000	1.378.040.000	-	-	-
Payables from leases	60.334.852	64.309.009	5.802.979	18.666.917	39.723.380	115.733
Financial lease and factoring payables	7.844.396	7.942.687	4.179.212	3.763.475	-	-
Total Liability	10.585.401.756	10.853.215.852	10.649.646.660	146.952.489	55.059.170	1.557.533
Contractual maturities	Notion amount	Total contractual cash outflows (I+II+III+IV)	Less than 3 months (I)	3 - 12 months (II)	1 - 5 years (III)	More than 5 years (IV)
Derivative financial instruments						
Derivative cash inflows	2.238.158.345	7.810.722.586	7.551.987.640	34.467.789	224.267.157	-
Derivative cash outflows	(2.761.938.521)	6.890.155.192	6.889.999.034	-	156.158	-

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40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

31 December 2020						
Contractual maturities	Carrying value	Total contractual cash outflows (I+II+III+IV)	Less than 3 months (I)	3 - 12 months (II)	1 - 5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Bank loans	323.925.203	329.537.776	164.636.002	142.924.595	21.132.287	844.892
Trade payables	5.032.047.665	5.040.094.260	5.029.998.244	10.096.016	-	-
Payables to Stock Exchange Money Markets	37.524.038	37.573.540	34.662.655	-	2.910.885	-
Funds from commercial paper	667.397.320	669.007.876	669.007.876	-	-	-
Payables from leases	39.726.079	43.374.201	1.119.824	9.105.591	33.148.786	-
Financial lease and factoring payables	9.530.215	9.583.349	1.513.894	8.069.455	-	-
Total Liability	6.110.150.520	6.129.171.003	5.900.938.495	170.195.657	57.191.958	844.892
Contractual maturities	Notion amount	Total contractual cash outflows (I+II+III+IV)	Less than 3 months (I)	3 - 12 months (II)	1 - 5 years (III)	More than 5 years (IV)
Derivative financial instruments						
Derivative cash inflows	5.134.746.644	6.326.016.395	6.322.558.964	3.457.431	-	-
Derivative cash outflows	4.986.549.572	7.886.724.327	7.886.724.327	-	-	-

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40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk:

Foreign currency risk is the risk of volatility in the foreign currency denominated monetary assets, monetary liabilities and off-balance sheet liabilities due to changes in currency exchange rates. The breakdown of the Group's foreign currency denominated monetary assets and monetary liabilities as of December 31, 2021 and 2020 are as follows:

