

**CONVENIENCE TRANSLATION OF THE
INDEPENDENT AUDITOR'S REPORT AND
CONSOLIDATED FINANCIAL
STATEMENTS ORIGINALLY ISSUED IN
TURKISH**

**GEDİK YATIRIM HOLDİNG A.Ş.
FINANCIAL STATEMENTS
AT 31 DECEMBER 2019 TOGETHER
WITH AUDITOR'S REPORT**

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of
Gedik Yatırım Holding Anonim Şirketi

A) Audit of the Financial Statements

1) Opinion

We have audited the accompanying financial statements of Gedik Yatırım Holding Anonim Şirketi, (the "Company") which comprise the statement of financial position as at 31 December 2019 and the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and the notes to the financial statements and a summary of significant accounting policies and financial statement notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with Turkish Accounting Standards ("TAS").

2) Basis for Opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3) Key Audit Matters

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



INDEPENDENT AUDITOR'S REPORT (Continued)

A) Audit of the Financial Statements (Continued)

3) Key Audit Matters (Continued)

The key audit matter	How the matter was addressed in our audit
Fair Value of Financial Investments As of 31 December 2019, the Company has a financial investment amounting to TL 200.774.010, which is accounted for at fair value through profit or loss. Financial investments consist of companies that have the potential to develop domestically and abroad. Accounting principles for financial investments in the financial statements are explained in detail in Note 2 and 24. As of 31 December 2019, 98% of the Company's total assets constitute the financial investments of the Company. Financial investments are an important issue for our audit since the valuation methods used contain important estimates and assumptions.	When designing the audit procedures of financial investments, the existence of financial assets was checked with supporting documents and information received from the other party. Arithmetic controls were made regarding the valuation of financial assets. The valuation amounts of the shares traded at the stock exchange were reconciled with the Borsa Istanbul bulletin. Financial statements related to non-public shares were obtained and possible changes in their fair value were examined. As a result of the audit procedures we performed, the fair value of financial investments was found to be reasonable.

4) Other considerations

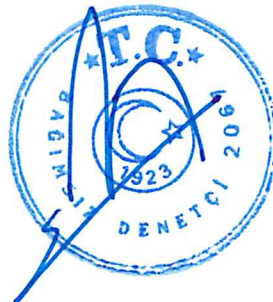
The consolidated financial statements of the Company for the year ended 31 December 2018 were audited by another independent auditing firm and a positive opinion was declared in the independent audit report dated 01 March 2019.

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

The Company management is responsible for the preparation and fair presentation of the financial statements in accordance with TAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.



INDEPENDENT AUDITOR'S REPORT (Continued)

A) Audit of the Financial Statements (Continued)

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

Responsibilities of independent auditors in an independent audit are as follows:

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

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

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITOR'S REPORT (Continued)

A) Audit of the Financial Statements (Continued)

6) Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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

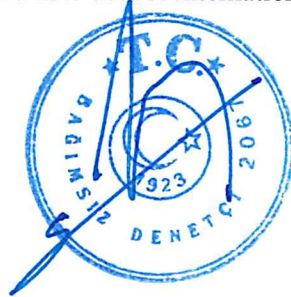
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation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

B) Other Responsibilities Arising From Regulatory Requirements

- 1) In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 24 February 2020.
- 2) No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2019 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
- 3) In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

The name of the engagement partner who supervised and concluded this audit is Eray Yanbol.

Arkan Ergin Uluslararası Bağımsız Denetim A.Ş.
Member of JPA International



Eray Yanbol, SMMM
Partner

İstanbul, 24 February 2020

GEDİK YATIRIM HOLDİNG A.Ş.

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GEDİK YATIRIM HOLDİNG ANONİM ŞİRKETİ
STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2019
(All amounts in Turkish Lira (“TL”) unless indicated otherwise)

	Notes	Audited	Audited	Audited
		31.12.2019	Restated*	Restated*
		31.12.2019	31.12.2018	31.12.2017
ASSETS				
Current Assets				
Cash and Cash Equivalents	3, 28	30.125	7.247	2.633.690
Financial Investments	23	2.174.905	103.260	423.806
Trade Receivables				
Due From Related Parties	3	0	0	0
Other Trade Receivables	4	0	0	0
Other Receivables				
Due From Related Parties	3	1.779.099	17.984	393.000
Other Receivables	5	0	0	0
Prepayments				
Due From Related Parties	3	0	0	0
Other Prepayments		0	0	0
Current Tax Assets	19	71.410	48.952	23.638
Other Current Assets		0	0	0
SUB-TOTAL		4.055.539	177.443	3.474.134
Non-Current Assets Held For Sale	6	0	0	0
Assets held to be distributed to shareholders	3	0	0	0
TOTAL CURRENT ASSETS		4.055.539	177.443	3.474.134
Non-Current Assets				
Financial Investments	23	200.774.010	118.455.769	46.656.296
Trade Receivables				
Due From Related Parties	3	0	0	0
Other Trade Receivables	4	0	0	0
Receivables From Finance Sector Operations				
Due From Related Parties	6	0	0	0
Other Receivables	8	0	0	0
Other Receivables				
Due From Related Parties	3	0	0	0
Other Receivables	5	0	0	0
Tangible Assets	6	28.708	56	619
Right of Use Assets	20	783.422	0	0
Intangible Assets				
Goodwill		0	0	0
Other Intangible Assets	7	0	87	1.146
Prepayments				
Due From Related Parties	3	0	0	0
Other Prepayments	12	0	0	0
Deferred Tax Assets	19	5.726	1.882	481
Other Non-Current Financial Assets		0	0	0
TOTAL NON-CURRENT ASSETS		201.591.866	118.457.794	46.658.542
TOTAL ASSETS		205.647.405	118.635.237	50.132.676

(*) Note:2.3

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

GEDİK YATIRIM HOLDİNG ANONİM ŞİRKETİ
STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2019
(All amounts in Turkish Lira (“TL”) unless indicated otherwise)

		Audited	Audited	Audited
			Restated*	Restated*
	Notes	31.12.2019	31.12.2018	31.12.2017
LIABILITIES				
Current Liabilities				
Short Term Borrowings	23	19.387.539	25.413.531	9.324.378
Short Term Portion of Long Term Borrowings		0	0	0
Payables From Leasing	20	86.671	0	0
Trade Payables				
Due to Related Parties	3	17.700	0	0
Other Trade Payables	4	47.551	17.006	1.298
Employee Benefit Obligations	9	18.267	4.705	4.649
Other Payables				
Due to Related Parties	3	10.000.000	10.000.000	0
Other Payables	5	2.926	23.634	6.958
Current Income Tax Liabilities	19	1.551.033	0	0
Short Term Provisions				
Provisions for Employee Benefits	9	0	2.599	1.388
Provisions For Other Liabilities	8	0	8.851	7.576
Other Current Liabilities		0	0	0
SUB-TOTAL		31.111.687	35.470.326	9.346.247
Payables Related to Fixed Assets Held for Sale Purposes		0	0	0
TOTAL CURRENT LIABILITIES		31.111.687	35.470.326	9.346.247
Non- Current Liabilities				
Long Term Borrowings		0	0	0
Payables From Leasing	20	720.792	0	0
Trade Payables				
Due to Related Parties	3	0	0	0
Other Trade Payables	4	0	0	0
Other Payables				
Due to Related Parties	3	0	10.000.000	0
Other Payables	5	0	0	0
Long Term Provisions				
Provisions for Employee Benefits	9	1.988	6.172	1.937
Provisions For Other Liabilities		0	0	0
Current Income Tax Liabilities	19	0	0	0
Deferred Tax Liabilities	19	26.106.818	9.209.389	2.069.955
Other Non Current Liabilities		0	0	0
TOTAL NON- CURRENT LIABILITIES		26.829.598	19.215.561	2.071.892
TOTAL LIABILITIES		57.941.285	54.685.887	11.418.139

(*) Note:2.3

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

GEDİK YATIRIM HOLDİNG ANONİM ŞİRKETİ
STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2019
(All amounts in Turkish Lira (“TL”) unless indicated otherwise)

		Audited	Audited	Audited
			Restated*	Restated*
	Notes	31.12.2019	31.12.2018	31.12.2017
EQUITY				
Paid in Capital	11	30.000.000	30.000.000	30.000.000
Adjustments to Share Capital	11	0	0	0
Capital Adjustments due to Cross-Ownership (-)	11	0	0	0
Share Premiums / Discounts	11	26.107	26.107	26.107
Other Comprehensive Income/Expense not to be Reclassified to Profit or Loss				
Gain/Loss on Revaluation and Remeasurement	11	0	0	0
Other Gain/Loss	11	7.091	(97)	320
Other Comprehensive Income/Expense to be Reclassified to Profit or Loss				
Foreign Currency Translation Adjustments	11	0	0	0
Gain/Loss on Hedging	11	0	0	0
Buy Back Shares (-)	11	(5.000)	0	0
Restricted Reserves	11	2.479.612	840.707	632.033
Other Reserves	11	920.255	920.255	920.255
Retained Earnings	11	30.514.523	6.927.148	6.623.958
Net Profit/(Loss) for the Period	21	83.763.532	25.235.230	511.864
TOTAL EQUITY		147.706.120	63.949.350	38.714.537
TOTAL LIABILITIES AND EQUITY		205.647.405	118.635.237	50.132.676

(*)Note:2.3

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

GEDİK YATIRIM HOLDİNG ANONİM ŞİRKETİ
STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2019
(All amounts in Turkish Lira (“TL”) unless indicated otherwise)

	Notes	Audited	
		Current Period	Previous Period Restated*
		01.01.- 31.12.2019	01.01.- 31.12.2018
PROFIT OR LOSS			
Revenue	12	35.657.596	4.751.474
Cost Of Sales (-)	12	(10.270.502)	(3.835.810)
Gross Profit From Operating Activities		25.387.094	915.664
Revenue from Finance Sector Operations		0	0
Cost Of Finance Sector Operations (-)		0	0
Gross Profit From Finance Activities		0	0
Live Assets Fair Value Differences		0	0
GROSS PROFIT/(LOSS)		25.387.094	915.664
General Administration Expenses (-)	13	(689.922)	(663.811)
Marketing, Selling and Distribution Expenses (-)	13	(33.902)	(19.157)
Research and Development Expenses (-)	13	0	0
Other Operating Income	14	84.580.271	35.852.333
Other Operating Expenses (-)	14	(420.618)	(246.693)
OPERATION PROFIT/(LOSS)		108.822.923	35.838.336
Income from Investing Activities	15	0	0
Expenses from Investing Activities (-)	15	0	0
The Profit/(Loss) of Investments Evaluated According to Equity Method		0	0
OPERATIONS PROFIT/(LOSS) BEFORE FINANCIAL INCOME AND EXPENSES		108.822.923	35.838.336
Financial Income	17	0	3.274
Financial Expense (-)	17	(6.604.067)	(3.468.229)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUED OPERATIONS		102.218.856	32.373.381
Tax Income/Expense From Continued Operations		(18.455.324)	(7.138.151)
Taxes on Income (-)	19	(1.563.767)	0
Deferred Tax Income/(Expense)	19	(16.891.557)	(7.138.151)
PERIOD PROFIT/(LOSS) FROM CONTINUED OPERATIONS		83.763.532	25.235.230
PERIOD PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS		0	0
PROFIT /(LOSS) FOR THE PERIOD		83.763.532	25.235.230
Earnings Per Share			
Earnings Per Share From Continued Operations	21	2,7921	0,8412
OTHER COMPREHENSIVE INCOME			
PROFIT /(LOSS) FOR THE PERIOD		7.188	(417)
Other Comprehensive Income Items not to be Reclassified as Other Profit or Loss	18	9.216	(535)
Taxes on Items That Will not be Reclassified	18	(2.028)	118
<i>Current Period Tax Income/(Expense)</i>	18	0	0
<i>Deferred Tax Income/(Expense)</i>	18	(2.028)	118
OTHER COMPREHENSIVE INCOME		7.188	(417)
TOTAL COMPREHENSIVE INCOME		83.770.720	25.234.813

(*) Note:2.3

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

GEDİK YATIRIM HOLDİNG ANONİM ŞİRKETİ
STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2019
(All amounts in Turkish Lira (“TL”) unless indicated otherwise)

		Notes	Paid in Capital	Buy Back Shares	Share Premiums	Accumulated Other Comprehensive Income or Loss to not be Reclassified to Profit or Loss	Restricted Reserves	Other Reserves	Accumulated Profits		Total
						Other Gain/ Loss			Retained Earnings	Net Profit/Loss for the Period	
Previous Period	Beginning of Term Balances		30.000.000	0	26.107	320	632.033	920.255	6.623.958	2.933.615	41.136.288
	Adjustments	2,3	0	0	0	0	0	0	0	(2.421.751)	(2.421.751)
	Amount After Corrections		30.000.000	0	26.107	320	632.033	920.255	6.623.958	511.864	38.714.537
	Transfers	11	0	0	0	0	208.674	0	303.190	(511.864)	0
	Total Comprehensive Income	18	0	0	0	(417)	0	0	0	25.235.230	25.234.813
	End of Term Balances		30.000.000	0	26.107	(97)	840.707	920.255	6.927.148	25.235.230	63.949.350
Current Period	Beginning of Term Balances		30.000.000	0	26.107	(97)	840.707	920.255	9.348.899	32.022.837	73.158.708
	Adjustments	2,3	0	0	0	0	0	0	(2.421.751)	(6.787.607)	(9.209.358)
	Amount After Corrections		30.000.000	0	26.107	(97)	840.707	920.255	6.927.148	25.235.230	63.949.350
	Transfers	11	0	0	0	0	1.638.905		23.596.325	(25.235.230)	0
	Total Comprehensive Income	18	0	0	0	7.188	0	0	0	83.763.532	83.770.720
	Increase (Decrease) Due to Repurchase Transactions of Shares		0	(5.000)	0	0	0	0	(8.950)	0	(13.950)
	End of Term Balances		30.000.000	(5.000)	26.107	7.091	2.479.612	920.255	30.514.523	83.763.532	147.706.120

