

**ICBC Turkey Yatırım Menkul Değerler
Anonim Şirketi and Its Subsidiary**

Consolidated Financial Statements
for the Interim Nine-Months Period Ended
30 September 2023 and Review Report

**(Convenience Translation of the Report on Review of Condensed Consolidated Interim
Financial Information Originally Issued in Turkish)**

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

To the General Assembly of ICBC Turkey Yatırım Menkul Değerler A.Ş.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of ICBC Turkey Yatırım Menkul Değerler A.Ş. (the “Company”) and its subsidiary (the “Group”) as at 30 September 2023, and the condensed consolidated statements of profit or loss and other comprehensive income, condensed consolidated statement of changes in shareholders’ equity and condensed consolidated statement of cash flows for the nine months period then ended, and a summary of significant accounting policies and other explanatory notes. The Group management is responsible for the preparation and fair presentation of the accompanying condensed consolidated interim financial information in accordance with Turkish Accounting Standards 34 Interim Financial Reporting (“TAS 34”). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Independent Auditing Standard on Review Engagements (“ISRE”) 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 reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent 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 which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with TAS 34 “Interim Financial Reporting”.

Additional paragraph for convenience translation to English

In the accompanying interim condensed consolidated financial statements, the accounting principles described in Note 2 (defined as Turkish Accounting Standards/Turkish Financial Reporting Standards) differ from International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board with respect to the application of inflation accounting. Accordingly, the accompanying interim condensed consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

[REDACTED]
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[REDACTED]

Mehmet Erol
Partner

İstanbul, 26 October 2023

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ICBC TURKEY YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2023

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

		Reviewed	Audited
		Current Period	Prior Period
	Notes	30 September 2023	31 December 2022
Assets			
Current Assets			
Cash and cash equivalents	3	263.000.004	354.187.641
Financial investments	5	25.082.675	17.648.615
Trade receivables	4	1.076.892.543	1.009.776.061
- Trade receivables from related parties	19	47.891.773	781.055
- Trade receivables from third parties		1.029.000.770	1.008.995.006
Other Receivables	6	16.176	5.015
- Other receivables from third parties		16.176	5.015
Prepaid expenses	6	1.211.646	50.979
Current tax assets	6	1.417	1.417
Total Current Assets		1.366.204.461	1.381.669.728
Non-Current Assets			
Financial investments	5	159.711	159.711
Other receivables	6	25.976.880	27.855.882
- Other receivables from third parties		25.976.880	27.855.882
Tangible assets	7	12.972.606	2.598.414
Intangible assets	8	3.736.625	3.312.637
Deferred tax asset	18	9.873.046	9.952.730
Total Non-Current Assets		52.718.868	43.879.374
Total Assets		1.418.923.329	1.425.549.102

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

ICBC TURKEY YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2023

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

		Reviewed	Audited
		Current Period	Prior Period
	Notes	30 September 2023	31 December 2022
Liabilities			
Short Term Liabilities			
Short term borrowings	10	746.500.000	932.000.000
Trade payables	4	132.845.032	114.556.567
- Trade payables to related parties	19	922.083	197.178
- Trade payables to third parties		131.922.949	114.359.389
Short term provisions		15.358.932	24.929.622
- Provisions for employee benefits	11	13.701.173	22.995.481
- Other short-term provisions (debt provision)	9	1.657.759	1.934.141
Other short term liabilities	6	16.974.590	8.258.556
Current tax liability	18	25.913.945	4.053.230
Total Short Term Liabilities		937.592.499	1.083.797.975
Long Term Liabilities			
Long-term provisions		14.925.923	10.988.094
- Provisions for employee benefits	11	14.925.923	10.988.094
Total Long Term Liabilities		14.925.923	10.988.094
Equity			
Paid-in capital	12	76.000.000	76.000.000
Capital adjustment differences	12	31.279	31.279
Other comprehensive income or expenses that will not be reclassified to profit or loss		(4.172.572)	(4.172.572)
- Actuarial loss related to pension plans		(4.172.572)	(4.172.572)
Restricted reserves appropriated from profit		13.674.416	9.833.071
Prior periods' profit		245.229.910	163.422.688
Net profit for the period		135.641.874	85.648.567
Total Equity		466.404.907	330.763.033
Total Liabilities		1.418.923.329	1.425.549.102

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

ICBC TURKEY YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE PERIOD ENDED 1 JANUARY – 30 SEPTEMBER 2023

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

		Reviewed	Reviewed	Reviewed	Reviewed
	Notes	1 January – 30 September 2023	1 July – 30 September 2023	1 January – 30 September 2022	1 July – 30 September 2022
Statement of profit or loss					
Sales	13	98.039.030	26.299.107	374.111.182	252.525.904
Service income	13	117.413.038	60.450.808	77.003.417	32.218.759
Cost of sales (-)	13	(97.869.239)	(26.291.260)	(372.780.989)	(252.315.316)
Gross profit from trade operations		117.582.829	60.458.655	78.333.610	32.429.347
Interest income from operating activities	13	239.444.386	98.736.341	61.900.517	33.960.629
Gross profit from finance sector activities		239.444.386	98.736.341	61.900.517	33.960.629
Gross profit		357.027.215	159.194.996	140.234.127	66.389.976
General administrative expenses (-)	14	(155.104.481)	(68.668.857)	(82.249.681)	(37.714.571)
Other operating income	15	125.058.393	(10.955.428)	38.728.493	13.706.208
Other operating expenses (-)	15	(936.246)	27.015.223	(287.219)	232.860
Operating profit		326.044.881	106.585.934	96.425.720	42.614.473
Financial income	16	12.352.335	7.745.135	19.137.235	7.810.552
Financial expenses (-)	17	(139.492.193)	(56.604.993)	(28.587.125)	(18.877.915)
Profit before tax from continuing operations		198.905.023	57.726.076	86.975.830	31.547.110
Tax expense from continuing operations		(63.263.149)	(23.522.004)	(23.920.561)	(8.894.533)
Current tax expense	18	(63.183.465)	(25.858.043)	(24.840.033)	(10.870.538)
Deferred tax income / (expense)	18	(79.684)	2.336.039	919.472	1.976.005
Profit for the period from continuing operations		135.641.874	34.204.072	63.055.269	22.652.577
Profit for the period		135.641.874	34.204.072	63.055.269	22.652.577

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

ICBC TURKEY YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2023

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

Notes	Paid-in Capital	Capital Adjustment Differences	Other Accumulated Comprehensive Income and Expenses will not be Reclassified to Profit or Loss		Restricted Reserves Appropriated From Profit	Prior Year's Profit/(Loss)	Net Profit/(Loss) for the Period	Total Equity
			Actuarial Gain/(Loss) on Retirement Plans	Retained Earnings				
Balances as of 1 January 2022	12	76.000.000	31.279	(1.560.188)	6.340.294	96.894.626	70.020.839	247.726.850
Transfers to retained earnings	-	-	-	-	-	66.528.062	(66.528.062)	-
Transfers to reserves	-	-	-	3.492.777	3.492.777	-	(3.492.777)	-
Total comprehensive income	-	-	-	-	-	-	63.055.269	63.055.269
Balances as of 30 September 2022		76.000.000	31.279	(1.560.188)	9.833.071	163.422.688	63.055.269	310.782.119
Notes	Paid-in Capital	Capital Adjustment Differences	Actuarial Gain/(Loss) on Retirement Plans	Restricted Reserves Appropriated From Profit	Prior Year's Profit/(Loss)	Net Profit/(Loss) for the Period	Total Equity	
Balances as of 1 January 2023	12	76.000.000	31.279	(4.172.572)	9.833.071	163.422.688	85.648.567	330.763.033
Transfers to retained earnings	-	-	-	-	-	85.648.567	(85.648.567)	-
Transfers to reserves	-	-	-	3.841.345	3.841.345	(3.841.345)	-	-
Total comprehensive income	-	-	-	-	-	-	135.641.874	135.641.874
Balances as of 30 September 2023		76.000.000	31.279	(4.172.572)	13.674.416	245.229.910	135.641.874	466.404.907

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

ICBC TURKEY YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD 1 JANUARY - 30
SEPTEMBER 2023

