GLOBAL MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2019 WITH INDEPENDENT AUDITOR'S REPORT (ORIGINALLY ISSUED IN TURKISH)

Aksis Uluslararası Bağımsız Denetim Anonim Şirketi
10 March 2020
This report includes 6 pages of independent auditors' report and 57 pages of consolidated financial statements together with their explanatory notes.

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR’S REPORT (ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Global Menkul Değerler Anonim Şirketi

A) Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Global Menkul Değerler Anonim Şirketi (the “Company”), its subsidiary (collectively referred to as the “Group”), which comprise the consolidated statement of financial position as at 31 December 2019 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements and a summary of significant accounting policies.

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

Basis for Opinion

Our audit was conducted in accordance with the Standards on Independent Auditing issued by the Capital Markets Board of Turkey (“CMB”) and 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 Consolidated Financial Statements” section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (the “Ethical Rules”) issued by POA and the ethical requirements regarding independent audit in regulations 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.

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. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

REVENUE	
KEY AUDIT MATTERS	**HOW OUR AUDIT ADDRESSED THE MATTER**
The Group recognized revenue amounting to TL 7.424.014.109 under “sales and service income” in profit or loss for the year ended 31 December 2019. Related amounts and explanations have been disclosed in Note 17. Since the revenue is comprising significant portion of the profit or loss and consisting various items such as commission income, corporate finance income, interest income, sales of marketable securities and consultancy income; revenue is defined as key audit matter.	During our audit, by understanding the Group’s revenue process we have examined the design and implementation of the internal controls that are set by the management in order to recognize revenue in accordance with the relevant standards and tested the applied. As our audit procedure, the Group’s brokerage income is confirmed from third parties. We have performed analytical procedures for commission income. Additionally, for the transactions that are selected through sampling method, supporting documents have been obtained to ensure that the transactions are recognized accurately. Additionally, we evaluated the sufficiency of explanations in Note 17 “Revenue” within the scope of TFRS 15. We are not aware of any significant misstatement about recognition of revenue based on the audit procedures performed.

DEFERRED TAX	
KEY AUDIT MATTERS	**HOW OUR AUDIT ADDRESSED THE MATTER**
Deferred tax is an important judgmental area for the management. The probable significant risk regarding the deferred tax assets on tax losses carried forward comprises the risk of misstatement or error on calculation of deferred tax and risk of not matching the principles of recognition in accordance with related accounting standards. Additionally, recoverability of deferred tax assets calculated on tax losses carried forward is dependent on future taxable profit in foreseeable future periods. The recoverability and recognition of deferred tax assets have been assessed as managerial judgement estimations. The deferred tax is defined as key audit matter because of the reasons explained above.	Per our audit procedures on recognition of deferred tax, we have compared the appropriateness of the Group accounting policies and applications on the recognition on the deferred tax assets and liabilities with related TASs. We have obtained management's tax budget projection to audit the recoverability of deferred tax assets calculated on tax losses carried forward. We have questioned the budgets together with the comparison of previous year budget and its realization for the probability of recoverability of deferred tax assets calculated on tax losses carried forward. Additionally, we evaluated the sufficiency of explanations in Note 24 "Taxation" within the scope of TAS 12. We are not aware of any significant misstatement about recognition of deferred tax assets based on the audit procedures performed.

<table>
<tr><td>TRADE RECEIVABLES AND EXPECTED CREDIT LOSS</td><td></td></tr>
<tr><td>KEY AUDIT MATTERS</td><td>HOW OUR AUDIT ADDRESSED THE MATTER</td></tr>
<tr><td>Trade receivables comprise significant portion (%85) of the Group’s total assets. The receivables and the impairment/expected credit loss that may be recognized over these receivables have significant effect on consolidated financial statements of the Group. Relevant risks that have been identified are listed below:
Probable fraud and errors that might occur during the process of recognition of trade receivables as an inconsistency with relevant accounting standards.
The risk of calculation of the impairment loss/ expected credit loss for trade receivables and detection risk of probable recognition of impairment/expected credit loss on trade receivables are a possible risk for the management.
The trade receivables and expected credit loss is defined as key audit matter because of the reasons explained above.</td><td>Addition to our other audit procedures performed, following audit procedures we have been applied on trade receivables and expected credit loss:
In order to mitigate the risk of fraud and error on recognition of trade receivables, we have tested the effectiveness and the efficiency of the controls that the management applies. We have made inquiries about the management’s controls on reconciliation process with the Group’s clients. Related supporting documents that are selected by sampling method have formed the basis of our audit evidences.
At the process of test of details, we have examined aging of trade receivables and recalculated the risk of impairment loss/ expected credit loss for trade receivables to be recognized in accordance with the relevant accounting standards.
Additionally, we evaluated the sufficiency of explanations in Note 7 “Trade Receivables” within the scope of TFRS 9.

We are not aware of any significant misstatement about trade receivables or expected credit losses based on the audit procedures performed.</td></tr>
</table>

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

Our objectives are 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 Standards on Independent Auditing issued by the CMB and 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 consolidated financial statements.

As part of an independent audit conducted in accordance with Standards on Independent Auditing issued by the CMB and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

B) Other Responsibilities Arising from Regulatory Requirements

Pursuant to the fourth paragraph of Article 398 of Turkish Commercial Code ("TCC") no. 6102; Auditors' Report on System and Committee of Early Identification of Risks is presented to the Board of Directors of the Company on 10 March 2020.

Pursuant to the fourth paragraph of Article 402 of the TCC; no significant matter has come to our attention that causes us to believe that for the period 1 January - 31 December 2019, the Company's bookkeeping activities and financial statements are not in compliance with TCC and provisions of the Company's articles of association in relation to financial reporting.

Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

The name of the audit partner who supervised and concluded this audit is Tayyip YAŞAR.

Tayyip YAŞAR, YMM

Partner

10 March 2020
Istanbul, Turkey
Aksis Uluslararası Bağımsız Denetim Anonim Şirketi

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Currency: Turkish Lira ("TL")

		Audited	Audited
	Note	**31 December 2019**	**31 December 2018**
Current Assets		**292.915.386**	**166.658.072**
Cash and cash equivalents	*4*	25.156.594	18.185.472
Financial investments	*5*	144.430	308.010
Trade receivables	*7*	259.482.236	142.460.421
Trade receivables from related parties	*26*	*3.863.920*	*1.496.336*
Trade receivables from third parties		*255.618.316*	*140.964.085*
Other receivables	*8*	6.346.077	4.229.869
Other receivables from third parties		*6.346.077*	*4.229.869*
Current tax assets	*24*	644.075	510.711
Prepaid expenses	*9*	1.012.973	963.589
Other current assets		129.001	--
Non-current assets		**12.182.206**	**10.960.323**
Other receivables	*8*	80.101	169.564
Other receivables from third parties		*80.101*	*169.564*
Financial investments	*5*	3.034.508	3.034.508
Right of use assets	*10*	1.168.507	--
Property and equipment	*10*	1.400.626	1.244.652
Intangible assets	*11*	1.540.736	728.685
Deferred tax assets	*24*	4.957.728	5.782.914
Total assets		**305.097.592**	**177.618.395**

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

Currency: Turkish Lira ("TL")

	Note	**Audited 31 December 2019**	**Audited 31 December 2018**
Short term liabilities		**254.059.683**	**128.394.449**
Short term borrowings	*6*	31.250.000	6.800.000
Short term portion of long term borrowings	*6*	1.033.129	--
Trade payables	*7*	217.191.113	118.242.602
Trade payables from related parties	*26*	--	*18.463*
Trade payables from third parties		*217.191.113*	*118.224.139*
Other payables	*8*	1.323.033	1.192.471
Other payables from related parties		*49.265*	--
Other payables from third parties		*1.273.768*	*1.192.471*
Payables related to employee benefits	*14*	1.758.052	908.977
Short term provisions		1.504.356	1.250.399
Provisions for employee benefits	*14*	*1.000.415*	*746.458*
Other provisions	*12*	*503.941*	*503.941*
Long term liabilities		**2.902.551**	**2.280.803**
Long term borrowings	*6*	282.350	--
Liabilities for equity accounted investees	*15*	657.739	650.132
Long term provisions	*14*	1.962.462	1.630.671
Provisions for employee benefits		*1.962.462*	*1.630.671*
Equity	*16*	**48.135.358**	**46.943.143**
Share capital		40.000.000	40.000.000
Inflation adjustment		150.406	150.406
Share premium		6.233.176	6.233.176
Accumulated other comprehensive income that will not be reclassified to profit or loss		(2.454.108)	(1.918.034)
Remeasurements of defined benefit plans		(2.454.108)	*(1.918.034)*
Accumulated other comprehensive income that are or may be reclassified subsequently to profit or loss		2.172.069	2.172.069
Available for sale financial assets – net change in fair value		*2.172.069*	*2.172.069*
Restricted reserves		8.050.219	8.050.219
Reserve for gain on sale of subsidiaries or properties		*2.047.028*	*2.047.028*
Legal reserves		*6.003.191*	*6.003.191*
Retained earnings/(accumulated losses)		(7.827.885)	(11.544.471)
Net profit for the year		1.811.481	3.799.778
Total liabilities		**305.097.592**	**177.618.395**

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

GLOBAL MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

Currency: Turkish Lira ("TL")