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

GEDİK YATIRIM HOLDİNG ANONİM ŞİRKETİ
STATEMENTS OF CASH FLOW FOR THE YEARS ENDED 31 DECEMBER 2019

		Audited	Audited
		Current Period	Previous Period
	Notes	01.01.-31.12.2019	01.01.-31.12.2018
A. CASH FLOWS FROM OPERATING ACTIVITIES		(15.031.936)	17.483.197
Net Profit/Loss For The Period		83.763.532	25.235.230
Period Profit/(Loss) From Continued Operations	21	83.763.532	25.235.230
Adjustments To Reconcile Net Profit Or Loss		(84.959.764)	(28.456.854)
Depreciation and Amortization	16	42.455	1.622
Adjustment for Impairment/Reversals		0	19
Revaluation of Other Financial Assets or Investments		0	0
Corrections to Other Impairments (Cancellations)	3	0	19
Changes in Provisions		2.433	6.785
Adjustments for Provision for Employee Termination Benefits	8	2.433	3.521
Corrections to Other Provisions (Cancellations)	9	0	3.264
Corrections on Tax (Revenue) Movement	19	18.455.324	7.138.151
Adjustments Related to Interest Expenses	20	27.808	0
Adjustments for Fair Value Gains (Losses)		(84.557.914)	(35.603.431)
Adjustments for Impairment Loss/(Gains) of Financial Assets at Fair Value	23	(84.557.914)	(35.603.431)
Adjustments Regarding Losses (Gains) Due to Participation, Partnership and Disposal of Financial Investments or Change in Shares	12	(18.929.870)	0
Changes in Operating Capital		(13.835.704)	20.704.821
Decrease in Financial Investments (Increase)	23	(2.071.645)	320.546
Corrections related to Decrease (Increase) in Other Related Receivables		(1.761.115)	375.000
Decrease in Other Receivables from Related Parties (Increase)	3	(1.761.115)	375.000
Decrease in Other Receivables from Non-Related Parties (Increase)	5	0	0
Decrease in Prepaid Expenses (Increase)		0	0
Adjustments for Increase (Decrease) in Trade Payables		48.245	15.708
Increase (Decrease) in Trade Payables to Related Parties	3	17.700	0
Increase (Decrease) in Trade Payables to Non-Related Parties	4	30.545	15.708
Increase (Decrease) in Borrowings Under the Benefits Provided to Employees	9	13.562	(1.401)
Adjustments Related to Increase (Decrease) in Other Debts Related to Operations		(10.020.708)	20.016.676
Increase (Decrease) in Other Liabilities Related to Activities to Related Parties	3	(10.000.000)	20.000.000
Increase (Decrease) in Other Liabilities Related to Activities to Non-Related Parties	5	(20.708)	16.676
Adjustments Related to Other Increase (Decrease) in Operating Capital		(44.043)	(21.708)
Decrease in Other Assets Related to Operations (Increase)	19, 8	(35.192)	(22.563)
Increase (Decrease) in Other Liabilities Related to Activities	19, 8	(8.851)	855
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		21.125.806	(36.196.042)
Cash Outflows From Purchases of Tangible and Intangible Assets		(29.787)	0
Cash Outflows From Tangible Fixed Asset Purchase	6	(29.787)	0
Cash Inflows from Sale of Shares or Capital Decrease in Associates and Joint Ventures	23	21.155.593	0
Cash Outflow from Purchase of Shares or Capital Increase in Associates and Joint Ventures	23	0	(36.196.042)
Interest Received		0	0
C. CASH FLOWS FROM FINANCING ACTIVITIES		(6.070.992)	16.089.153
Cash Inflows From Borrowing		(6.025.992)	16.089.153
Cash Inflows From Issued Debt Instruments	24	(6.025.992)	16.089.153
Cash Outflows Related to Debt Payments Arising from Lease Agreements	20	(45.000)	
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		22.878	(2.623.692)
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	28	7.247	2.630.939
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)	28	30.125	7.247

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

GEDİK YATIRIM HOLDİNG ANONİM ŞİRKETİ
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019
(All amounts in Turkish Lira (“TL”) unless indicated otherwise)

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Gedik Yatırım Holding A.Ş. (“the Company”) was established on 12.03.1998 under the title of “Gedik Yatırım Ortaklığı”. In accordance with the Extraordinary General Assembly dated 27.08.2014, it has been resolved to convert the Company from an investment trust status into an investment holding and amend its title as “Gedik Yatırım Holding A.Ş.” The decision taken in the Extraordinary General Assembly was registered on 12.09.2014 and published in the Trade Registry Gazette dated 17.09.2014 and numbered 8655. This title change was announced in Public Disclosure Platform.

The purpose of the Company’s incorporation is to provide financial services, in respect of non-tax financial issues, in particular with regard to the regulated domestic and foreign financial markets, provided any investment services and activities specified in the Capital Markets legislation are excluded; to invest and conduct research on issues such as technical planning, programming, budgeting, projecting, financial and organization, company values, investing the companies that ability to profit from its assets, and the share certificates in which the capital companies that have the potential, investing in other securities, cash, precious metals and commodities, to participate in the capital and management of the companies that established or will be established and evaluate their investment, finance, organization and management issues in a collective structure and increase the reliability of the investment against economic fluctuations investing and operating in all kinds of movable and immovable properties Turkey or out of Turkey with the aim of ensuring that these companies develop in a healthy manner and in accordance with the requirements of the national economy and ensure their continuity and the commercial, industrial and financial investment initiatives for these purposes. In addition, the Company may issue all kind of borrowing instruments with the permission of Capital Markets Board within the framework of the Capital Markets Law and related legislations. Board of Directors of the Company has the authority to issue bonds, financing bills and other debt securities for an indefinite period in accordance with Article 31 of the Capital Markets Law. In this case, the provision of Article 506 of the Turkish Commercial Code shall not apply.

The Company’s address is at Esas Maltepe Ofis Park Altayçeşme Mah.Çamlı Sok. No : 21 Kat: 10-11-12 Maltepe 34876 İstanbul. The Company does not have any branch.

As of 31.12.2019, the issued and paid-in capital of the Company is TL 30.000.000 (31.12.2018: TL 30.000.000). Erhan Topaç is the controlling shareholder.

The Company’s shares were offered to public on 13-15.04.1999. As of 31.12.2018, 99.90% (31.12.2017: 99.90%) of the shares representing the Company’s capital are open to the public, 9.28% (31.12.2017: 9.82%) of these shares are actually In circulation on the Borsa İstanbul (BIST). The Company’s shares are traded under the reference GYHOL in the Close Monitoring Market since 16.09.2014. In accordance with the Board of Directors Decision dated 08.12.2016 and numbered 388, it was resolved to apply to BIST for the transfer from the Close Monitoring Market to the Main Trading Market. This application was received positively at the meeting of the Stock Exchange Executive Board on 06.03.2017, and the Company’s shares were allowed to be traded in the B Group on 08.03.2017.

As of 31.12.2019 the number of personnel enrolled in the Company was 2 (31.12.2018: 1).

GEDİK YATIRIM HOLDİNG ANONİM ŞİRKETİ
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019
(All amounts in Turkish Lira (“TL”) unless indicated otherwise)

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1) Basis of Presentation

2.1.1) Basis of Accounting Standards Applied

The accompanying financial statements were prepared in accordance with the Capital Markets Board ("CMB") Communique Series No. II/ 14.1 in respect of " Financial Reporting in Capital Markets" dated 13.06.2013 and numbered 28676 published in the Official Gazette, in line with the Turkish Accounting Standards published and enacted pursuant to the provisions of Public Oversight Accounting and Auditing Standards Board ("UPS"). TMS is made up of the Turkish Accounting Standards, Turkish Financial Reporting Standards and related interpretations.

Financial statements and complementary notes are presented, in accordance with the reporting format described by the CMB.

Financial statements are prepared on the historical cost basis, except for financial assets whose fair value difference is reflected in profit or loss. The amount paid for the assets is taken as basis in determining the actual cost. The balance sheet of the Company prepared as of 31.12.2019, the profit or loss statement and other comprehensive income statement and the accompanying footnotes for the period ending on this date have been approved by the Board of Directors on 24.02.2020. The General Assembly has the power to change the financial statements after the publication of the financial statements.

Offsetting

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

Going concern

The accompanying financial statements have been prepared by the on a going concern basis.

2.1.2) Functional and presentation currency

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

2.2) Changes in accounting policies

Significant changes in accounting policies and major accounting errors detected are applied retrospectively and prior period financial statements are restated. Except for accounting policy changes required by TFRS 9 “Financial Instruments” standard, the Company did not have any changes in its accounting policies in 2019.

First transition to TFRS 9 “Financial instruments” standard

As of 1 January 2018, the Company applied the TFRS 9 “Financial Instruments” standard, which was effective in annual reporting periods starting on or after 1 January 2018, and replaces TAS 39 “Financial Instruments: Recognition and Measurement”. It has been implemented since December 2018. With this method, the Company did not adjust the cumulative effect of the first transition to TFRS 9 standard as of January 1, 2018 without adjusting the previous years' profits in the statement of financial position dated December 31, 2018; The current period is recorded in the statement of profit or loss and other comprehensive income. Financial statements for the year ended December 31, 2017 and after that date are presented in accordance with TAS 39.

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Changes regarding the classification of financial assets and liabilities in terms of IFRS 9 are summarised below. Related changes in classification do not result in changes in measurement of the financial assets and liabilities.

Financial assets	Classification under TAS 39	Classification under IFRS 9
Cash and cash equivalents	Loans and receivables	Amortised cost
Trade receivables	Loans and receivables	Amortised cost
Derivative instruments	Fair value through profit or loss	Fair value through profit or loss
Financial investments	Fair value through profit or loss	Fair value through profit or loss
Financial investments	Available for sale	Fair value through other comprehensive income
Financial liabilities	Classification under TAS 39	Classification under IFRS 9
Derivative instruments	Fair value through profit or loss	Fair value through profit or loss
Loans	Amortised cost	Amortised cost
Trade payables	Amortised cost	Amortised cost

TFRS 9 includes the expected credit risk model to replace the actual impairment loss model in TAS 39, as well as the requirements for classification and measurement of financial assets and liabilities.

2.3) Changes in accounting estimates and errors

If the application of changes in the accounting estimates affects the financial results of a specific period, the accounting estimate change is applied in that specific period, if they affect the financial results of current and following periods; the accounting policy estimate is applied prospectively in the period in which such change is made.

The Company has reviewed the financial statements of the previous period and rearranged according to TAS 8 “Accounting policies, changes in accounting estimates and errors”.

Readjusts;

The Company has not calculated deferred tax in the past periods regarding temporary differences related to fair value adjustments of Financial Investments. However, if the related differences are closed, the stock sales profits will be taxed according to the Corporate Tax Law.

By calculating the deferred tax on financial investment appreciation gains in the previous periods as of the end of the period; Restated 31.12.2018 and 31.12.2017 statement of financial position, 31.12.2018 comprehensive income statement, cash flow table and equity change table.

Reclassifications:

The Company has classified the financial asset fair value increase amounting to TL 35.668.009 in the “Revenue” section in the income statement dated 31.12.2018 to “Other Revenues from Main Operations”.

The effects of the regulations are as follows;

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NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019
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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Changes in accounting estimates and errors (Continued)

The significant accounting policies that are followed to prepare the financial statements are summarized below:

	Published	Corrections	Restated
	31.12.2018		31.12.2018
ASSETS			
Current Assets			
Cash and Cash Equivalents	7.247	0	7.247
Financial Investments	103.260	0	103.260
Other Receivables			
Due From Related Parties	17.984	0	17.984
Other Receivables	0	0	0
Current Tax Assets	48.952	0	48.952
Other Current Assets	0	0	0
SUB-TOTAL	177.443	0	177.443
Non-Current Assets Held For Sale	0	0	0
Assets held to be distributed to shareholders	0	0	0
TOTAL CURRENT ASSETS	177.443	0	177.443
Non-Current Assets			
Financial Investments	118.455.769	0	118.455.769
Tangible Assets	56	0	56
Right of Use Assets			
Intangible Assets			
Goodwill	0	0	0
Other Intangible Assets	87	0	87
Prepayments			
Due From Related Parties	0	0	0
Other Prepayments	0	0	0
Deferred Tax Assets	1.882	0	1.882
Other Non-Current Financial Assets	0	0	0
TOTAL NON-CURRENT ASSETS	118.457.794	0	118.457.794
TOTAL ASSETS	118.635.237	0	118.635.237

GEDİK YATIRIM HOLDİNG ANONİM ŞİRKETİ
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019
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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Changes in accounting estimates and errors (Continued)