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

	Notes	Reviewed 1 January- 30 September 2023	Reviewed 1 January- 30 September 2022
A. Cash flows from operating activities		(70.360.130)	(476.589.183)
Net profit for the period		135.641.874	63.055.269
Adjustments to reconciliation of net profit for the period		(179.087.461)	2.728.904
Adjustment related to depreciation and amortization	7,8	2.446.352	1.382.374
Adjustment related to provision for expected credit loss		(1.272.504)	3.956.133
Adjustment related to provision for unused vacation	11	8.136.931	3.558.935
Adjustment related to employment termination benefits	11	4.743.031	3.224.293
Financial income from main operations (excluding exchange gain)		(239.444.386)	(61.900.517)
Non-operating financial expenses (excluding exchange loss)		139.492.193	28.587.125
Other adjustments for non-cash items		(156.452.227)	-
Deferred tax income/(expense)	18	79.684	(919.472)
Adjustment related to current tax expense	18	63.183.465	24.840.033
Change in working capital		(85.360.563)	(549.178.211)
Financial investments (the financial assets at fair value through profit or loss)		(7.799.935)	(20.790.344)
Adjustment related to trade receivables from related parties		(47.110.718)	(216.866)
Adjustment related to other trade receivables		(20.005.764)	(566.470.018)
Adjustment related to customer assets		(21.102.728)	(48.403.610)
Adjustment related to other receivables		1.073.049	(23.012.261)
Adjustment related to trade payables		18.288.465	119.853.575
Adjustment related to other payables and provisions		8.439.652	(728.663)
Employee bonus payment	11	(17.000.000)	(8.000.000)
Employee termination benefits payment	11	(805.202)	(261.386)
Employee permission benefits payment	11	(431.239)	(79.337)
Blocking amount		1.093.857	(1.069.301)
Cash flows from operating activities		58.446.020	6.804.855
Interests and commissions paid		(139.492.193)	(28.587.125)
Interests received		239.260.963	61.823.027
Taxes paid	18	(41.322.750)	(26.431.047)
B. Cash flows from investing activities		(13.244.532)	(3.192.640)
Cash outflows from acquisition of tangible and intangible assets	7,8	(13.244.532)	(3.192.640)
Cash inflows from sale of tangible and intangible assets		-	-
C. Cash flows from financing activities		(185.500.000)	604.500.000
Changes in financial liabilities		(185.500.000)	604.500.000
Net increase/decrease in cash and cash equivalents before the effect of foreign currency conversion differences (A+B+C)		(269.104.662)	124.718.177
D. The effect of foreign currency conversion differences on cash and cash equivalents		156.452.227	3.438.452
Net increase/decrease in cash and cash equivalents (A+B+C+D)		(112.652.435)	128.156.629
E. Cash and cash equivalents at the beginning of the period	3	286.016.856	87.468.560
Cash and cash equivalents at the end of the period (A+B+C+D+E)	3	173.364.421	215.625.189

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

ICBC TURKEY YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
30 SEPTEMBER 2023

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

1. Organization and operations of the Group

ICBC Turkey Yatırım Menkul Değerler Anonim Şirketi (“the Company”), formerly Tekstil Menkul Değerler Anonim Şirketi, was established on 5 December 1996 and started its operations on 10 January 1997 by obtaining the operation certificate from Capital Markets Board of Turkey (“CMB”).

In the context of the decision number 561 taken at the Board of Director’s Meeting on 31 May 2016, the Company’s trade name has been changed and registered as “ICBC Turkey Yatırım Menkul Değerler Anonim Şirketi” on 9 June 2016 at the Trade Registry Gazette.

The Company applied to renew certificate of authorities in accordance with Capital Market Law’s Communiqué numbered III-37.1 “Communiqué on Principles Regarding Investment Services, Activities and Ancillary Services” and Communiqué numbered III-39.1 “Principles of Establishment and Activities of Investment Firms”. As a result, the Company was authorized as “Broadly Authorized Intermediary Firm” as at 1 January 2016 according to Capital Market Law serial 6362.

The Company has the following certificates of authorization from Capital Markets Board of Turkey (“CMB”):

- Activity of execution of orders
- Activity of dealing on own account
- Activity of individual portfolio management
- Investment advisory activity
- Activity of intermediation for public offering
- Limited custody services

Investment services and activities: Investment services and activities regulated by the Communiqué and which may be executed with a prior authorization of the Board are as follows:

- a) Reception and transmission of orders in relation to capital market instruments,
- b) Execution of orders in relation to capital market instruments in the name and account of the customer or in their own name and in the account of the customer,
- c) Dealing on own account,
- d) Individual portfolio management,
- e) Investment advice,
- f) Underwriting of capital market instruments on a firm commitment basis,
- g) Placing of financial instruments without a firm commitment basis,
- h) Operation of multilateral trading systems and regulated markets other than exchanges
- i) Safekeeping and administration of capital market instruments in the name of customers and portfolio custody services.
- j) Conducting other services and activities to be determined by the Board.

Ancillary Services: The ancillary services that may be carried out by investment firms in connection with their authorizations for investment services and activities are as follows:

- a) Providing consultancy services regarding capital markets,
- b) Granting credits or lending and providing foreign exchange services limited to investment services and activities,
- c) Providing investment research and financial analysis or general advice concerning transactions in capital market instruments,
- d) Providing services in relation to the conduct of underwriting,
- e) Providing intermediary services for obtaining financing by borrowing or through other means,
- f) Wealth management and financial planning,
- g) Conduct of other services and activities to be determined by the Board.

ICBC Turkey Bank A.Ş. owns 99,99% shares of the Company. The Parent Bank of ICBC Turkey Bank A.Ş. is Industrial and Commercial Bank of China Limited (“ICBC”). Headquarters address of the Company is Maslak Mahallesi Dereboyu/2 Caddesi No:13 34398 Sarıyer İstanbul. The Group has 113 employees as of 30 September 2023 (31 December 2022: 110).

ICBC TURKEY YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
30 SEPTEMBER 2023

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

1. Organization and operations of the Group (cont'd)

Information on subsidiary

As of 30 September 2023, the subsidiary of the Company, ICBC Turkey Portföy Yönetimi Anonim Şirketi (formerly named as “Tekstil Portföy Yönetimi Anonim Şirketi”), was established on 21 April 2015. The Company and its subsidiary have been consolidated. The Company and its subsidiary are named as “the Group” as a whole.

2. Basis of presentation of the financial statements

2.1. Basis of presentation

2.1.1. Statement of Compliance to Turkish Financial Reporting Standards (“TRFSs”)

The accompanying 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 13 June 2013. According to the Communiqué, financial statements are prepared in accordance with Turkish Financial Reporting Standards (“TFRS”) which are published by the Public Oversight Accounting and Auditing Standards Authority (“POA”).

In addition, the financial statements are presented in accordance with the “Announcement on TFRS Taxonomy” published by the POA on 15 April 2019, and the formats specified in the Financial Statements Examples and User Guidelines published by the CMB. The financial statements have been prepared on the historical cost basis except for the fair value measurement of financial assets at fair value through profit or loss in financial investments, derivative financial instruments, and financial assets at fair value through other comprehensive income. In determining the historical cost, the fair value of the amount paid for the assets is generally taken as the basis.

The condensed interim financial statements as at 30 September 2023 have been prepared by applying accounting policies consistent with those applied in the preparation of the financial statements for the year ended 31 December 2022. Therefore, these interim condensed financial statements should be evaluated together with the financial statements for the year ended 31 December 2022.

Approval of financial statements

The consolidated financial statements were approved by the Board of Directors of the Group on 26 October 2023. The Group's General Assembly and relevant regulatory bodies have the right to change these financial statements.

2.1.2. Basis of preparation of the financial statements

The accompanying consolidated financial statements of the Group have been prepared in accordance with the provisions of the CMB's Communiqué II-14.1 published in the Official Gazette dated 13 June 2013 and numbered 28676.

2.1.3. Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.1.4. Going concern

The consolidated financial statements have been prepared on a going concern basis, with the assumption that the Group will benefit from its assets and fulfill its obligations in the next year and in the natural course of its activities.