		31 December 2021					
		TL Equivalent (Functional currency)	USD	EURO	GBP	JPY	OTHER
1.	Trade receivables	1.884.452.819	138.079.162	5.974.760	282.937	-	52.115
2a.	Monetary financial assets	424.967.344	27.238.752	4.240.417	40.778	2.454.640	2.468.446
2b.	Non-monetary financial assets	-	-	-	-	-	-
3.	Other	3.680.549	252.259	22.788	-	-	22.402
4.	Current assets	2.313.100.712	165.570.174	10.237.964	323.714	2.454.640	2.542.963
5.	Trade receivables	-	-	-	-	-	-
6a.	Monetary financial assets	-	-	-	-	-	-
6b.	Non-monetary financial assets	-	-	-	-	-	-
7.	Other	798.426	20	53.162	-	-	5.000
8.	Non-current asset	798.426	20	53.162	-	-	5.000
9.	Total Assets	2.313.899.138	165.570.194	10.291.126	323.714	2.454.640	2.547.963
10.	Trade payables	1.819.577.082	132.636.480	6.348.224	268.221	-	136.747
11.	Financial Liabilities	80.334.513	6.158.572	28.045	-	-	-
12a.	Other monetary liabilities	159.823.669	11.872.449	570.784	-	-	17.004
12b.	Other non-monetary liabilities	91.914	7.083	-	-	-	-
13.	Short Term Liabilities	2.059.827.178	150.674.584	6.947.053	268.221	-	153.751
14.	Trade payables	-	-	-	-	-	-
15.	Financial liabilities	1.441.800	111.100	-	-	-	-
16a.	Other monetary liabilities	-	-	-	-	-	-
16b.	Other non-monetary liabilities	155.892	12.013	-	-	-	-
17.	Long Term Liabilities	1.597.692	123.113	-	-	-	-
18.	Total Liabilities	2.061.424.870	150.797.697	6.947.053	268.221	-	153.751
19.	Off-balance sheet derivative instruments' net asset/(liability) position (19a - 19b)	(172.595.966)	(9.905.528)	(331.351)	280.926	(99.418.325)	(1.474.671)
19a.	The amount of long-position off-balance sheet derivative instruments denominated in foreign currency	9.855.756.329	379.215.121	56.666.667	8.137.569	235.453.688	881.385.789
19b.	The amount of short-position off-balance sheet derivative instruments denominated in foreign currency	10.028.352.295	389.120.649	56.998.018	7.856.644	334.872.014	882.860.461
20.	Net foreign currency asset/(liability) position	79.878.302	4.866.969	3.012.722	336.419	(96.963.686)	919.540
21.	Net foreign currency asset/(liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	248.243.099	14.539.313	3.268.124	55.493	2.454.640	2.366.809
22.	Fair value of derivative instruments used in foreign currency hedge	-	-	-	-	-	-
23.	Export	15.295.329	1.501.437	126.197	-	-	-
24.	Import	473.625	20.400	12.400	-	-	-

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40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk: (cont'd)

		31 December 2020					
		TL Equivalent (Functional currency)	USD	EURO	GBP	JPY	OTHER
1.	Trade receivables	1.241.253.639	151.869.688	13.697.959	278.123	399.507	48.318
2a.	Monetary financial assets	344.174.218	44.588.219	1.408.409	87.324	1.687.340	1.641.074
2b.	Non-monetary financial assets	-	-	-	-	-	-
3.	Other	58.841.418	704.236	5.955.531	-	-	-
4.	Current assets	1.644.269.274	197.162.143	21.061.899	365.447	2.086.847	1.689.392
5.	Trade receivables	-	-	-	-	-	-
6a.	Monetary financial assets	10.678.693	1.500.000	-	-	-	-
6b.	Non-monetary financial assets	-	-	-	-	-	-
7.	Other	528.223	5.076	53.396	-	-	5.000
8.	Non-current asset	11.206.916	1.505.076	53.396	-	-	5.000
9.	Total Assets	1.655.476.190	198.667.219	21.115.295	365.447	2.086.846	1.694.392
10.	Trade payables	1.157.360.230	145.252.628	9.759.119	279.933	399.507	119.398
11.	Financial Liabilities	58.965.151	8.018.801	-	-	-	-
12a.	Other monetary liabilities	15.685.461	1.344.759	339.396	5.286	-	196
12b.	Other non-monetary liabilities	1.508.964	205.561	5	-	-	-
13.	Short Term Liabilities	1.233.519.805	154.821.749	10.098.520	285.219	399.507	119.594
14.	Trade payables	-	-	-	-	-	-
15.	Financial liabilities	1.086.234	147.978	-	-	-	-
16a.	Other monetary liabilities	-	-	-	-	-	-
16b.	Other non-monetary liabilities	179.328	24.430	-	-	-	-
17.	Long Term Liabilities	1.265.562	172.408	-	-	-	-
18.	Total Liabilities	1.234.785.367	154.994.157	10.098.520	285.219	399.507	119.595
19.	Off-balance sheet derivative instruments' net asset/(liability) position (19a - 19b)	(456.990.369)	(85.673.369)	14.769.591	1.418.673	111.856.761	9.812.091
19.a	The amount of long-position off-balance sheet derivative instruments denominated in foreign currency	8.145.636.755	558.911.757	188.914.730	36.810.676	1.631.552.235	1.913.481.625
19.b	The amount of short-position off-balance sheet derivative instruments denominated in foreign currency	8.602.627.124	644.585.127	174.145.139	35.392.003	1.519.695.474	1.903.669.534
20.	Net foreign currency asset/(liability) position	(36.299.546)	(42.000.308)	25.786.366	1.498.901	113.544.100	11.386.888
21.	Net foreign currency asset/(liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	363.009.474	43.193.741	5.007.853	80.228	1.687.340	1.569.798
22.	Fair value of derivative instruments used in foreign currency hedge	-	-	-	-	-	-
23.	Export	11.972.553	1.596.949	105.547	-	-	-
24.	Import	62.010	-	7.850	-	-	-