	Published	Corrections	Restated
			31.12.2018
LIABILITIES			
Current Liabilities			
Short Term Borrowings	25.413.531	0	25.413.531
Trade Payables			
Due to Related Parties	0	0	0
Other Trade Payables	17.006	0	17.006
Employee Benefit Obligations	4.705	0	4.705
Other Payables			
Due to Related Parties	10.000.000	0	10.000.000
Other Payables	23.634	0	23.634
Short Term Provisions			
Provisions for Employee Benefits	2.599	0	2.599
Provisions For Other Liabilities	8.851	0	8.851
Other Current Liabilities	0	0	0
SUB-TOTAL	35.470.326	0	35.470.326
Payables Related to Fixed Assets Held for Sale Purposes	0	0	0
TOTAL CURRENT LIABILITIES	35.470.326	0	35.470.326
Non- Current Liabilities			
Other Payables			
Due to Related Parties	10.000.000	0	10.000.000
Other Payables	0	0	0
Long Term Provisions			
Provisions for Employee Benefits	6.172	0	6.172
Provisions For Other Liabilities	0	0	0
Deferred Tax Liabilities	31	9.209.358	9.209.389
Other Non Current Liabilities	0	0	0
TOTAL NON- CURRENT LIABILITIES	10.006.203	9.209.358	19.215.561
TOTAL LIABILITIES	45.476.529	9.209.358	54.685.887
Paid in Capital	30.000.000	0	30.000.000
Share Premiums	26.107	0	26.107
Other Comprehensive Income/Expense not to be Reclassified to Profit or Loss		0	
Gain/Loss on Revaluation and Remeasurement	0	0	0
Other Gain/Loss	(97)	0	(97)
Restricted Reserves	840.707	0	840.707
Other Reserves	920.255	0	920.255
Retained Earnings	9.348.899	(2.421.751)	6.927.148
Net Profit/(Loss) for the Period	32.022.837	(6.787.607)	25.235.230
TOTAL EQUITY	73.158.708	(9.209.358)	63.949.350
TOTAL LIABILITIES AND EQUITY	73.158.708	(9.209.358)	63.949.350

GEDİK YATIRIM HOLDİNG ANONİM ŞİRKETİ
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019
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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Changes in accounting estimates and errors (Continued)

	Published	Corrections	Restated
	01.01.-		01.01.-
	31.12.2017		31.12.2018
PROFIT OR LOSS			
Revenue	73.269.291	(68.517.817)	4.751.474
Cost Of Sales (-)	(36.685.618)	32.849.808	(3.835.810)
GROSS PROFIT/(LOSS)	36.583.673	(35.668.009)	915.664
General Administration Expenses (-)	(663.811)	0	(663.811)
Marketing, Selling and Distribution Expenses (-)	(19.157)	0	(19.157)
Research and Development Expenses (-)	0	0	0
Other Operating Income	184.324	35.668.009	35.852.333
Other Operating Expenses (-)	(246.693)	0	(246.693)
OPERATION PROFIT/(LOSS)	35.838.336	0	35.838.336
OPERATIONS PROFIT/(LOSS) BEFORE FINANCIAL INCOME AND EXPENSES	35.838.336	0	35.838.336
Financial Income	3.274	0	3.274
Financial Expense (-)	(3.468.229)	0	(3.468.229)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUED OPERATIONS	32.373.381	0	32.373.381
Tax Income/Expense From Continued Operations	(350.544)	(6.787.607)	(7.138.151)
Current Tax Expense / Income	0	0	0
Deferred Tax Income/(Expense)	(350.544)	(6.787.607)	(7.138.151)
PERIOD PROFIT/(LOSS) FROM CONTINUED OPERATIONS	32.022.837	(6.787.607)	25.235.230
PERIOD PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	0	0	0
PROFIT /(LOSS) FOR THE PERIOD	32.022.837	(6.787.607)	25.235.230
Earnings Per Share			
Earnings Per Share From Continued Operations	1,0674	(,226)	0,8412
OTHER COMPREHENSIVE INCOME			
PROFIT /(LOSS) FOR THE PERIOD	(417)	0	(417)
Other Comprehensive Income Items not to be Reclassified as Other Profit or Loss	(535)	0	(535)
Taxes on Items That Will not be Reclassified	118	0	118
<i>Current Period Tax Income/(Expense)</i>	0	0	0
<i>Deferred Tax Income/(Expense)</i>	118	0	118
OTHER COMPREHENSIVE INCOME	(417)	0	(417)
TOTAL COMPREHENSIVE INCOME	32.022.420	(6.787.607)	25.234.813

GEDİK YATIRIM HOLDİNG ANONİM ŞİRKETİ
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019
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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Changes in accounting estimates and errors (Continued)

	Published	Corrections	Restated
	31.12.2017		31.12.2017
ASSETS			
Current Assets			
Cash and Cash Equivalents	2.633.690	0	2.633.690
Financial Investments	423.806	0	423.806
Other Receivables			
Due From Related Parties	393.000	0	393.000
Other Receivables	0	0	0
Current Tax Assets	23.638	0	23.638
Other Current Assets	0	0	0
SUB-TOTAL	3.474.134	0	3.474.134
Non-Current Assets Held For Sale	0	0	0
Assets held to be distributed to shareholders	0	0	0
TOTAL CURRENT ASSETS	3.474.134	0	3.474.134
Non-Current Assets			
Financial Investments	46.656.296	0	46.656.296
Tangible Assets	619	0	619
Right of Use Assets			
Intangible Assets			
Goodwill	0	0	0
Other Intangible Assets	1.146	0	1.146
Deferred Tax Assets	352.277	(351.796)	481
Other Non-Current Financial Assets	0	0	0
TOTAL NON-CURRENT ASSETS	47.010.338	(351.796)	46.658.542
TOTAL ASSETS	50.484.472	(351.796)	50.132.676

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NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019
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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Changes in accounting estimates and errors (Continued)

	Published	Corrections	Restated
	31.12.2017		31.12.2017
LIABILITIES			
Current Liabilities			
Short Term Borrowings	9.324.378	0	9.324.378
Trade Payables			
Due to Related Parties	0	0	0
Other Trade Payables	1.298	0	1.298
Employee Benefit Obligations	4.649	0	4.649
Other Payables			
Due to Related Parties	0	0	0
Other Payables	6.958	0	6.958
Short Term Provisions			
Provisions for Employee Benefits	1.388	0	1.388
Provisions For Other Liabilities	7.576	0	7.576
Other Current Liabilities	0	0	0
SUB-TOTAL	9.346.247	0	9.346.247
Payables Related to Fixed Assets Held for Sale Purposes	0	0	0
TOTAL CURRENT LIABILITIES	9.346.247	0	9.346.247
Non- Current Liabilities			
Long Term Provisions			
Provisions for Employee Benefits	1.937	0	1.937
Provisions For Other Liabilities	0	0	0
Current Income Tax Liabilities	0	0	0
Deferred Tax Liabilities	0	2.069.955	2.069.955
Other Non Current Liabilities	0	0	0
TOTAL NON- CURRENT LIABILITIES	1.937	2.069.955	2.071.892
TOTAL LIABILITIES	9.348.184	2.069.955	11.418.139
Paid in Capital	30.000.000	0	30.000.000
Share Premiums	26.107	0	26.107
Other Comprehensive Income/Expense not to be Reclassified to Profit or Loss		0	
Gain/Loss on Revaluation and Remeasurement	0	0	0
Other Gain/Loss	320	0	320
Restricted Reserves	632.033	0	632.033
Other Reserves	920.255	0	920.255
Retained Earnings	6.623.958	0	6.623.958
Net Profit/(Loss) for the Period	2.933.615	(2.421.751)	511.864
TOTAL EQUITY	41.136.288	(2.421.751)	38.714.537
TOTAL LIABILITIES AND EQUITY	50.484.472	(351.796)	50.132.676

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NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019
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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4) Summary of Significant Accounting Policies

2.4.1) Revenue

The Company's sales revenue includes amounts realized from the sales of equity instruments and sales of interest-earning securities. The related purchase cost or carrying amount (discounted cost of financial asset) is accounted for in the "cost of sales" account. Interest income received from government domestic debt securities, money market placements and bank deposits are recorded in "interest income" account.

The differences arising from the period-end valuation of trading securities held in the portfolio are shown in "Other operating income I (expense)". Revenues are recognized on an accrual basis including the commissions received.

The purchase and sale of financial instruments are accounted for based on the delivery date.

2.4.2) Tangible Assets and Depreciation

Property, plant and equipment are reflected in the financial statements with the net value of accumulated depreciation and, if any, permanent depreciation over the acquisition costs. Other tangible assets are distributed to important departments as soon as they are first registered, and each department is depreciated considering their respective useful lives. Depreciation is calculated according to the pro rata depreciation method at the rates reflecting the approximate economic life of tangible assets.

The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	Years
Machinery and equipment	4 - 5
Furniture and fittings	4 - 5
Leasehold improvements	5

Where the carrying amount of the asset is greater than the estimated recoverable amount, it is written down to its recoverable amount. The recoverable amount of the asset is higher of discounted net value of future cash flows from the use of the related asset or fair value less cost to sell. The net selling price is determined by deducting the costs incurred to realize the sale from the fair value of the asset. Value in use is determined through adding residual value to the discounted amount of the future cash inflows as of the balance sheet date.

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

2.4.3) Intangible Assets

Intangible assets are reflected in the financial statements with their net value after deducting the accumulated amortization from the cost values and, if any, the accumulated impairments. Amortization is calculated on the basis of pro-rata using the restricted depreciation method over the adjusted amounts for all tangible assets.

	Years
Rights	5

2.4.4) Impairment of Assets

The Company evaluates whether there is any indication of any depreciation related to the said asset for each financial asset other than deferred tax assets and goodwill. If such an indicator exists, the recoverable amount of that asset is estimated. For intangible assets that are not ready for use, the recoverable amount is estimated at each balance sheet date. The recoverable value of the asset is the higher of the net sales price and the usage value of the related asset after deducting the expenses to be incurred for the sale.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4) Summary of Significant Accounting Policies (Continued)

In order to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. If the recoverable amount of an asset or cashgenerating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cashgenerating unit is reduced to its recoverable amount. Impairment losses are recognized as an expense in the comprehensive statement of income..

If the impairment loss in an asset can be associated with an event that occurs in the periods following the recoverability of the impairment in the recoverable amount of that asset, the impairment that was previously set aside is reversed.

The Company considers the following criteria for the impairment test of all financial assets:

- Whether the borrower is in significant financial difficulty or not,
- Failure of the debtor to comply with the contractual provisions such as the principal or interest not being paid or late.
- Whether or not the borrower is entitled to any concessions for economic or legal reasons.,
- Expectation of a financial restructuring of the debtor,
- Whether there will be significant reductions in the future cash flows to be provided by the Company, using independent data.

2.4.5) Financial instruments

Financial assets

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

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

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

Financial assets at fair value through profit or loss

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

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

Profit or loss resulting from changes in the fair value of financial assets at fair value through profit or loss and interest and coupon income from financial assets are followed in the financial income account in the income statement.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4) Summary of Significant Accounting Policies (Continued)

2.4.5) Financial instruments (Continued)

Financial assets carried at fair value through other comprehensive income

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

Such assets are valued at their fair values in the following periods. If the price formation which is the basis for the fair value is not realized within the active market conditions, it is accepted that the fair value is not determined reliably and the içerisinde discounted value calculated according to the effective interest method is taken into consideration as the fair value.

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

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

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

Financial assets are measured at amortized cost

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

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

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4) Summary of Significant Accounting Policies (Continued)

2.4.5) Financial instruments (Continued)

Measurement of expected credit loss provision

The measurement of expected credit loss provision for financial assets and financial assets at fair value through profit or loss is an area that requires the use of advanced models and significant assumptions about the future economic situation.

A number of important decisions need to be taken to implement the accounting requirements for measuring expected credit losses. They are listed below:

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

Repurchase and reverse repurchase agreements

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

Loans and receivables

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

Impairment of financial assets

Financial assets or groups of financial assets, other than financial assets whose fair value difference is reflected in profit or loss, are assessed as to whether or not there are indications that they are impaired at each balance sheet date.

Impairment loss occurs when one or more events occur after the initial recognition of the financial asset and the adverse effect of that event on the future cash flows that can be reliably predicted by the relevant financial asset or group of assets is impaired. The impairment amount for loans and receivables is the difference between the present value calculated by discounting the expected expected cash flows over the effective interest rate of the financial asset and the book value.

In all financial assets, except for trade receivables where the carrying amount is reduced by using a reserve account, the impairment is directly deducted from the registered value of the relevant financial asset. If the trade receivable cannot be collected, the amount in question is deleted by deducting it from the reserve account. Changes in provision account are accounted in income statement.

Except for the equity instruments available for sale, if the impairment loss decreases in the following period and the decrease can be associated with an event that occurred after the impairment loss is recognized, the impairment loss at the date of the impairment loss will not exceed the amortized cost at the date when the impairment loss was never recognized it is canceled in the income statement.

2.4) Summary of Significant Accounting Policies (Continued)

2.4.5) Financial instruments (Continued)

Cash and cash equivalent

The nominal and recorded values of cash in cash and deposits in banks are considered to have reasonable value. In banks, time deposits can be in the form of current accounts, as well as in the form of time deposits as part of the return portfolio. These amounts are shown in the Financial Investments item when time deposits are made as part of the Company's investment portfolio.

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

Future and options market (VIOP) transactions

The cash collaterals held in TDE (VIOP) are classified in the statement of financial position under cash and cash equivalents. Gains and losses arising from the transactions in the current period are recognized in statement of profit or loss as other income / (expenses). The net amount of fair value differences recognized in profit or loss mid interest income from the remaining part of the collateral amounts arising from the open transactions me presented in trade receivables.

Trade receivables /payables

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

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

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

Financial liabilities

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

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

Financial liabilities at fair value through profit or loss

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

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4) Summary of Significant Accounting Policies (Continued)

2.4.5) Financial instruments (Continued)

Other financial liabilities

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

2.4.6) Effects of Exchange Rates Changes

Transactions denominated in foreign currency, on the day of the transaction are translated into the functional currency using the exchange rates. From the settlement of such transactions and foreign currency-denominated monetary assets and liabilities arising from the translation at year-end exchange gains and losses are included in the statement of comprehensive income.

