

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

**Condensed Consolidated Interim Financial Statements
As at and for the Six-Month Period That
Ended 30 June 2023
With Independent Auditors' Review Report**

(Convenience translation of independent auditors' report on review
of condensed consolidated interim financial information and
related disclosures and footnotes originally issued in Turkish)

02 August 2023

This report contains 40 pages of condensed
consolidated financial statements and
supplementary notes.

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

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

Report on Review of Interim Condensed consolidated Financial Statements

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

Introduction

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

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 14 Provisions, Contingent Assets and Liabilities to the Summary Consolidated Financial Statements, the accompanying consolidated financial statements as of June 30, 2023 include a free provision amounting to TL 1.000.000 thousand, which does not meet the recognition criteria of TAS 37 "Provisions, Contingent Liabilities and Contingent Assets", set aside by the Group management in the current period by taking into account the global economic conditions and possible developments in the markets within the prudence principle.



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Qualified Conclusion

Based on our review, except for the effect of the matter referred in the "Basis of Qualified Conclusion" paragraph nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with TAS 34.

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



02 August 2023
Istanbul, Turkey

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İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

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

		Reviewed Current Period	Reviewed Prior Period
	Notes	30 June 2023	31 December 2022
ASSETS			
Current Assets			
Cash and Cash Equivalents	6	1.347.926	745.695
Financial Investments	7	10.246.449	14.668.975
Trade Receivables	9	23.054.018	18.424.792
<i>Due from Related Parties</i>	5	119.908	81.264
<i>Other Trade Receivables</i>		22.934.110	18.343.528
Other Receivables		1.236.751	1.244.779
<i>Due from Related Parties</i>	5	2.155	574
<i>Other Receivables</i>		1.234.596	1.244.205
Derivative Instruments		25.449	52.051
Inventories		227.178	133.006
Prepaid Expenses		133.655	47.181
Current Tax Assets		14.031	5.271
Other Current Assets		44.232	31.690
<i>SUBTOTAL</i>		36.329.689	35.353.440
Assets Held For Sale		2.649	3.305
TOTAL CURRENT ASSETS		36.332.338	35.356.745
Non-current Assets			
Financial Investments	7	179.422	179.867
Other Receivables		2.175	5.162
<i>Due From Third Parties</i>		2.175	5.162
Investments in Equity Accounted Investees	10	42.571	52.026
Right of use Assets		82.902	74.357
Tangible Assets	12	125.405	66.224
Intangible Assets		61.843	62.382
<i>Goodwill</i>	11	38.594	38.594
<i>Other Intangible Assets</i>	13	23.249	23.788
Prepaid Expenses		5.662	5.513
Deferred Tax Assets		2.368	7.326
TOTAL NON-CURRENT ASSETS		502.348	452.857
TOTAL ASSETS		36.834.686	35.809.602

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

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

	Notes	Reviewed Current Period 30 June 2023	Reviewed Prior Period 31 December 2022
LIABILITIES			
Short-Term Liabilities			
Short Term Borrowings	8	6.821.330	10.311.971
<i>Due to Related Parties</i>		70.998	29.701
<i>Due to Third Parties</i>		6.729.014	10.251.975
<i>Lease Payables to Related Parties</i>	5	8.008	4.081
<i>Lease Payables to Third Parties</i>		13.310	26.214
Short Term Portion of Long-Term Borrowings	8	23.690	25.795
<i>Due to Related Parties</i>		6.004	11.057
<i>Due to Third Parties</i>		14.516	12.127
<i>Due to leasing transactions to unrelated parties</i>		3.170	2.611
Trade Payables		16.802.334	15.369.430
<i>Due to Related Parties</i>		48.367	31.857
<i>Due to Third Parties</i>		16.753.967	15.337.573
Payables Related to Employee Benefits		24.505	10.532
Other Payables		106.965	74.266
<i>Due to Related Parties</i>		6.929	7.282
<i>Due to Third Parties</i>		100.036	66.984
Derivative Instruments		201.668	974.752
Current Tax Liabilities		343.958	164.920
Short Term Provisions		1.171.857	1.153.533
<i>Provisions for Employee Benefits</i>		114.090	105.615
<i>Other Short-Term Provisions</i>	14	1.057.767	1.047.918
Other Current Liabilities		88.227	62.408
TOTAL CURRENT LIABILITIES		25.584.534	28.147.607
Long-Term Liabilities			
Long-Term Borrowings	8	94.895	78.873
<i>Due to Related Parties</i>		12.784	9.974
<i>Due to Third Parties</i>		8.226	9.988
<i>Lease Payables to Related Parties</i>	5	8.487	20.184
<i>Lease Payables to Third Parties</i>		65.398	38.727
Other Payables		1.922	2.313
<i>Other Payables</i>		1.922	2.313
Long-Term Provisions		34.974	34.817
<i>Employee Benefits</i>		34.974	34.817
Deferred Tax Liabilities		135.819	204.918
Other Long-Term Liabilities		94.636	73.387
TOTAL NON-CURRENT LIABILITIES		362.246	394.308
EQUITY			
Total Equity Attributable to Equity Holders of the Company		10.362.044	6.797.036
Paid in Capital	16	1.500.000	355.000
Share Premium		725	247
Other Comprehensive Income and Expenses to will not be Reclassified to Profit or Loss		127.030	126.368
<i>Defined Benefit Plans Remeasurement Gains and Losses</i>		(17.913)	(18.883)
<i>Gains and Losses on Revaluation of Assets at Fair Value at Other Comprehensive Income</i>	16	144.943	145.251
Other Comprehensive Income and Expenses to be Reclassified to Profit or Loss		129.353	59.353
<i>Currency Translation Differences</i>		129.353	59.353
Other Reserves	16	404.262	303.171
Restricted Reserves	16	324.892	224.397
Prior Year's Profit/Loss	16	3.623.437	1.396.868
Profit for the Year		4.252.345	4.331.632
Non-Controlling Interests	16	525.862	470.651
TOTAL EQUITY		10.887.906	7.267.687
TOTAL LIABILITIES		36.834.686	35.809.602

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

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

AS AT 30 JUNE 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

		Reviewed Current Period	Not reviewed Current Period	Reviewed Prior Period	Not reviewed Prior Period
		1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
	Notes				
STATEMENT OF PROFIT OR LOSS					
Revenue		149.019.998	62.194.044	93.916.010	49.755.272
Sales Revenue		144.580.870	58.846.098	92.325.483	48.791.004
Interest and Derivative Income from Operating Activities, Net		2.249.128	717.782	1.073.752	806.774
Service Income, Net		1.243.855	640.341	626.934	325.901
Other Operating Income, Net		946.145	1.989.823	(110.159)	(168.407)
Cost of Sales (-)		(142.614.978)	(58.213.997)	(91.701.621)	(48.490.547)
GROSS PROFIT/LOSS		6.405.020	3.980.047	2.214.389	1.264.725
Administrative Expenses (-)		(883.859)	(384.570)	(403.104)	(225.240)
Marketing Expenses (-)		(274.927)	(150.566)	(137.943)	(73.794)
Research and Development Expenses (-)		(2.726)	(1.076)	(1.588)	(740)
Other Operating Income		90.137	11.765	19.820	4.414
Other Operating Expenses (-)		(92.422)	(41.355)	(51.274)	(34.127)
OPERATING PROFIT/LOSS		5.241.223	3.414.245	1.640.300	935.238
Share of Profit/Loss of Equity Accounted Investees, Net of Income Tax	10	(9.454)	(517)	9.259	16.086
OPERATING PROFIT/LOSS BEFORE FINANCE COST		5.231.769	3.413.728	1.649.559	951.324
Finance Income		152.345	87.585	109.006	51.186
Finance Costs (-)		(59.253)	(40.476)	(58.419)	(30.349)
PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS		5.324.861	3.460.837	1.700.146	972.161
Income Tax from Continuing Operations		(937.883)	(518.177)	(368.161)	(221.339)
<i>Current Tax Expense</i>		<i>(996.574)</i>	<i>(328.809)</i>	<i>(436.703)</i>	<i>(290.637)</i>
<i>Deferred Tax Income/(Expense)</i>		<i>58.691</i>	<i>(189.368)</i>	<i>68.542</i>	<i>69.298</i>
PROFIT FROM CONTINUING OPERATIONS		4.386.978	2.942.660	1.331.985	750.822
PROFIT FROM DISCONTINUED OPERATIONS		-	-	-	-
PROFIT FOR THE YEAR		4.386.978	2.942.660	1.331.985	750.822
Profit Attributable to:					
Non-controlling interests		134.633	88.958	66.602	43.460
Equity holders of the company		4.252.345	2.853.702	1.265.383	707.362
		4.386.978	2.942.660	1.331.985	750.822
Earnings per share					
Earnings Per Share from Continuing Operations	17	2,8349	1,9025	0,8436	0,4716
Earnings Per Share from Discontinued Operations		-	-	-	-
Diluted Earnings Per Share					
Diluted Earnings Per Share from Continuing Operations	17	2,8349	1,9025	0,8436	0,4716
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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