ICBC TURKEY YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
30 SEPTEMBER 2023

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

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

2.1. Basis of presentation (cont'd)

2.1.5. Currency Used

The financial statements of each entity of the Group 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 result and financial position are expressed in Turkish Lira ("TL"), which is the functional currency of the Company and the presentation currency of the consolidated financial statements.

2.1.6 Comparative Information and Restatement of Prior Periods' Financial Statements

The consolidated financial statements of the Group are prepared in comparison with the prior period in order to allow the determination of financial position and performance trends. In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when necessary and important differences are explained.

2.2. Changes in accounting policies

Any change in the accounting policies resulted from the first time adoption of a new TAS/IFRS is made either retrospectively or prospectively in accordance with the transition requirements of TAS/IFRS. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period financial statements. In the current period, Group has not any change in accounting policies.

2.3. New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2023

Amendments to TAS 1	<i>Disclosure of Accounting Policies</i>
Amendments to TAS 8	<i>Definition of Accounting Estimates</i>
Amendments to TAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to IFRS 17	<i>Initial Application of IFRS 17 and IFRS 9 — Comparative Information (Amendment to IFRS 17)</i>

Amendments to TAS 1 *Disclosure of Accounting Policies*

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 8 *Definition of Accounting Estimates*

With this amendment, the definition of "a change in accounting estimates" has been replaced with the definition of "an accounting estimate", sample and explanatory paragraphs regarding estimates have been added, and the differences between application of an estimate prospectively and correction of errors retrospectively have been clarified.

Amendments to TAS 8 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

ICBC TURKEY YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
30 SEPTEMBER 2023

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

2. **Basis of presentation of the financial statements (cont'd)**
- 2.3. **New and Amended Turkish Financial Reporting Standards (cont'd)**

a) Amendments that are mandatorily effective from 2023 (cont'd)

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

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TFRS 17 *Insurance Contracts* and *Initial Application of TFRS 17 and TFRS 9 — Comparative Information*

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before.

Amendments are effective with the first application of TFRS 17.

b) New and revised TFRSs in issue but not yet effective

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

TFRS 17	<i>Insurance Contracts</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying TFRS 9</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to TAS 1	<i>Non-current Liabilities with Covenants</i>

TFRS 17 *Insurance Contracts*

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

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

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

ICBC TURKEY YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
30 SEPTEMBER 2023

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

- 2. Basis of presentation of the financial statements (cont'd)**
- 2.3 New and Amended Turkish Financial Reporting Standards (cont'd)**
- b) New and revised TFRSs in issue but not yet effective (cont'd)

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

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

Amendments to TFRS 16 Lease Liability in a Sale and Leaseback

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

Amendments to TAS 1 Non-current Liabilities with Covenants

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

TAS 29 Financial Reporting in High Inflation Economies

POA made an announcement on 20 January 2022 regarding the application of TAS 29, “Financial Reporting in Hyperinflationary Economies” (IAS 29 Financial Reporting in Hyperinflationary Economies) for entities adopting Turkish Financial Reporting Standards (“TFRS”) for the year ended 2021. The announcement stated that, entities that apply TFRS should not adjust their financial statements in accordance with TAS 29 - Financial Reporting in Hyperinflationary Economies for the year ended 2021. As of the date of this report, POA has not made any further announcements regarding the scope and application of TAS 29. As of 30 September 2023, no inflation adjustment was made to the accompanying consolidated financial statements in accordance with TAS 29.

ICBC TURKEY YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
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2. Basis of presentation of the financial statements (cont'd)

2.4 Summary of Significant Accounting Policies

Financial Instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI (debt investment); FVOCI (equity investment); or FVTPL.

Financial instruments are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets. In which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. An initial recognition, the Group may irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets – Business model assessment:

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the financial assets in the business model is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

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

2.4 Summary of Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

ii. Classification and subsequent measurement (cont'd)

Financial assets – Business model assessment: (cont'd)

- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected) and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that are not eligible for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of its assets in its financial statements.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows (in other words the triggering event);
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.

Additionally, (i) a financial asset acquired at a discount or premium to its contractual par amount, (ii) the prepayment amount substantially represents the contractual par amount and accrued (but unpaid) contractual interest, which may include reasonable additional compensation for the early termination of the contract; and (iii) initially recognises the financial asset, the fair value of the prepayment feature is insignificant.

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

2.4 Summary of Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

Financial assets – Gain or loss resulting from subsequent measurement

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt instruments measured at fair value through other comprehensive income	Gains or losses on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified to retained earnings.
Equity instruments at fair value through other comprehensive income	These assets are subsequently measured at fair value. Dividends are recognized in profit or loss unless it is explicitly intended to recover part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are not reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading. A financial liability is classified as a financial liability held for trading if it is a derivative or designated as such at initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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

2.4 Summary of Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

iii. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Effects of Foreign Exchange

Transactions denominated in foreign currencies are accounted for at the exchange rates prevailing at the date of the transactions and monetary assets and liabilities denominated in foreign currencies translated by using year-end exchange rates of the Central Bank of the Republic of Turkey's bid rates. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

The foreign exchange rates used by the Group for translation of foreign currency transactions to TL as of 30 September 2023 and 31 December 2022 are as follows:

	US Dollar	EUR	GBP	CNY
30 September 2023	27,3767	29,0305	33,4816	3,7284
31 December 2022	18,6983	19,9349	22,4892	2,6806

Fee and Commission Income and Expenses

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

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

2.4 Summary of Significant Accounting Policies (cont'd)

Interest Income and Expense

Interest income and expenses are recognized in the income statement in the relevant period on an accrual basis. Interest income includes the revenue from coupons of fixed yield investments and the valuation of discounted government bonds on the basis of internal discount.

Property, Plant and Equipment

All property, plant and equipment are carried with their net value after deducting accumulated depreciation over their carrying values.

Depreciation is calculated on property, plant and equipment using the straight-line method over their estimated useful lives. Estimated useful lives of these assets are as follows:

	Useful life
Furniture and fixtures	5 years
Vehicles	5 years
Leasehold improvements	5 years

Regular maintenance and repair expenses incurred for a tangible fixed asset are accounted as expense. Investment expenditures, which increase the future benefit of the tangible fixed asset by expanding its capacity, are added to the cost of the tangible fixed asset. Investment expenditures consist of cost elements such as expenses that extend the useful life of the asset, increase the service capacity of the asset, increase the quality or decrease the cost of the goods or services produced.

If the carrying value of the tangible assets in the balance sheet exceeds the estimated recoverable value, the value of the asset is reduced to its recoverable value and the provision for the impairment allocated is associated with the expense accounts. It is assessed at the end of each reporting period whether there is any indication that the impairment loss allocated in previous periods will no longer exist or may have decreased, and in case of such an indication, the asset's recoverable amount is estimated and the book value of the asset is increased to the recoverable amount determined by new estimates and impairment loss it is canceled by associating with income accounts. The book value, which increased due to the cancellation of the impairment loss, cannot exceed the book value it would have reached if the impairment loss was not accounted for the asset in the previous periods.

Profit or loss arising from the disposal of tangible assets are determined by comparing adjusted and collected amounts, and reflected in the relevant income and expense accounts in the current period.

Intangible Assets

Intangible assets consist of software. They are recorded at acquisition cost and amortised on a straight-line basis over their estimated economic lives for a period not exceeding between three and five years from the date of acquisition.

Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and written down immediately to its recoverable amount.

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

2.4 Summary of Significant Accounting Policies (cont'd)

Leases

The Group includes right-of-use assets and lease liabilities in its consolidated financial statements at the commencement date of the lease. The right-of-use asset is measured initially at cost and subsequently at cost less accumulated depreciation and accumulated impairment losses and adjusted for remeasurement of the lease liability.

At the commencement date of the lease, the lease liability is measured at the present value of the lease payments not paid at that date. Lease payments are discounted using the Group's alternative borrowing rate, if the implied interest rate in the lease can be easily determined, if not easily determined.

After the commencement date of the lease, the lessee increases the carrying amount of the lease liability to reflect the interest on the lease liability and decreases the carrying amount to reflect the lease payments made. It is remeasured in the event of a change in the lease term and in the assessment of the option to purchase the asset, and in the event of a change in the amounts expected to be paid under the residual value commitment and in the event of a change in these payments as a result of a change in the index or rate.