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40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk: (cont'd)

Based on the positions of statements of financial position as of December 31, 2021 and 2020, if the value the Turkish Lira would increase or decrease by 10% against other hard currencies assuming each other variables remained constant, the Group's net profit or loss would change due to foreign currency gains or losses of financial assets and liabilities denominated in foreign currencies as follows:

31 December 2021				
Type of risk	Risk rate	Direction of risk	Effect on net profit	Effect on equity
Foreign currency risk	10%	Increase	(6.915.192)	(6.915.192)
		Decrease	1.006.392	1.006.392
31 December 2020				
Type of risk	Risk rate	Direction of risk	Effect on net profit	Effect on equity
Foreign currency risk	10%	Increase	17.276.084	17.276.084
		Decrease	(26.487.317)	(26.487.317)

Capital adequacy requirement

As of December 31, 2021, under the "V Series No. 34" communique the wide authority brokerage company must have minimum equity of TL 29.216.340 (As of December 31, 2020, TL 28.693.544), to perform portfolio management, investment advisory, to take back the securities (repo) or sell (reverse repo) and purchase and sale, credit securities lending, short selling and securities import and export transactions, IPO underwriting, trading through, leveraged trading intermediation and brokerage of derivatives in derivatives market.

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41. FINANCIAL INSTRUMENTS

Categories of Financial Instruments:

31 December 2021	Other financial assets measured with effective interest method	Loans and receivables	Available for sale financial assets	Financial assets and liabilities at fair value through profit or loss	Other financial liabilities measured with effective interest method	Carrying amount	Fair value	Note
Financial assets								
Cash and cash equivalents	1.538.653.791	-	-	13.840.018	-	1.552.493.809	1.552.493.809	7
Trade receivables	-	8.424.740.854	-	-	-	8.424.740.854	8.424.740.854	11
Financial investments	44.615.703	-	70.233.526	2.909.060.021	-	3.023.909.250	3.023.909.250	8
Derivatives	-	-	-	106.295.153	-	106.295.153	106.295.153	39
Financial liabilities								
Financial liabilities	-	-	-	-	4.681.438.554	4.681.438.554	4.681.438.554	9
Trade payables	-	-	-	-	5.841.748.222	5.841.748.222	5.841.748.222	11
Other financial liabilities	-	-	-	150.719	-	150.719	150.719	10
Derivatives	-	-	-	211.472.975	-	211.472.975	211.472.975	39
31 December 2020								
Financial assets								
Cash and cash equivalents	498.104.667	-	-	2.642.353	-	500.747.020	500.747.020	7
Trade receivables	-	5.570.028.495	-	-	-	5.570.028.495	5.570.028.495	11
Financial investments	-	-	62.831.573	1.873.783.730	-	1.936.615.303	1.936.615.303	8
Derivatives	-	-	-	109.293.507	-	109.293.507	109.293.507	39
Financial liabilities								
Financial liabilities	-	-	-	-	1.040.578.818	1.040.578.818	1.040.578.818	9
Trade payables	-	-	-	-	5.032.047.665	5.032.047.665	5.032.047.665	11
Other financial liabilities	-	-	-	32.249.477	-	32.249.477	32.249.477	10
Derivatives	-	-	-	184.926.984	-	184.926.984	184.926.984	39

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41. FINANCIAL INSTRUMENTS *(cont'd)*

Fair Value of Financial Instruments:

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to develop the estimated fair value. Accordingly, the estimates presented herein may not necessarily be indicative of the amounts the Group could realize in a current market exchange.