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

	Reviewed Current Period	Not reviewed Current Period	Reviewed Prior Period	Not reviewed Prior Period
	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
PROFIT FOR THE YEAR	4.386.978	2.942.660	1.331.985	750.822
OTHER COMPREHENSIVE INCOME:				
Items that not to be reclassified to profit or loss	(2.350)	20.677	148.586	36.915
Defined benefit plans re-measurement gains	(2.256)	141	1.444	255
Revaluation gains/losses of financial assets at fair value through other comprehensive income	(582)	21.935	155.190	38.643
Taxes related to comprehensive income that will not be reclassified to profit or loss	488	(1.399)	(8.048)	(1.983)
Items that are or may be reclassified to profit or loss	50.466	49.727	851	(3.149)
Change in currency translation reserve	50.466	49.727	851	(3.149)
OTHER COMPREHENSIVE INCOME	48.116	70.404	149.437	33.766
TOTAL COMPREHENSIVE INCOME	4.435.094	3.013.064	1.481.422	784.588
Total Comprehensive Income Attributable to:				
Non-Controlling Interests	115.487	75.900	68.545	40.195
Equity Holders of the Company	4.319.607	2.937.164	1.412.877	744.393
	4.435.094	3.013.064	1.481.422	784.588

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

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

			Other Comprehensive Income not to be reclassified to be profit or loss		Other Comprehensive Income to be reclassified to be profit or loss	Retained Earnings						
	Paid in Capital	Share Premium	Defined Benefit Plans Re-Measurement Gains and Losses	Gains and losses on revaluation of assets at fair value through other comprehensive income	Currency Translation Difference	Other Reserves	Restricted Reserves	Prior Year's Profit/Loss	Net Profit/Loss For The Year	Shareholders' Equity	Non-Controlling Interest	Equity
Balance on January 1, 2022	355.000	247	(6.874)	51.383	37.585	192.754	181.812	779.107	1.170.904	2.761.918	310.197	3.072.115
Transfers to Reserves	-	-	-	-	-	110.417	42.863	1.017.624	(1.170.904)	-	-	-
Total Comprehensive Income	-	-	491	137.199	9.804	-	-	-	1.265.383	1.412.877	68.545	1.481.422
Change in Non-Controlling Interests	-	-	-	105	-	-	(278)	240	-	67	3.605	3.672
Dividends	-	-	-	-	-	-	-	(400.000)	-	(400.000)	(40.236)	(440.236)
Balance on June 30, 2022	355.000	247	(6.383)	188.687	47.389	303.171	224.397	1.396.971	1.265.383	3.774.862	342.111	4.116.973

			Other Comprehensive Income not to be reclassified to be profit or loss		Other Comprehensive Income to be reclassified to be profit or loss	Retained Earnings						
	Paid in Capital	Share Premium	Defined Benefit Plans Re-Measurement Gains and Losses	Gains and losses on revaluation of assets at fair value through other comprehensive income	Currency Translation Difference	Other Reserves	Restricted Reserves	Prior Year's Profit/Loss	Net Profit/Loss For The Year	Shareholders' Equity	Non-Controlling Interest	Equity
Balance on January 1, 2023	355.000	247	(18.883)	145.251	59.353	303.171	224.397	1.396.868	4.331.632	6.797.036	470.651	7.267.687
Transfers to Reserves	1.145.000	-	-	-	-	101.090	100.495	2.985.047	(4.331.632)	-	-	-
Total Comprehensive Income	-	-	(1.361)	(1.377)	70.000	-	-	-	4.252.345	4.319.607	115.487	4.435.094
Change in Non-Controlling Interests	-	478	2.331	1.069	-	1	-	(3.478)	-	401	3.255	3.656
Dividends	-	-	-	-	-	-	-	(755.000)	-	(755.000)	(63.531)	(818.531)
Balance on June 30, 2023	1.500.000	725	(17.913)	144.943	129.353	404.262	324.892	3.623.437	4.252.345	10.362.044	525.862	10.887.906

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

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

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

		Reviewed Prior Year	Reviewed Prior Year
	Notlar	1 January – 30 June 2023	1 January – 30 June 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit for the year		6.392.991	(1.041.302)
Adjustments to reconcile net profit / (loss)		4.386.978	1.331.985
Adjustments for depreciation and amortization		48.139	28.010
Changes in provisions		(106.068)	46.101
Adjustments for interest income		(1.181.145)	(406.973)
Adjustments for interest expense		718.652	459.815
Adjustments related to share-based payments (Dividend income)		-	(6.470)
Adjustments related to fair value losses / gains		(2.397)	46.908
Changes in tax loss/income		937.883	368.161
Gain / losses from sales of tangible assets		-	(21)
Adjustments related to investments accounted for using the equity method	10	9.454	(9.259)
Other adjustments related to profit/loss reconciliation		30.200	38.123
Changes in net working capital			
Increases/decreases in inventories		(94.172)	(21.232)
Increases/decreases in trade receivables		(4.629.226)	(1.980.208)
Increases/decreases in financial investments		4.925.777	(3.252.254)
Increases/decreases in other receivables		(66.260)	(464.864)
Interest received		1.108.887	311.833
Changes in restricted deposits	6	16.839	(13)
Change in demand deposits		(361.059)	575.554
Increases/decreases in trade payables		1.432.903	2.071.092
Increases/decreases in other payables		33.047	(21.709)
Cash flows from operating activities			
Current tax paid		(822.986)	(157.304)
Employment termination benefits paid/return		7.545	1.423
B. YATIRIM FAALİYETLERİNDEN KAYNAKLANAN NAKİT AKIŞLARI			
Cash inflow from sales of tangible assets		10	9.161
Cash outflow from purchases of property, plant and equipment		(72.504)	(34.040)
Dividend income		-	6.469
Cash outflow from purchases of intangible assets		(4.655)	(7.627)
Other cash inflows (outflows)		2.464	-
Interest received		14.166	82.285
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash inflows from borrowings		303.253.758	48.930.712
Cash outflows related to debt payments		(303.495.850)	(50.557.999)
Dividend paid		(818.531)	(440.236)
Change in other financial liabilities		(648.377)	(97.440)
Financing cash inflows from commercial paper		(2.293.427)	3.317.727
Financial cash outflows from commercial paper		(941.205)	(712.497)
Interest paid		(843.358)	(368.062)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES (A+B+C)			
		545.482	(912.849)
D. EFFECTS OF UNREALIZED EXCHANGE LOSS/ (GAIN) ON CASH AND CASH EQUIVALENTS			
		70.000	9.804
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)			
		615.482	(903.045)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD			
	6	746.225	1.554.573
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)			
	6	1.361.707	651.528

İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(Amounts are expressed in thousands of 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 5 December 1996.

The Company is registered in Turkey and the head quarter of the Company operates in below address. 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 / Türkiye
Telephone: + 90 (212) 350 20 00 Fax: + 90 (212) 350 20 01
<http://www.isyatirim.com.tr>

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

As at 30 June 2023, the Company has 525 employees (31 December 2022: 468).

As at 30 June 2023, 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	Venture fund
İş Portföy Yönetimi AŞ	İstanbul	Portfolio management
İş Yatırım Ortaklığı AŞ	İstanbul	Investment trust
Maxis Girişim Sermayesi Portföy Yönetimi A.Ş.	İstanbul	Portfolio management
Maxis Investments Ltd.	London	Stockbroker

^(*) 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 A.Ş.:

The subsidiary is engaged in the purchase and sale of receivables and other assets of deposit banks, participation banks and other financial institutions.

İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. (“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 A.Ş.:

The subsidiary engages in the capital market activities specified in its articles of association in accordance with the provisions of the Capital Markets Law and related legislation and provides portfolio management and investment advisory services to institutional investors within the scope of capital market activities.

İş Yatırım Ortaklığı A.Ş.:

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.

Maxis Girişim Sermayesi Portföy Yönetimi A.Ş.:

The subsidiary is engaged in the establishment and management of venture capital investment funds within the framework of the Capital Markets Law and relevant legislation.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

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

Subsidiaries(cont’d)

Maxis Investments Ltd.:

The subsidiary, registered by 'The Official Seal Of The Registrar Of Companies' and incorporated in London / England, operates in the 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 30 June 2023 are as follows:

Associate

<u>Company Name</u>	<u>Type of Services</u>	<u>Main services issues</u>
Radore Veri Hizmetleri A.Ş. (“Radore”)	Data services	Information technology sector. data center management and other works written in the main contract.
Mika Tur Seyahat Acenteliği ve Turizm AŞ (“Mika Tur”)	Tourism	Travel Agency
Ege Tarım Ürünleri Lisanslı Depoculuk AŞ (“Elidaş”)	Service	Licensed Warehouse

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basis of presentation

Financial reporting standarts

Approval of Consolidated Financial Statements

The Group’s consolidated financial statements as at and for the year then ended June 30, 2023 have been approved by the Board of Directors and authorization for issue has been given on August 02, 2023. 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.