		Audited	**Audited**
	Not	**1 January- 31 December 2019**	**1 January- 31 December 2018**
PROFIT OR LOSS			
Revenue	*17*	7.424.014.109	7.722.182.758
Cost of Sales (-)	*17*	(7.377.325.723)	(7.676.778.773)
GROSS PROFIT		**46.688.386**	**45.403.985**
Marketing expenses (-)	*18*	(5.297.794)	(4.375.700)
General administrative expenses (-)	*18*	(36.704.892)	(32.952.557)
Other operating income	*20*	773.728	605.418
Other operating expenses (-)	*20*	(78.592)	(1.160.308)
OPERATING PROFIT		**5.380.836**	**7.520.838**
Income from investing activities	*21*	138.757	312.082
Loss from equity accounted investees	*15*	(7.607)	(53.026)
OPERATING INCOME BEFORE FINANCE COSTS		**5.511.986**	**7.779.894**
Finance income	*22*	3.071.823	2.261.750
Finance costs (-)	*23*	(5.790.762)	(4.777.418)
PROFIT BEFORE TAX		**2.793.047**	**5.264.226**
Tax income / expense	*24*	(981.566)	(1.464.448)
Current tax expense for the period		--	--
Deferred tax income / (expense)		(981.566)	(1.464.448)
NET PROFIT FOR THE YEAR		**1.811.481**	**3.799.778**
Earnings per share (TL)	*25*	**0,0453**	**0,0950**
OTHER COMPREHENSIVE INCOME			
Items that will not to be reclassified to profit or loss, before tax		**(668.991)**	**(57.019)**
- Actuarial gain / loss	*14*	(668.991)	(57.019)
Total taxes on other comprehensive income		**132.917**	**11.782**
- Total taxes on Items that will not to be reclassified to profit or loss			
- Tax effect of actuarial differences	*24*	132.917	11.782
TOTAL OTHER COMPREHENSIVE INCOME		**(536.074)**	**(45.237)**
TOTAL COMPREHENSIVE INCOME		**1.275.407**	**3.754.541**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

Currency: Turkish Lira ("TL")

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

GLOBAL MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019
Currency: Turkish Lira ("TL")

				Accumulated other comprehensive income					
				Items that will not to be reclassified to profit or loss	*Items that are or may be reclassified subsequently to profit or loss*				
	Share capital	**Inflation adjustment**	**Share premium**	**Actuarial gain / loss**	**Available for sale financial assets – net change in fair value**	**Restricted reserves**	**Retained earnings**	**Net profit / (loss) for the year**	**Total equity**
1 January 2018	**40.000.000**	**150.406**	**6.233.176**	**(1.872.797)**	**2.172.069**	**8.050.219**	**(16.648.276)**	**5.103.804**	**43.188.602**
Transfers	--	--	--	--	--	--	5.103.804	(5.103.804)	--
Total comprehensive income	**--**	**--**	**--**	**(45.237)**	**--**	**--**	**--**	**3.799.778**	**3.754.541**
Profit for the year	--	--	--	--	--	--	--	3.799.778	3.799.778
Other comprehensive income	--	--	--	(45.237)	--	--	--	--	(45.237)
31 December 2018	**40.000.000**	**150.406**	**6.233.176**	**(1.918.034)**	**2.172.069**	**8.050.219**	**(11.544.471)**	**3.799.778**	**46.943.143**
1 January 2019	**40.000.000**	**150.406**	**6.233.176**	**(1.918.034)**	**2.172.069**	**8.050.219**	**(11.544.471)**	**3.799.778**	**46.943.143**
TFRS 16 adjustment (Note 2.1.5)	--	--	--	--	--	--	(83.192)	--	(83.192)
1 January 2019 adjusted balance	**40.000.000**	**150.406**	**6.233.176**	**(1.918.034)**	**2.172.069**	**8.050.219**	**(11.627.663)**	**3.799.778**	**46.859.951**
Transfers	--	--	--	--	--	--	3.799.778	(3.799.778)	--
Total comprehensive income	**--**	**--**	**--**	**(536.074)**	**--**	**--**	**--**	**1.811.481**	**1.275.407**
Profit for the year	--	--	--	--	--	--	--	1.811.481	1.811.481
Other comprehensive income	--	--	--	(536.074)	--	--	--	--	(536.074)
31 December 2019	**40.000.000**	**150.406**	**6.233.176**	**(2.454.108)**	**2.172.069**	**8.050.219**	**(7.827.885)**	**1.811.481**	**48.135.358**

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

Currency: Turkish Lira ("TL")

	Note	Audited 1 January- 31 December 2019	Audited 1 January- 31 December 2018
A. Cash flows from operating activities:		**(12.882.002)**	**25.860.271**
Net profit for the year		**1.811.481**	**3.799.778**
Net profit for the year		1.811.481	3.799.778
Adjustments to reconcile cash flow generated from operating activities:		**5.018.010**	**3.845.476**
Depreciation and amortization expenses	*10,11*	2.024.855	584.819
Provision for employee benefits	*14*	429.260	457.376
Provision for doubtful receivables	*7*	(142)	(375)
Provision for unused vacation pay	*14*	239.326	117.586
Provision personnel bonus	*14*	171.000	--
Provision lawsuits		--	(181.164)
Interest income	*22*	(3.071.359)	(2.258.010)
Interest expenses	*23*	4.374.654	3.919.852
Loss from equity accounted investees	*15*	7.607	53.026
Tax (income) / expenses	*24*	981.566	1.464.448
Adjustments from investment activities	*21*	(138.757)	(312.082)
Change in assets and liabilities		**(18.655.300)**	**18.713.518**
Increase/decrease in trade receivables		(117.021.673)	(51.776.296)
Increase/decrease in trade payables		98.948.511	71.068.409
Increase/decrease in other receivables		(2.205.130)	24.280
Increase/decrease in other payables		979.637	(602.875)
Increase/decrease in other assets		(672.125)	--
Increase/decrease in other liabilities		1.315.480	--
Cash flows from activities		**(11.825.809)**	**26.358.772**
Taxes paid	*24*	(133.364)	32.094
Employment termination benefits paid	*14*	(922.829)	(530.595)
B. Cash flows from investment activities		**(2.683.282))**	**1.426.301**
Purchase of property and equipment and intangible assets	*10,11*	(1.972.042)	(1.447.933)
Sale of property and equipment and intangible assets	*10,11*	99.105	138.161
Change in restricted cash	*4*	(1.112.682)	2.619.526
Change in financial investments	*5*	163.580	(195.535)
Dividends received	*21*	138.757	312.082
C. Cash flows from financial activities		**21.423.724**	**(22.961.842)**
Net change in financial borrowings		24.450.000	(21.300.000)

Currency: Turkish Lira ("TL")

Cash outflow from leasing payments	*6*	(1.722.981)	--
Interest received		3.071.359	2.258.010
Interest paid		(4.374.654)	(3.919.852)
Net increase/(decrease) in cash and cash equivalents		**5.858.440**	**4.324.730**
D. Cash and cash equivalents at the beginning of the period	*4*	**12.648.154**	**8.323.424**
Cash and cash equivalents at the end of the period	*4*	**18.506.594**	**12.648.154**

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

Currency: Turkish Lira (“TL”)

1. Organization and Nature of Operations

Global Menkul Değerler Anonim Şirketi (“Global Menkul” “the Company”) was incorporated in İstanbul on 1 October 2004. The principal operational activity of the Company is to perform capital market operations in line with the Capital Market Laws and Regulations.

Global Menkul has been authorized by Capital Markets Board as a Fully Authorized Intermediary Institution and holds the following authorization certificates:

- Sale-Purchase Intermediary Authorization Document
- Individual Portfolio Management Authorization Document
- Investment Consultancy Authorization Document
- Limited Safekeeping Services
- IPO Intermediary Authorization Document – Intermediary Underwriting
- IPO Intermediary Authorization Document – Best Effort Intermediary

The registered address of Global Menkul is “Yeşilce Mah. Eski Büyükdere Caddesi No:65 Kat:1 Kağıthane / İstanbul”.

As of 31 December 2019, total number of the employee working for the Group is 100 (31 December 2018: 117).

As of 31 December 2019, Global Menkul has 3 branches (31 December 2018: 3 branches).

Global Menkul is a subsidiary of Global Yatırım Holding Anonim Şirketi (“Global Yatırım Holding”).

31 As of 31 December 2019 and 31 December 2018 shareholders’ structure of the Company is as follows:

	31 December 2019		31 December 2018	
	TL	**%**	**TL**	**%**
Global Yatırım Holding	29.999.996	75,00	30.973.769	77,43
Listed Shares	10.000.003	25,00	9.026.230	22,57
Other	1	0,00	1	0,00
Total	**40.000.000**	**100,00**	**40.000.000**	**100,00**

25 % of the Company’s shares is traded in Borsa Istanbul A.Ş. (“BIAS”) since 29 June 2011. A portion of the shares owned by Global Yatırım Holding represent shares traded in BIAS.

The Company’s all shares are ordinary shares and there are no preferred shares.

The Company’s subsidiaries and equity accounted investee

	Share Percentage	Presentation
Global MD Portföy Yönetimi A.Ş.	% 100	Consolidated
IEG Global Kurumsal Finansman A.Ş.	% 50	Equity accounted investee

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1. Organization and Nature of Operations *(Continued)*

Global MD Portföy Yönetimi A.Ş., (formerly Emdaş Portföy Yönetimi A.Ş.)

The activity of Global MD Portföy Yönetimi A.Ş. is to manage the portfolio of capital market instruments within the framework of the Capital Markets Law and related legislative provisions by making a portfolio management agreement with the customers and acting as a proxy. The Company was established on 31 October 2001. The Company also manages portfolio of domestic and foreign funds, investment trusts and domestic and foreign legal entities within the scope of portfolio management activities within the scope of the legislative provisions. As of 31 December the capital is TL 9.000.000 and all of its capital is owned by Global Menkul Değerler A.Ş.

IEG Global Kurumsal Finansman A.Ş.