The Group has used its own judgment to determine the lease term for some leases that include renewal options. The assessment of whether the Group is reasonably confident to exercise such options affects the lease term; therefore, this issue affects the amounts of lease liabilities and right-of-use assets recognized.

A. Definition of Leases

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under TFRS 4 "*Determining Whether an Arrangement Contains a Lease*". The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under TFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. On transition to TFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. Thus, it applied TFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under TAS 17 and TFRS 4 were not reassessed. Therefore, the definition of a lease under TFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative standalone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non- lease components as a single lease component.

B. As a lessee

The Group leases real estate.

As a lessee, the Group has previously classified leases as operating or finance leases based on the assessment of whether all the risks and rewards of ownership of the asset have been transferred. According to TFRS 16, the Group has not recognized the right of use assets and lease payables for the leases due to its significant effect on the financial statements.

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

2.4 Summary of Significant Accounting Policies (cont'd)

Events After the Balance Sheet Date

Events after the reporting period cover any events which arise between the reporting date and the balance sheet date, even if they occurred after any declaration of the net profit for the period or specific financial information publicly disclosed. The Group adjusts its financial statements if such events after the reporting period arise which require an adjustment to the financial statements.

Provisions, Contingent Assets and Liabilities

Provisions are recognized when there is a legal or constructive obligation arising from past events, it is probable that an outflow of resources embodying economic benefits to fulfill this obligation and liability can be estimated reliably. In cases where the amount cannot be measured reliably and there is no possibility that the Group will have resources to settle the liability, the liability is considered as “Contingent” and explained in the notes.

Related Parties

For the purpose of these financial statements, the shareholders of the Group and ICBC group companies that have direct and/or indirect capital relations with the Group, board members and key management personnel are considered as “related parties”.

Taxation on Corporate Income

Corporate tax

Corporate tax is calculated according to the Tax Procedural Law, and tax expenses except corporate tax are recognised in operating expenses. Current tax assets and current tax liabilities are offset if there is a legal right to set off or if such assets and liabilities are associated with income tax collected by the same tax authority.

Deferred tax

Deferred income tax is provided for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income taxes.

Significant temporary differences mainly arise from differences between the book value of fixed assets and securities and their tax base, and provisions for employee benefits.

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

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

2.4 Summary of Significant Accounting Policies (cont'd)

Employee Benefits

The Group accounts for severance pay and vacation pay provisions in accordance with “Turkish Accounting Standards on Employee Benefits” (“TAS 19”) and classifies under “Provisions for employee benefits” accounts on the balance sheet.

The Group is required to make lump sum payments to the employees laid off for reasons other than retirement and resignation or those specified in the Labor Code, in accordance with the existing labor law in Turkey. The total provision represents the present value of the future probable obligation of the Company arising from the retirement of its employees regarding the actuarial projections (Note 11).

The Group is required to pay a contribution amount, determined by law, to the Social Security Institution on behalf of its employees. These contributions are charged on the date they accrue.

Statement of Cash Flow

For the purposes of cash flow statement, cash and cash equivalents include reserve repurchase receivables cash and due from banks with original maturity periods of less than three months.

Share Capital and Dividends

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Derivative (“TDE”) transactions

Preparation of TDE financial statements requires estimates and assumptions that affect the amounts of reported assets and liabilities or disclosed contingent assets and liabilities as of the balance sheet date and the amounts of reported revenue and expenses in the relevant period. Although these estimates and assumptions are based on the best judgments and knowledge of the management, actual results may differ from these estimates and assumptions. In addition, important accounting evaluations, estimates and assumptions that need to be specified are explained in the relevant notes.

Cash collaterals given for trading in TDE are classified as trade receivables. Profit and losses resulting from the transactions made in the period are classified under other operating income. The valuation differences reflected in the income statement as a result of the valuation of open trades at market prices, the paid commissions and the interest income arising from the remaining collaterals are offset and recognised in trade receivables.

2.5. Significant Accounting Evaluations, Estimates and Assumptions

Preparation of the financial statements requires making estimates and assumptions that affect the amounts of assets and liabilities reported or the amounts of contingent assets and liabilities declared as of the balance sheet date, and the amounts of income and expenses reported in the relevant period. While these estimates and assumptions are based on the management's best judgment and knowledge, actual results may differ from those estimates and assumptions. In addition, important accounting evaluations, estimates and assumptions that need to be specified are explained in the related notes.

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3. Cash and cash equivalents

	<u>30 September 2023</u>	<u>31 December 2022</u>
Time deposit	62.865.476	35.489.118
Demand deposit	195.180.133	318.173.632
Receivables from money markets	8.557.000	5.400.000
Expected credit loss provision (-)	(3.602.605)	(4.875.109)
Cash and cash equivalents in statement of financial position	<u>263.000.004</u>	<u>354.187.641</u>

	<u>30 September 2023</u>	<u>30 September 2022</u>
Cash and cash equivalents in statement of financial position	263.000.004	795.115.230
Customer assets (*)	(93.715.613)	(587.541.713)
Interest accruals	477.425	(77.490)
Blocking amount	-	(1.069.301)
Expected credit loss provision (-)	3.602.605	9.198.463
Cash and cash equivalents in the cash flow statement	<u>173.364.421</u>	<u>215.625.189</u>

(*) Customer assets which consist of currently not directed investments as of 30 September 2023, are recognized under the Group's deposit accounts although the Group does not have control on these accounts. Therefore, customer assets are not included within cash and cash equivalents in the statement of cash flows.

As of 30 September 2023, time deposit interest rates for TL between 24,90% - 25,00%, 0,80% for US Dollar, 0,30% for Euro, 0,35% for Chinese Yuan. (31 December 2022: 8,90% for TL, between 0,80% – 2,90% for US Dollar, 1,90% for Euro, 0,35% for Chinese Yuan). The Group holds the time deposits in overnight and monthly accounts.

As of 30 September 2023 and 31 December 2022, the details of bank deposits are as follows:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Time Deposit – (ICBC Turkey Bank) (Note 19)	52.588.606	26.055.342
Time Deposit Account (other banks)	10.276.870	9.433.776
Demand Deposit Account - (ICBC Turkey Bank) (Note 19)	45.112.730	47.331.940
Demand Deposit Account (other banks)	150.067.403	270.841.692
	<u>258.045.609</u>	<u>353.662.750</u>

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4. Trade receivables and payables

Short-term trade receivables:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Receivables from costumers	543.134.437	581.655.376
Receivables from loan customers	473.669.762	298.884.667
Receivables from domestic clearing and custody centers (*)	-	107.000.000
Receivables from TDE	12.195.897	21.300.078
Trade receivables from related parties (Note 19)	47.891.773	781.055
Doubtful trade receivables	162.484	162.484
Receivables from overseas clearing and custody centers	674	674
Provision for doubtful trade receivables	(162.484)	(162.484)
Other trade receivables	-	154.211
	<u>1.076.892.543</u>	<u>1.009.776.061</u>

(*) Related balance; based on the capital increase request of the CMB for brokerage companies due to the extraordinary market conditions, is as a deposit in the Takasbank account of the company and this amount which was sent to Takasbank on 7 October 2022 for cash deposit, was returned as of 7 February 2023.

Short-term trade payables:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Payables to customers (*)	120.797.811	94.299.662
Other payables	11.125.138	20.059.727
Trade payables to related parties (Note 19)	922.083	197.178
	<u>132.845.032</u>	<u>114.556.567</u>

(*) Payables to customers, mostly consist of costumers' TDE collateral and costumers'receivables from money market.

5. Financial investments

	<u>30 September 2023</u>	<u>31 December 2022</u>
Trading securities		
Financial assets at fair value through profit/loss	25.082.675	16.309.259
Financial assets measured at amortized cost		
Financial assets measured at amortized cost (*)	-	1.339.356
	<u>25.082.675</u>	<u>17.648.615</u>

(*)The government bond classified under financial assets measured at amortized cost was redeemed on 25.01.2023.