TAS 29 Financial Reporting in Hyperinflationary Economies requires entities whose functional currency is the currency of a hyperinflationary economy to report their financial statements in terms of the purchasing power of money at the end of the reporting period. TAS 29 identifies characteristics that may indicate that an economy is a hyperinflationary economy. At the same time, TAS 29 requires all entities that report in the currency of a hyperinflationary economy to apply the Standard from the same date. Therefore, as stated in TAS 29, it is expected that all entities will start to apply TAS 29 at the same time with the announcement to be made by the Public Oversight Accounting and Auditing Standards Authority in order to ensure consistency in practice across the country. However, POA has not made an announcement on whether an adjustment will be made in the financial statements for the period ended June 30, 2023 within the scope of TAS 29. Therefore, TAS 29 has not been applied and inflation adjustment has not been made in the financial statements as at June 30, 2023.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(Amounts are expressed in thousands of 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)

TAS 29 Financial Reporting in Hyperinflationary Economies requires entities whose functional currency is the currency of a hyperinflationary economy to report their financial statements in terms of the purchasing power of money at the end of the reporting period. TAS 29 identifies characteristics that may indicate that an economy is a hyperinflationary economy. At the same time, TAS 29 requires all entities that report in the currency of a hyperinflationary economy to apply the Standard from the same date. Therefore, as stated in TAS 29, it is expected that all entities will start to apply TAS 29 at the same time with the announcement to be made by the Public Oversight Accounting and Auditing Standards Authority in order to ensure consistency in practice across the country. However, POA has not made an announcement on whether an adjustment will be made in the financial statements for the period ended June 30, 2023 within the scope of TAS 29. Therefore, TAS 29 has not been applied and inflation adjustment has not been made in the financial statements as at June 30, 2023.

Functional and Presentation 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:

	30 June 2023	31 December 2022
USD	25,8231	18,6983
EUR	28,1540	19,9349
GBP	32,8076	22,4892

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.

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(Amounts are expressed in thousands of 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)

Subsidiaries(cont’d)

The details of the Group’s subsidiaries are as follows:

Subsidiaries	Ownership as at 30 June 2023	Ownership as at 31 December 2022
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 (%)		Business Line
		30 June 2023	31 December 2022	
Radore (*)	Türkiye	25,50	25,50	Data Services
Mika Tur(*)	Türkiye	40,09	40,09	Travel Agency
Elidaş	Türkiye	10,05	10,05	Licensed Warehousing

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

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.

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(Amounts are expressed in thousands of 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: (cont’d)

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. Changes in the Accounting Estimates and Errors

If the changes in accounting estimates are for only one period, they are applied in the period in which the change is made and if they are for future periods, they are applied both in the period in which the change is made and prospectively in future periods. Significant accounting errors are corrected retrospectively and prior period financial statements are restated.

2.3. Basis of presentation of the consolidated financial statements

The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of June 30, 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2023 and thereafter. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

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

Amendments to TAS 8 – Definition of Accounting Estimates

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of “accounting estimates”. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are

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(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

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

2.3. Basis of presentation of the consolidated financial statements (cont’d)

The new standards, amendments and interpretations (cont’d)

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

Amendments to TAS 8 – Definition of Accounting Estimates (cont’d)

changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date. The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TAS 1 – Disclosure of Accounting Policies

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

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

Amendments to TAS 12 – Deferred tax related to assets and liabilities arising from a single transaction

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

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

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.

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(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

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

2.3. Basis of presentation of the consolidated financial statements (cont’d)

The new standards, amendments and interpretations (cont’d)

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

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.

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2024 with the announcement made by the POA.

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

In January 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity’s right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period (“future covenants”), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity’s right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa.

Overall, the Group expects no significant impact on its balance sheet and equity. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group. The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

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(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d) 2.3. Basis of presentation of the consolidated financial statements (cont’d)

The new standards, amendments and interpretations (cont’d)

ii) Standards published but not enforced and not implemented early adopted (cont.)

Amendments to TFRS 16 - Lease Liabilities in Sale and Leaseback

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under “Subsequent measurement of the lease liability” heading after the commencement date in a sale and leaseback transaction, the seller lessee determines ‘lease payments’ or ‘revised lease payments’ in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining ‘lease payments’ that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16. Overall, the Group expects no significant impact on its balance sheet and equity. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group. The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

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

The following amendments to IAS 12 as well as IAS 7 and IFRS 7 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments are issued and become effective under TFRS.

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

In May 2023, IASB issued amendments to IAS 12, which introduce a mandatory exception in IAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that IAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. Overall, the Group expects no significant impact on its balance sheet and equity. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group. The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

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

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

2.3. Basis of presentation of the consolidated financial statements (cont'd)

The new standards, amendments and interpretations (cont'd)

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

Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier Finance Arrangements

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

Overall, the Group expects no significant impact on its balance sheet and equity. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group. The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

2.4. Comparative Figures

The consolidated financial statements of the Group are prepared comparatively with the prior period in order to enable the determination of the financial position and performance trends. In order to ensure comparability of consolidated financial statement items, prior period financial statements are also classified accordingly.

The Company has made some classification changes in the Statement of Profit or Loss within the framework of its assessment, and in order to ensure comparability, the Statement of Profit or Loss and related footnotes for the year ended June 30, 2022 have been restated taking into account the aforementioned classification changes. The table showing the classification changes and the explanations in this context are given below.

The valuation gains and losses of financial instruments presented under the items "Sales Revenue" and "Cost of Sales" have been classified under the item "Other Operating Income, Net". Similarly, the items "Interest Income" and "Interest Received on Collateral" tracked under "Finance Income" have been categorized under the item "Interest and Derivative Income from Operating Activities, Net".

	Reported	Restated	Classification
	1 January-30 June	1 January-30 June	Effect
	2022	2022	
Revenue	94.412.785	93.916.011	(496.774)
Sales Revenue	92.589.095	92.325.483	(263.612)
Interest and Derivative Income from Operating Activities, Net	1.027.669	1.073.753	46.084
Other Operating Income, Net	169.087	(110.159)	(279.246)
Cost of Sales (-)	(92.244.667)	(91.701.621)	543.046
GROSS PROFIT/LOSS	2.168.118	2.214.390	46.272
Other Operating Income	20.008	19.820	(188)
OPERATING PROFIT/LOSS	1.594.216	1.640.300	46.084
OPERATING PROFIT/LOSS BEFORE FINANCE COST	1.603.475	1.649.559	46.084
Finance Income	155.090	109.006	(46.084)

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

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

2.4. Comparative Figures (cont'd)

In addition to the above-mentioned reclassification changes, the Company has started to classify the valuation differences related to equity-based financial instruments followed under the "Financial Assets at Fair Value Through Other Comprehensive Income" item under the "Accumulated Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss" item, as a result of the evaluations made within the framework of the relevant legislation, as "Accumulated Other Comprehensive Income or Expenses that will not be Reclassified to Profit or Loss" item. In order to present this classification change in a comparable manner, the relevant parts of the Statement of Financial Position as of June 30, 2022 and the Statement of Other Comprehensive Income and Statement of Changes in Equity as of June 30, 2022 have been restated.

	<u>Reported</u>	<u>Restated</u>	<u>Classification</u>
	<u>30 June 2022</u>	<u>31 December 2022</u>	<u>Effect</u>
Equity			
Shareholders' Equity	3.774.863	3.774.863	-
Other Comprehensive Income not to be reclassified to be profit or loss			
<i>Defined Benefit Plans Re-Measurement Gains and Losses</i>	(6.382)	182.305	188.687
<i>Revaluation and Reclassification Gain/Loss</i>	-	188.687	188.687
Other Comprehensive Income to be reclassified to be profit or loss			
<i>Currency Translation Difference</i>	236.076	47.389	(188.687)
<i>Revaluation and Reclassification Gain/Loss</i>	47.389	47.389	-
	188.687	-	(188.687)
Total Equity	4.116.973	4.116.973	-

	<u>Reported</u>	<u>Restated</u>	<u>Classification</u>
	<u>1 January-30 June 2022</u>	<u>1 January-30 June 2022</u>	<u>Effect</u>
Other Comprehensive Income not to be reclassified to be profit or loss	1.155	148.586	147.431
Defined Benefit Plans Re-Measurement Gains and Losses	1.444	1.444	-
Gains and losses on revaluation of assets at fair value through other comprehensive income	-	155.190	155.190
Taxes on other comprehensive income not to be reclassified to profit or loss	(289)	(8.048)	(7.759)
Other Comprehensive Income to be reclassified to be profit or loss	148.282	851	(147.431)
Gains and losses on revaluation of assets at fair value through other comprehensive income	155.190	-	(155.190)
Currency Translation Difference	851	851	-
Taxes on other comprehensive income not to be reclassified to profit or loss	(7.759)	-	7.759
OTHER COMPREHENSIVE INCOME	149.437	149.437	-

2.5. Summary of Significant Accounting Policies

The summary consolidated financial statements prepared for the interim period ending on June 30, 2023, use accounting policies consistent with those applied in the annual financial statements for the fiscal year ending on December 31, 2022, except for the application of new standards and amendments effective from January 1, 2023.

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

2.6. Significant Accounting Evaluations, Estimates and Assumptions

Estimates and the assumptions underlying the estimates are constantly reviewed. Updates in accounting estimates are recorded in the period when the update is made and in subsequent periods affected by these updates.

3. BUSINESS PARTNERSHIPS

Explained in Note 10.