2.4.7) Earnings per Share

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

2.4.8) Provisions, Contingent Assets and Liabilities

Provisions are recognized when the Company has legal and constructive obligation as a result of a past event, and an outflow of resources embodying economic benefits will probably be required to settle the obligation, a reliable estimate can be made of the amount of the obligation. Contingent liabilities are not recognized in the financial statements but disclosed in the notes if the possibility of any outflow is low.

Liabilities and assets that are due to past events and whose existence is not fully under control are not included in the financial statements and are not considered as contingent liabilities and assets, and are not included in the financial statements.

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

2.4.9) Fees and Commissions

Commissions are mainly comprised of brokerage commissions paid to Gedik Yatirim Menkul Degerler, which is an intermediary and are recognized in the statement of income in general and administrative expenses at the time accrued. Portfolio management fees paid to Gedik Yatirim Menkul Degerler A.Ş., are reflected in general and administrative expenses.

2.4.10) Employee Benefits

Employment termination benefits, due to retirement or for reasons other than those specified in the employment law employment, as required by the Turkish Labour Law, are recognized in these financial statements as they are earned. The total provision represents the present value of the future probable obligation of the Company arising from the retirement, firing, called up for military services or decease of its employees regarding the actuarial projections.

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4.11) Income Tax

Income tax liability on profit and loss of the period includes current year tax and deferred tax. The current year tax liability includes the tax liability calculated on the taxable portion of the period profit at the tax rates valid at the balance sheet date.

2.4.12) Statements of Cash Flows

In the cash flow statement, cash flows for the period are classified and reported based on operating, investment, and financing activities. Cash flows from operating activities show cash flows from the Company's core activities. Cash flows related to investment activities show the cash flows used and obtained by the Company in its investment activities (fixed asset investments and financial investments). Cash flows related to financing activities show the resources used by the Company in financing activities and the repayments of these resources. Cash and cash equivalents include cash and bank deposits, and short-term investments with high liquidity that can be easily converted to a specific amount of cash, with a maturity of 3 months or less.

2.4.13) Share Capital and Dividends

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

2.4.14) Subsequent Events

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

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

2.4.15) Comparative Information and Reclassification of Prior Period Financial Statements

Financial statements of the Group have been prepared comparatively with the prior period in order to give information about financial position and performance. In order to maintain consistency with current year financial statements, comparative information is reclassified and significant changes are disclosed if necessary

The Company prepared the financial statements as of 31.12.2019 and the financial statements prepared as of 31.12.2018; Prepared the profit or loss and other comprehensive income statement, cash flow statement and shareholders' equity statement for the period 01.01.-31.12.2019 in comparison with the period 01.01.-31.12.2018. Comparative information is reclassified, where necessary, to conform to the presentation of the current period financial statements.

2.4.16) Segment Reporting

Operating segments are evaluated in parallel with the internal reporting and strategic departments submitted to the bodies or individuals authorized to make decisions regarding the Company's operations. The bodies and individuals authorized to make strategic decisions regarding the activities of the Company are defined as the senior executives of the Company to make decisions regarding the resources to be allocated to these departments and evaluate the performance of the departments. Since the company does not supply different products in different areas of activity, the company does not report by segment since its activity is limited to fund management only.

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4.17) Financial Guarantee Agreements

A financial guarantee agreement is a contract that requires the debtor to pay a consideration to the counterparty to cover losses incurred by the Company's collateral contract, as a result of the debtor's failure to meet the original or amended terms of the debt as they fall due. The financial guarantee contract is accounted for at fair value at initial recognition and consequently measured at the higher of the amounts determined according to TAS 37 "Provisions, Contingent Liabilities and Contingent Assets" or TAS 18, "Revenue".

2.4.18) Related Parties

For these financial statements; the real person and legal entity shareholders; subsidiaries; associates; entities other than the subsidiaries and associates, which have direct or indirect capital and management relations with the shareholders; senior management such as board members, general managers, who are responsible of planning, executing and monitoring; and their close family members and companies under their control, are considered as related parties. Transactions with related parties are explained in the notes to the financial statements

2.5) New and Revised International Financial Reporting Standards

New and Revised Standards and Interpretations

The accounting policies adopted in preparation of the financial statements as at 31.12.2019 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TMS interpretations effective as of 01.01.2018.

As of 31 December 2019, the new standards in force and the changes and comments to the previous previous standards:

TFRS 9 Financial Instruments – Changes

Valid for annual reporting periods starting on January 1, 2019 or after this date. This amendment clarified two issues: considering whether a financial asset represents interest only on principal and principal, while a financial liability, which is measured at amortized cost, can be both negative and positive cash flows and amended without incurring a financial liability confirms the recognition of the resulting gain or loss indirect profit or loss.

TAS 28, Investments in Associates and Joint Ventures

This amendment clarifies that the election to measure an investment in an associate or a joint venture held by, or indirectly through, a venture capital organisation or other qualifying entity at fair value through profit or loss applying TFRS 9 Financial Instruments is available for each associate or joint venture, at the initial recognition of the associate or joint venture. These amendments are to be applied for annual periods beginning on or after Earlier application is permitted.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5) New and Revised International Financial Reporting Standards (Continued)

IFRS 16, “Leases”;

Effective from annual periods beginning on or after 1 January 2019, this standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a ‘right of use asset’ for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

IFRIC 23, ‘Uncertainty over income tax treatments’;

Effective from annual periods beginning on or after 1 January 2019. This IFRIC clarifies how the recognition and measurement requirements of IAS 12 ‘Income taxes’, are applied where there is uncertainty over income tax treatments. The IFRS IC had clarified previously that IAS 12, not IAS 37 ‘Provisions, contingent liabilities and contingent assets’, applies to accounting for uncertain income tax treatments. IFRIC 23 explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

2015-2017 annual improvements;

Effective from annual periods beginning on or after 1 January 2019. These amendments include minor changes to:

- IFRS 3, ‘Business combinations’, – a company remeasures its previously held interest in a joint operation when it obtains control of the business.
- IFRS 11, ‘Joint arrangements’, – a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
- IAS 12, ‘Income taxes’ – a company accounts for all income tax consequences of dividend payments in the same way.
- IAS 23, ‘Borrowing costs’ – a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

TAS 19 ‘Employee Benefits’, improvements related to changes, shrinkage or fulfillment in the plan;

Effective from annual periods beginning on or after 1 January 2019. These amendments require an entity to:

- use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

2.5) New and Revised International Financial Reporting Standards (Continued)

Standards and amendments published as of 31 December 2019 but not yet implemented:

Changes in TAS 1 and TAS 8 significance definition;

Effective from Annual periods beginning on or after 1 January 2020. These amendments to IAS 1, ‘Presentation of financial statements’, and IAS 8, ‘Accounting policies, changes in accounting estimates and errors’, and consequential amendments to other IFRSs:

- i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting;
- ii) clarify the explanation of the definition of material; and
- iii) incorporate some of the guidance in IAS 1 about immaterial information

Amendments to IFRS 3 - definition of a business

Effective from Annual periods beginning on or after 1 January 2020. This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations.

Changes in TFRS 9, TAS 39 and TFRS 7 - Indicator interest rate reform;

Valid for annual reporting periods starting on January 1, 2020 or after this date. These changes provide specific facilitating practices in relation to benchmark interest rate reform. These practices are related to hedge accounting, and the impact of IBOR reform should generally not lead to the termination of hedge accounting. However, any hedging ineffectiveness should continue to be recorded in the income statement. Given the prevalence of hedge accounting in IBOR-based contracts, these facilitating practices will affect all companies in the industry.

TFRS 17, “Insurance Contracts”;

Effective from annual periods beginning on or after 1 January 2021. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.6) Significant accounting judgements estimates and assumptions

Preparation of financial statements requires the usage of estimations and assumptions which may affect the reported amounts of assets and liabilities as of the balance sheet date, disclosure of contingent assets and liabilities and reported amounts of income and expenses during the financial period. The accounting assessments, forecasts and assumptions are reviewed continuously considering the past experiences, other factors and the reasonable expectations about the future events under current conditions. Although the estimations and assumptions are based on the best estimates of the management’s existing incidents and operations, they may differ from the actual results. These estimates and assumptions are regularly reviewed and in the event that adjustments are required to be made, they are reflected in the operating results of the related period. In the future financial reporting period, the most important prediction and hypothesis could be caused of important adjustments for book value of assets and liabilities is determining fair value of joint ventures, subsidiary and other financial assets. (Note: 47).

The Company accounted and classified its associates, subsidiaries and other financial assets at fair value through profit or loss according to TAS 39, as the Company Management determined that the Company is in compliance with the definition of “investment entity” described as in the communique in the scope of the principles stated in the “Communique Related to Changes in the Communiques Related with the Turkish Accounting Standards (Serial No: 13)”, which was published in the Official Gazette dated 05.03.2014 and numbered 28932 and amended TFRS 10 “Consolidates Financial Statements” regarding to the investment entities subject.

According to TFRS 10 Consolidated Financial Statements Standard, an investment entity is an entity that,

- (a) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- (b) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- (c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

In assessing whether it meets the definition described above, an entity shall consider whether it has the following typical characteristics of an investment entity:

- (a) It has more than one investment,
- (b) It has more than one investor,
- (c) It has investors that are not related parties of the entity and
- (d) It has ownership interests in the form of equity or similar interests.

The Company does not consolidate its subsidiaries, as it complies with the conditions stated above. The Company measures its financial assets at air value through profit or loss according to TFRS 10.

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NOTE 3 – TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Financial Investments

Cash and equivalents

	31.12.2019	31.12.2018	31.12.2017
Gedik Yatırım Menkul Değerler A.Ş.	30.125	0	0
Total	30.125	0	0

Financial assets at fair value through profit or loss

	31.12.2019	31.12.2018	31.12.2017
TRFGDKM22013(*)	2.132.429	0	0
TRFGDKM41914	0	22.294	0
TRFGDKM21817	0	0	5.912
Total	2.132.429	22.294	5.912

(*) Gedik Yatırım Menkul Değerler A.Ş. has issued bonds with an annual combined interest rate of 15,77 %. They are valued with their fair values.

Trade Receivables from Related Parties

Other short-term receivables:

	31.12.2019	31.12.2018	31.12.2017
BS Finans Tekno. ve Danışmanlık A.Ş.	0	0	375.000
Gyhol Beta Uluslararası İş Geliştirme Yön.	9.199	0	0
Gyhol Alfa Uluslararası İş Geliştirme Yön.	1.900	0	0
Meeapps Yazılım ve İnternet Tek.A.Ş.	18.000	18.000	18.000
Hub Girişim Sermayesi Yatırım Ortaklığı	1.750.000	0	0
Provision for Expected Credit Losses (-)	0	(16)	0
Total	1.779.099	17.984	393.000

Short Term Other Payables Due to Related Parties:

	31.12.2019	31.12.2018	31.12.2017
Gedik Yatırım Menkul Değerler A.Ş.	17.700	0	0
Total	17.700	0	0

Short Term Other Payables Due to Related Parties:

	31.12.2019	31.12.2018	31.12.2017
Hakkı Gedik (*)	10.000.000	10.000.000	0
Total	10.000.000	10.000.000	0

(*) The short-term portion of the Company's debt arising from the purchasing of 27% shares of Gedik Yatırım Menkul Değerler A.Ş. owned by Hakkı GEDİK (Note 23 for details of the share purchase transaction)

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NOTE 3 – TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Long Term Other Payables Due to Related Parties:

	31.12.2019	31.12.2018	31.12.2017
Hakkı Gedik (*)	0	10.000.000	0
Total	0	10.000.000	0

(*) The long-term portion of the Company's debt arising from the purchasing of 27% shares of Gedik Yatırım Menkul Değerler A.Ş. owned by Hakkı GEDİK (Note 23 for details of the share purchase transaction)

The expenses paid to related parties

	01.01.- 31.12.2019	01.01.- 31.12.2018
Gedik Yatırım Menkul Değerler A.Ş. – Commission Expense	0	(1.755)
Gedik Yatırım Menkul Değerler A.Ş. – Interest expense	(611.705)	(51.888)
Total	(611.705)	(53.643)

The income received from related parties

	01.01.- 31.12.2019	01.01.- 31.12.2018
Gedik Yatırım Menkul Değerler A.Ş. – Interest Income	0	9.104
Gedik Yatırım Menkul Değerler A.Ş.- Dividend	6.253.722	0
Total	6.253.722	9.104

Total wages and benefits for top management

	01.01.- 31.12.2019	01.01.- 31.12.2018
Total wages and benefits for top management	(69.207)	(56.803)
Total	(69.207)	(56.803)

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NOTE 4- TRADE RECEIVABLES AND PAYABLES

Short-Term Trade Receivables:

None. (31 December 2018 – None.)

Long-Term Trade Receivables:

None. (31 December 2018 – None.)

Short-Term Trade Payables

	31.12.2019	31.12.2018	31.12.2017
Trade payables to related parties (Note: 3)	17.700	0	0
Other Trade Payables	47.551	17.006	1.298
Total	65.251	17.006	1.298

Long-Term Trade Receivables:

None. (31 December 2018 – None.)

NOTE 5 – OTHER RECEIVABLES AND PAYABLES

Short-Term Other Receivables:

	31.12.2019	31.12.2018	31.12.2017
Other receivables from related parties (Note: 3)	1.779.099	17.984	393.000
Total	1.779.099	17.984	393.000

Other Short Term Liabilities:

	31.12.2019	31.12.2018	31.12.2017
Other liabilities from related parties (Note: 3)	10.000.000	10.000.000	0
Taxes and Duties	2.926	1.493	6.958
Other	0	22.141	0
Total	10.002.926	10.023.634	6.958

Long -term other payables:

	31.12.2019	31.12.2018	31.12.2017
Other liabilities from related parties (Note: 3)	0	10.000.000	0
Other	0	0	0
Total	0	10.000.000	0

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NOTE 6 – TANGIBLE FIXED ASSETS

The movement table for property, plant and equipment is as follows.