IEG Global Kurumsal Finansman, was incorporated on 17 May 2011 through 50% - 50% partnership between the Company and IEG (Deutschland) GmbH, a leading corporate finance company in Europe. Share Capital of IEG Global Kurumsal Finansman is TL 50.000.

Merger with Eczacıbaşı Yatırım Menkul Değerler A.Ş.

As per the application to the Capital Markets Board (Board) to take over the shares holding the 100% of the Capital of Eczacıbaşı Yatırım Menkul Değerler A.Ş. by Global Menkul Değerler A.Ş., Board has accepted Global Menkul's application with their letter dated 21.05.2015.

After the purchase of the above-mentioned shares; It has been resolved that, Global Menkul to merge with wholly owned Eczacıbaşı Yatırım Menkul Değerler A.Ş. within Global Menkul according to article 155/1 of Turkish Commercial Law and article 13 of the Decree number II.23.2 regarding Mergers and Spin-offs issued by Capital Markets Board. Following the above-mentioned resolution, necessary applications were made to the Board and the Board accepted the application and published this approval Capital Markets Board Bulletin dated 09.07.2015 numbered 2015/24.

Merger has been registered to the Trade Registry on 09.11.2015. Together with this registration Eczacıbaşı Yatırım Menkul Değerler A.Ş. ceased to exist as an entity and merged with Global Menkul with its all rights and liabilities. As a result of this merger the total of the shares of Global MD Portföy Yönetimi A.Ş. an affiliate of Eczacıbaşı Yatırım Menkul Değerler A.Ş. has been owned by Global Menkul.

2. Basis of Presentation of the Financial Statements

2.1 Basis of presentation

2.1.1 Basis of accounting

The consolidated financial statements of the Group have been prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") that are set out in the 5th article of the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board ("CMB") on 13 June 2013 and published in Official Gazette numbered 28676.

In addition, financial statements and footnotes are presented in accordance with the formats announced by the CMB on 7 June 2013.

Consolidated financial statements are prepared on the basis of historical cost except for in financial assets measured at their fair value. When the historical cost is determined, the fair value of the amount usually paid for the assets is taken as basis. The measurement principle of fair value is disclosed in the related accounting policies.

2. Basis of Presentation of the Financial Statements *(Continued)*

2.1 Basis of Presentation *(Continued)*

2.1.1 Basis of accounting *(Continued)*

Approval of financial statements:

The consolidated financial statements of the Group for the year ended 31 December 2019 are approved by the management on 10 March 2020. The General Assembly and certain regulatory bodies have the right to amend the financial statements after their publication.

2.1.2 Reporting and Functional Currency

The consolidated financial statements have been presented in Turkish Lira ("TL") which is the functional currency of the Company and is the presentation currency of these consolidated financial statements.

2.1.3 Basis of Consolidation

The consolidated financial statements include the accounts of the parent company, Global Menkul Değerler A.Ş. and its subsidiaries and its joint venture. The financial statements of the companies included in the consolidation have been prepared as of the date of the consolidated financial statements in conformity with TAS/TFRS and applying uniform accounting policies and presentations.

Subsidiaries

The subsidiaries are determined based on the following principles:

(a) Whether Global Menkul has more than %50 use of right in the companies directly or indirectly owned by Global Menkul or

(b) Whether Global Menkul has control power or right on the financial and operational policies of the companies although has not more than %50 use of right,

Related company is included in the consolidation.

Control power represents directly or indirectly management of the company's financial and operational policies by Global Menkul. The subsidiaries' financial statements are included to the consolidation for the period between the startup and finalization of the management's control.

Currency: Turkish Lira ("TL")

2. Basis of Presentation of the Financial Statements *(Continued)*

2.1 Basis of Presentation *(Continued)*

2.1.3 Basis of Consolidation *(Continued)*

The following table represents the names and ownership percentages of the subsidiaries and the effect and control power as of 31 December 2019 and 31 December 2018 directly or indirectly controlled by Global Menkul:

	(%)	(%)
	31 December 2019	**31 December 2018**
Global MD Portföy Yönetimi A.Ş. ("Global MD")	100	100

As Global Menkul has 100 % ownership on the subsidiaries, there is no minority interest. Accordingly, "non-controlling interest" is not included in the accompanying consolidated financial statements.

Joint Ventures

Joint venture is formed by one or more than one entrepreneur partner in order to realize a solo economic operation.

In the accompanying consolidated financial statements, the joint venture namely as 'IEG Global Kurumsal Finansman' is accounted based on the equity method. Equity method represents the reflection of the increase or decrease in the investee's equity to the net book value shown in the in investor company's financial statements. If the Global Menkul's share received from the IEG Global Kurumsal Finansman's equity exceeds its recorded value, investments accounted under equity method are shown in the consolidated financial statements as zero. After decrease the value of the investment accounted under equity method in the financial statements as zero, additional liabilities arising from for the purpose of performing its operational activities are shown under the 'Liabilities for the investments accounted under equity method'.

In the condition of, the portion that the Company took from IEG Global Kurumsal Finansman's equity exceeding the book value of the Company's share in IEG Global Kurumsal Finansman's capital, the amount of equity accounted investee be canceled out. Thereafter, additional liability is recognized under "Liabilities from Equity Accounted Investees" because the Company provides fund for IEG Global Kurumsal Finansman to continue its operations.

The financial statements of the joint venture are prepared in line with the same accounting period and policies applied by the Company.

As of 31 December 2019 and 2018 share percentages of the joint venture are shown as follows:

	(%)	(%)
	31 December 2019	**31 December 2018**
IEG Global Kurumsal Finansman Danışmanlık A.Ş. (IEG Global)	50	50

2. Basis of Presentation of the Financial Statements *(Continued)*

2.1 Basis of Presentation *(Continued)*

2.1.3 Basis of Consolidation *(Continued)*

Adjustments for the Consolidation

The balance sheets and comprehensive income statements of the subsidiaries included in the consolidation are consolidated by using full consolidation method and therefore, the recorded values shown in the Global Menkul's assets and equities of the subsidiaries are eliminated. Transaction and outstanding balances between the companies included in consolidated are directly eliminated.

2.1.4 Comparative Information

The consolidated financial statements of the Group are prepared comparatively with the previous period in order to allow the determination of financial position and performance trends. The Group's consolidated statement of financial position as of 31 December 2019, with the statement of financial position as of 31 December 2018; Profit or loss and other comprehensive income statement, cash flow statement and statement of change in equity for the interim period 1 January - 31 December 2019 are comparatively arranged with the related financial statements for the interim period 1 January - 31 December 2018.

Comparative information is reclassified when necessary and important differences are explained in order to ensure compliance with the presentation of the current period consolidated financial statements.

2.1.5 Changes in Accounting Policies

Accounting policy changes arising from the first application of a new TAS are applied retroactively or prospectively in accordance with the transition provisions of the said TAS. Significant accounting errors are applied retrospectively and prior period financial statements are restated. Changes in accounting estimates are applied in the current period when the change is made only for a period, and both in the period when the change is made and prospectively.

The Group has applied accounting policy changes resulting from the new standard, amendments and interpretations effective as of 1 January 2019 and the first application of the "TFRS 16 Leases" standard, in accordance with the transitional provisions of the relevant standard.

The accounting policy changes originating from the mentioned standards and the effects of the application of the related standards for the first time are as follows:

Group - as a lessee

At inception of a contract, the Group assesses whether a contract is, or contains a lease. 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. To assess whether a contract conveys the right to control the use of an identified asset, The Group assess whether:

a) The contract involved the use of an identified asset – this may be specified explicitly or implicitly.
b) The Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use; and

2. Basis of Presentation of the Financial Statements *(Continued)*

2.1 Basis of Presentation *(Continued)*

2.1.5 Changes in Accounting Policies *(Continued)*

Group - as a lessee *(continued)*

c) The Group has the right to direct use of the asset. The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset. The Group has the right to direct use of asset if either:

i. the Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;

ii. the Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used

The Group books a right of use and a lease obligation to the financial statements at the date that the lease is commenced.

<u>*Right of use asset*</u>

The right of use asset is initially recognized at cost comprising of:

a) Amount of the initial measurement of the lease liability;
b) Any lease payments made at or before the commencement date, less any lease incentives received;
c) Any initial direct costs incurred by the Group; and
d) The costs assumed by the Group related to the restoration of the underlying asset to bring it in line with the terms and conditions of the lease (except those assumed for manufacturing inventory).

To apply a cost model, the Group measure the right-of-use asset at cost:

a) Less any accumulated depreciation and any accumulated impairment losses; and
b) Adjusted for any remeasurement of the lease liability

The Group applies IAS 16 "Property, Plant and Equipment" to amortize the right of use asset and to assess for any impairment.

The Group apply IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

<u>*Lease Liability*</u>

At the commencement date, The Group measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group use the lessee's incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

a) Fixed payments, less any lease incentives receivable;
b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

2. Basis of Presentation of the Financial Statements *(Continued)*

2.1 Basis of Presentation *(Continued)*

2.1.5 Changes in Accounting Policies *(Continued)*

<u>*Lease Liability (continued)*</u>

c) Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, the Group measure the lease liability by:

a) Increasing the carrying amount to reflect interest on the lease liability;
b) Reducing the carrying amount to reflect the lease payments made; and
c) Remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Extension and termination options

In determining the lease liability, the Group considers the extension and termination options. The majority of extension and termination options held are exercisable both by the group and by the respective lessor. Extension options are included in the lease term if the lease is reasonably certain to be extended. The group remeasures the lease term, if a significant event or a significant change in circumstances occurs which affects the initial assessment.

Facilitative practices

Lease agreements with lease periods of 12 or fewer months, and agreements related to information technology equipment identified as impaired by the Group (mostly printers, laptops, mobile phones and the like), are considered within the scope of the exemption in the TFRS 16 lease standard, and payments related to these agreements continue to be recognised as expenses in the period in which they occur.