	<u>30 September 2023</u>	<u>31 December 2022</u>
Trading securities	Book value	Book value
Stocks – Traded on the stock exchange	119.667	69.529
ICBC Turkey Portföy Yönetimi Investment Fund	24.963.008	16.239.730
	<u>25.082.675</u>	<u>16.309.259</u>

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5. Financial investments (cont'd)

	<u>30 September 2023</u>	<u>31 December 2022</u>
Financial assets measured at amortized cost		
Government Bonds	-	1.339.356
	<u>-</u>	<u>1.339.356</u>
Stock investments	<u>30 September 2023</u>	<u>31 December 2022</u>
Stocks – Istanbul Stock Exchange (ISE) (*)	159.711	159.711
	<u>159.711</u>	<u>159.711</u>

(*) As of 30 September 2023, the Group's share on capital of Istanbul Stock Exchange is 0,0377%. The nominal value of the shares held by the Company is 15.971.094 amounting to TL 159.711 (31 December 2022: TL 159.711)

	<u>30 September 2023</u>		<u>31 December 2022</u>	
	<u>Amount</u>	<u>Effective interest rate</u>	<u>Amount</u>	<u>Effective interest rate</u>
Financial assets measured at amortized cost				
Government bond	-	-	1.339.356	22,91%
Total	<u>-</u>		<u>1.339.356</u>	

6. Other receivables and payables

As of 30 September 2023 and 31 December 2022, the details of other receivables and payables are as follows:

Prepaid expenses

	<u>30 September 2023</u>	<u>31 December 2022</u>
Prepaid expenses	1.211.646	50.979
	<u>1.211.646</u>	<u>50.979</u>

As of 30 September 2023 and 31 December 2022, prepaid expenses mainly consist of authorization certificate and subscriptions, computer and infrastructure usage expenses, investors protection fund and health insurance expenses.

Current tax assets

	<u>30 September 2023</u>	<u>31 December 2022</u>
Prepaid taxes	1.417	1.417
	<u>1.417</u>	<u>1.417</u>

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6. Other receivables and payables (cont'd)

Other short-term receivables

	<u>30 September 2023</u>	<u>31 December 2022</u>
Receivables from personnel	16.176	5.015
	<u>16.176</u>	<u>5.015</u>

Other long-term receivables

As at 30 September 2023 and 31 December 2022, the details of long-term other receivables are as follows:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Deposits given	25.976.880	27.855.882
	<u>25.976.880</u>	<u>27.855.882</u>

Deposits given as of 30 September 2023 and 31 December 2022 consist of guarantees given for the Group's ability to act as an intermediary in the equity market, derivatives market, over-the-counter market, money market, futures and options stock market.

Other short term liabilities

	<u>30 September 2023</u>	<u>31 December 2022</u>
Taxes and duties payable (*)	16.974.456	6.100.086
Other short term liabilities	134	2.158.470
	<u>16.974.590</u>	<u>8.258.556</u>

(*) Taxes and deductions to be paid consist mainly of tax deductions made on behalf of customers (withholding tax).

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7. Tangible assets

	Machinery and Equipment	Furniture and Fixtures	Other Tangible Assets	Total
Acquisition cost				
1 January 2022	6.513.812	257.794	395.967	7.167.573
Additions	1.525.402	316.015	11.995	1.853.412
Disposals	-	-	-	-
31 December 2022	8.039.214	573.809	407.962	9.020.985
Accumulated depreciation				
1 January 2022	4.249.701	202.037	335.598	4.787.336
Charge for the period	1.331.618	292.348	11.269	1.635.235
Disposals	-	-	-	-
31 December 2022	5.581.319	494.385	346.867	6.422.571
1 January 2023	5.581.319	494.385	346.867	6.422.571
Charge for the period	2.193.937	32.960	10.677	2.237.574
Disposals	-	-	-	-
30 September 2023	7.775.256	527.345	357.544	8.660.145
Net book value				
31 December 2022	2.457.896	79.423	61.095	2.598.414
30 September 2023	12.650.805	236.426	85.375	12.972.606

As of 30 September 2023 and 31 December 2022, the Group has no assets acquired through financial leasing. There is no mortgage, pledge or collateral on tangible assets. All depreciation expenses are included in general administrative expenses.

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8. **Intangible assets**

	Computer software
Acquisition cost	
Opening balance, 1 January 2022	1.892.539
Additions	2.338.154
Closing balance, 31 December 2022	4.230.693
Opening balance, 1 January 2023	4.230.693
Additions	632.766
Closing balance, 30 September 2023	4.863.459
Accumulated amortization	
Opening balance, 1 January 2022	722.168
Charge for the period	195.888
Closing balance, 31 December 2022	918.056
Opening balance, 1 January 2023	918.056
Charge for the period	208.778
Closing balance, 30 September 2023	1.126.834
Net book value	
31 December 2022	3.312.637
30 September 2023	3.736.625

As of 30 September 2023 and 31 December 2022, the Group has no assets acquired through financial leasing. There is no mortgage, pledge or collateral on intangible assets. All amortization expenses are included in general administrative expenses.

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9. Provisions, contingent assets and liabilities

Provision for payables

As at 30 September 2023 and 31 December 2022, the details of other short-term payables and provisions are as follows:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Other provisions	1.657.759	1.934.141
	<u>1.657.759</u>	<u>1.934.141</u>

The Group does not have any contingent assets or liabilities as of 30 September 2023 (31 December 2022: None).

Commitments

As of 30 September 2023 and 31 December 2022, the details of the letter of guarantee and promissory notes given by the Group are as follows:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Takasbank	877.000.000	715.500.000
CMB	1.776	1.776
Istanbul 8th Commercial Court of First Instance (*)	18.011.816	18.011.816
	<u>895.013.592</u>	<u>733.513.592</u>

(*) It is a letter of guarantee given to the court as a precautionary injunction in case of a possible risk due to the unfavourable developments in the Futures and Options market.

CPMs Given by the Company	<u>30 September 2023</u>	<u>31 December 2022</u>
A. Total amount of CPMs given on behalf of its own legal entity	895.013.592	733.513.592
B. Total amount of CPMs given in favor of partnerships included in the full consolidation scope	-	-
C. Total amount of CPMs given in order to secure the debt of other third parties in order to carry out ordinary commercial activities	-	-
D. Total amount of other CPMs	-	-
i. Total amount of CPMs given on behalf of the parent company	-	-
ii. Total amount of CPM's given in favor of other group companies that are not in the scope of B and C.	-	-
iii. Total amount of CPMs given on behalf of third parties which are not in the scope of article C	-	-
Total	<u>895.013.592</u>	<u>733.513.592</u>

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10. Short-term borrowings

The Group has a bank loan of TL 746.500.000 as of 30 September 2023 (31 December 2022: TL 932.000.000), The maturity of the bank loan is 3 days and interest rate is between 32,65% and 36,65% (31 December 2022: maturity 1 day, rate between 8,05%-13,45%).

11. Provisions for employee benefits

As of 30 September 2023 and 31 December 2022, the details of the short-term employee benefits are as follows:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Provision for employee benefits		
Provision for unused vacation	13.701.173	5.995.481
Provision for personnel bonus	-	17.000.000
Total short-term provisions	<u>13.701.173</u>	<u>22.995.481</u>

Movement of provision for unused vacation is as follows:

	<u>1 January- 30 September 2023</u>	<u>1 January- 30 September 2022</u>
Beginning of the period (1 January)	5.995.481	2.466.163
Charge for the period	(431.239)	(79.337)
Allocated provisions during the period	8.136.931	3.558.935
Total	<u>13.701.173</u>	<u>5.945.761</u>

Long-term provisions for employee benefits

Provision for employment termination benefits:

According to the Turkish Labor Law, the Group is obliged to pay severance pay to each employee who completes at least one year of service and retires after 25 years of working life (aged 58 for women, 60 for men), terminated, called for military service or passed away.

Employment termination benefits to be paid as of 1 January 2023 - 30 September 2023 is subject to a monthly ceiling of TL 23.489,83 (September 2022: TL 15.371,4).