Cost	31.12.2018	Addition	Disposal	31.12.2019
Machinery Plant and Equipment	35.464	29.787	0	65.251
Furniture and Fixtures	19.261	0	0	19.261
Special Costs	11.453	0	0	11.453
Total	66.178	29.787	0	95.965
Accumulated Depreciation				
Machinery Plant and Equipment	(35.408)	(1.135)	0	(36.543)
Furniture and Fixtures	(19.261)	0	0	(19.261)
Special Costs	(11.453)	0	0	(11.453)
Total	(66.122)	(1.135)	0	(67.257)
Net Book Value	56			28.708

Cost	31.12.2017	Addition	Disposal	31.12.2018
Machinery Plant and Equipment	35.464	0	0	35.464
Furniture and Fixtures	19.261	0	0	19.261
Special Costs	11.453	0	0	11.453
Total	66.178	0	0	66.178
Accumulated Depreciation				
Machinery Plant and Equipment	(34.909)	(499)	0	(35.408)
Furniture and Fixtures	(19.197)	(64)	0	(19.261)
Special Costs	(11.453)	0	0	(11.453)
Total	(65.559)	(563)	0	(66.122)
Net Book Value	619			56

.NOTE 7 – INTANGIBLE FIXED ASSETS

The movement table for intangible assets is as follows.

Cost	31.12.2018	Addition	Disposal	31.12.2019
Rights	23.251	0	0	23.251
Total	23.251	0	0	23.251
Accumulated Depreciation				
Rights	(23.164)	(87)	0	(23.251)
Total	(23.164)	(87)	0	(23.251)
Net Book Value	87			0

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NOTE 7 – INTANGIBLE FIXED ASSETS (Continued)

The movement table for intangible assets is as follows.

Cost	31.12.2017	Addition	Disposal	31.12.2018
Rights	23.251	0	0	23.251
Total	23.251	0	0	23.251
Accumulated Depreciation				
Rights	(22.105)	(1.059)	0	(23.164)
Total	(22.105)	(1.059)	0	(23.164)
Net Book Value	1.146			87

NOTE 8 – PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES

Short Term Provisions

	31.12.2019	31.12.2018	31.12.2017
Expense Provisions	0	8.851	7.576
Total:	0	8.851	7.576

Lawsuits:

None. (31 December 2018 – None.)

Acceptances Accepted:

None. (31 December 2018 – None.)

Guarantees received:

None. (31 December 2018 – None.)

Guarantees Given:

None. (31 December 2018 – None.)

Collaterals, Pledges, Mortgages (“CPM”):

None. (31 December 2018 – None.)

GEDİK YATIRIM HOLDİNG ANONİM ŞİRKETİ
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NOTE 9 – PROVISIONS FOR EMPLOYEE BENEFITS

Borrowings under Employee Benefits

	31.12.2019	31.12.2018	31.12.2017
Payables to Personnel	0	207	0
Taxes and Funds Payable	7.703	2.276	0
Social Securities Reductions	10.564	2.222	4.649
Total	18.267	4.705	4.649

Unused Vacation Pay Rights

	31.12.2019	31.12.2018	31.12.2017
Unused Vacation Pay Rights	0	2.599	1.388
Total	0	2.599	1.388

Movement of provision for vacation pay liability is given below.

	31.12.2019	31.12.2018	31.12.2017
Opening balance, 01.01	2.599	1.388	934
Provision made during the period	0	3.264	1.049
Provision cancelled during the period	(2.599)	(2.053)	(595)
Total	0	2.599	1.388

Retirement Pay Provision

	31.12.2019	31.12.2018	31.12.2017
Retirement Pay Provision	1.988	6.172	1.937
Total	1.988	6.172	1.937

Under Turkish law, the Company is required to pay employment termination benefits to each employee who has completed one year of service. In addition, under the existing Social Security Law No.506, clause No. 60, amended by the Labour Laws dated 06.03.1981, No.2422 and 25.08.1999, No.4447, the Company is also required to pay termination benefits to each employee who has earned the right to retire by receiving termination indemnities.

The provision is made in respect of all eligible employees, at a rate of 30 days gross pay for each year of service. The rate of pay is that ruling at the respective balance sheet dates, subject to a maximum of TL 6.379,86 per year as of 31.12.2019 (31.12.2018 : 6.017,60).

Turkish Accounting Standards No: 19 (“Employee Benefits”) requires actuarial valuation methods to be developed to estimate the enterprise’s obligation under defined employee plans. Accordingly, actuarial assumptions were used in the calculation of the total liability as these actuarial assumptions apply to each individual company’s defined benefit plan and legal framework in which those companies operate. The actuarial assumptions used in calculation of total liabilities are described below:

The main assumption is that the maximum amount of liability for each year of service will increase in line with inflation. Therefore, the discount rate applied refers to the expected real rate after the adjustment of future inflation effects. Therefore, as of 31.12.2019, the provisions in the accompanying financial statements are calculated by estimating the present value of the probable future liability arising from the retirement of the employees. Provisions at the balance sheet date were calculated using the real discount rate of approximately 3.35% (31.12.2018: 3.62%). The severance pay ceiling is revised every six months.

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NOTE 9 – PROVISIONS FOR EMPLOYEE BENEFITS (Continued)

The movements in the reserve for employment termination benefits during the year are as follow.

	31.12.2019	31.12.2018	31.12.2017
Opening balance, 01.01	6.172	1.937	4.098
Provision made during the period	4.809	3.639	1.373
Interest cost	223	61	--
Provision made during the period	(9.216)	535	(3.534)
Total	1.988	6.172	1.937

NOTE 10 – NATURE OF EXPENSES

General Administration Expenses

	01.01.- 31.12.2019	01.01.- 31.12.2018
Personnel expenses	(223.464)	(111.658)
Rent expenses	(81.991)	(173.053)
Consulting expenses	(172.704)	(224.300)
General Assembly expenses	(5.695)	(20.909)
Depreciation and amortization expenses	(42.455)	(1.622)
Tax expenses	(19.151)	(21.990)
Travel expenses	(20.542)	(1.716)
Membership and contribution fees	(23.874)	(20.695)
Employment termination benefits provision	(2.095)	(3.639)
Vacation Provision	(1.974)	(3.264)
Stock market listing fee expenses	(74.100)	(59.341)
Other expenses	(21.877)	(21.624)
Total	(689.922)	(663.811)

Marketing, Selling and Distribution Expenses

	01.01.- 31.12.2019	01.01.- 31.12.2018
Central Securities Depository (MKK) service cost	(29.674)	(17.266)
Stock commission	(4.221)	(1.678)
Private sector bond commissions	(3)	--
Clearing house custody commissions	(4)	(132)
TPP transaction commissions	--	(81)
Total	(33.902)	(19.157)

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NOTE 11 – CAPITAL, RESERVES AND OTHER SHAREHOLDERS' EQUITY

Paid in Capital

Capital Structure

The authorized share capital of the Company comprised 30.000.000 (31.12.2017: 30.000.000) shares and the issued and paid up share capital comprised 30.000.000 (31.12.2017: 30.000.000) shares of par value 1 each as of the financial position dates.

The partners of the company and their shares as percentage and amount are as follows.

	31.12.2019		31.12.2018		31.12.2017	
	Shareholder		Shareholder		Shareholder	
	Share (%)	Amount	Share (%)	Amount	Share (%)	Amount
Erhan Topaç	0,10	30.000	0,10	30.000	0,10	30.000
Part of the Initial Public Offering (*)	99,90	29.970.000	99,90	29.970.000	99,90	29.970.000
Total	100	30.000.000	100	30.000.000	100	30.000.000

With the application made by the Company to the Capital Market Board on 07.01.2016, the registered capital ceiling was increased from TL 30,000,000 to TL 100,000,000 and approved by the Board on 27.01.2016.

(*)As of 31.12.2019, the share of the main shareholder Erhan Topaç in the capital of the company is TL 27.444.877 and 91.48%.

As of 31.12.2019, each share of the issued share capital of the company has a nominal value of TL 1. 30.000.000 shares consist of 30.000 privileged shares of Group A and 29.970.000 TL of Group B (publicly traded) ordinary shares. Group a privileged shares not traded on the stock exchange are owned by Erhan Topaç. Each of the (A) group shares has 15 (fifteen) voting rights in the election of the members of the board of directors (B) Group shares have about 1 (one) voting rights each.

Publicly traded companies make their dividend distributions in accordance with CMB's dividend communiqué II - 19.1 effective from 1 February 2014.

Partnerships distribute their profits within the framework of dividend distribution policies to be determined by the general assemblies and in accordance with the provisions of the relevant legislation by the decision of the General Assembly. No minimum distribution rate has been determined under the said communiqué. Companies pay dividends as defined in their articles of association or profit distribution policies. In addition, dividends may be paid in equal or decisively installments and a cash advance may be distributed over the profit in the interim financial statements.

Unless the reserve funds to be allocated according to the Turkish commercial code and the profit share determined for the shareholders in the articles of association or in the profit distribution policy are allocated, it cannot be decided to allocate other reserve funds, to transfer the profits to the following year and to distribute the profit to the holders of usufruct certificates, members of the board of directors, employees

Share Premiums

	31.12.2019	31.12.2018	31.12.2017
Share Premium	26.107	26.107	26.107
Total	26.107	26.107	26.107

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NOTE 11 – CAPITAL, RESERVES AND OTHER SHAREHOLDERS' EQUITY (Continued)

Other Comprehensive Income/Expense not to be Reclassified to Profit or Loss

Other Gain/Loss

	31.12.2019	31.12.2018	31.12.2017
Actuarial Gains Lost	9.216	(45)	489
Deferred tax income / (expense)	(2.028)	(52)	(168)
Total	7.188	(97)	321

Restricted Reserves

These reserves consist of previous periods' income which is restricted for obligations based on law or agreement..

Legal Reserves

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to legal reserve requirement referred to below;

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

The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital..

	31.12.2019	31.12.2018	31.12.2017
Legal Reserves	2.479.612	840.707	632.033
Total	2.479.612	840.707	632.033

Other Reserves

75% of profits arising from the sales of shares of associates, real estates, goodwill, founder shares and dividend right certificates, which were held for two years, are excluded from the corporation tax. In order to benefit this exception, related profit must be kept in a fund account in liabilities and not withdrawn for 5 years. The sales amount must be collected until the end of the second calendar year following the year in which the sale is mad

	31.12.2019	31.12.2018	31.12.2017
Other Reserves (*)	920.255	920.255	920.255
Total”	920.255	920.255	920.255

(*)- 1.400.000 Zen Eneji A.Ş. shares acquired on 14.04.2015 by the Company, which has a book value of TL 1,720.000, were sold for TL 2.947.000 (USD 800.000) in accordance with the Board Decision dated 18.04.2017 920.255 TL, which is 75% of this profit from this sale amounting to TL 1.227.000, were recognized in the other reserves in equity.

Accumulated Profits

	31.12.2019	31.12.2018	31.12.2017
Retained Earnings / Accumulated Losses	(11.217.163)	(3.665.351)	(3.968.541)
Extraordinary Reserves	41.731.686	10.592.499	10.592.499
Total	30.514.523	6.927.148	6.623.958

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NOTE 12 – SALES AND COST OF SALES

	01.01.-31.12.2019	01.01.-31.12.2018
Sales Revenues		
Share Certificates	29.200.372	4.249.087
Reverse Repo	0	6.428
Private Sector Bonds	111.697	325.703
Government bond repurchase	58.361	0
Treasury bills	29.389	0
Total	29.399.819	4.581.218
Service Income, (net)		
Dividend income	6.253.722	0
Profit from sale of associate shares Interest income	4.055	172.811
Private Sector Government bonds unrealized gain / (losses),net	0	195
Money Market operations bills unrealized gain / (losses),net	0	(2.750)
Total	6.257.777	170.256
Total revenue	35.657.596	4.751.474
Cost of sales (-)		
Share Certificates	(10.270.502)	(3.835.810)
Total	(10.270.502)	(3.835.810)
Gross Profit / (Loss)	25.387.094	915.664

NOTE 13 – GENERAL AND ADMINISTRATIVE EXPENSES, MARKETING AND SELLING EXPENSES AND RESEARCH AND DEVELOPMENT EXPENSES

	01.01.-31.12.2019	01.01.-31.12.2018
General and Administrative Expenses	(689.922)	(663.811)
Marketing and Selling Expenses	(33.902)	(19.157)
Research and Development Expenses	0	0
Total	(723.824)	(682.968)

NOTE 14 – OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Other Income from Operating Activities:

	01.01.-31.12.2019	01.01.-31.12.2018
Financial asset value increase	84.557.914	35.850.124
Provision reversed	12.149	2.053
Foreign Exchange Profits	10.208	0
Other	0	156
Total	84.580.271	35.852.333

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NOTE 14 – OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES (Continued)

Other Expenses from Operating Activities:

	01.01.-31.12.2019	01.01.-31.12.2018
Impairment of financial asset value	(420.618)	(246.693)
Total	(420.618)	(246.693)

NOTE 15 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES

Income from Investing Activities:

None (1 January to 31 December 2018 – None.)

Expenses from Investing Activities:

None (1 January to 31 December 2018 – None.)