First Adoption to IFRS 16

As of January 1, 2019, the first application date of the TFRS 16 “Leases” standard, which replaces the TAS 17 “Leasing Transactions” standard, the Group has recognized the cumulative effect of the first time application of the standard retrospectively (“cumulative effect method”) in previous years' losses. Within the scope of the simplified transition application of the mentioned method defined in the relevant standard, no re-arrangement in the comparative information of the financial statements.

Within the scope of the first application of TFRS 16 “Leases” standard, prior to January 1, 2019, lease commitments were accounted as “lease liability” in the consolidated financial statements in accordance with TAS 17 “Leasing Transactions” standard.

The lease liability in question was measured over at the present value of the lease payments that were not realized as of the date of transition, discounted by using the alternative borrowing interest rate on the Group's first date of application. On the other hand, the right of use assets are accounted for at an amount equal to the lease liability (made in advance or adjusted according to the amount of the rental payments accrued) within the scope of the simplified transition application in the relevant standard.

The Group reflected the effects of TFRS 16 to the financial statements for the first time in the year ended 31 December 2019, and re-measured the impact from the opening as a result of detailed analysis. The effect of the amendment to the previous years' losses of the Group as of 1 January 2019 is as follows:

Currency: Turkish Lira ("TL")

2. Basis of Presentation of the Financial Statements *(Continued)*

2.1 Basis of Presentation *(Continued)*

2.1.5 Changes in Accounting Policies *(Continued)*

First Adoption to TFRS 16 *(Continued))*

	Retained earnings
1 January 2019 (Reported)	**(11.544.471)**
TFRS 16 Adjustment	(106.655)
-Right of use asset (Note 10)	*1.968.518*
-Lease liability (Note 6)	*(2.075.173)*
Deferred Tax Effect (Note 24)	23.463
Net Opening Adjustment	**(83.192)**
1 January 2019 (Adjusted)	**(11.627.663)**

2.1.6 New and Revised Turkish Accounting Standards

The company has applied the new and revised standards and interpretations which are published by TAS and Turkish Financial Reporting Standards effective as of 31 December 2019, those related to its field of activity.

As at 31 December 2019, new standards in force and amendments to existing previous standards and interpretations:

Explanations on the effects of the new TAS / TFRS on the financial statements

a) Title of TAS / TFRS,
b) İf any the accounting policy change, was made in accordance with the relevant transitional provisions
c) explanation of change in accounting policy
d) a description of the transitional provisions, if any
e) the effects of transitional provisions, if any, on future periods,
f) as much as possible, the correction amounts for the current and each previous period submitted:
   i. should present for each affected financial statement item and
   ii. If "TAS 33, Earnings per Share" standard is valid for the company, ordinary shares and diluted earnings per share should be recalculated.
g) if possible, the correction amounts for the periods prior to the periods not presented and if the retrospective application is not possible for any period or periods, the events leading to this situation should be explained and the date and how the change in accounting policy was applied should be explained.

2. Basis of Presentation of the Financial Statements *(Continued)*

2.1 Basis of Presentation *(Continued)*

2.1.6 New and Revised Turkish Accounting Standards *(Continued)*

IFRS 9, "Financial instruments"; Effective from annual periods beginning on or after 1 January 2019. This amendment confirmed two points: (1) that reasonable compensation for prepayments can be both negative or positive cash flows when considering whether a financial asset solely has cash flows that are principal and interest and (2) that when a financial liability measured at amortised cost is modified without this resulting in de-recognition, a gain or loss should be recognised immediately in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. This means that the difference cannot be spread over the remaining life of the instrument which may be a change in practice from IAS 39

Amendment to IAS 28, "Investments in associates and joint venture"; effective from annual periods beginning on or after 1 January 2019. These amendments clarify that companies account for long-term interests in associate or joint venture to which the equity method is not applied using IFRS 9.

IFRS 16, "Leases"; effective from annual periods beginning on or after 1 January 2019, with earlier application permitted if IFRS 15'Revenue from Contracts with Customers' is also applied. This standard replaces the current guidance in IAS 17 and is a farreaching 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.

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

2. Basis of Presentation of the Financial Statements *(Continued)*

2.1 Basis of Presentation *(Continued)*

2.1.6 New and Revised Turkish Accounting Standards *(Continued)*

Annual improvements 2015 - 2017; 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.

Amendments to IAS 19, 'Employee benefits' on plan amendment, curtailment or settlement'; 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 reminder of the period after a plan amendment, curtailment or settlement;
- 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.

Standards, amendments and interpretations that are issued but not effective as at 31 December 2019:

Amendments to IAS 1 and IAS 8 on the definition of material; 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.

Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest rate benchmark reform; effective from Annual periods beginning on or after 1 January 2020. These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.

2. Basis of Presentation of the Financial Statements *(Continued)*

2.1 Basis of Presentation *(Continued)*

2.1.6 New and Revised Turkish Accounting Standards *(Continued)*

IFRS 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.

2.1.7 Changes in Accounting Estimates and Errors

The changes in estimates of accounting are about only one period, when the change is made, are about future, prospectively applied by including future periods. There is no change in accounting estimates in the current period. Determined significant accounting estimates errors are applied retrospectively and readjust prior financial statements. There is no significant accounting error that was discovered in the current period.

2.2 Summary of the Significant Accounting Policies

2.2.1 Sales Revenues, Financial Income and Expenses

Capital markets intermediary services

Intermediary services fees from capital markets arising from the transactions in the name of customers are reflected to the income statement at the dates of purchase/sales transactions in line with the management's estimation and interpretation, accruals on income arising from those transactions are reflected to the income statement, unless there is collectability doubt.

Interest income

Interest income from the customers are reported within 'Sales Revenues', whereas, interest income from bank deposits are reported within 'Financial Income'.

Gains/Losses on sales and purchase of marketable securities

Gains/Losses on sales and purchases of marketable securities are reflected to the income statement when the sale/purchase orders are given.

Funds used within reverse repurchase agreements

Funds used within reverse repurchase agreements having short maturity represent government bonds and T-Bills acquired together with the back sales commitment. The portion of the price difference between purchase and back sales is accrued as financial income.

Commission income

Commission income represent the commissions received for the financial services and are accounted at the date of the service given.

Other

Interest expenses are accounted as to accrual basis. Other income and expenses are also accounted as to accrual basis.

2. Basis of Presentation of the Financial Statements *(Continued)*

2.2 Summary of the Significant Accounting Policies

2.2.2 Property and Equipment

Property and equipment of the subsidiaries and joint ventures that operate in Turkey and acquired before 1 January 2005 are stated at restated cost until 31 December 2004 less accumulated depreciation and permanent impairment losses.

Subsequent expenditure

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is provided on a straight-line basis over the useful lives of the assets. The estimated useful lives of property and equipment are as follows:

Explanation	Years
Machinery and equipment	4-5
Furniture, fixtures and office equipment	5
Motor vehicles	5
Leasehold improvements	5

2.2.3 Intangible Assets

An intangible asset is recognized if it meets the identifiably criterion of intangibles, control exists over the asset; it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the costs can be measured reliably. Intangible assets are carried at cost less accumulated amortization and impairment. Amortization of intangible assets is allocated on a systematic pro-rata basis using the straight-line method. Intangible assets including acquired rights, information systems and computer software are amortized using the pro-rata method over their estimated useful economic lives.

2.2.4 Impairment

At each reporting date, the Company reviews the carrying amounts of the its non-financial assets, (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating unit ("CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of the asset or CGU exceeds its recoverable amount.

2.2.5 Borrowing Costs

All financial expenses are recorded to the period when incurred.

2. Basis of Presentation of the Financial Statements *(Continued)*

2.2 Summary of the Significant Accounting Policies *(Continued)*

2.2.6 Financial Instruments

Financial Assets

Financial assets are classified in three categories of financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit of loss. The classification of financial assets is determined considering the Institute's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The appropriate classification of financial assets is determined at the time of the purchase.

Financial assets are not reclassified after initial recognition except when the Company's business model for managing financial assets changes; in the case of a business model change, subsequent to the amendment, the financial assets are reclassified on the first day of the following reporting period.

Recognition and Measurement

"Financial assets measured at amortized cost", are non-derivative assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company's financial assets measured at amortized cost comprise "cash and cash equivalents", "trade receivables". Financial assets carried at amortized cost are measured at their fair value at initial recognition and by effective interest rate method at subsequent measurements. Gains and losses on valuation of non-derivative financial assets measured at amortized cost are accounted for under the statement of income.

"Financial assets measured at fair value through other comprehensive income", are non-derivative assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Gains or losses on a financial asset measured at fair value through other comprehensive income is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified to retained earnings.

The Company may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, to present subsequent changes in fair value in other comprehensive income. In such cases, dividends from those investments are accounted for under consolidated statement of income.

"Financial assets measured at fair value through profit or loss", are assets that are not measured at amortized cost or at fair value through other comprehensive income. Gains and losses on valuation of these financial assets are accounted for under the statement of income.

2. Basis of Presentation of the Financial Statements *(Continued)*

2.2 Summary of the Significant Accounting Policies *(Continued)*

2.2.6 Financial Instruments *(Continued)*

Derecognition

The Company derecognized a financial asset when the contractual rights to the cash flows from the asset expired, or it transferred the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset were transferred. Any interest in such transferred financial assets that was created or retained by The Company was recognized as a separate asset or liability.

Impairment

Impairment of the financial and contractual assets measured by using "Expected credit loss model" (ECL). The impairment model applies for amortized financial and contractual assets.