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(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

4. SEGMENT REPORTING

Segments	Securities Brokerage	Investment Trust	Portfolio Management	Private Equity	Asset Management	Elimination Adjustments	Total
	1 January- 30 June 2023	1 January- 30 June 2023	1 January- 30 June 2023	1 January- 30 June 2023	1 January- 30 June 2023	1 January- 30 June 2023	1 January- 30 June 2023
Revenue							
Sales revenue	143.484.316	194.823	86.444	815.287	-	-	144.580.870
Interest and derivative income from operating activities (net)	2.136.934	9.650	26	-	102.518	-	2.249.128
Services income (net)	890.950	-	358.383	-	-	(5.478)	1.243.855
Other operating income (net)	904.024	26.118	9.280	-	4.837	1.886	946.145
Cost of sales (-)	(141.850.087)	(191.700)	(46.600)	(526.591)	-	-	(142.614.978)
GROSS PROFIT/LOSS	5.566.137	38.891	407.533	288.696	107.355	(3.592)	6.405.020
Administrative expenses (-)	(626.667)	(7.286)	(154.717)	(52.208)	(45.275)	2.294	(883.859)
Marketing expenses (-)	(154.566)	(4.420)	(3.157)	(114.136)	-	1.352	(274.927)
Research and development expenses (-)	-	-	-	(2.726)	-	-	(2.726)
Other operating income	53.042	173	689	36.794	-	(561)	90.137
Other operating expenses (-)	(11.695)	(177)	(575)	(70.512)	(9.463)	-	(92.422)
OPERATING PROFIT/LOSS	4.826.251	27.181	249.773	85.908	52.617	(507)	5.241.223
Share of profit/loss of equity accounted investees	826	-	-	(10.280)	-	-	(9.454)
OPERATING PROFIT/LOSS BEFORE FINANCE COSTS	4.827.077	27.181	249.773	75.628	52.617	(507)	5.231.769
Finance income	114.994	24.385	26.143	54.527	4.975	(72.679)	152.345
Finance costs (-)	(2.360)	-	(1.273)	(54.180)	(1.440)	-	(59.253)
PROFIT OR LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS	4.939.711	51.566	274.643	75.975	56.152	(73.186)	5.324.861
Tax income/(expense) from continuing Operations	(840.304)	-	(59.800)	(24.001)	(13.778)	-	(937.883)
- Current tax expenses	(917.197)	-	(46.935)	(20.550)	(11.892)	-	(996.574)
- Deferred tax income / (expense)	76.893	-	(12.865)	(3.451)	(1.886)	-	58.691
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	4.099.407	51.566	214.843	51.974	42.374	(73.186)	4.386.978
PROFIT FOR DISCONTINUED OPERATIONS	-	-	-	-	-	-	-
PROFIT/(LOSS) FOR THE YEAR	4.099.407	51.566	214.843	51.974	42.374	(73.186)	4.386.978
<i>Profit/(Loss) attributable to:</i>							
Non-Controlling interests	-	36.380	55.277	36.896	3.754	2.326	134.633
Equity holders of the Company	4.099.407	15.186	159.566	15.078	38.620	(75.512)	4.252.345
	4.099.407	51.566	214.843	51.974	42.374	(73.186)	4.386.978

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4. SEGMENT REPORTING (cont'd)

Segments	Securities Brokerage	Investment Trust	Portfolio Management	Private Equity	Asset Management	Elimination adjustments	Total
	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2023
Balance sheet information							
Assets	34.805.730	314.179	693.707	1.044.679	241.354	(264.963)	36.834.686
Cash and cash equivalents	1.006.967	76.423	98.654	162.585	3.297	-	1.347.926
Financial investments (short term)	9.561.027	221.966	397.035	14.729	51.692	-	10.246.449
Financial investments (long term)	371.858	-	53.600	-	-	(246.036)	179.422
Trade receivables	22.493.282	14.990	118.619	279.286	168.558	(20.717)	23.054.018
Other receivables	1.230.427	25	2.187	4.462	-	1.825	1.238.926
Derivative instruments	25.449	-	-	-	-	-	25.449
Investment in equity accounted investees	2.949	-	-	39.622	-	-	42.571
Other assets	113.771	775	23.612	543.995	17.807	(35)	699.925
Liabilities	24.966.188	5.223	89.186	877.928	29.024	(20.769)	25.946.780
Financial liabilities	6.605.984	682	9.517	318.422	5.310	-	6.939.915
Other financial liabilities	-	-	-	-	-	-	-
Trade payables	16.346.868	153	-	472.312	674	(17.673)	16.802.334
Other payables	78.157	209	10.509	15.515	4.593	(96)	108.887
Derivative instruments	201.668	-	-	-	-	-	201.668
Other liabilities	1.733.511	4.179	69.160	71.679	18.447	(3.000)	1.893.976
Net assets	9.839.542	308.956	604.521	166.751	212.330	(244.194)	10.887.906

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4. SEGMENT REPORTING (cont'd)

Segments	Securities Brokerage	Investment Trust	Portfolio Management	Private Equity	Asset Management	Elimination Adjustments	Total
	1 January- 30 June 2022	1 January- 30 June 2022	1 January- 30 June 2022	1 January- 30 June 2022	1 January- 30 June 2022	1 January- 30 June 2022	1 January- 30 June 2022
Revenue							
Sales revenue	91.906.184	44.562	57.519	316.241	977	-	92.325.483
Interest and derivative income from operating activities (net)	994.992	10.865	-	-	67.474	421	1.073.752
Services income (net)	475.522	-	157.525	-	-	(6.113)	626.934
Other operating income (net)	(110.159)	-	-	-	-	-	(110.159)
Cost of sales (-)	(91.437.324)	(35.117)	(35.540)	(193.640)	-	-	(91.701.621)
GROSS PROFIT/LOSS	1.829.215	20.310	179.504	122.601	68.451	(5.692)	2.214.389
Administrative expenses (-)	(288.772)	(3.439)	(67.606)	(22.371)	(24.725)	3.809	(403.104)
Marketing expenses (-)	(88.979)	(2.180)	(1.684)	(47.469)	-	2.369	(137.943)
Research and development expenses (-)	-	-	-	(1.588)	-	-	(1.588)
Other operating income	12.278	-	40	7.310	-	192	19.820
Other operating expenses (-)	(26.382)	-	(48)	(16.189)	(8.655)	-	(51.274)
OPERATING PROFIT/LOSS	1.437.360	14.691	110.206	42.294	35.071	678	1.640.300
Share of profit/(loss) of equity accounted investees	154	-	-	9.105	-	-	9.259
OPERATING PROFIT/LOSS BEFORE FINANCE COSTS	1.437.514	14.691	110.206	51.399	35.071	678	1.649.559
Finance income	92.314	15.370	14.851	26.444	361	(40.334)	109.006
Finance costs (-)	(995)	-	(2.206)	(50.201)	(5.017)	-	(58.419)
PROFIT OR LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS	1.528.833	30.061	122.851	27.642	30.415	(39.656)	1.700.146
Tax income/(expense) from continuing Operations	(325.056)	-	(30.475)	(4.874)	(7.756)	-	(368.161)
- Current tax expenses	(401.379)	-	(26.706)	(862)	(7.756)	-	(436.703)
- Deferred tax income / (expense)	76.323	-	(3.769)	(4.012)	-	-	68.542
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	1.203.777	30.061	92.376	22.768	22.659	(39.656)	1.331.985
PROFIT FOR DISCONTINUED OPERATIONS	-	-	-	-	-	-	-
PROFIT/(LOSS) FOR THE YEAR	1.203.777	30.061	92.376	22.768	22.659	(39.656)	1.331.985
<i>Profit/(Loss) attributable to:</i>							
Non-Controlling interests	-	21.208	26.685	16.164	2.008	537	66.602
Equity holders of the Company	1.203.777	8.853	65.691	6.604	20.651	(40.193)	1.265.383
	1.203.777	30.061	92.376	22.768	22.659	(39.656)	1.331.985

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4. SEGMENT REPORTING (cont'd)

Segments	Securities Brokerage	Investment Trust	Portfolio Management	Private Equity	Asset Management	Elimination adjustments	Total
	31 December 2022	31 December 2022	31 December 2022	31 December 2022	31 December 2022	31 December 2022	31 December 2022
Balance sheet information							
Assets	34.322.153	320.451	537.538	694.619	214.037	(279.196)	35.809.602
Cash and cash equivalents	347.946	38.640	218.418	138.874	1.817	-	745.695
Financial investments (short term)	14.239.672	255.805	152.713	12.596	8.189	-	14.668.975
Financial investments (long term)	371.858	0	54.894	-	-	(246.885)	179.867
Trade receivables	17.990.340	25.075	81.676	176.111	179.811	(28.221)	18.424.792
Other receivables	1.239.474	-	6.509	8.013	-	(4.055)	1.249.941
Derivative instruments	52.051	-	-	-	-	-	52.051
Investment in equity accounted investees	2.137	-	-	49.889	-	-	52.026
Other assets	78.675	931	23.328	309.136	24.220	(35)	436.255
Liabilities	27.905.004	6.850	66.988	559.774	37.450	(34.151)	28.541.915
Financial liabilities	10.137.698	801	10.303	252.345	15.492	-	10.416.639
Other financial liabilities	-	-	-	-	-	-	-
Trade payables	15.145.774	4.812	-	251.870	1.069	(34.095)	15.369.430
Other payables	62.295	173	6.533	4.128	3.506	(56)	76.579
Derivative instruments	974.752	-	-	-	-	-	974.752
Other liabilities	1.584.485	1.064	50.152	51.431	17.383	-	1.704.515
Net assets	6.417.149	313.601	470.550	134.845	176.587	(245.045)	7.267.687

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5. 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 balances and transactions between the Group and its parent company and other related parties of the parent company are explained below.