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. TAS 19 *Employee Benefits* stipulates the development of company's liabilities by using actuarial valuation methods under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

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11. Provisions for employee benefits (cont'd)

Long-term provisions for employee benefits (cont'd)

Provision for employment termination benefits (cont'd):

The main assumption is that the maximum liability amount for each year of service will increase in line with inflation. Consequently, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore, provisions in the accompanying financial statements as of 30 September 2023 are calculated by estimating the present value of the future probable obligation arising from the retirement of the employees. Provisions at the relevant balance sheet dates are calculated using the real discount rate, which is approximately 2,85%, based on the assumptions of an annual inflation rate of 19,13% and an interest rate of 22,52% (31 December 2022: real discount rate 2,85%). Voluntary dismissal rates are 83,54% for those working for 0-15 years and 0% for 16 years or more. The maximum amount of TL 23.489,83 effective from 1 July 2023 has been taken into account in the calculation of the severance pay provision of the Group (1 January 2023: TL 19.982,83).

As of 30 September 2023 and 31 December 2022, the details of long-term employee benefits are as follows:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Provisions for employee benefits		
Provision for employment termination benefits	14.925.923	10.988.094
Total long-term provisions	<u>14.925.923</u>	<u>10.988.094</u>

Movements of provision for employment termination benefits are as follows:

	<u>1 January- 30 September 2023</u>	<u>1 January- 30 September 2022</u>
Beginning of the period (1 January)	10.988.094	5.231.419
Charge for the period	(805.202)	(261.386)
Service cost	2.949.736	3.076.839
Interest cost	1.793.295	147.454
Total	<u>14.925.923</u>	<u>8.194.326</u>

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12. Equity

Share capital

As at 30 September 2023 and 31 December 2022, the capital structure is as follows:

	30 September 2023		31 December 2022	
	Amount	Share (%)	Amount	Share (%)
ICBC Turkey Bank A.Ş.	75.998.480	99,998	75.998.480	99,998
Other	1.520	0,002	1.520	0,002
Total paid-in capital	76.000.000	100	76.000.000	100
Capital inflation adjustment differences	31.279		31.279	
Total	76.031.279		76.031.279	

As of 30 September 2023, the Group's share capital consists of 7.600.000.000 shares having a nominal value of TL 0,01 each (31 December 2022: 7.600.000.000 shares having a nominal value of TL 0,01).

The Group has no preferred shares as of 30 September 2023 (31 December 2022: None).

Capital inflation adjustment difference

The capital increases made by shareholders are adjusted with the inflation effect up to 31 December 2004 in accordance with the Communiqué XI-29 and as a result inflation adjustment amounting to TL 31.279 (31 December 2022: TL 31.279) is recognised.

Value increase/ (decrease) funds

Financial assets revaluation fund

None (31 December 2022: None).

Restricted reserves appropriated from profit

As a result of the Ordinary General Assembly held by the Company on 30 March 2023, it was decided to transfer TL 3.841.345 from the profit calculated according to the TPL to the primary legal reserves account (31 December 2022: TL 3.492.777).

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13. Profit or loss

Sales and cost of sales

For the periods ended 30 September 2023 and 30 September 2022, sales and cost of sales are as follows:

	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
Sales				
Treasury bond/government bond sales	71.517.948	-	373.060.977	251.797.819
Stock sales	26.521.082	26.299.107	1.050.205	728.085
Total	98.039.030	26.299.107	374.111.182	252.525.904
Cost of Sales				
Treasury bond/government bond cost	(71.355.001)	-	(371.724.066)	(251.582.763)
Stock cost	(26.514.238)	(26.291.260)	(1.056.923)	(732.553)
Total	(97.869.239)	(26.291.260)	(372.780.989)	(252.315.316)

Service income

For the periods ended 30 September 2023 and 30 September 2022, service income are as follows:

	1 January - 30 September 2023	1 July - 30 September 2023	1 January- 30 September 2022	1 July - 30 September 2022
Project/Corporate Finance revenue	52.075.251	29.451.096	33.227.714	12.157.628
Stock buying/selling brokerage comm.	43.610.060	22.947.540	25.172.228	12.527.498
Derivatives brokerage commissions	1.382.169	278.390	6.086.537	1.943.058
Bist stock market share	3.936.350	1.928.325	3.205.567	1.343.346
Mutual funds commission income	7.859.917	3.237.307	2.885.570	1.046.587
Over-the-Counter Transaction Revenues	687.865	349.341	2.569.625	1.685.351
Custody Commission Income	3.205.260	836.159	1.013.713	291.168
Lending-Borrowing commissions	116.357	-	957.299	569.205
Capital increase brokerage comm.income	602.881	131.886	276.488	12.312
Money market commission	91.206	51.226	76.764	23.945
Underwriting comm. for public offering	97.892	14.859	34.970	11.313
Treasury bond buy/sell brokerage comm	-	-	-	-
Dividend commissions	35.535	11.050	27.017	12.025
Data service income	980.047	316.058	452.451	142.925
Overseas (ICM) income	512.391	279.028	454.211	242.198
Other	2.219.857	618.543	563.263	210.200
Total	117.413.038	60.450.808	77.003.417	32.218.759

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13. Profit or loss (cont'd)

Interest income from main operations

For the periods ended 30 September 2023 and 30 September 2022, interest income from main operations are as follows:

	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
Interest income from main operations				
Interest income from customers	230.854.172	96.553.570	57.823.669	31.310.615
Interest income from banks	8.590.214	2.182.771	4.076.848	2.650.014
Total	239.444.386	98.736.341	61.900.517	33.960.629

14. General Administrative Expenses

The general administrative expenses of the Group for the accounting periods ending on 30 September 2023 and 30 September 2022 are as follows:

	1 January – 30 September 2023	1 July – 30 September 2023	1 January – 30 September 2022	1 July – 30 September 2022
Personnel expenses	(109.714.154)	(50.497.272)	(56.245.854)	(27.574.719)
Membership expenses	(9.003.674)	(4.018.697)	(5.710.984)	(2.593.560)
Communication expenses	(10.857.810)	(4.161.321)	(6.241.532)	(2.408.422)
Computer usage expenses	(5.556.354)	(2.215.981)	(2.898.334)	(1.111.629)
Rental expenses	(4.457.995)	(1.981.672)	(2.884.219)	(1.025.513)
Building expenses	(4.741.758)	(1.739.973)	(2.324.700)	(1.053.865)
Taxes, fees and registration expenses	(2.772.277)	(477.096)	(691.556)	(193.782)
Depreciation expenses	(2.446.352)	(1.299.062)	(1.382.374)	(670.828)
Audit and consultancy expenses	(2.292.406)	(1.275.320)	(1.209.410)	(251.926)
Transportation expenses	(954.688)	(347.727)	(1.197.849)	(503.937)
Representation and hospitality expenses	(595.259)	(196.273)	(513.006)	(237.981)
Maintenance and repair expenses	(542.483)	(294.034)	(416.346)	(111.290)
Disallowable expenses	(64.281)	(13.981)	(98.500)	(15.472)
Small fixture expenses	(23.094)	(7.527)	(3.185)	(283)
Other	(1.081.896)	(142.921)	(431.832)	38.636
Total	(155.104.481)	(68.668.857)	(82.249.681)	(37.714.571)

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15. Other operating income and expense

Other operating income/expense of the Group for the accounting periods ending on 30 September 2023 and 30 September 2022 are as follows:

	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
Other Operating Income				
Foreign exchange gains	124.800.121	(10.955.519)	38.661.137	13.705.038
Other	258.272	91	67.356	1.170
Total	125.058.393	(10.955.428)	38.728.493	13.706.208

	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
Other Operating Expense				
Transaction loss expenses	(246.872)	27.015.420	(83.014)	232.860
Other	(689.374)	(197)	(204.205)	-
Total	(936.246)	27.015.223	(287.219)	232.860

16. Financial income

	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
Rediscount income on marketable securities	8.723.278	5.425.454	17.128.735	7.246.930
Dividend income	3.212	550	1.818	162
Other (*)	3.625.845	2.319.131	2.006.682	563.460
Total	12.352.335	7.745.135	19.137.235	7.810.552

(*) As of 30 September 2023; consists of SSI incapacity amounts, SSI payment discount amounts and IFRS-9 provision amount.