Provision for loss measured as below;

- 12- Month ECL: results from default events that are possible within 12 months after reporting date.
- Lifetime ECL: results from all possible default events over the expected life of financial instrument

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since 12-month ECL measurement if it has not.

The Company may determine that the credit risk of a financial asset has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement (simplified approach) always apply for trade receivables and contract assets without a significant financing.

Trade receivables

Trade receivables that are created by way of providing goods or services directly to a debtor are measured at amortized cost, using the effective interest rate method. Short duration receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant.

The Company has preferred to apply "simplified approach" defined in IFRS 9 for the recognition of impairment losses on trade receivables, carried at amortized cost and that do not comprise of any significant finance component (those with maturity less than 12 months). In accordance with the simplified approach, The Company measures the loss allowances regarding its trade receivables at an amount equal to "lifetime expected credit losses" except incurred credit losses in which trade receivables are already impaired for a specific reason.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other operating income.

Unearned finance income/expense due to commercial transactions are accounted for under "Other Operating Income/Expenses" in the consolidated statement of income or loss.

Currency: Turkish Lira ("TL")

2. Basis of Presentation of the Financial Statements *(Continued)*

2.2 Summary of the Significant Accounting Policies *(Continued)*

2.2.6 Financial Instruments *(Continued)*

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank deposits with original maturities of more than three months and shorter than 1 year are classified under short-term financial investments.

Financial liabilities

Financial liabilities are measured initially at fair value. Transaction costs which are directly related to the financial liability are added to the fair value. Financial liabilities are classified as equity instruments and other financial liabilities.

Equity instruments

Ordinary shares are classified as equity. Additional costs attributed directly to the issuance of ordinary shares are recognized as a decrease in shareholders' equity after deduction of tax effect.

Other financial liabilities

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

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

Trade payables

Trade payables are payments to be made arising from the purchase of goods and services from suppliers within the ordinary course of business. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.2.7 Foreign Currency Transactions

Transactions in foreign currencies are translated to TL at exchange rates on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to TL at the exchange rate on that date. Foreign currency differences arising on retranslation and gains and losses from foreign currency transactions are recognized in profit or loss

	31 December 2019	31 December 2018
American Dollar (USD)	5,9402	5,2609
Avro (EUR)	6,6506	6,0280

2.2.8 Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2. Basis of Presentation of the Financial Statements *(Continued)*

2.2 Summary of the Significant Accounting Policies *(Continued)*

2.2.9 Provisions, Contingent Liabilities and Contingent Assets

In order to record any provision to the consolidated financial statements, it is required that the Company should have an existing legal obligation coming from past circumstances, a potential issue should exist to exclude the Company's sources having economic benefit in order to realize this obligation and an estimation should be made about the value of this obligation. If these criteria do not come into existence, the Company should disclose those matters in the footnotes.

Until realization contingent assets are not accounted and only disclosed in the footnotes.

2.2.10 Lease Transactions

Operational lease transactions are recorded to the income statements at the periods when occured.

2.2.11 Related Parties

The companies having direct or indirect influence or control through shareholding, rights based on agreements, family relations and so on are referred to as related parties. The shareholders and the company's management are also referred to as related parties.

For the purpose of these financial statements, the Company's shareholders, group companies having indirect share capital relation, board of directors and top management are referred to as 'Related Parties'.

2.2.12 Taxation and deferred income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax related to the equity items is carried under the equity and not reflected to income statement. Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

2. Basis of Presentation of the Financial Statements *(Continued)*

2.2 Summary of the Significant Accounting Policies *(Continued)*

2.2.12 Taxes *(Continued)*

In accordance with the "Law on the Amendment of Certain Tax Acts and Some Other Laws" numbered 7061 and published in Official Gazette on 23 December 2017; the corporate tax rate for the years 2018, 2019 and 2020 has been increased from 20% to 22%. Therefore, deferred tax assets and liabilities as of 31 December 2018 are calculated with 22% tax rate for the temporary differences that will be realized in 2018, 2019 and 2020; and with 20% tax rate for the temporary differences that will be realized after 2021 and onwards.

Deferred tax assets and deferred tax liabilities related to income taxes levied by the same taxation authority are offset accordingly

Transfer pricing

The transfer pricing provisions are set out under the Article 13 of the Corporate Tax Law under the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via transfer pricing dated 18 November 2007 sets out details about the implementation of these provisions. If a tax payer enters into transactions regarding the sale or purchase of goods and services with related parties, where the prices are not set in accordance with an arm's-length basis, the related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as a tax deductible for corporate income tax purposes.

2.2.13 Employee Benefits

In accordance with existing labour law in Turkey, the Company is required to make lump-sum severance indemnities to each employee who has completed over one year of service with the Company and whose employment is terminated without cause or who retire, are called up for military service or die.

TMS 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans.

Provision for severance pay for each year is calculated based on total gross salary and other benefits. As of 31 December 2019 it is maximum 6.379,86 TL (31 December 2018: 5.434,42 TL).

2. Basis of Presentation of the Financial Statements *(Continued)*

2.2 Summary of the Significant Accounting Policies *(Continued)*

2.2.14 Earnings per Share

Earnings per share shown in the consolidated comprehensive income statement are calculated by dividing net profit to the weighted average number of the shares.

Weighted average number of the shares is calculated by taking number of shares at the beginning of the period and number of shares issued during the period and then fined the weighted average of them as for daily basis. The companies in Turkey can increase their share capital through issuing free shares arising from the distribution of prior years' profits. During the calculation of earning per shares, these kinds of free share distribution are considered as issued shares.

2.2.15 Subsequent Events

In case some events that require correction after the balance sheet date, the Company shall correct the amounts from the financial statements in accordance with the current situation. The matters that do not require correction after balance sheet date shall be explained in footnotes of financial statements, if they have an effect on economic decisions of the financial statement users.

2.2.16 Cash Flow Statement

In order to disclose changes in net assets or financial position, the Company prepares statement of cash flows as an integral part of other financial statements. Cash flows are classified according to operating, investment and finance activities in the statement of cash flows.

Cash flows from operating activities represent cash flows arising from the Company's intermediary and portfolio management operations. Cash flows from investing activities represent cash flows from long term investments and financial investments. Cash flows from financial activities represent funds used in the operations and repayments of those fluids.

2.2.17 Critical Accounting Estimates And Assumptions

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

The accounting judgements, estimates and assumptions used in preparing the consolidated financial statements, are consistent with the accounting judgements, estimates and assumptions used in preparing the consolidated financial statements as at 31 December 2018.

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

Note 7 – Trade Receivables

Note 12 – Provisions, contingent assets and liabilities

Note 14 – Reserve for Employee Benefits

Note 27 – Charecteristics and Level of Risks Arising from Financial Instruments

Currency: Turkish Lira ("TL")

3. Segment Reporting

For the year ended 31 December 2019 the segments' profit or loss statements are as follows

	Global Menkul	Global MD Portföy	Total	Elimination	Consolidated
Revenue	7.423.138.468	875.641	7.424.014.109	--	7.424.014.109
Cost of Sales	(7.377.325.723)	--	(7.377.325.723)	--	(7.377.325.723)
Gross Profit/(Loss)	**45.812.745**	**875.641**	**46.688.386**	**--**	**46.688.386**
Marketing and Selling Expenses	(5.294.858)	(2.936)	(5.297.794)	--	(5.297.794)
General Administrative Expenses	(34.274.589)	(2.430.303)	(36.704.892)	--	(36.704.892)
Other Operating Incomes	769.642	4.086	773.728	--	773.728
Other Operating Expenses	(88.011)	(1.281)	(89.292)	10.700	(78.592)
Operating Income /(Loss)	**6.924.929**	**(1.554.793)**	**5.370.136**	**10.700**	**5.380.836**
Income from Investing Activities	138.757	--	138.757	--	138.757
Loss from equity accounted investees	(7.607)	--	(7.607)	--	(7.607)
Financial Income	2.266.887	815.636	3.082.523	(10.700)	3.071.823
Financial Expenses	(5.772.851)	(17.911)	(5.790.762)	--	(5.790.762)
Profit/(Loss) Before Tax	**3.550.115**	**(757.068)**	**2.793.047**	**--**	**2.793.047**
Income Taxes	(981.566)	--	(981.566)	--	(981.566)
Net Profit/(Loss)	**2.568.549**	**(757.068)**	**1.811.481**	**--**	**1.811.481**

For the year ended 31 December 2018 the segments' profit or loss statements are as follows:

	Global Menkul	Global MD Portföy	Total	Elimination	Consolidated
Revenue	7.721.320.553	862.205	7.722.182.758	--	7.722.182.758
Cost of Sales	(7.676.778.773)	--	(7.676.778.773)	--	(7.676.778.773)
Gross Profit/(Loss)	**44.541.780**	**862.205**	**45.403.985**	**--**	**45.403.985**
Marketing and Selling Expenses	(4.358.257)	(17.443)	(4.375.700)	--	(4.375.700)
General Administrative Expenses	(30.277.094)	(2.675.463)	(32.952.557)	--	(32.952.557)
Other Operating Incomes	605.418	--	605.418	--	605.418
Other Operating Expenses	(1.171.127)	(8.651)	(1.179.778)	19.470	(1.160.308)
Operating Income /(Loss)	**9.340.720**	**(1.839.352)**	**7.501.368**	**19.470**	**7.520.838**
Income from Investing Activities	312.082	--	312.082	--	312.082
Loss from equity accounted investees	(53.026)	--	(53.026)	--	(53.026)
Financial Income	1.671.142	610.078	2.281.220	(19.470)	2.261.750
Financial Expenses	(4.760.653)	(16.765)	(4.777.418)	--	(4.777.418)
Profit/(Loss) Before Tax	**6.510.265**	**(1.246.039)**	**5.264.226**	**--**	**5.264.226**
Income Taxes	(1.464.448)	--	(1.464.448)	--	(1.464.448)
Net Profit/(Loss)	**5.045.817**	**(1.246.039)**	**3.799.778**	**--**	**3.799.778**

Currency: Turkish Lira (“TL”)

4. Cash and Cash Equivalents

As of 31 December 2019 and 31 December 2018, cash and cash equivalents are as follows:

	31 December 2019	31 December 2018
Cash on Hand	**29.455**	**28.054**
- TL	*23.632*	*21.127*
- Foreign Currency	*5.823*	*6.927*
Banks	**25.127.139**	**18.157.418**
- Demand Deposit - TL	*6.575.204*	*5.025.005*
- Demand Deposit – Foreign Currency	*721.259*	*996.521*
- Time Deposit - TL	*17.830.676*	*12.135.892*
	25.156.594	**18.185.472**

As of 31 December 2019, interest rates on time deposits are between 9% and 11,50% and have maturities less than 3 months (31 December 2018: 14,62% -23,50%, maturity less than 3 months).