Deposits in Türkiye İş Bankası AŞ	30 June 2023	31 December 2022
Demand Deposits	347.802	92.166
Time Deposits	536.661	5.102
	884.463	97.268
Borrowings from Türkiye İş Bankası AŞ	30 June 2023	31 December 2022
Loans	79.424	38.400
	79.424	38.400
İş Faktoring AŞ	30 June 2023	31 December 2022
Factoring debt	10.361	12.332
	10.361	12.332
Lease Payables	30 June 2023	31 December 2022
Türkiye İş Bankası AŞ	5.811	5.853
İş Gayrimenkul Yatırım Ortaklığı AŞ	10.106	17.845
Milli Reasürans TAŞ	578	567
	16.495	24.265

	30 June 2023			
	Receivables		Payables	
	Trading	Non- Trading	Trading	Non- Trading
Balances with related parties				
Türkiye İş Bankası AŞ	11.286	-	47.805	2.457
Anadolu Anonim Türk Sigorta Şirketi	21.389	-	453	43
Anadolu Hayat Emeklilik AŞ	26.109	-	-	20
Funds Founded and Managed	56.152	1.992	-	275
SoftTech Yazılım Tekn. Araş. Gel. ve Paz. Tic. A.Ş.	705	-	-	1.245
İş Net Elektronik Bilgi Üretim Dağ. Tic. ve İlet. Hiz. AŞ	-	-	42	1.650
İş Merkezleri Yönetim ve İşletim AŞ	-	68	62	1.074
Milli Reasürans TAŞ	4.266	-	-	-
Other	1	95	5	165
	119.908	2.155	48.367	6.929

	31 December 2022			
	Receivables		Payables	
	Trading	Non- Trading	Trading	Non- Trading
Balances with related parties				
Türkiye İş Bankası AŞ	6.707	-	25.505	2.318
Anadolu Anonim Türk Sigorta Şirketi	10.562	15	458	1.591
Anadolu Hayat Emeklilik AŞ	26.656	-	-	-
Funds Founded and Managed	33.814	559	-	-
SoftTech Yazılım Tekn. Araş. Gel. ve Paz. Tic. A.Ş.	705	-	5.746	399
İş Net Elektronik Bilgi Üretim Dağ. Tic. ve İlet. Hiz. AŞ	-	-	55	1.233
İş Merkezleri Yönetim ve İşletim AŞ	-	-	53	1.703
Milli Reasürans TAŞ	2.807	-	-	-
Other	13	-	40	38
	81.264	574	31.857	7.282

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5. RELATED PARTY TRANSACTIONS (cont'd)

In addition, the Group has a share of 1.13% in İş Gayrimenkul Yatırım Ortaklığı A.Ş., which is classified as a financial asset at fair value through other comprehensive income, and its balance sheet value is TL 152.765 thousand as of the report date.

1 January - 30 June 2023				
	Fund management and brokerage commission income	Interest income on time deposits and bonds	Dividend received	Other
Related party transactions (income)				
Türkiye İş Bankası AŞ	257.185	22.873	12.523	-
Anadolu Hayat Emeklilik AŞ	50.368	-	-	1
İş Finansal Kiralama AŞ	3.788	-	-	-
Anadolu Anonim Türk Sigorta Şirketi	27.938	-	-	-
İş Faktoring AŞ	763	-	-	-
T.Şişe ve Cam Fabrikaları AŞ	9.683	-	4.729	-
İş Gayrimenkul Yatırım Ortaklığı AŞ	438	-	-	-
Funds Founded and Managed	289.596	-	-	-
Other	5.591	-	-	-
	645.350	22.873	17.252	1

1 January - 30 June 2022				
	Fund management and brokerage commission income	Interest income on time deposits and bonds	Dividend received	Other
Related party transactions (income)				
Türkiye İş Bankası AŞ	98.457	6.645	2.246	-
Anadolu Hayat Emeklilik AŞ	25.508	41	-	4
Anadolu Anonim Türk Sigorta Şirketi	5.349	-	-	-
Türkiye Sınai Kalkınma Bankası AŞ	6.364	-	-	-
T.Şişe ve Cam Fabrikaları AŞ	2.106	-	-	-
İş Faktoring AŞ	732	-	8.952	-
İş Finansal Kiralama AŞ	777	52	-	-
Funds Founded and Managed	132.438	-	-	-
Other	1.038	-	4	-
	272.769	6.738	11.202	4

	1 January - 30 June 2023	1 January - 30 June 2022
Compensation of key management personnel		
Salaries and other short-term benefits	72.946	36.656
	72.946	36.656

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(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

5. RELATED PARTY TRANSACTIONS (cont’d)

1 January - 30 June 2023										
Related party transactions (expenses)	Letters of guarantee commission expenses	Custody commission expenses	Interest on borrowings	Other interest expenses	Transaction commission expenses	Personnel insurance contribution	Office insurance	Rent expenses (*)	Administrative expenses	Technical service and consultancy expenses
Türkiye İş Bankası AŞ	1.017	731	2.397	665	53.675	-	-	3.469	-	61
İş Gayrimenkul Yatırım Ortaklığı AŞ	-	-	-	-	-	-	-	6.831	-	-
Anadolu Anonim Türk Sigorta Şirketi	-	-	-	4	-	5.987	995	-	18	-
Anadolu Hayat Emeklilik AŞ	-	-	-	-	-	174	-	-	-	-
İş Merkezleri Yönetim ve İşletim AŞ	-	-	-	-	-	-	-	-	8.690	-
İş Net Elektronik Bilgi Ür. Dağ. Tic. ve İlet. Hiz. AŞ	-	-	-	-	-	-	-	-	-	9.646
İş Faktoring AŞ	-	-	-	369	-	-	-	-	-	-
Türkiye İş Bankası AŞ Mensupları Emekli San. Vakfı	-	-	-	-	-	-	-	1.117	-	-
SoftTech Yazılım Tekn. Araş. Gel. ve Paz. Tic. AŞ	-	-	-	-	-	-	-	-	-	21.296
Other	-	-	639	-	4	-	-	391	203	346
	1.017	731	3.036	1.038	53.679	6.161	995	11.808	8.911	31.349

(*) Financial expenses paid under TFRS 16

1 January - 30 June 2022										
Related party transactions (expenses)	Letters of guarantee commission expenses	Custody commission expenses	Interest on borrowings	Other interest expenses	Transaction commission expenses	Personnel insurance contribution	Office insurance	Rent expenses (*)	Administrative expenses	Technical service and consultancy expenses
Türkiye İş Bankası AŞ	842	806	3.585	822	27.835	-	-	2.087	-	84
İş Gayrimenkul Yatırım Ortaklığı AŞ	-	-	-	-	-	-	-	4.286	-	-
Anadolu Anonim Türk Sigorta Şirketi	-	-	-	33	-	2.043	988	-	17	-
Anadolu Hayat Emeklilik AŞ	-	-	-	1	-	655	30	-	-	-
İş Merkezleri Yönetim ve İşletim AŞ	-	-	-	-	-	-	-	-	4.151	-
İş Net Elektronik Bilgi Ür. Dağ. Tic. ve İlet. Hiz. AŞ	-	-	-	-	-	-	-	-	-	8.528
İş Faktoring AŞ	-	-	892	201	-	-	-	-	-	-
Türkiye İş Bankası AŞ Mensupları Emekli San. Vakfı	-	-	-	-	-	-	-	634	-	-
SoftTech Yazılım Tekn. Araş. Gel. ve Paz. Tic. A.Ş.	-	-	-	-	-	-	-	-	-	8.303
Other	-	-	-	16	-	-	-	176	78	113
	842	806	4.477	1.073	27.835	2.698	1.018	7.183	4.246	17.028

(*) Financial expenses paid under TFRS 16

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6. CASH AND CASH EQUIVALENTS

	30 June 2023	31 December 2022
Cash	294	58
Cash at banks	1.211.088	299.590
<i>Demand deposits</i>	553.500	192.441
<i>Time deposits (with maturities less than three months)</i>	657.588	107.149
Receivable from reverse repurchase agreements	4.114	190.933
Receivables from money market placements	51.671	40.134
Liquid funds and other liquid assets	82.033	215.515
Provision for expected losses	(1.274)	(535)
	1.347.926	745.695

Cash and cash equivalents in the Group’s consolidated statement of cash flows as of 30 June 2023 and 31 December 2022 are presented by netting off interest accruals and time deposits:

	30 June 2023	31 December 2022
Cash and cash equivalents	1.347.926	745.695
Interest accrual	(4.460)	(134)
Restricted deposits	16.967	128
Provision for expected losses	1.274	535
	1.361.707	746.224

7. FINANCIAL INVESTMENTS

Current financial assets	30 June 2023	31 December 2022
Time deposits with maturities more than three months and settlement and custody bank money market receivables	-	100
Financial assets at fair value through profit or loss	10.246.449	14.668.875
	10.246.449	14.668.975

Non-current financial assets	30 June 2023	31 December 2022
Financial assets at fair value through profit or loss	179.422	179.867
	179.422	179.867

	30 June 2023	
Financial assets at fair value through profit or loss	30 June 2023	31 December 2022
Government bonds and treasury bills	288.815	172.840
Private sector bonds	65.339	115.191
Equity shares	4.026.489	10.803.479
Foreign currency securities	313.234	293.207
Investment funds	5.552.572	3.284.158
	10.246.449	14.668.875

(*) 76,08% of mutual funds are venture capital mutual funds (31 December 2022: 86,35%).