17. Financial Expense

	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
Loan interest expense	(128.314.785)	(54.589.604)	(21.782.350)	(13.494.645)
Financial assets commission expense	(6.830.656)	(2.466.051)	(2.085.502)	(1.381.391)
Money Market commission expense	(4.317.008)	(1.626.820)	(763.140)	(499.710)
Other (*)	(29.744)	2.077.482	(3.956.133)	(3.502.169)
Total	(139.492.193)	(56.604.993)	(28.587.125)	(18.877.915)

(*) Includes IFRS-9 provision expense.

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18. Income taxes (Including deferred tax assets and liabilities)

As of 30 September 2023 and 31 December 2022, the breakdown of the tax liability of the profit for the period reflected in the related balance sheet is presented below:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Provision for corporate tax	63.183.465	28.900.592
Prepaid temporary taxes and funds	(37.269.520)	(24.847.362)
Net	<u>25.913.945</u>	<u>4.053.230</u>

Tax expense in the profit or loss statement

	<u>1 January- 30 September 2023</u>	<u>1 July- 30 September 2023</u>	<u>1 January- 30 September 2022</u>	<u>1 July- 30 September 2022</u>
Tax expense for the period	(63.183.465)	(25.858.043)	(24.840.033)	(10.870.538)
Deferred tax income/(expense)	(79.684)	2.336.039	919.472	1.976.005
Tax expense	<u>(63.263.149)</u>	<u>(23.522.004)</u>	<u>(23.920.561)</u>	<u>(8.894.533)</u>

The Group is subject to corporate tax valid in Turkey. Necessary provisions have been made in the accompanying financial statements for the estimated tax liabilities of the Group regarding the current period operating results. In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes shown in the consolidated financial statements reflects the total amount of taxes calculated on each entity that are included in the consolidation.

The corporate tax rate to be accrued on taxable corporate income is calculated over the remaining tax base after adding the non-deductible expenses from the tax base in the determination of the commercial profit and deducting the tax-exempt earnings, non-taxable incomes and other deductions (prior year's losses if any and investment incentives used if preferred).

In accordance with the "Law on the Additional Motor Vehicles Tax for Compensation of Economic Losses Caused by Earthquakes Occurred on 6/2/2023 and Amendments to Some Laws and Decree Law No. 375" published in the Official Gazette dated 15 July 2023; 25% corporate tax rate applicable to banks, leasing, factoring, financing and savings financing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies has been increased to 30% and the corporate tax rate of 20% for other companies has been increased to 25%. The relevant tax rate change will be applied for the profits of the companies in 2023 and the following taxation period. The corporate tax rate applied in Turkey in 2023 is 30% (2022: 25%).

The Law numbered 7061 on "Amendment of Certain Taxes and Laws and Other Acts" was published on the Official Gazette dated 5 December 2017 and numbered 30261. Article 5 entitled "Exceptions" of the Corporate Tax Law has been amended in Article 89 of the Law. In accordance with (a) clause in the first paragraph of the Article, the exemption of 75% applied to gains from the sales of lands and buildings held by the entities for two full years has been reduced to rate of 50%. This regulation has been effective from 5 December 2017.

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18. Income taxes (Including deferred tax assets and liabilities) (cont'd)

Deferred tax assets and liabilities

The Group recognizes deferred tax assets and liabilities over temporary differences arising from the differences between the tax base legal financial statements and the financial statements prepared in accordance with TFRS. These differences are generally due to the fact that some income and expense items are included in different periods in tax base financial statements and financial statements prepared in accordance with TFRS, and these differences are stated below.

In accordance with the “Law on the Additional Motor Vehicles Tax for Compensation of Economic Losses Caused by Earthquakes Occurred on 6/2/2023 and Amendments to Some Laws and Decree Law No. 375” published in the Official Gazette dated 15 July 2023; 25% corporate tax rate applicable to banks, leasing, factoring, financing and savings financing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies has been increased to 30% and the corporate tax rate of 20% for other companies has been increased to 25%. The relevant tax rate change will be applied for the profits of the companies in 2023 and the following taxation period. 30% deferred tax rate was used for temporary differences in the deferred tax calculation as of 30 September 2023.

Subsidiaries with deferred tax assets are not netted off with subsidiaries with deferred tax liabilities and they are shown separately, as businesses in Turkey cannot declare consolidated tax returns.

As of 30 September 2023 and 31 December 2022, the items giving rise to the Group's deferred tax assets and liabilities are as follows:

	30 September 2023		31 December 2022	
	Accumulated Temporary differences	Deferred tax assets/ liabilities	Accumulated Temporary differences	Deferred tax assets/ liabilities
Provisions for employee benefits	28.627.096	8.588.128	33.983.575	8.495.893
<i>Employment termination</i>	14.925.923	4.477.776	10.988.094	2.747.023
<i>Unused vacation</i>	13.701.173	4.110.352	5.995.481	1.498.870
<i>Bonus</i>	-	-	17.000.000	4.250.000
Other payables and expense provisions	1.657.594	497.278	1.934.141	483.536
Expected credit loss provision (-)	3.602.606	1.080.781	4.875.111	1.218.778
Deferred tax asset	33.887.296	10.166.187	40.792.827	10.198.207
Tangible and intangible assets	(977.134)	(293.141)	(981.903)	(245.477)
Deferred tax liability	(977.134)	(293.141)	(981.903)	(245.477)
Deferred tax net	32.910.162	9.873.046	39.810.924	9.952.730

Deferred tax movement table;

	30 September 2023	30 September 2022
Opening balance - 1 January	9.952.730	4.828.366
Deferred tax income / (expense)	(79.684)	919.472
Closing balance	9.873.046	5.747.838

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19. Related party disclosures

In these financial statements, the shareholders of the Group and ICBC Group companies and all its subsidiaries having indirect shareholding relation with the Group are referred to as “related parties”.

<u>Receivables from related parties</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Cash and cash equivalents		
-ICBC Turkey Bank A.Ş. - Shareholder	97.701.336	73.387.282
Trade receivables		
-ICBC Dubai	46.303.670	-
Fund Management Commissions		
- ICBC Turkey Portföy Yönetimi A.Ş.	1.588.103	781.055
Total	<u>145.593.108</u>	<u>74.168.337</u>
<u>Trade payables to related parties</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
-ICBC Turkey Bank. A.Ş. - Shareholder	922.083	197.178
Total	<u>922.083</u>	<u>197.178</u>
<u>Other payables and expense provisions</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
-ICBC Turkey Portföy Yönetimi A.Ş.- Attorney fee	78.435	65.100
Total	<u>78.435</u>	<u>65.100</u>
<u>Related party balances</u>	<u>1 January – 30 September 2023</u>	<u>1 January – 30 September 2022</u>
ICBC Turkey Portföy Yönetimi AŞ - Fund management fees	7.877.917	2.947.082
Interest incomes		
-ICBC Turkey Bank AŞ	546.810	2.379.114
Rent expenses		
-ICBC Turkey Bank AŞ	4.457.995	2.884.219
Building participation and other expenses		
- ICBC Turkey Bank AŞ	4.743.864	2.326.193
Commission expenses		
- ICBC Turkey Bank AŞ	2.490.251	1.008.389

Letters of guarantee received from related parties as of 30 September 2023 amount to TL 1.776 (31 December 2022: TL 1.776).

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19. Related party disclosures (cont'd)

Benefits provided to senior executives

The total amount of salaries and benefits provided to the Board Chairman, Board Members, and Senior Executives in the current period is TL 15.406.853. (30 September 2022: TL 9.558.537)

20. Nature and level of risks related to financial instruments

Capital management

The Group's objectives during managing capital is to maintain an optimal capital structure in order to maintain the Group's operations that yields to its partners and benefits for other shareholders.

The Group follows its capital adequacy within the framework of the Capital Markets Board's "Communiqué on Principles Regarding the Capital and Capital Adequacy of Intermediary Institutions" Serial: V. No: 34.

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, exchange rates and interest rates. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

Credit risk disclosures

For the allocated loans to counterparty's, there is a risk of failure to fulfill contractual obligations. This risk is monitored in reference to credit ratings and managed by limiting the loan amount of counterparty. Credit risk is also managed by holding as collateral the stocks bought from customers to whom loans are allocated and traded in the stock exchange.