NOTE 16 – OPERATING EXPENSES BY NATURE

Depreciation and Amortization

	01.01.-31.12.2019	01.01.-31.12.2018
General and Administrative Expenses	(42.455)	(1.622)
Total	(42.455)	(1.622)

Provisions For Employee Benefits

Retirement Pay Provision:

	01.01.-31.12.2019	01.01.-31.12.2018
General and Administrative Expenses	(2.095)	(3.639)
Total	(2.095)	(3.639)

Provision for vacation pay liability:

	01.01.-31.12.2019	01.01.-31.12.2018
General and Administrative Expenses	(1.974)	(3.264)
Total	(1.974)	(3.264)

NOTE 17 – FINANCIAL EXPENSE / INCOME

Financial Income:

	01.01.-31.12.2019	01.01.-31.12.2018
Foreign exchange profits	0	3.274
Total	0	3.274

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NOTE 17 – FINANCIAL EXPENSE / INCOME (Continued)

Financial Expenses:

	01.01.-31.12.2019	01.01.-31.12.2018
Interest expenses on bonds and bills	(5.964.330)	(3.456.459)
Foreign exchange losses	0	(11.689)
Interest expenses on transactions on credit basis	(611.705)	0
Expenses for expected	0	(19)
Other interest expenses	(28.032)	(62)
Total	(6.604.067)	(3.468.229)

NOTE 18 – ANALYSIS OF OTHER COMPREHENSIVE INCOME

Other comprehensive income not to be reclassified to profit or loss are as follows.

	01.01.-31.12.2019	01.01.-31.12.2018
Actuarial Gains Lost	9.216	(535)
Deferred Tax Income / (Expense)	(2.028)	118
Total	7.188	(417)

NOTE 19 – INCOME TAX (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Corporation tax rate for the year 2019 is 22% (2018: 20%). Corporation tax is applied to the total income of the companies after adjusting for certain disallowable expenses, exempt income, investment and other allowances. No further tax is payable unless the profit is distributed (except withholding tax at the rate of 19.8% on the investment incentive allowance utilized within the scope of the Income Tax Law transitional article 61). According to the Corporate Tax Law no. 5520, 75% of the earnings of the affiliate shares, real estates, preemptive rights, founding shares and usufruct shares from their assets for at least two full years is exempt from corporate tax as of 21.06.2006. In order to benefit from the exemption, the gain in question must be kept in a fund account in the liability and not withdrawn from the company for 5 years. The sale price must be

collected by the end of the second calendar year following the year of sale.

In accordance with the regulation numbered 7061, published in Official Gazette on 5 December 2017, "Law Related to Changes in Tax Procedural Law, Income Tax Law and Corporate Tax Law", corporate tax rate for the years 2018, 2019 and 2020 has increased from 20% to 22%. Therefore, deferred tax assets and liabilities as of 31 December 2017 are calculated with 22% tax rate for the temporary differences which will be realized onwards. Dividends paid to non-resident corporations which have a place of business in Turkey or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporation tax quarterly at the rate of 22% (2017: 22%) on their corporate income.

NOTE 19 – INCOME TAX (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES (Continued))

Advance tax is declared by the 14th and is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

There is no agreement with the tax authority on taxes to be paid in Turkey. Corporate tax returns are given to the Tax Office which is narrowly connected to the evening of the 25th day of the fourth month following the month of the closing of the accounting period.

The authorities authorized to review the accounting records within five years and the tax amounts may change due to the tax assessment if the wrong transaction is detected. According to the Turkish tax legislation, the financial losses shown on the declaration can be deducted from the corporate income for the period provided that they do not exceed 5 years. However, financial losses cannot be offset from previous year's profits.

There are many exceptions to the corporate tax law. These exceptions are described below:

Real property, investment equity, preferential rights, usufruct shares, founding shares, sales exemption

75% of the earnings of corporations from the sale of priority right vouchers and the emission premium earnings from the disposal of shares issued by Joint Stock Companies at their establishment or at the time of raising their capital are exempt from corporate tax. Therefore, the above-mentioned gains/ (losses) included in the commercial profit/ (loss) figure are taken into account in the corporate tax account. In addition to the above exceptions in the determination of the corporate tax base, 8 of the corporate tax code. Article 40 of the Income Tax Code. 10 of the corporate tax law with the discounts specified in the provisions of Article. other discounts mentioned in the article are also taken into account.

Transfer pricing

Article 13 of Corporation Tax Law numbered 5520 introduces new arrangements about the transfer pricing came into force as of 1 January 2007. Significant changes took place in the arrangements related to the transfer pricing following the respective article based on the transfer pricing guidance of EU and OECD. In this framework, the entities are required to use the prices or amounts to be determined according to the peers for the purpose of sales or service buy and sale transactions carried out with affiliated persons. The principle of suitability with the peers means that the price or amount to be used for the purpose of goods or service buy and sale carried out with the affiliated persons is suitable for the price or amount that would have arisen if there had been no relation between them.

The entities will determine the prices or amounts suitable for the peers that will be applied for the purpose of transactions carried out with the affiliated persons by using the methods laid out in the respective law according to the nature of the transaction. The records, tables and documents related to the calculation of the prices or amounts determined in accordance with the principle of suitability with the peers must be kept by the entities as the evidencing documents. Also, the entities will draw up a report containing the information and documents related to the transactions carried out with the affiliated persons during a fiscal year. In the event goods or services are bought or sold over the prices or amounts determined in breach of the principle of suitability with the peers, the profit will be deemed to have been partially or fully distributed as disguised by means of transfer pricing. The profit partially or fully distributed as disguised by means of transfer pricing will be deemed to be the profit share distributed on the last day of the fiscal year when the conditions listed in article 13 have been fulfilled or the amount transferred to the head office for the limited tax payers. A tax withholding will be made over the amount calculated as a result of assuming the profit share distributed by means of transfer pricing as the net profit share and completing such amount to gross amount according to the legal quality of the shareholders. The taxation transactions previously made will be adjusted in the tax payers who are party to such transactions. However, the taxes imposed on the entity that uses disguised capital should have become final and should have been paid-in to be able to make such correction. The amount to be taken into consideration in case of adjustment to be carried out for the entities distributing disguised profit should be finalized and paid-in amount.

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NOTE 19 – INCOME TAX (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES (Continued))

Current Period Assets related taxes

	31.12.2019	31.12.2018	31.12.2017
Prepaid Taxes and Funds	71.410	48.952	23.638
Total	71.410	48.952	23.638

Current Period Liabilities related taxes

	31.12.2019	31.12.2018	31.12.2017
Provision for corporate tax payable – Current period	1.563.767	0	0
Prepaid taxes (-)	(12.734)	0	0
Total	1.551.033	0	0

Tax expenses are described below.

	01.01.- 31.12.2019	01.01.- 31.12.2018
Provision for corporate tax payable – Current period	(1.563.767)	0
Deferred tax income/(liabilities)	(16.891.557)	(7.138.151)
Total	(18.455.324)	(7.138.151)

Deferred Tax Assets and Liabilities

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between the financial statements prepared in accordance with the Communiqué and the statutory tax financial statements. Tax rates used for deferred tax assets and liabilities calculated on temporary differences that are expected to be realized or settled based on the taxable income in coming years under the liability method is 22%

The composition of cumulative temporary differences and the related deferred tax assets/liabilities in respect of items for which deferred tax has been provided at the balance sheet dates using the expected future tax rates were as follows:

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NOTE 19 – INCOME TAX (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES (Continued))

	31.12.2019		31.12.2018		31.12.2017	
	Total Temporary Differences	Deferred Tax Asset / Liability	Total Temporary Differences	Deferred Tax Asset / Liability	Total Temporary Differences	Deferred Tax Asset / Liability
Deferred tax liabilities						
Differences between book value and tax value of fixed assets	(7.236)	(1.592)	(143)	(31)	0	0
Differences in fair value of financial assets	(130.526.131)	(26.105.226)	(46.009.829)	(9.209.358)	(10.341.148)	(2.069.955)
Total	(130.533.367)	(26.106.818)	(46.009.972)	(9.209.389)	(10.341.148)	(2.069.955)
Deferred tax asset						
Fair value impairment provision for financial assets	1.988	437	6.172	1.358	1.937	426
Provision for retirement pay liability	0	0	2.599	520	0	0
Provision for vacation pay liability	0	0	19	4	0	0
Expected Loss Equivalent	0	0	0	0	252	55
Differences between book value and tax value of fixed assets	24.041	5.289	0	0	0	0
Total	26.029	5.726	8.790	1.882	2.189	481
Deferred Tax, Net	(130.507.338)	(26.101.092)	(46.001.182)	(9.207.507)	(10.338.959)	(2.069.474)

The movements of the deferred tax assets and liabilities are as follow.

	01.01.-31.12.2019	01.01.-31.12.2018
Opening Balance As of 01 January	(9.207.507)	(2.069.474)
Deferred Tax Related to Income Statement	(16.891.557)	(7.138.151)
Deferred Tax Related with Shareholders' Equity	(2.028)	118
Ending Balance As of 31 December	(26.101.092)	(9.207.507)

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NOTE 20 – LEASES

Right Of Use Assets	31.12.2018	Addition	31.12.2019
Maltepe Headquarters	0	824.655	824.655
Total	0	824.655	824.655
Depreciation expense			
Maltepe Headquarters	0	41.233	41.233
Total	0	41.233	41.233
	0		783.422

Lease Obligations	31.12.2019	31.12.2018
Maltepe Headquarters	807.463	
Total	807.463	--

The terms of lease obligations are as follows:

In liquid	31.12.2018
0-3 months	18.293
3-6 months	19.414
6-12 months	48.964
1-2 years	131.454
2-5 years	589.338
	807.463

The total depreciation expense allocated by Maltepe headquarters for the right to use assets during the period is TL 41.23. Group rental liabilities are TL 27.808 in the period.

The group's headquarters lease agreement at Maltepe was signed on 01.10.2019 and the monthly rent amount is 15.000 TL.

NOTE 21 – EARNING (LOSS) PER SHARE

Earnings per share calculations are made by dividing the net profit for the period in the income table given in this report by the weighted average number of shares issued.

	01.01.-31.12.2019	01.01.-31.12.2018
Net Profit	83.763.532	25.235.230
Weighted Average of Issued Ordinary Shares	30.000.000	30.000.000
Profit / Loss Per Share	2,7921	1,0674

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NOTE 22 – EFFECT OF EXCHANGE RATE CHANGES

Current Period				
	Profit / Loss		Shareholders' equity	
	Appreciation Of Foreign Currency	Depreciation Of Foreign Currency	Appreciation Of Foreign Currency	Depreciation Of Foreign Currency
If the euro exchange rate changes by 10 % :				
1-euro net asset / liability	0	0	0	0
2-Part protected from Euro risk (-)	0	0	0	0
3-Euro Net Effect (1+2)	0	0	0	0
TOTAL	0	0	0	0

NOTE 23 – FINANCIAL INSTRUMENTS

Short term financial investments

Financial Assets at Fair Value Through Profit or Loss

	31.12.2019	31.12.2018	31.12.2017
Equity shares	0	66.743	415.100
Private sector bonds	2.174.905	36.517	8.706
Total	2.174.905	103.260	423.806

Financial investments of the Company are recognized at fair value. As of 31.12.2019 and 31.12.2018, fair value represents the best buy prices among the pending orders on the Stock Exchange Istanbul ("BIST"). In the absence of best buy orders, the price of the most recent transaction or in its absence the cost value represents the fair value. As of 31.12.2019 and 31.12.2018, the securities in the portfolio are traded at the organized exchange markets.

Long term financial investments

Financial assets at fair value through profit/loss

	31.12.2019		31.12.2018		31.12.2017	
	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)	Amount
Gedik Yatırım Menkul Değerler A.Ş. ⁽¹⁾	52,00%	197.209.982	52,00%	112.498.269	25,00%	42.456.960
Hub Girişim Sermayesi Ya.Ortaklığı A.Ş. ⁽²⁾	0,49%	1.366.125	13,07%	4.883.920	13,77%	3.231.127
Devexperts Bilgi Dağ. Hiz. A.Ş. ⁽³⁾	9,99%	64.373	9,99%	64.373	9,99%	231.066
Meeapps Yaz. ve İnter. Teknol. A.Ş. ⁽⁴⁾	20,00%	100.000	20,00%	400.000	20,00%	400.000
BS Finans Tekno. ve Danış. A.Ş. ⁽⁵⁾	4,00%	0	4,00%	0	4,00%	80.000
Albila Serum Bi. Ürü.San. ve Tic. A.Ş ⁽⁶⁾	2,57%	560.328	2,57%	422.097	3,00%	257.143
Devexperts Tek. Yazı. Gelişt. A.Ş. ⁽⁷⁾	9,99%	187.110	9,99%	187.110	0,00%	0
GYHOL Alfa Ulus. İş Gel. A.Ş. ⁽⁸⁾	100,00%	359.680	0,00%	0	0,00%	0
GYHOL Beta Ulus. İş Gel. A.Ş. ⁽⁹⁾	100,00%	792.889	0,00%	0	0,00%	0
GYHOL Delta Ulus. İş Gel. A.Ş. ⁽¹⁰⁾	100,00%	133.523	0,00%	0	0,00%	0
Total		200.774.010		118.455.769		46.656.296

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NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

(¹) Gedik Yatırım Menkul Değerler A.Ş.

The report of the Company's transformation from the investment partnership of the Company, which was mentioned in the Board Meeting of the Company dated 28.01.2015 and numbered 335, to Yatırım Holding was cancelled and It was decided to invest in the shares of companies that in the financial services (including Gedik Yatırım Menkul Değerler A.Ş.), renewable energy, agriculture and food sector. The company acquires these financial assets in accordance with the board of Directors decision no.368 dated 08.02.2016 in accordance with the investment policy and decides to consider them as a long-term investment.