As of 31 December 2019, there is blockage on the bank deposit amounting to TL 6.650.000 given as guarantee of the letters of guarantee received by the Company (31 December 2018: 5.537.318 TL).

As of 31 December 2019 and 31 December 2018 cash and cash equivalents form a basis to cash flow statement are as follows:

	31 December 2019	31 December 2018
Cash and cash equivalents	25.156.594	18.185.472
Restricted Cash	(6.650.000)	(5.537.318)
Basis to cash flow statement	**18.506.594**	**12.648.154**

Currency: Turkish Lira ("TL")

5. Financial Investments

Short Term Financial Investments

As of 31 December 2019 and 31 December 2018 short term financial investments which are reclassified as financial assets at fair value through profit or loss are as follows:

	31 December 2019		31 December 2018	
Financial assets measured at fair value through profit or loss	**Nominal Value**	**Recorded Value**	**Nominal Value**	**Recorded Value**
Government Bonds (*)	183.126	144.430	329.603	308.010
		144.430		**308.010**

(*) As of 31 December 2019, amounting to TL 92.500 of government bonds are given to Takasbank as deposit (31 December 2018:TL 97.887)

Long Term Financial Investments

As of 31 December 2019 and 31 December 2018 long term financial investments are as follows:

31 December 2019				
Financial assets measured at fair value through other comprehensive income:	**Nominal Value (quantity)**	**Cost Value (TL)**	**Fair value (TL)**	**Increase in value (Note 16) (TL)**
Borsa İstanbul A.Ş.	31.942.188	319.421	3.034.508	2.715.087
	31.942.188	**319.421**	**3.034.508**	**2.715.087**

31 December 2018				
Financial assets measured at fair value through other comprehensive income:	**Nominal Value (quantity)**	**Cost Value (TL)**	**Fair value (TL)**	**Increase in value (Note 16) (TL)**
Borsa İstanbul A.Ş.	31.942.188	319.421	3.034.508	2.715.087
	31.942.188	**319.421**	**3.034.508**	**2.715.087**

The board of directors of Istanbul Borsa A.Ş. decided to acquire shareholders who want to transfer the shares of Istanbul Stock Exchange in consideration of TL 0,095 per share in the resolution dated 21 December 2017. As of 31 December 2019 and 31 December 2018, the Company has valued Borsa Istanbul shares from TL 0.095 and reflect the increase in value to equity.

For the year ended 31 December 2019, dividend income amounting to TL 138.757 from equity shares is recognized under "income from investing activities" (2018: TL 312.082).

Currency: Turkish Lira ("TL")

6. Borrowings

As of 31 December 2019 and 31 December 2018 financial borrowings are as follows

Short Term Financial Borrowings	**31 December 2019**	**31 December 2018**
Payables to the Stock Exchange Money Market	26.700.000	6.800.000
Short Term Bank Loans	4.550.000	--
Short Term Parts of Liabilities from Long Term Leasing Transactions (*)	1.033.129	--
	32.283.129	**6.800.000**

Long Term Financial Borrowings	**31 December 2019**	**31 December 2018**
Liabilities from Long Term Leasing Transactions (*)	282.350	--
Total Financial Borrowings	**32.565.479**	**6.800.000**

As of 31 December 2019, interest for the funds utilized from the stock exchange money market is 10,75% - 10,80% (31 December 2018: 24,11%).

As of 31 December 2019, letters of guarantee amounting to TL 32.525.000 have given in favor of stock exchange money market (31 December 2018: TL 32.525.000).

(*)Movement of liabilities from leasing transactions for the current term is as follows:

	1 January– 31 December 2019	**1 January – 31 December 2018**
Opening Balance	--	--
TFRS 16 First Adoption (Note 2.1.5)	2.075.173	--
Addition	461.727	--
Payments/ Disposals	(1.722.981)	--
Interest Expense (Note 23)	501.560	--
Ending Balance	**1.315.479**	**--**

7. Trade Receivables/Payables

As of 31 December 2019 and 31 December 2018 trade receivables are as follows

Trade Receivables	**31 December 2019**	**31 December 2018**
Customers with credits	46.906.595	28.216.035
Customer clearance receivables arising from futures	36.183.091	18.231.050
Receivables from stock exchange money market	160.325.000	88.047.000
Receivables from borrowed marketable securities	7.871.213	4.778.568
Doubtful trade receivables	1.227.875	1.228.017
Provision for doubtful trade receivables	(1.227.875)	(1.228.017)
Receivables from customers	4.173.114	1.579.771
Other trade receivables	159.303	111.661
Receivables from third parties	**255.618.316**	**140.964.085**
Receivables from related parties (Note 26)	3.863.920	1.496.336
	259.482.236	**142.460.421**

Currency: Turkish Lira ("TL")

7. *Trade Receivables/Payables (Continued)*

For the years ended 31 December 2019 and 31 December 2018 movements of provision for doubtful receivables are as follows:

	1 January- 31 December 2019	1 January- 31 December 2018
Opening Balance	**1.228.017**	**1.228.392**
Collections within the period	(142)	(375)
Ending Balance	**1.227.875**	**1.228.017**

As of 31 December 2019 and 31 December 2018 trade payables are as follows:

Trade Payables	31 December 2019	31 December 2018
Customer clearance payables arising from futures	35.564.127	18.231.050
Payables to the stock exchange money market	160.296.701	88.039.680
Payables from borrowed marketable securities	7.871.398	4.778.568
Payables to the customers	11.826.658	6.145.499
Payables to the suppliers	1.632.229	1.029.342
Payables to the third parties	**217.191.113**	**118.224.139**
Payables to the related parties (Note 26)	--	18.463
	217.191.113	**118.242.602**

Currency: Turkish Lira ("TL")

8. Other Receivables/Payables

As of 31 December 2019 and 31 December 2018 short term other receivables are as follows:

Short term other receivables	31 December 2019	31 December 2018
Deposits and securities given (*)	6.021.136	4.047.001
Due from personnel	133.396	182.868
Other	191.545	--
Other receivables from third parties	**6.346.077**	**4.229.869**

(*) Deposits and securities given are deposits given to Takasbank A.Ş due to daily trading volume.

As of 31 December 2019 and 31 December 2018 long term other receivables are as follows:

Long term other receivables	31 December 2019	31 December 2018
Deposits and securities given (*)	80.101	169.564
	80.101	**169.564**

(*) Deposits and securities given are rent and electricity deposits.

As of 31 December 2019 and 31 December 2018 short term other payables are as follows:

Short term other payables	31 December 2019	31 December 2018
Taxes and funds payable	1.252.096	758.549
Other	21.672	433.922
Other payables from third parties	**1.273.768**	**1.192.471**
Other payables due to related parties (Note 26)	49.265	--
	1.323.033	**1.192.471**

9. Prepaid Expenses

As of 31 December 2019 and 31 December 2018 prepaid expenses are as follows:

	31 December 2019	31 December 2018
Prepaid expenses for future months	1.012.973	963.589
	1.012.973	**963.589**

Currency: Turkish Lira ("TL")

10. Property and Equipment

Movement of property and equipment and related accumulated depreciation for the year ended 31 December 2019 is as follows:

	1 January 2019	Additions	Transfers	Disposals	31 December 2019
Cost					
Machinery and Equipment	13.552.131	420.907	--	--	13.973.038
Vehicles	182.973	304.605	--	--	487.578
Furniture and Fixtures	465.405	11.208	--	--	476.613
Construction in Progress	120.000	--	(120.000)	--	--
Leasehold Improvements	528.504	--	--	--	528.504
Total	**14.849.013**	**736.720**	**(120.000)**	**--**	**15.465.733**
Accumulated Depreciation					
Machinery and Equipment	(13.023.385)	(227.723)	--	--	(13.251.108)
Vehicles	(34.858)	(83.936)	--	--	(118.794)
Furniture and Fixtures	(348.274)	(36.300)	--	--	(384.574)
Leasehold Improvements	(197.844)	(112.787)	--	--	(310.631)
Total	**(13.604.361)**	**(460.746)**	**--**	**--**	**(14.065.107)**
Carrying Value	**1.244.652**				**1.400.626**

Currency: Turkish Lira ("TL")

10. Property and Equipment *(Continued)*

Movement of property and equipment and related accumulated depreciation for the year ended 31 December 2018 is as follows:

	1 January 2018	Additions	Transfers	Disposals (*)	31 December 2018
Cost					
Machinery and Equipment	18.887.661	405.812	--	(5.741.342)	13.552.131
Vehicles	29.750	153.223	--	--	182.973
Furniture and Fixtures	11.016.735	4.640	--	(10.555.970)	465.405
Construction in Progress	69.378	499.754	(448.472)	(660)	120.000
Leasehold Improvements	528.504	--	--	--	528.504
Total	**30.532.028**	**1.063.429**	**(448.472)**	**(16.297.972)**	**14.849.013**
Accumulated Depreciation					
Machinery and Equipment	(18.842.765)	(122.271)	219.093	5.722.558	(13.023.385)
Vehicles	(29.750)	(5.108)	--	--	(34.858)
Furniture and Fixtures	(10.630.198)	(44.582)	(219.093)	10.545.599	(348.274)
Leasehold Improvements	(109.653)	(88.191)	--	--	(197.844)
Total	**(29.612.366)**	**(260.152)**	**--**	**16.268.157**	**(13.604.361)**
Carrying Value	**919.662**				**1.244.652**

(*) The Group has evaluated the fully depreciated "Machinery and Equipment" and "Furniture and Fixtures" recognized under property and equipments in its accounts and has written off these items as of 31 December 2018.