Average annual interest rate of government bonds and treasury bills held for trading purposes as at 30 June 2023 is 14.61% (31 December 2022: Government Bonds and Private Sector Bonds’ average annual interest rate is %12.72).

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

	30 June 2023	
Financial assets at fair value through other comprehensive income (*)	Ownership Rate (%)	Registered Value
Listed Entities		
İş Gayrimenkul Yatırım Ortaklığı AŞ	1,13	152.765
Unlisted Entities		
İstanbul Takas ve Saklama Bankası AŞ	0,87	11.543
Borsa İstanbul AŞ	0,38	15.097
Yatırım Finansman Menkul Değ. AŞ	0,06	17
		179.422

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7. FINANCIAL INVESTMENTS (cont'd)

Financial assets available for sale	31 December 2022	
	Ownership Rate (%)	Registered Value
Listed Entities		
İş Gayrimenkul Yatırım Ortaklığı AŞ	1,13	153.210
Unlisted Entities		
İstanbul Takas ve Saklama Bankası AŞ	0,87	11.543
Borsa İstanbul AŞ	0,38	15.097
Yatırım Finansman Menkul Değ. AŞ	0,06	17
		179.867

8. FINANCIAL LIABILITIES

Financial Liabilities	30 June 2023	31 December 2022
Payables to Stock Exchange Money Market (“TPP”)	5.448.335	5.376.321
Payables from bills	884.685	4.119.317
Short-term bank loans	429.048	750.942
Long-term bank loans	21.010	19.962
Short-term portion of long-term bank loans	20.520	23.119
Interest accruals on payables to Stock Exchange Money Markets	19.554	9.673
Interest accruals on bank loans	4.090	13.591
Short-term debts from lease transactions	21.318	12.731
Long-term debts from lease transactions	73.886	58.589
The short-term portion of long-term leases	3.170	20.063
Financial leasing and factoring debts	14.299	12.331
	6.939.915	10.416.639

Of the factoring and leasing debts amounting to TL 14.299 thousand in financial debts. TL 5.453 thousand is in US Dollars and TL 1.328 thousand is in Euro.

As of 30 June 2023 and 31 December 2022. interest rates and maturities of bank borrowings are as follows:

Description	30 June 2023			
	Currency Type	Interest Rate (%)	Maturity	Amount TL
Principal	TL	13,20-49,10	03.07.2023-30.06.2025	356.489
Interest accrual				349
Principal	USD	2,26-19,50	26.07.2023-20.08.2050	113.355
Interest accrual				3.701
				473.894

Description	31 December 2022			
	Currency Type	Interest Rate (%)	Maturity	Amount TL
Principal	TL	13,20-35,00	02.01.2023-30.03.2023	710.204
Interest accrual				11.346
Principal	USD	2,26-16,40	05.01.2023 -20.08.2050	83.819
Interest accrual				2.245
				807.614

As of June 30. 2023 the maturity and interest rates of the debt securities issued by the Group are as follows:

Description	30 June 2023			
	Currency	Interest Rate (%)	Maturity	Amount (TL)
Principal	TL	39,78	05.07.2023	862.199
Interest accrual	TL			22.486
				884.685

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8. FINANCIAL LIABILITIES(cont'd)

31 December 2022				
Description	Currency	Interest Rate (%)	Maturity	Amount (TL)
Principal	TL	20,00-23,25	03.01.2023-02.02.2023	4.028.494
Interest accrual	TL			90.823
				4.119.317

As of 30 June 2023 and 31 December 2022, interest rates and maturities of payables to stock exchange money market are as follows:

30 June 2023				
Description	Currency	Interest Rate (%)	Maturity	Amount (TL)
Principal	TL	10,15-24,00	03.07.2023-07.07.2023	5.448.335
Interest accrual	TL			20.330
				5.468.665

31 December 2022				
Description	Currency	Interest Rate (%)	Maturity	Amount (TL)
Principal	TL	8,05-14,50	02.01.2023-16.01.2023	5.376.321
Interest accrual	TL			9.673
				5.385.994

9. TRADE RECEIVABLES AND PAYABLES

Short term trade receivables	30 June 2023	31 December 2022
Receivables from customers	5.819.904	8.773.943
Receivables from clearing houses on derivative transactions	7.171.218	4.216.672
Receivables from clearing houses	5.878.067	1.333.423
Receivables from credit customers	3.884.009	3.830.656
Purchase of nonperforming loans	168.558	179.811
Due from related parties (Note 6)	119.908	81.264
Commission and fund management fee receivables	6.174	5.989
Other trade receivables	6.180	3.034
Doubtful trade receivables	51.410	54.051
Provisions for doubtful trade receivables (-)	(51.410)	(54.051)
23.054.018		18.424.792

As of 30 June 2023, the Group has received guarantees with a fair value of TL 8.511.246 thousand from its customers in return for the loans extended (31 December 2022: TL 8.333.771 thousand).

As of 30 June 2023, the Group has received letters of guarantee amounting to TL 306.030 thousand for forward transactions (31 December 2022: TL 259.296 thousand).

Movement of Doubtful Trade Payables	30 June 2023	31 December 2022
Opening balance	54.051	62.726
Provisions for the period	(2.641)	(8.675)
Closing balance	51.410	54.051

Short term trade payables	30 June 2023	31 December 2022
Payables to customers	6.245.728	9.177.795
Payables to clearing houses on derivative transactions	9.998.636	5.874.565
Trade payables	439.340	232.898
Payables to clearing house	37.072	22.007
Other trade payables	33.191	30.308
Due to related parties	48.367	31.857
16.802.334		15.369.430

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10. INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES

The details of the Group's associates valued by equity method as of 30 June 2023 and 31 December 2022 are as follows:

	Shareholding interest (%)		Main business line
	30 June 2023	31 December 2022	
Radore	25,50	25,50	Data Services
Mika Tur	40,09	40,09	Travel Agency
Elidaş	10,05	10,05	Licensed Warehouse

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

	30 June 2023	31 December 2022
The Group's share in associate's net assets	15.677	27.379
Goodwill in equity accounted investees	7.607	7.607
Intangible assets	19.287	17.040
Investments in equity accounted investees	42.571	52.026

	1 January-30 June 2023	1 January-30 June 2022
Revenue	65.514	1.113.066
Profit/(Loss) for the period	(16.333)	31.207
The Group's share in the profit/(loss) of associates	(9.454)	9.259

11. GOODWILL

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

	30 June 2023	31 December 2022
Ortopro	9.207	9.207
Toksöz	22.355	22.355
Mikla	26.872	26.872
Impairment	(19.840)	(19.840)
	38.594	38.594

As three separate CGUs, valuations of Ortopro, Toksöz and Mikla were conducted by an independent valuation firm. Income and market approaches have been used for determining the fair values of Ortopro, Toksöz and Mikla. 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 Mikla 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
Mikla	% 32,4	% 6,8

As a result of the impairment test made using the assumptions mentioned above, the Group has not recorded any additional goodwill impairment in the current year.

12. TANGIBLE ASSETS

In the six-month interim accounting period ending on 30 June 2023, tangible assets amounting to TL 72.504 thousand have been purchased and there is an outflow of tangible assets amounting to TL 10 thousand. There is no pledge on tangible assets (In the six-month interim period ended on 30 June 2022, tangible assets amounting to 34.040 thousand TL have been purchased and there is an outflow of tangible assets amounting to 9.161 thousand TL. There is no pledge on tangible assets).

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13. INTANGIBLE ASSETS

In the six-month interim accounting period ending on 30 June 2023, intangible assets amounting to TL 4.655 thousand have been purchased, and there is no outflow of intangible assets (for the six-month interim period ended on 30 June 2022, intangible assets amounting to TL 7.627 thousand has been purchased and there is no outflow of intangible assets).

14. PROVISIONS. CONTINGENT ASSETS AND LIABILITIES

Short Term Liability Provisions	30 June 2023	31 December 2022
Provisions for legal claims	37.981	28.203
Provisions for other liabilities	1.019.786	1.019.715
	1.057.767	1.047.918

Other provisions include free reserves of TL 1.000.000 thousand set aside in the previous period, taking into account the global economic conditions and possible developments in the markets, within the scope of the prudence principle.