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20. Nature and level of risks related to financial instruments (cont'd)

	Receivables					
	Trade receivables		Other receivables			
30 September 2023	Related parties	Third parties	Related parties	Third parties	Bank deposits	Money market receivables
Maximum exposure to credit risk as of reporting date	47.891.773	1.029.000.770	-	16.176	254.443.004	8.557.000
- The portion of the maximum risk secured by collateral, etc.	-	-	-	-	-	-
A. Net book value of financial assets that are not overdue or impaired	47.891.773	496.321.189	-	16.176	254.443.004	8.557.000
B. Carrying value of financial assets whose conditions have been renegotiated and would otherwise be considered overdue or impaired	-	-	-	-	-	-
C. Net book value of overdue but not impaired assets	-	532.679.581	-	-	-	-
- part secured by collateral, etc.	-	-	-	-	-	-
D. Net book values of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The portion of the net worth secured by collateral, etc.	-	-	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The portion of the net worth secured by collateral, etc.	-	-	-	-	-	-
E. Elements involving off-balance sheet credit risk	-	-	-	-	-	-

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20. Nature and level of risks related to financial instruments (cont'd)

	Receivables					
	Trade receivables			Other receivables		
31 December 2022	Related parties	Third parties	Third parties	Related parties	Third parties	Bank deposits
Maximum exposure to credit risk as of reporting date	781.055	1.008.995.006	5.015	348.787.641	5.400.000	
- The portion of the maximum risk secured by collateral, etc.	-	-	-	-	-	-
A. Net book value of financial assets that are not overdue or impaired	781.055	1.008.995.006	5.015	348.787.641	5.400.000	
B. Carrying value of financial assets whose conditions have been renegotiated and would otherwise be considered overdue or impaired	-	-	-	-	-	-
C. Net book value of overdue but not impaired assets	-	-	-	-	-	-
- part secured by collateral, etc.	-	-	-	-	-	-
D. Net book values of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The portion of the net worth secured by collateral, etc.	-	-	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The portion of the net worth secured by collateral, etc.	-	-	-	-	-	-
E. Elements involving off-balance sheet credit risk	-	-	-	-	-	-

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20. Nature and level of risks related to financial instruments (cont'd)

Foreign currency risk

The Group is exposed to foreign exchange risk through changes in foreign currency exchange rates at transaction date and the exchange rates at the reporting date, while converting foreign currency denominated assets and liabilities into Turkish lira.

As of 30 September 2023 and 31 December 2022, the foreign currency rates used by the Group converting foreign currency transactions into TL are given as follows:

	<u>US Dollar</u>	<u>Euro</u>	<u>GBP</u>	<u>Chinese Yuan</u>
30 September 2023	27,3767	29,0305	33,4816	3,7284
31 December 2022	18,6983	19,9349	22,4892	2,6806

The following table as of 30 September 2023 and 31 December 2022, summarizes the foreign currency position risk by showing the recorded amounts of foreign currency assets and liabilities in TL held by the Group.

30 September 2023

	<u>TL equivalent</u>	<u>US Dollar</u>	<u>Euro</u>	<u>GBP</u>	<u>Chinese Yuan</u>
Cash and cash equivalents	242.333.501	2.597.711	5.877.541	3.090	130.170
Trade receivables	46.303.670	-	1.595.001	-	-
Total assets	288.637.171	2.597.711	7.472.542	3.090	130.170
Trade payables	100.739.949	1.290.539	2.232.267	18.082	-
Total liabilities	100.739.949	1.290.539	2.232.267	18.082	-
Net foreign currency assets	187.897.222	1.307.172	5.240.274	(14.992)	130.170

31 December 2022

	<u>TL equivalent</u>	<u>US Dollar</u>	<u>Euro</u>	<u>GBP</u>	<u>Chinese Yuan</u>
Cash and cash equivalents	338.811.006	12.818.525	4.952.440	2.806	125.674
Trade receivables	-	-	-	-	-
Total assets	338.811.006	12.818.525	4.952.440	2.806	125.674
Trade payables	78.207.095	2.503.667	1.544.505	26.823	-
Total liabilities	78.207.095	2.503.667	1.544.505	26.823	-
Net foreign currency assets	260.603.911	10.314.858	3.407.934	(24.016)	125.674

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20. Nature and level of risks related to financial instruments (cont'd)

Sensitivity to foreign currency risk (cont'd)

As of 30 September 2023 and 31 December 2022, in case %10 increase/decrease of foreign currency exchange rate against TL, fx gain/loss effect that sourced of Group's foreign currency assets and liabilities on equity and profit-loss (excluding tax) is shown below table:

	Profit / (Loss)		Equity ^(*)	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
30 September 2023				
10% change of USD against TL				
1- USD net asset/liability	130.717	(130.717)	130.717	(130.717)
2- Hedged portion of USD amounts (-)	-	-	-	-
3- US Dollar net effect (1+2)	130.717	(130.717)	130.717	(130.717)
10% change of EURO against TL				
4- EURO net asset/liability	524.027	(524.027)	524.027	(524.027)
5- Hedged portion of EURO amounts (-)	-	-	-	-
6- EURO net effect (4+5)	524.027	(524.027)	524.027	(524.027)
10% change of GBP against TL				
7- GBP net asset/liability	1.499	(1.499)	1.499	(1.499)
8- Hedged portion of GBP amounts (-)	-	-	-	-
9- GBP net effect (7+8)	1.499	(1.499)	1.499	(1.499)
10% change of CNY against TL				
10- CNY net asset/liability	13.017	(13.017)	13.017	(13.017)
11- Hedged portion of CNY amounts (-)	-	-	-	-
12 - CNY net effect (10+11)	13.017	(13.017)	13.017	(13.017)
TOTAL (3+6+9+12)	666.262	(666.262)	666.262	(666.262)

(*) Includes profit / loss effect.

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20. Nature and level of risks related to financial instruments (cont'd)

Sensitivity to foreign currency risk (cont'd)

31 December 2022	Profit / (Loss)		Equity (*)	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
10% change of USD against TL				
1- USD net asset/liability	1.031.486	(1.031.486)	1.031.486	(1.031.486)
2- Hedged portion of USD amounts (-)	-	-	-	-
3- US Dollar net effect (1+2)	1.031.486	(1.031.486)	1.031.486	(1.031.486)
10% change of EURO against TL				
4- EURO net asset/liability	340.793	(340.793)	340.793	(340.793)
5- Hedged portion of EURO amounts (-)	-	-	-	-
6- EURO net effect (4+5)	340.793	(340.793)	340.793	(340.793)
10% change of GBP against TL				
7- GBP net asset/liability	(2.402)	2.402	(2.402)	2.402
8- Hedged portion of GBP amounts (-)	-	-	-	-
9- GBP net effect (7+8)	(2.402)	2.402	(2.402)	2.402
10% change of CNY against TL				
10- CNY net asset/liability	12.567	(12.567)	12.567	(12.567)
11- Hedged portion of CNY amounts (-)	-	-	-	-
12 - CNY net effect (10+11)	12.567	(12.567)	12.567	(12.567)
TOTAL (3+6+9+12)	1.382.445	(1.382.445)	1.382.445	(1.382.445)

(*) Includes profit / loss effect.

Fair value of financial instruments

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

First level: Financial assets and liabilities are valued by using the market prices of listed for same type of assets and liabilities.

Second level: Financial assets and liabilities are valued from the inputs used to find the directly or indirectly observable market price of the related asset or liability other than the stock market price specified in the first level.

Third level: Financial assets and liabilities are valued by using the inputs not based on a data that can be observable in the market which used to calculate the fair value of asset or liability.

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20. Nature and level of risks related to financial instruments (cont'd)

Fair value of financial instruments (cont'd)

The level classification of financial assets which are measured over their fair values is as follows:

Financial assets	30 September 2023	Fair value as at reporting date		
		Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss	25.082.675	25.082.675	-	-
Total	25.082.675	25.082.675	-	-

Financial assets	31 December 2022	Fair value as at reporting date		
		Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss	16.309.259	16.309.259	-	-
Total	16.309.259	16.309.259	-	-

21. Events after the balance sheet

The Company, which has overdue but not impaired trade receivables in the amount of 532.679.581 TL as of 30 September 2023, has fully collected all of the relevant receivables as of 12 October 2023.