In accordance with the Board of Directors decision dated 06.01.2017 and numbered 390, the Company's share in Gedik Yatırım Menkul Değerler A.Ş. is 19.90% and it has been decided to increase the share of the company in nominal amount to 3.439.722 TL and it was increased by 5% and it's become to 25%. An application has been made to the Capital Markets Board for this transaction permit. With the letter of the Board dated 15.02.2017 and numbered 32992422-205.01.07-E.2083, it was reported that this purchase was welcomed. The Company bought 3.439.722 shares on 14.03.2017 at a price of 2.20 TL. After this transaction, as of 31.12.2017, the shares / voting rights of the Company increased from 13,408,278 to 16,848,000 units, and the share ratio increased from 19,90% to 25,00%.

As explained in detail in Note 25, the Company, with the decision of the Board of Directors numbered 420 and dated 08.12.2017, Company has decided to purchase the shares of Hakkı Gedik, which owns 47.27% of Gedik Yatırım Menkul Değerler A.Ş. total issued capital of 67.392.000 TL. Of the shares of Hakkı Gedik, which are not in circulation with a nominal value of 1.858.942,40 TL, it is decided to purchase the shares with a nominal value of 18.195.840 TL (share in the company capital: 27%) with a price of 35.000.000 TL (purchase price of each share 1.9235 TL) and an application was made to the Capital Markets Board regarding the relevant transaction. The related application was received positively at the meeting of the Capital Markets Board dated 16.03.2018 and numbered 16. As per the transfer of the shares in question, as per the Company's sole control of Gedik Yatırım Menkul Değerler A.Ş. The obligation of making compulsory share purchase has arisen and within this scope, it has been decided to apply to the Capital Markets Board pursuant to article 13 of the Communiqué on the Procurement Offer . According to the provisions of the "Communiqué on Procurement Offer" by the Company, in accordance with the provisions of the II. and was approved at the Board meeting 24/686. At the Extraordinary General Assembly held on 23 July 2018; the relevant transfer agreement has been submitted to and approved by the extraordinary general assembly. With the approval of the General Assembly, the share of the Company in Gedik Yatırım Menkul Değerler A.Ş. increased from 25% to 52%.

As of 31.12.2019, the company has classified its fair value into financial assets reflected in profit and loss in accordance with its investment objectives and investment measurement basis.

(²) Hub Girişim Sermayesi Yatırım Ortaklığı A.Ş.

The Company was renamed to Hub Girişim Sermayesi Yatırım Ortaklığı A.Ş. ("Gedik Girişim Sermayesi Yatırım Ortaklığı A.Ş.") at the Ordinary General Assembly Meeting held on 24.04.2018, and was registered in Istanbul Trade Registry on 21.05.2018.) As "Hub Girişim Sermayesi Yatırım Ortaklığı A.Ş." and sold 1,000,000 shares of its public shares for 1,180,000 TL at a price of 1,18 TL. After this sale and other market making transactions, the total share ratio on the subsidiary of the Company decreased from 28.81% to 23.57%. On 22.12.2017, the Company sold its 2,000,000 shares to Gedik Yatırım Menkul Değerler A.Ş. at a price of 1.17 TL / share for 2.340.000 TL. The total share of the company from these sales transactions decreased from 23.57% to 13.57%. These shares include non-public shares with a nominal value of 90,000 TL and a cost value of 135,000 TL. The company sold its 2,000,000 shares on the date of 09.03.2018 at a price of 1.22 TL / share. Among these sales transactions and market making transactions, the Company's total share ratio has decreased from 13.57% to 3.77%. In 2019, the company sold its shares in circulation of HUB Girişim Sermayesi Yatırım Ortaklığı A.Ş., and as of 31.12.2019, the share owned by 8.424 B group and 90.000 A group shares decreased to 0.49%.

As of 31.12.2019, the company has classified its fair value into profit-loss financial assets in accordance with its investment objectives and investment measurement basis..

NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

(³) Devexperts Bilgi Dağıtım Hizmetleri A.Ş.

Pursuant to the Board of Directors Resolution No. 391 dated 19.01.2017, it was decided to purchase the shares of Devexperts Bilgi Dağıtım Hizmetleri A.Ş. ("Devexperts Bilgi") with a capital increase at a rate of USD 500,000 on the date of payment. In addition, it was decided to sign a contract with the company partners to complete the investment in three phases. On 26.01.2017, a payment of 761.040 TL for 200.000 USD, 717.860 TL for 200.000 USD on 26.04.2017 and 351.240 TL for 100.000 USD on 19.06.2017 were paid. As of 31.12.2019, the participation rate of the Company is 9.99%. (31.12.2018: 9.99%)

Devexperts provides consultancy services to brokerage firms and stock exchange on information, data distribution. Devexperts information is a company that operates and generates revenue.

As of 31.12.2018, Devexperts Bilgi's non-audited financial statements, financial status and financial performance were evaluated by the company management and as of 31.12.2018, the fair value of Devexperts Bilgi was determined in the range of TL 663.664 to TL 626.062, and the fair value of the 9.99% share owned by the company was determined as TL 64.373. As of 31.12.2019, Devexperts Bilgi has TL 158.961 in total assets, TL 120.870 in equity and TL 277.273 in loss for the period.

(⁴) Meeapps Yazılım ve İnternet Teknolojileri A.Ş.

The company, 22.06.2016 dated and 378 numbered board of Directors decision operating in the software sector Meeapps Yazılım ve İnternet Teknolojileri A.Ş. decided to participate in the shares of 20% of his capital ("Meeapps") at a cost of TL 400,000. It was decided that the related investment should be completed in two phases amounting to TL 200,000. The first phase payment was realized on 27.06.2016 and was accepted at the General Meeting of the subsidiary on 28.06.2016. The second payment of TL 200.000 was made on 17.01.2017.

Company is carrying out project work on a software type and an application used in the phone, and continues its work in selected locations in the pilot region. The company transferred its shares to Meeapps on 6 February 2020 at a price of TL 100,000.

(⁵) BS Finans Teknolojileri ve Danışmanlık A.Ş.

The Company participated in BS Finans Teknoloji ve Danışmanlık A.Ş. ("BS Finans"), which provides technological consultancy services on financial services, at a rate of 4% on 05.02.2016. 800,000 shares with a nominal value of 8,000 TL were purchased from the affiliate's partners Zeynep Burcu Özgezer and Oğuz Korkmaz for 80,000 TL.

The financial status and financial performance of BS Finans as of 31.12.2019 were evaluated by the Company's Management, and it was concluded that the subsidiary lost its cost value and its fair value was zero according to this assessment.

(⁶) Albila Serum Biyolojik Ürünler San. ve Tic. A.Ş.

The company will be established with the Board of Directors decision dated 26.01.2017 and numbered 393 and Albila Serum Biyolojik Ürünler San. ve Tic. A.Ş. (Albila) decided to participate in the shares corresponding to 3% of its total capital for a price of TL 257.143. In this context, an advance payment of TL 77.143 was made for the purchase of participation shares and the capital of the participation was registered. Albila operates in serum production.

The Company participated in the capital increase held on March 22, 2018, and acquired 504,573 B group shares for a price of 138,231.5 TL, and the total share in the Company reached 513,640 (B group), and its participation rate was 2.57%.

As of 31.12.2019, the market value of Albila has been estimated by the management of the company using the valuation methods used by angel investors in the pre-income stage of the subsidiaries and it has been concluded that the cost value of the subsidiary is approximately the fair value.

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NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

(7) Devexperts Teknoloji Yazılım Geliştirme A.Ş.

Pursuant to the Board Decision dated 18.01.2018 and numbered 425, it was decided to participate in the shares of Devexperts Teknoloji Yazılım Geliştirme A.Ş. (Devexperts Teknoloji) corresponding to 9,9% of the total capital for 4,995 registered shares for a price of TL 4,995. In this context, 4.995 TL was paid for share purchase and the capital of the subsidiary was registered.

Devexperts Teknoloji's fair value of TL 1,872,968 with the amount of 1,872,968 according to the cash flows method of Devexperts Teknoloji, which has not been audited as of 31.12.2019, its financial status and financial performance has been evaluated by the Company Management. It was determined in the range of 805 TL and the fair value of the 9,99% share owned by the Company was determined as 187.110 TL. As of 31.12.2019, the total assets of Devexperts Teknoloji, which have not undergone independent audit, amounted to TL 2.031.200, equity to TL 1.907.922 and period profit to TL 1.533.645.

(8) GYHOL Alfa Uluslararası İş Geliştirme Yönetim ve Yatırım A.Ş.

He is a shareholder of Gedik International, which was established to operate in the UK capital markets. SPV for GYHOL (acting as Special Purpose Vehicle). The fair value of GYHOL Alpha, which had no significant activity on 31.12.2019, is determined as an equity figure based on its unaudited legal records.

(9) GYHOL Beta Uluslararası İş Geliştirme Yönetim ve Yatırım A.Ş.

He is a shareholder of Beta investments, established to operate in capital markets of the Republic of Montenegro. SPV for GYHOL (acting as Special Purpose Vehicle). The fair value of GYHOL beta, which had no significant activity on 31.12.2019, is determined as an equity figure based on its unaudited legal records.

(10) GYHOL Delta Uluslararası İş Geliştirme Yönetim ve Yatırım A.Ş.

It was established with the aim of investing in alternative geographies to partner with and establish international investment opportunities for capital markets and fin-tech. It will act as Alpha and Beta as well as SPV. Not yet an Activity, Company partnership etc. has no obligation. The fair value of GYHOL Delta, which had no significant activity on 31.12.2019, is determined as an equity figure based on its unaudited legal records.

Short-Term Financial Liabilities:

Short term financial liabilities	31.12.2019	31.12.2018	31.12.2017
Bonds and bills payable (*)	19.387.539	25.413.531	9.324.378
Total	19.387.539	25.413.531	9.324.378

(*) TRFGKYH42017 is a ISIN-coded issued bond with a nominal consistent rate of 20,000,000 TL, combined interest rate of 11.68%, maturity date of 16.12.2019 and redemption date of 13.04.20220.

NOTE 24 – THE NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Risk Descriptions:

Credit Risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due

Market risk:

Market risk is the risk that fluctuations on the fair value or future cash flows of a financial instrument due to changes in market prices. Market risk comprises three types of risk: Currency risk, interest rate risk, other price risk.

- Currency risk

Currency risk is the risk that fluctuations on the fair value or future cash flows of a financial instrument due to changes in foreign exchange rates.

- Interest Rate Risk

Interest rate risk is the risk that fluctuations on the fair value or future cash flows of a financial instrument due to changes in interest rates.

- Other Price Risk

Other price risk is the risk that fluctuations on the fair value or future cash flows of a financial instrument

Due to changes in market prices. (except, *interest rate risk, currency risk*)

Financial Risk Management:

The Company is exposed to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Company’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company. Trade receivables consist of a large number of customers, spread across diverse industries and

Statements of Financial Risk and Related Analyses:

The Company’s credit risk of financial instruments, net book value of financial assets that are neither past due nor impaired, liquidity risk table, foreign currency table and related sensitivity analysis, interest rate position table and related sensitivity analysis are as follows.

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NOTE 24 – THE NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS
(Continued)

Liquidity risk management

Liquidity risk is the Company's risk of default in meeting its funding requirements. Liquidity risk is reduced by managing balanced cash flows, with the support funding provided by reputable financial establishments. The Company manages its liquidity risks, by keeping track of the forecasted and realized cash flows on a regular basis. ‘While providing the continuation of the available funding and required funds by matching the maturity dates of financial assets and liabilities.

The Company’s liquidity requirements, as of 31.12.2019 and 31.12.2018 are as follows:

Current Period						
Contractual maturities	Book Value	Total Cash Outflow Per Agreement (=I+II+III+IV)	Less Than 3 Months (I)	3-12 Months (II)	1-5 year (III)	More than 5 Years (IV)
Non-Derivative Financial Liabilities	29.452.790	29.452.790	19.452.790	10.000.000	0	0
Bank borrowings	0	0	0	0	0	0
Bond debts	19.387.539	19.387.539	19.387.539	0	0	0
Debts to the swap bank money market	0	0	0	0	0	0
Trade Payables	65.251	65.251	65.251	0	0	0
Other Liabilities	10.000.000	10.000.000	0	10.000.000	0	0
Other financial liabilities	0	0	0	0	0	0
Expected maturities	Book Value	Total Cash Outflow Per Agreement	Less Than 3 Months	3-12 Months	1-5 yıl (arası)	More than 5 Years
Non-Derivative Financial Liabilities	29.452.790	29.452.790	19.452.790	10.000.000	0	0
Bank borrowings	0	0	0	0	0	0
Bond debts	19.387.539	19.387.539	19.387.539	0	0	0
Debts to the swap bank money market	0	0	0	0	0	0
Trade Payables	65.251	65.251	65.251	0	0	0
Other Liabilities	10.000.000	10.000.000	0	10.000.000	0	0
Other financial liabilities	0	0	0	0	0	0
Expected maturities (or maturities per agreement)	Book Value	Total Cash Outflow Per Agreement	Less Than 3 Months	3-12 Months	1-5 year	More than 5 Years
Derivative financial Liabilities (Net)	0	0	0	0	0	0
Derivative Cash Inflows	0	0	0	0	0	0
Derivative Cash Outflows	0	0	0	0	0	0

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NOTE 24 – THE NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS
(Continued)