	1 January-30 June 2023		
	Litigations	Other	Total
Opening balance	28.203	1.019.715	1.047.918
Charge for the period	9.778	333	10.111
Cancelled provisions	-	(262)	(262)
Payments	-	-	-
Closing balance	37.981	1.019.786	1.057.767

	1 January-31 December 2022		
	Litigations	Other	Total
Opening balance	19.637	69.437	89.074
Charge for period	8.638	1.015.958	1.024.596
Canceled provisions	9	(65.680)	(65.671)
Payments	(81)	-	(81)
Closing balance	28.203	1.019.715	1.047.918

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:

	30 June 2023	31 December 2022
Government bonds and treasury bills (customer portfolio)	1.673.236	2.566.892
Eurobond	3.250.456	2.740.466
Equity shares	25.938.401	19.540.190
Mutual funds - units	23.373.986	21.580.253

As at 30 June 2023 and 31 December 2022. letters of guarantee and promissory notes given by the Group are as follows:

	30 June 2023	31 December 2022
İstanbul Takas ve Saklama Bankası AŞ	2.858.000	2.610.000
Borsa İstanbul AŞ	9.658	135
Sermaye Piyasası Kurulu	2	2
Other	1.504.828	360.678
	4.372.488	2.970.815

As of June 30, 2023, the Group has provided guarantee letter and collateral bill with a total value of 4.372.488 thousand TL, of which 335.700 thousand TL corresponds to 13.000.000 USD and 164.038 thousand TL corresponds to 5.000.000 GBP. (As of December 31, 2022, the Group had provided guarantee letter and collateral bill with a total value of 2.970.815 thousand TL, of which 243.078 thousand TL corresponded to 13.000.000 USD and 112.446 thousand TL corresponded to 5.000.000 GBP.)

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14. PROVISIONS. CONTINGENT ASSETS AND LIABILITIES (cont'd)

Guarantee/pledge/mortgage (“GPM”) position of the Group as at 30 June 2023 and 31 December 2022 are as follows:

	30 June 2023	31 December 2022
Guarantees/Pledges/Mortgages given by the Company		
A. GPM given on behalf of its own legal entity	3.815.227	2.615.291
GPM	3.815.227	2.615.291
Financial investments	-	-
B. GPM given on behalf of consolidated subsidiaries	557.261	355.524
GPM	557.261	355.524
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 in C	-	-
TOTAL	4.372.488	2.970.815

As of 30 June 2023, TL 335.700 thousand of CPM's given by the Company in favor of partnerships included in the scope of full consolidation amounting to TL 557,261 thousand is USD 13.000.000, TL 164.038 thousand is GBP 5.000.000 (31 As of December 2022, 243.078 thousand TL of GPM given by the Company in favor of partnerships included in the scope of full consolidation worth 355.524 thousand TL is 13.000.000 USD, 112.446 thousand TL is 5.000.000 GBP). The ratio of CPMs to the Group's equity is 40,16% as of 30 June 2023 (40,88% as of 31 December 2022).

15. COMMITMENTS

Derivative commitments and option agreements of the Group as of 30 June 2023 and 31 December 2022 are as follows:

Derivatives instrument description	30 June 2023			
	SHORT POSITION		LONG POSITION	
	Notional Amount	Nominal Value	Nominal Amount	Nominal Value
Foreign currency based				
Option agreements	-	-	350	10.117
Forward and swap agreements	12.192	4.706.150	14.714	5.919.657
Futures agreements	262.416	1.810.890	299.399	1.785.200
Index based				
Option agreements	946	41.635	26.341	488.144
Futures agreements	991	3.267.044	2	116.946
Other	-	5.733	86	422.015
Derivatives instrument description	31 December 2022			
	SHORT POSITION		LONG POSITION	
	Notional Amount	Nominal Value	Nominal Amount	Nominal Value
Foreign currency based				
Option agreements	-	-	1	6.305
Forward and swap agreements	24.019	2.685.301	26.923	3.858.875
Futures agreements	245.273	1.860.926	304.709	1.788.270
Index based				
Option agreements	3.471	80.059	21.028	431.291
Futures agreements	1.486	6.783.843	4	13.306
Other	-	-	31	94.731

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16. EQUITY

a. Capital

The capital structure of the Company as of 30 June 2023 and 31 December 2022 are as follows:

Shareholders	30 June 2023		31 December 2022	
	Share (%)	Amount	Share (%)	Amount
Türkiye İş Bankası AŞ (Group A)	0,01	150	0,04	150
Türkiye İş Bankası AŞ (Group B)	65,73	986.019	65,70	233.243
Other (Group B)	34,26	513.831	34,26	121.607
Total	100,00	1.500.000	100,00	355.000

The Company's authorized capital, which was 750.000 thousand TL, has been increased to 3.000.000 thousand TL by the resolution adopted at the General Assembly meeting held on March 23, 2023, in accordance with the approval obtained from the Capital Markets Board. At the same General Assembly meeting, it was decided to increase the Company's paid-in capital from 355.000 thousand TL to 1.500.000 thousand TL, to be covered from the profits of the year 2022, by a capital increase of 1.145.000 thousand TL. Accordingly, the transfer of 1.145.000 thousand TL to the paid-in capital account was made, and an application was submitted to the Capital Markets Board on May 24, 2023. Following the approval of the Board on July 13, 2023, the capital increase was registered on July 25, 2023, and the process was completed.

The capital is divided into 1.500.000.000 (One Billion Five Hundred Million) shares, each having a par value of 1 TL. (As of December 31, 2022, it was 355.000.000 shares). Out of these shares, 150.000 TL belongs to Group (A) (As of December 31, 2022: 150.000 TL), and 1.499.850.000 TL belongs to Group (B) (As of December 31, 2022: 354.850.000 TL). According to the articles of association, in capital increases, new shares cannot be issued for Group (A). The Company's Board of Directors consists of 9 members, of which 6 members are from Group (A) shareholders, and 3 members are selected among the candidates nominated by Group (B) shareholders.

b. Revaluation and reclassification gains / losses

	1 January- 30 June 2023	1 January- 31 December 2022
Opening balance	145.251	51.383
Change in non-controlling interests	1.068	62
Increase/(decrease) of financial assets at fair value through other comprehensive income, net	(1.376)	93.806
Closing balance	144.943	145.251

Revaluation surplus of financial assets:

The valuation of financial assets, fair value differences and other comprehensive income is reflected in the fair value of financial assets. If a financial instrument that is valued at fair value is excluded, the portion of the revaluation fund related to the sold financial asset is recognized directly in profit or loss. If a revalued financial instrument is impaired, the portion of the revaluation fund related to the impaired financial asset is recognized in profit or loss.

c. Defined Benefit Plans Remeasurement Gains and Losses

	1 January- 31 December 2023	1 January- 31 December 2022
Opening balance	(18.883)	(6.874)
Total Comprehensive Income	(1.362)	(10.869)
Transactions with non-controlling shareholders	2.332	(1.140)
Dönem sonu bakiyesi	(17.913)	(18.883)

d. 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.

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16. EQUITY (cont’d)

e. Restricted Reserves Appropriated from Profit

	30 June 2023	31 December 2022
Legal reserves	324.841	224.346
Statutory reserves	51	51
Total	324.892	224.397

The legal reserves consist of first and second legal reserves.

f. 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 30 June 2023 and 31 December 2022 are as follows:

	30 June 2023	31 December 2022
Extraordinary reserves	3.264.754	1.260.594
Prior year’s profit	358.683	136.274
Total	3.623.437	1.396.868

Profit Distribution:

According to the Dividend Communiqué numbered II-19.1 published by the Capital Markets Board, partnerships distribute their profits by the decision of the general assembly within the framework of the dividend distribution policies to be determined by the general assembly and in accordance with the provisions of the relevant legislation.

At the Ordinary General Assembly meeting of the Company dated 23.03.2023, it was decided to distribute 755.000 thousand TL to the shareholders as of 26.05.2023 in cash and 1.145.000 thousand TL as bonus shares to be added to the capital as of 26.05.2023. . In this context, cash dividend distribution of 755.000 Thousand TL started on 26.05.2023 and was completed on 30.05.2023, and bonus shares of 1.145.000 thousand TL were distributed on 19.07.2023 following the approval of the Capital Markets Board on 13.07.2023. and distribution was completed on 21.07.2023.

g. 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- 30 June 2023	1 January- 31 December 2022
Opening balance	303.171	192.754
Reserve for venture capital fund	101.091	110.417
Closing Balance	404.262	303.171

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16. EQUITY (cont'd)

h. Changes in non-controlling interest

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- 30 June 2023	1 January- 31 December 2022
Opening balance	470.651	310.197
Profit / (loss) for the year attributable to non-controlling interest portion	134.633	197.974
Re-measurement gains of defined benefit plans (including tax effect)	(2.255)	(14.389)
Revaluation and classification gains / losses	388	22.580
Foreign currency translation differences	(17.279)	(11.499)
Changes in non-controlling interest	3.255	6.024
Dividends paid	(63.531)	(40.236)
Closing balance	525.862	470.651

17. EARNINGS PER SHARE

The weighted average of the parent company's shares for the period ended June 30. 2022 and June 30. 2021 and the earnings per share calculation are as follows:

	1 January- 31 June 2023	1 January- 31 December 2022
Earnings per share		
Average number of shares in circulation throughout the period (total)	1.500.000	1.500.000
Profit for the year attributable to equity holders of the Company	4.252.345	1.265.383
Basic and diluted earnings per share from continuing operations	2,8349	0,8436
Total discontinued operations attributable to equity holders of the Company	-	-
Basic and diluted earnings per share obtained from discontinued operations	-	-

In the earnings per share calculation, the weighted average number of shares is taken into account. If the number of shares increases due to capital increases made from internal sources through bonus issues, the earnings per share calculations are adjusted by correcting the previously calculated weighted average number of shares as of the comparison periods. The adjustment means considering the share issuance through the bonus issue as if it had been carried out at the beginning of the comparison period. If such changes in the number of shares occur after the balance sheet date but before the approval of the financial statements for publication, the earnings per share calculations are based on the new number of shares.