Right of Use Assets

The Group reflects a right of use and a lease liability in the financial statements at the date when the lease actually started within the scope of TFRS 16.

The right of use asset is first accounted for using the cost method and includes:

a)The first measurement amount of the lease liability,

b) All initial direct costs used by the Group.

While applying the cost method, the Group measures the existence of the right to use, over accumulated depreciation, accumulated impairment losses and corrected cost according to the reassessment of the lease liability.

The Group applies depreciation provisions in IAS 16 Property, Plant and Equipment while subjecting the right of use to depreciation.

Currency: Turkish Lira ("TL")

10. Property and Equipment *(Continued)*

Right of Use Assets *(Continued)*

As of 31 December 2019, the right of use assets and depreciation expenses in the relevant period are as follows:

	1 January 2019	TFRS 16 First Adoption (Not 2.1.5)	Additions	Disposals	31 December 2019
Cost					
Buildings	--	1.926.255	461.727	(485.465)	1.902.517
Vehicles	--	494.916	--	--	494.916
Total	**--**	**2.421.171**	**461.727**	**(485.465)**	**2.397.433**
Accumulated Depreciation					
Buildings	--	(416.355)	(915.093)	343.670	(987.778)
Vehicles	--	(36.298)	(204.850)	--	(241.148)
Total	**--**	**(452.653)**	**(1.119.943)**	**343.670**	**(1.228.926)**
Carrying Value	**--**	**1.968.518**			**1.168.507**

11. Intangible Assets

Movement of intangible assets and related accumulated amortization for the year ended 31 December 2019 is as follows:

	1 January 2019	Additions	Disposals	Transfers	31 December 2019
Cost					
Preopening expenses	200.856	--	--	--	200.856
Rights	2.466.966	1.178.622	--	120.000	3.765.588
Work in progress	42.405	56.700	(99.105)	--	--
Total	**2.710.227**	**1.235.322**	**(99.105)**	**120.000**	**3.966.444**
Accumulated Amortization					
Preopening expenses	(200.856)	(1.750)	--	--	(202.606)
Rights	(1.780.686)	(442.416)	--	--	(2.223.102)
Total	**(1.981.542)**	**(444.166)**	**--**	**--**	**(2.425.708)**
Carrying Value	**728.685**				**1.540.736**

Currency: Turkish Lira ("TL")

11. Intangible Assets *(Continued)*

Movement of intangible assets and related accumulated amortization for the year ended 31 December 2018 is as follows:

	1 January 2018	Additions	Disposals(*)	Transfers	31 December 2018
Cost					
Preopening expenses	478.590	--	(277.734)	--	200.856
Other intangible assets	7.178.545	--	(7.178.545)	--	--
Rights	6.375.425	342.099	(4.699.030)	448.472	2.466.966
Work in progress	--	42.405	--	--	42.405
Total	**14.032.560**	**384.504**	**(12.155.309)**	**--**	**2.710.226**
Accumulated Amortization					
Preopening expenses	(478.590)	--	277.734	--	(200.856)
Other intangible assets	(7.157.615)	(3.500)	7.161.115	--	--
Rights	(6.067.633)	(321.167)	4.608.114	--	(1.780.686)
Total	**(13.703.838)**	**(324.667)**	**12.046.963**	**--**	**(1.981.542)**
Carrying Value	**328.722**				**728.685**

(*) The Group has evaluated the fully amortized intangible assets in its accounts and has written off these items as of 31 December 2018.

Currency: Turkish Lira ("TL")

12. Provisions, Contingent Assets and Liabilities

(a) a) Provisions for unrecorded liabilities: None (31 December 2018: None

(b) The total amount of the lawsuits filed against the Company is TL 503.941 for which the Group recognized the provision as of 31 December 2019 (31 December 2018: TL 503.941).

13. Commitments

As of 31 December 2019 and 2018, the tables showing guarantee, pledge and mortgage ("GPM") position given by the Company:

GPMs given by Global Menkul	**31 December 2019**	**31 December 2018**
A. Total amount of GPM's given in the name of its entity	32.822.726	32.880.106
B. Total of GPMs given in the name of subsidiaries with in total consolidation	--	--
C. Total amount of GPMs given for in order to guarantee of the third parties payables	--	--
D. Total amount of other GPMs	--	--
i. Total amount of GPMs given in the name of parent Company	--	--
ii. Total of GPMs given to the related parties other than those stated in Section B and C.	--	--
iii. Total amount of GPMs given in the name of third parties other than those in Section C.	--	--
	32.822.726	**32.880.106**

As of 31 December 2019 and 2018, the Company's commitments are as follows::

	31 December 2019	**31 December 2018**
Customer guarantees:		
Derivatives Exchange	36.183.091	18.231.050
	36.183.091	**18.231.050**

	31 December 2019	**31 December 2018**
Letters of Guarantees Given		
Takasbank A.Ş.	30.525.000	32.525.000
BIAS	2.000.000	--
Other Guarantees Given	297.726	355.106
Total Letters of Guarantees Given	**32.822.726**	**32.880.106**

As of 31 December 2019 and 2018, the guarantees are given to FOM, BIAS and Takasbank for the purposes of guarantee for the transaction in VIOP (FOM), limits for the transaction in the securities and bonds market, guarantee for the Money Market loans, guarantee for guarantee funds and blockage for being CMB intermediary entity. Additionally, securities stated in Note 5 are given as pledge or guarantee. Customer guarantees are not included to the GPM tables.

Currency: Turkish Lira ("TL")

14. Employee Benefits

a) Payable Related to Employee Benefit

	31 December 2019	31 December 2018
Payables to the employees	658.808	282
Taxes and funds payable	739.695	592.918
Social security premiums payables	359.549	315.777
	1.758.052	**908.977**

b) Provision for the Short Term Employee Benefits

As of 31 December 2019 and 31 December 2018 short term provisions are as follows:

	31 December 2019	31 December 2018
Provision for unused vacation	788.361	705.404
Provision for bonus and other payment	212.054	41.054
	1.000.415	**746.458**

Provision for unused vacation

In accordance with the Turkish Labor Law, in case of termination of labor agreement, the Company is liable to make payments to the beneficiary calculated over the unused vacation days.

For the years ended 31 December 2019 and 31 December 2018 movements of provision for unused vacation are as follows:

	1 January- 31 December 2019	1 January- 31 December 2018
Opening Balance	705.404	662.935
Increase/(Decrease) During the Period	239.326	117.586
Payments During the Period	(156.369)	(75.117)
Ending Balance	**788.361**	**705.404**

Currency: Turkish Lira ("TL")

14. Employee Benefits *(Continued)*

c) Provision for the Long Term Employment Benefits

	31 December 2019	31 December 2018
Provision for employee termination benefits	1.962.462	1.630.671
	1.962.462	**1.630.671**

Provision for Employment Termination Benefits

In accordance with existing social legislation in Turkey, the Company is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Group, and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. In Turkey, such payments are calculated on the basis of 30 days' pay (limited to a maximum of TL 6.379,86 and TL 5.434,42 at 31 December 2019 and 2018 respectively) per year of employment at the rate of pay applicable at the date of retirement or termination.

Such payments are not required to be funded. Therefore no fund is reserved for such payments in the accompanying financial statements.

In the accompanying financial statements as of 31 December 2019 and 2018 the Company reflected a liability for termination benefits based upon TAS 19 ("Employee Benefits"); and factors derived using their experience of personnel terminating their services and being eligible to receive retirement pay and discounted to present value at the balance sheet date by using average market yield, expected inflation rates and an appropriate discount rate. Actuarial assumptions used are as follows:

	31 December 2019	31 December 2018
Discount rate	4,67%	4,98%
Expected inflation rate	7%	10,5%
Estimated rate of turnover	92%	91%

The movement of employee termination benefit is as follows:

	1 January- 31 December 2019	1 January- 31 December 2018
Opening Balance	1.630.671	1.571.754
Services cost	193.766	196.468
Payments during the period	(766.460)	(455.478)
Interest cost (Note 23)	235.494	260.908
Actuarial gain or loss	668.991	57.019
Ending Balance	**1.962.462**	**1.630.671**

Provision expenses for employee termination are recognized in administrative expenses in profit or loss and actuarial gain or losses in other comprehensive income.

Currency: Turkish Lira ("TL")

15. Equity Accounted Investees

IEG Global Kurumsal Finansman A.Ş. was established on 17 May 2011 by the Company and IEG (Deutschland) GmbH, one of the leading European companies in the field of corporate finance, with 50% -50% partnership. The capital of IEG is 50.000 TL.

As of 31 December 2018, net assets IEG Global Kurumsal Finansman have a negative value of TL 1.315.477. The funds given by Global Menkul for the financing of the expenditures made by this newly founded company, the payable representing TL 657.739 are accounted in the consolidated financial statements (31 December 2018: TL 650.132).