There is no active market for loans to obtain available comparative market price and these instruments are discounted or subject to transaction costs when they are sold or utilized before their maturities. Fair value of these instruments could not be estimated due to the lack of necessary reliable market data. Accordingly, the carrying amount of such instruments is deemed to be a consistent indicator of the fair value.

The following methods and assumptions are used to estimate the fair value of each class of financial instrument for which it is practicable to estimate fair value:

Financial Assets:

Carrying amounts of financial assets measured at amortized cost including cash and cash equivalents and other financial assets approximate their fair values due to their short-term nature and the assumption of immaterial potential losses in exchange of these assets.

Market prices are used in determination of fair values of government bonds, treasury bills and equity shares.

Financial Liabilities:

The carrying amount of monetary liabilities approximates their fair values due to their short-term nature. Variable rate long-term bank loans in recent history have been recently repriced therefore fair value is assumed to approximate their carrying values.

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41. FINANCIAL INSTRUMENTS (cont'd)

Fair Value of Financial Instruments: (cont'd)

Valuation methods of the financial instruments carried at fair value:

31 December 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss				
Equity shares	2.234.487.694	-	-	2.234.487.694
Government bonds and treasury bills	407.631	-	-	407.631
Private sector bonds	195.646.112	-	-	195.646.112
Mutual funds	366.337.742	-	-	366.337.742
Foreign currency securities	112.180.842	-	-	112.180.842
Income accruals of derivative instruments	-	106.295.153	-	106.295.153
Financial assets at fair value through profit or loss	43.576.574	26.640.068	-	70.216.642
Financial liabilities				
Other financial liabilities				
Liabilities of derivative instruments	-	211.472.975	-	211.472.975

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41. FINANCIAL INSTRUMENTS (cont'd)

Fair Value of Financial Instruments: (cont'd)

31 December 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss				
Equity shares	1,308,194,208	-	-	1,308,194,208
Government bonds and treasury bills	7,930,665	-	-	7,930,665
Private sector bonds	140,677,915	-	-	140,677,915
Mutual funds	141,570,680	-	-	141,570,680
Foreign currency securities	275,410,262	-	-	275,410,262
Income accruals of derivative instruments	-	109,293,507	-	109,293,507
Financial assets at fair value through profit or loss	36,174,621	26,640,068	-	62,814,689
Financial liabilities				
Other financial liabilities				
Liabilities of derivative instruments	-	184,926,984	-	184,926,984

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

First level: Implies that in determining the fair values of assets and liabilities, active market trading price is used for valuation purposes.

Second level: Implies that in determining the fair values of assets and liabilities, should other market price be observed other than first degree market prices, then observed market price is used for valuation purposes.

Third level: Implies that in determining the fair values of assets and liabilities, data not based on market observation is used for valuation purposes.

42. EVENTS AFTER THE REPORTING PERIOD

None.

43. FEES FOR SERVICES RECEIVED FROM THE INDEPENDENT AUDITOR'S

	1 January - 31 December 2021	1 January - 31 December 2020
Independent audit fee for the reporting period	637,766	531,414
Fees for tax certification consultancy services	73,000	26,000
Fee for other assurance services	45,914	72,790
Total	756,680	630,204

44. OTHER ISSUES THAT SIGNIFICANTLY EFFECT THE CONSOLIDATED FINANCIAL STATEMENTS OR OTHER ISSUES REQUIRED FOR THE CLEAR UNDERSTANDING OF CONSOLIDATED FINANCIAL STATEMENTS

None.