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18. 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, equity comprising issued capital, reserves and retained earnings.

The Group’s Board of Directors reviews the capital structure on a monthly basis. 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.

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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18. 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 30 June 2023 and 31 December 2022 are as follows:

	31 June 2023					
	TL Equivalent (Functional currency)	USD	EURO	GBP	JPY	OTHER
1. Trade receivables	4.759.769	154.572	26.980	240	-	6
2a. Monetary financial assets	1.032.501	33.492	5.046	519	163	1.096
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	2.639	94	6	-	-	-
4. Current assets	5.794.909	188.158	32.032	759	163	1.102
5. Trade receivables	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7. Other	17.307	611	54	-	-	-
8. Non-current asset	17.307	611	54	-	-	-
9. Total Assets	5.812.216	188.769	32.086	759	163	1.102
10. Trade payables	4.418.562	137.947	30.133	218	-	5
11. Financial Liabilities	117.403	4.495	47	-	-	-
12a. Other monetary liabilities	431.890	16.243	439	-	-	-
12b. Other non-monetary liabilities	1	-	-	-	-	-
13. Short Term Liabilities	4.967.856	158.685	30.619	218	-	5
14. Trade payables	-	-	-	-	-	-
15. Financial liabilities	-	-	-	-	-	-
16a. Other monetary liabilities	-	-	-	-	-	-
16b. Other non-monetary liabilities	265	10	-	-	-	-
17. Long Term Liabilities	265	10	-	-	-	-
18. Total Liabilities	4.968.121	158.695	30.619	218	-	5
19. Off-balance sheet derivative instruments’ net asset / (liability) position (19a - 19b)	(24.635)	(9.255)	695	621	(50.380)	1.762
19.a The amount of long-position off-balance sheet derivative instruments denominated in foreign currency	12.164.265	230.802	8.983	674	48.151	9.083
19b. The amount of short-position off-balance sheet derivative instruments denominated in foreign currency	12.188.900	240.057	8.288	53	98.531	7.321
20. Net foreign currency asset / (liability) position	819.460	20.819	2.162	1.162	(50.217)	2.859
21. Net foreign currency asset / (liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	824.415	29.379	1.407	541	163	1.097

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(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

18. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk: (cont'd)

	31 December 2022					
	TL Equivalent (Functional currency)	USD	EURO	GBP	JPY	OTHER
1. Trade receivables	2.329.528	120.133	3.942	236	-	8
2a. Monetary financial assets	528.403	25.801	1.891	28	171	2.343
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	2.316	110	13	-	-	-
4. Current assets	2.860.247	146.044	5.846	264	171	2.351
5. Trade receivables	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7. Other	3.944	154	53	-	-	-
8. Non-current asset	3.944	154	53	-	-	-
9. Total Assets	2.864.191	146.198	5.899	264	171	2.351
10. Trade payables	2.204.530	112.539	4.807	201	-	4
11. Financial Liabilities	86.308	4.616	-	-	-	-
12a. Other monetary liabilities	159.044	8.534	1	-	-	-
12b. Other non-monetary liabilities	776	41	-	-	-	-
13. Short Term Liabilities	2.450.658	125.730	4.808	201	-	4
14. Trade payables	-	-	-	-	-	-
15. Financial liabilities	-	-	-	-	-	-
16a. Other monetary liabilities	-	-	-	-	-	-
16b. Other non-monetary liabilities	483	26	-	-	-	-
17. Long Term Liabilities	483	26	-	-	-	-
18. Total Liabilities	2.451.141	125.756	4.808	201	-	4
19. Off-balance sheet derivative instruments' net asset / (liability) position (19a - 19b)	(39.881)	(7.756)	1.612	438	(14.487)	341
19.a The amount of long-position off-balance sheet derivative instruments denominated in foreign currency	8.000.479	208.216	13.154	1.926	226.269	60.916
19.b. The amount of short-position off-balance sheet derivative instruments denominated in foreign currency	8.040.360	215.972	11.542	1.488	240.756	60.575
20. Net foreign currency asset / (liability) position	373.169	12.686	2.703	501	(14.316)	2.688
21. Net foreign currency asset / (liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	408.049	20.245	1.025	63	171	2.347

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18. 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 30 June 2023 and 31 December 2022, if the value of 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:

30 June 2023				
Type of risk	Risk rate	Direction of risk	Effect on net profit	Effect on equity
Foreign currency risk	% 10	Increase	7.534	7.534
		Decrease	(7.534)	(7.534)

31 December 2022				
Type of risk	Risk rate	Direction of risk	Effect on net profit	Effect on equity
Foreign currency risk	% 10	Increase	24.529	24.529
		Decrease	(24.527)	(24.527)

Capital adequacy obligation:

As of 30 June 2023, the Company's portfolio management, investment consultancy, buying and selling of securities with commitment to buy back (repo) or sell (reverse repo), overdraft securities, short selling and securities, within the scope of Communiqué Serial V No 34. The minimum equity obligation required for borrowing and lending transactions, public offering brokerage, trading brokerage, leveraged trading brokerage, and brokerage for derivatives trading in the Futures and Options Market, is TL 80.000 thousand for the Company, which is a “Broadly Authorized” brokerage house. (TL 31.332 thousand as of 31 December 2022).

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19. FINANCIAL INSTRUMENTS

Categories of Financial Instruments:

30 June 2023	Other financial assets measured with effective interest method	Loans and receivables	Financial assets at fair value through other comprehensive income	Financial assets and liabilities at fair value through profit or loss	Other financial liabilities measured with effective interest method	Registered Value	Fair value	Note
Financial assets								
Cash and cash equivalents	1.267.188	-	-	80.738	-	1.347.926	1.347.926	6
Trade receivables	-	23.054.018	-	-	-	23.054.018	23.054.018	9
Financial investments	-	-	179.422	10.246.449	-	10.425.871	10.425.871	7
Derivative instruments	-	-	-	25.449	-	25.449	25.449	
Financial liabilities								
Financial liabilities	-	-	-	-	6.939.915	6.939.915	6.939.915	8
Trade payables	-	-	-	-	16.802.334	16.802.334	16.802.334	9
Other financial liabilities	-	-	-	-	-	-	-	
Derivative instruments	-	-	-	201.668	-	201.668	201.668	
31 December 2022								
Financial assets								
Cash and cash equivalents	530.607	-	-	215.088	-	745.695	745.695	7
Trade receivables	-	18.424.792	-	-	-	18.424.792	18.424.792	11
Financial investments	100	-	179.867	14.668.875	-	14.848.842	14.848.842	8
Derivative instruments	-	-	-	52.051	-	52.051	52.051	39
Financial liabilities								
Financial liabilities	-	-	-	-	10.416.639	10.416.639	10.416.639	9
Trade payables	-	-	-	-	15.369.430	15.369.430	15.369.430	11
Other financial liabilities	-	-	-	-	-	-	-	10
Derivative instruments	-	-	-	974.752	-	974.752	974.752	39

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(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

19. 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 in order 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.

Valuation methods of the financial instruments carried at fair value:

30 June 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss				
Equity shares	4.026.489	-	-	4.026.489
Government bonds and treasury bills	288.815	-	-	288.815
Private sector bonds	65.339	-	-	65.339
Mutual funds	5.552.572	-	-	5.552.572
Foreign currency securities	313.234	-	-	313.234
Income accruals of derivative instruments	19.110	6.339	-	25.449
Financial assets at fair value through other comprehensive income (*)	152.765	26.640	-	179.405
Financial liabilities				
Other financial liabilities				
Liabilities of derivative instruments	23.865	177.803	-	201.668

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(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

19. FINANCIAL INSTRUMENTS (cont'd)

Fair Value of Financial Instruments (cont'd):

31 December 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit and loss				
Equity shares	10.803.479	-	-	10.803.479
Government bonds and treasury bills	172.840	-	-	172.840
Private sector bonds	115.192	-	-	115.192
Mutual funds	3.284.158	-	-	3.284.158
Foreign currency securities	293.207	-	-	293.207
Income accruals of derivative instruments	29.668	22.382	-	52.050
Available for sale financial assets^(*)				
Subsidiaries	153.210	26.640	-	179.850
Financial liabilities				
Other financial liabilities				
Liabilities of derivative instruments	12.782	961.970	-	974.752

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.

20. EVENTS AFTER THE REPORTING PERIOD

With the Law No. 7456 published in the Official Gazette No. 32249 on July 15, 2023, amendments have been made to the Corporate Tax Law No. 5520. Accordingly, starting from October 1, 2023, the corporate tax rate has been increased from 25% to 30% for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies. Studies are continuing to determine the effects of the said change on current and deferred tax calculations.

21. OTHER ISSUES THAT SIGNIFICANTLY EFFECT THE CONSOLIDATED FINANCIAL STATEMENTS OR OTHER ISSUES REQUIRED FOR THE CLEAR UNDERSTANDING OF CONSOLIDATED FINANCIAL STATEMENTS

None.