Previous Period					
Contractual maturities	<i>Book Value</i>	Total Cash Outflow Per Agreement (=I+II+III+IV)	Less Than 3 Months (I)	3-12 Months (II)	1-5 year (III)
Non-Derivative Financial Liabilities	45.454.171	45.454.171	25.454.171	10.000.000	10.000.000
Bank borrowings	--	--	--	--	--
Bond debts	25.413.531	25.413.531	25.413.531	--	--
Debts to the swap bank money market	--	--	--	--	--
Trade Payables	17.006	17.006	17.006	--	--
Other Liabilities	20.023.634	20.023.634	23.634	10.000.000	10.000.000
Other financial liabilities	--	--	--	--	--
Expected maturities	<i>Book Value</i>	Total Cash Outflow Per Agreement	Less Than 3 Months	3-12 Months	1-5 year
Non-Derivative Financial Liabilities	--	--	--	--	--
Bank borrowings	--	--	--	--	--
Bond debts	--	--	--	--	--
Debts to the swap bank money market	--	--	--	--	--
Trade Payables	--	--	--	--	--
Other Liabilities	--	--	--	--	--
Other financial liabilities	--	--	--	--	--
<i>Expected maturities (or maturities per agreement)</i>	<i>Book Value</i>	Total Cash Outflow Per Agreement	Less Than 3 Months	3-12 Months	1-5 year
Derivative financial Liabilities (net)	--	--	--	--	--
Derivative Cash Inflows	--	--	--	--	--
Derivative Cash Outflows	--	--	--	--	--

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NOTE 24 – THE NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Credit Risk of Financial Instruments:

Current Period	Trade Receivables		Other Receivables		Banks	TPP Receivables	Total
	Related Party	Other Party	Related Party	Other Party			
Maximum net credit risk as of balance sheet date (*) (A +B+C+D+E)	0	0	1.779.099	0	30.125	0	1.809.224
Secured portion of maximum credit risk with collateral	0	0	0	0	0	0	0
A. Net book value of financial assets that are neither past due nor impaired.	0	0	1.779.099	0	30.125	0	1.809.224
B. Net book value of financial assets of which conditions are negotiated, otherwise considered as impaired or overdue	0	0	0	0	0	0	0
C. Net book value of assets overdue but not impaired	0	0	0	0	0	0	0
The portion covered by any guarantee	0	0	0	0	0	0	0
D. Net book value of impaired assets	0	0	0	0	0	0	0
- Past due (gross book value)	0	0	0	0	0	0	0
Impairment (-)	0	0	0	0	0	0	0
The part of net value under guarantee with collateral etc.	0	0	0	0	0	0	0
- Not overdue (gross book value)	0	0	0	0	0	0	0
Impairment (-)	0	0	0	0	0	0	0
The part of net value under guarantee with collateral etc.	0	0	0	0	0	0	0
E. Off balance sheet items with credit risks	0	0	0	0	0	0	0

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NOTE 24 – THE NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Credit Risk of Financial Instruments:

Previous Period	Trade Receivables		Other Receivables		Banks	TPP Receivables	Total
	Related Party	Other Party	Related Party	Other Party			
Maximum net credit risk as of balance sheet date (*) (A +B+C+D+E)	0	0	17.984	0	0	7.247	25.231
Secured portion of maximum credit risk with collateral	0	0	0	0	0	0	0
A. Net book value of financial assets that are neither past due nor impaired	0	0	18.000	0	0	7.250	25.250
B. Net book value of financial assets of which conditions are negotiated, otherwise considered as impaired or overdue	0	0	0	0	0	0	0
C. Net book value of assets overdue but not impaired	0	0	0	0	0	0	0
The portion covered by any guarantee	0	0	0	0	0	0	0
D. Net book value of impaired assets	0	0	(16)	0	0	(3)	(19)
- Past due (gross book value)	0	0	0	0	0	0	0
Impairment (-)	0	0	0	0	0	(3)	(19)
The part of net value under guarantee with collateral etc.	0	0	0	0	0	0	0
- Not overdue (gross book value)	0	0	0	0	0	0	0
Impairment (-)	0	0	0	0	0	0	0
The part of net value under guarantee with collateral etc.	0	0	0	0	0	0	0
E. Off balance sheet items with credit risks	0	0	0	0	0	0	0

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NOTE 24 – THE NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS
(Continued)

Foreign Currency Position

	Current Period				Previous Period			
	TL Equivalent	USD	EUR	Other	TL Equivalent	USD	EUR	Other
1. Trade Receivables	--	--	--	--	--	--	--	--
2a. Monetary financial assets (including cash, bank accounts)	--	--	--	--	--	--	--	--
2b. Non-monetary financial assets	--	--	--	--	--	--	--	--
3. Other	--	--	--	--	--	--	--	--
4. Current assets (1+2+3)	--	--	--	--	--	--	--	--
5. Trade Receivables	--	--	--	--	--	--	--	--
6a. Monetary financial assets	--	--	--	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--	--	--	--
7. Other	--	--	--	--	--	--	--	--
8. Non-current assets (5+6+7)	--	--	--	--	--	--	--	--
9. Total assets (4+8)	--	--	--	--	--	--	--	--
10. Trade payables	--	--	--	--	--	--	--	--
11. Financial liabilities	--	--	--	--	--	--	--	--
12a. Other monetary liabilities	--	--	--	--	--	--	--	--
12b. Other non-monetary liabilities	--	--	--	--	--	--	--	--
13. Current liabilities (10+11+12)	--	--	--	--	--	--	--	--
14. Trade payables	--	--	--	--	--	--	--	--
15. Financial liabilities	--	--	--	--	--	--	--	--
16 a. Other monetary liabilities	--	--	--	--	--	--	--	--
16 b. Other non-monetary liabilities	--	--	--	--	--	--	--	--
17. Non-current liabilities (14+15+16)	--	--	--	--	--	--	--	--
18. Total liabilities (13+17)	--	--	--	--	--	--	--	--
19. Net asset / (liability) position of offbalance sheet derivative instruments (19a-19b)	--	--	--	--	--	--	--	--
19a. Off-balance sheet foreign currency derivative assets	--	--	--	--	--	--	--	--
19b. Off-balance sheet foreign currency derivative liabilities	--	--	--	--	--	--	--	--
20. Net foreign currency asset/(liability)position	--	--	--	--	--	--	--	--
21. Net foreign currency asset/(liability) position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a)	--	--	--	--	--	--	--	--
22. Fair value of financial instruments used for foreign currency hedging	--	--	--	--	--	--	--	--
23. Export	--	--	--	--	--	--	--	--
24. Import	--	--	--	--	--	--	--	--

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NOTE 24 – THE NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS
(Continued)

Foreign Currency Sensitivity Analyses Are As Follows:

Current Period				
	Profit / Loss		Equity	
	Foreign Exchange Appreciation	Foreign Exchange Depreciation	Foreign Exchange Appreciation	Foreign Exchange Depreciation
+/- 10% fluctuation of USD rate:				
1- USD net asset / liability	--	--	--	--
2- Secured portion from USD risk (-)	--	--	--	--
3- USD Net Effect (1+2)	--	--	--	--
+/- 10% fluctuation of EUR rate:				
4- EUR net asset/ liability	--	--	--	--
5- Secured portion from EUR risk (-)	--	--	--	--
6- EUR Net Effect (4+5)	--	--	--	--
+/- 10% fluctuation of other exchange rate:				
7- Other exchange rate net asset/ liability	--	--	--	--
8- Secured portion from Other exchange rate risk (-)	--	--	--	--
9- Other exchange rate Net Effect (7+8)	--	--	--	--
TOTAL (3+6+9)	--	--	--	--

Previous Period				
	Profit / Loss		Equity	
	Foreign Exchange Appreciation	Foreign Exchange Depreciation	Foreign Exchange Appreciation	Foreign Exchange Depreciation
+/- 10% fluctuation of USD rate:				
1- USD net asset / liability	--	--	--	--
2- Secured portion from USD risk (-)	--	--	--	--
3- USD Net Effect (1+2)	--	--	--	--
+/- 10% fluctuation of EUR rate:				
4- EUR net asset/ liability	--	--	--	--
5- Secured portion from EUR risk (-)	--	--	--	--
6- EUR Net Effect (4+5)	--	--	--	--
+/- 10% fluctuation of other exchange rate:				
7- Other exchange rate net asset/ liability	--	--	--	--
8- Secured portion from Other exchange rate risk (-)	--	--	--	--
9- Other exchange rate Net Effect (7+8)	--	--	--	--
TOTAL (3+6+9)	--	--	--	--

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NOTE 24 – THE NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS
(Continued)

Price Risk

The company is exposed to stock price risk, which may result from price changes in the shares in its portfolio. As of 31.12.2019, if there is a 10% increase/decrease in these shares traded in Istanbul Stock Exchange and all other variables are kept constant, the net profit/loss of the company consists of TL 19.857.611 increase /decrease (31.12.2018: TL 11.744.893).

Interest position table and Sensitivity Analysis:

Table Of Interest Position			
	Fixed-rate financial instruments	Current Period	Previous Period
Financial assets	Financial assets measured at amortized cost	0	0
	Financial Assets At Fair Value Through Profit/Loss	2.174.905	36.517
Financial liabilities	Credits	0	0
	Debt from bond and bond issuance	19.387.539	25.413.531
	Variable rate financial instruments	Current Period	Previous Period
Financial liabilities	Credits	0	0

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NOTE 24 – THE NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS
(Continued)

Fair Value Of Financial Instruments

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

The company considers that the registered values of financial instruments reflect their fair values.

Financial assets

Monetary items denominated in foreign currencies are translated using period-end exchange rates because their balance sheet value is close to their fair values. Financial assets are considered to be close to their carrying value because they are short-term and credit loss is negligible.

Financial liabilities

Monetary items denominated in foreign currencies are translated using period-end exchange rates because their balance sheet value is close to their fair values. Trade debts and other monetary liabilities are considered to be close to their carrying values due to their short-term nature.

Categories Of Financial Instruments

	31.12.2019		31.12.2018		Note
	Fair Value	Book Value	Fair Value	Book Value	
Financial assets					
Cash and Cash Equivalents	30.125	30.125	7.247	7.247	28
Financial Investments	200.774.010	200.774.010	118.559.029	118.559.029	22
Trade Receivables (Due From Related Parties)	0	0	0	0	3
Trade Receivables (Other Trade Receivables)	0	0	0	0	4
Other Receivables (Due From Related Parties)	1.779.099	1.779.099	17.984	17.984	3
Other Receivables (Other Receivables)	0	0	0	0	5
Financial liabilities					
Bank Borrowings	19.387.539	19.387.539	25.413.531	25.413.531	22
Short Term Portion of Long Term Borrowings	0	0	0	0	22
Long Term Borrowings	0	0	0	0	22
Other Financial Liabilities	0	0	0	0	22
Financial Leasing Transactions (Net)	0	0	0	0	22
Trade Payables (Due to Related Parties)	17.700	17.700	0	0	3
Trade Payables (Other Trade Payables)	47.551	47.551	17.006	17.006	4
Other Payables (Due to Related Parties)	10.000.000	10.000.000	20.000.000	20.000.000	3
Other Payables (Other Payables)	2.926	2.926	23.634	23.634	5

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NOTE 24 – THE NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS
(Continued)

The True Value of Financial Instruments

	Fair Value		Fair Value Level
	31.12.2019	31.12.2018	
Financial assets at fair value through profit/loss			
Stocks	198.576.107	117.345.672	Level 1
Private sector bonds and bonds	0	36.517	Level 1
Long-term investments accounted at fair value	2.197.903	1.073.580	Level 3
Total	200.774.010	118.455.769	

The company management considers that the book value of the financial assets accounted for by the cost method reflects their fair value.

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

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

The company has no financial applications within the framework of hedging accounting.

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NOTE 25 – EVENTS AFTER BALANCE SHEET DATE

1 -) The application made by the company for the purchase of shares of Gedik Portföy Yönetimi A.Ş. was approved in the bulletin of the Capital Markets Board dated January 9, 2020. All of the shares were transferred to Gedik Yatırım Holding A.Ş. on February 4, 2020. A total of TL 5.936,000 was agreed to be paid for 5,300,000 shares of the company.

2 -) The company sold its 1.350.000 shares of Gedik Yatırım Menkul Değerler, on February 14, 2020, at a price range of 10,30-11,67. As a result of this sale, its share in the Company decreased to 50.25%.

3 -) Mecapps Yazılım ve İnternet Teknolojileri A.Ş. the nominal amount of the capital of the company against the current 20,000 emission premium share was transferred to TL 20,000 and the emission premium was transferred to TL 80,000 with a total amount of TL 100,000.

4 -) The company's application for bonus capital increase made by the board of Directors decision dated 19.09.2019 was withdrawn by the board of Directors decision dated 23.01.2020.

NOTE 26 – OTHER MATTERS THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE

None.

NOTE 27 – FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

The company maintains its accounting records and statutory books in Turkish Lira (TL) based on the commercial and financial legislation in force. The accompanying financial statements public oversight accounting and Auditing Standards Authority (UPS), which was introduced by the Turkish accounting standards and Turkish financial reporting standards reviews (Tas/TFRs) prepared on the basis of public oversight accounting and Auditing Standards Authority (UPS) and published by the 2013 date 20.05.2013 – 1 a policy decision on the implementation of accounting standards (financial and user's guide examples of statements with the financial statements and footnotes are presented in accordance with the principles of the obligatory notation.

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NOTE 28 – RELATED EXPLANATIONS WITH STATEMENT OF CASH FLOW

Cash and Cash Equivalents

Cash and cash equivalents are as follows..

	31.12.2019	31.12.2018	31.12.2017
Banks-Demand Deposits	0	0	213.939
Cash Equivalents From Related Parties	30.125	0	0
Receivables from barter Bank Money Market	0	7.250	2.419.751
Provision For Expected Loan Losses (-)	0	(3)	0
Total	30.125	7.247	2.633.690

NOTE 29– RELATED EXPLANATIONS WITH STATEMENT OF CHANGES IN EQUITY

None.