Movements of the equity accounted investee is as follows:

	1 January- 31 December 2019	1 January- 31 December 2018
Opening Balance	650.132	597.106
Current Year's Expense Share	7.607	53.026
Ending Balance	**657.739**	**650.132**

Total financial assets, liabilities and equity and summary profit and loss table of IEG Global Kurumsal Finansman as of 31 December 2019 and 2018 are as follows:

	31 December 2019	31 December 2018
Total Assets	602.467	600.281
Total Liabilities	(1.917.944)	(1.900.545)
Net Assets	**(1.315.477)**	**(1.300.264)**

	1 January- 31 December 2019	1 January- 31 December 2018
Income	4.305	58.865
Expenses	(19.518)	(164.916)
Loss for the year	**(15.213)**	**(106.051)**
Company's Share	(7.607)	(53.026)
Impairment	--	--
Income/(Expense)	**(7.607)**	**(53.026)**

Currency: Turkish Lira ("TL")

16 Equity

a) Share Capital

As of 31 December 2019, the registered capital of Global Menkul is TL 40.000.000 (31 December 2018: TL 40.000.000). As of 31 December 2019, share capital consists of 40.000.000 number of shares of par value TL 1 each, (31 December 2018: 40.000.000 number of shares of par value TL 1 each).

b) Adjustments to Share Capital

In accordance with the TAS, the capital contributions made by the Global Menkul's shareholders are restated through reflection of the inflation effect until 31 December 2004. The inflation effect on share capital is calculated as TL 150.406 (31 December 2018 - TL 150.406)

c) Share Premiums

At 29 June 2011, % 25 of the Company's shares representing TL 10.000.000 in nominal were sold through public offering over the value of TL 1,65 for each share having nominal value of TL 1,00. The resulting difference amounting to TL 6.500.000 is recorded as 'Share Premiums' under equity. The expenditures made for this public offering amounting to TL 266.824 are deducted share premium account under the equity.

d) Revaluation Surplus / Deficit

As of 31 December 2019 and 2018, changes in the fair value differences of financial assets measured at fair value through other comprehensive income are accounted in the revaluation surplus/deficit account under the equity.

	1 January- 31 December 2019	**1 January- 31 December 2018**
Opening Balance	2.172.069	2.172.069
Increase in Value	--	--
Deferred Tax Effect	--	--
Ending Balance	**2.172.069**	**2.172.069**

e) Actuarial Gain/Loss

A change made in standard TAS-19 "Benefits to the Employees", does not allow actuarial gains or losses from calculation of reserves for employee benefits to be accounted in profit and loss table. Therefore Actuarial gain or losses from change in actuarial assumptions are accounted in the equity as "Actuarial Gain/ Loss. Actuarial gain / loss fund has no property to be reclassified among profit and loss table.

	1 January- 31 December 2019	**1 January- 31 December 2018**
Opening Balance	(1.918.034)	(1.872.797)
Current Year's Actuarial Gain or Loss	(668.991)	(57.019)
Deferred Tax Effect	132.917	11.782
Ending Balance	**(2.454.108)**	**(1.918.034)**

Currency: Turkish Lira ("TL")

16. Equity *(Continued)*

f) Restricted Reserves

In accordance with Turkish Commercial Law, legal reserves consist of 1st and 2nd legal reserves. 1st legal reserve is appropriated as 5% of the statutory profit until the 20% of the company's share capital. 2nd legal reserve is appropriated as 10% of the dividends in excess of 5% of the company's share capital. 1st and 2nd legal reserves cannot be distributed until 50% of the company's share capital, but can be used when the general reserve is exhausted. As at 31 December 2019, the restricted reserves accounted under equity amounts to TL 8.050.219 (31 December 2018 - TL 8.050.219) which comprises legal reserves and restricted reserves from sale of associates/fixed assets.

17 Revenue and Cost of Sales

For the years ended 31 December 2019 and 31 December 2018 revenue and cost of sales are as follows:

	1 January- 31 December 2019	1 January- 31 December 2018
Sales Revenues		
Government Bond Sales	5.470.326.067	6.591.497.242
Share Certificate Sales	469.254.090	277.873.959
Derivatives Exchange Sales	1.437.745.566	807.407.572
	7.377.325.723	**7.676.778.773**
Service Revenues		
Commission Income	27.558.896	27.775.763
Customer Loan Interest Income	10.589.599	10.625.642
Late Payment Interest Income	1.256.617	1.065.558
Portfolio Management Commissions	864.902	947.251
Corporate Finance Income	997.514	761.453
Other Services Income	6.221.247	5.051.998
Commission rebates to Customers	(800.389)	(823.680)
Service Income, Net	**46.688.386**	**45.403.985**
Revenue, Net	**7.424.014.109**	**7.722.182.758**
Cost of Sales	(7.377.325.723)	(7.676.778.773)
Gross Profit	**46.688.386**	**45.403.985**

Currency: Turkish Lira ("TL")

18 Operating Expenses

a) Marketing Expenses

For the years ended 31 December 2019 and 31 December 2018 marketing expenses are as follows:

	1 January-31 December 2019	1 January-31 December 2018
BİAŞ Stock Exchange Portion on Share Certificates	2.937.287	2.492.779
Derivatives Exchange Commission Expenses	1.359.294	1.024.004
BİAŞ Exchange Protection Expenses	792.858	615.434
Other Selling Expenses	208.355	243.483
Total	**5.297.794**	**4.375.700**

b) General Administrative Expenses

For the years ended 31 December 2019 and 31 December 2018 general administrative expenses are as follows:

	1 January-31 December 2019	1 January-31 December 2018
Personnel expenses	23.680.274	21.640.314
IT expenses	6.011.215	4.319.319
Taxes and duties	1.842.512	1.762.960
Rent expenses(*)	--	1.462.396
Depreciation and amortization expenses	1.681.187	584.819
Building management expenses	620.457	482.786
Communication expenses	229.147	272.433
Travel expenses	180.731	194.861
Consultancy expenses	653.840	376.661
Vehicle expenses	374.793	106.392
Stationery expenses	94.958	70.341
Other	1.335.778	1.679.275
Total	**36.704.892**	**32.952.557**

(*) As of 1 January 2019, with the implementation of IFRS 16 "Leases" standard, long-term lease expenses have been evaluated within the scope of the right of use assets.

19 Expenses by Nature

The Company has prepared its consolidated financial statements regarding to principal of function base. For the year ended 31 December 2019 depreciation and amortization costs are TL 1.681.187 (2018: TL 584.519).

Currency: Turkish Lira ("TL")

20 Other Operating Income / Expenses

a) Other Operating Income

	1 January- 31 December 2019	1 January- 31 December 2018
Related Party Interest Income	356.388	245.454
Provisions No Longer Required	--	88.719
Other	417.340	271.245
Total	**773.728**	**605.418**

b) Other Operating Expenses

	1 January- 31 December 2019	1 January- 31 December 2018
Evaluation Expenses	--	69.037
Related Party Interest Expenses	704	972.402
Other	77.888	118.869
Total	**78.592**	**1.160.308**

21 Income From Investing Activities

	1 January- 31 December 2019	1 January- 31 December 2018
Dividend Income	138.757	312.082
Total	**138.757**	**312.082**

22 Finance Income

	1 January- 31 December 2019	1 January- 31 December 2018
Interest Income	3.071.359	2.258.010
Rediscounted Interest Income	464	3.740
Total	**3.071.823**	**2.261.750**

23 Finance Expense

	1 January- 31 December 2019	1 January- 31 December 2018
Interest Expenses on Loans	4.374.654	3.919.852
Letters of Guarantees Commission Expenses	557.099	491.173
Interest Cost of Employee Benefits (Note 14)	235.494	260.908
Interest Expenses from Leasing Transactions (Note 6)	501.560	--
Other	121.955	105.485
Total	**5.790.762**	**4.777.418**

Currency: Turkish Lira ("TL")

24 Taxation

The corporation tax rate is 22% in Turkey (2018 - %22). In accordance with the "Law on the Amendment of Certain Tax Acts and Some Other Laws" numbered 7061 and published in Official Gazette on 5 December 2017; the corporate tax rate for the years 2018, 2019 and 2020 has been increased from 20% to 22%. Therefore, deferred tax assets and liabilities as of 31 December 2018 are calculated with 22% tax rate for the temporary differences that will be realized in 2018, 2019 and 2020; and with 20% tax rate for the temporary differences that will be realized after 2021 and onwards

If a tax payer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length basis, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as a tax deductible for corporate income tax purposes.

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. Tax losses that are reported in the Corporation Tax return can be carried forward and deducted from the corporation tax base for a maximum of five consecutive years.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the related financial year. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Losses can be carried forward for offsetting against future taxable income for up to 5 years. Losses cannot be carried back.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences. Deferred tax liability is presented in related financial tables concerning current tax rates and potential tax rates came into force.

Tax Expense

	1 January- 31 December 2019	**1 January- 31 December 2018**
Income tax expense recognized in profit or loss		
Current tax expense		--
Deferred tax income/(expense)	(981.566)	(1.464.448)
	(981.566)	**(1.464.448)**
Recognized in Other Comprehensive Income		
Deferred tax income/(expense):	132.917	11.782
Recognized in Other Comprehensive Income	**(848.649)**	**(1.452.666)**

The reconciliation of the current tax assets/ (liabilities) for the years ended 31 December is as follows

	1 January- 31 December 2019	**1 January- 31 December 2018**
Balance at 1 January	(510.711)	(542.805)

Currency: Turkish Lira ("TL")

Calculated Corporate Tax	--	--
Returned / (Paid) Tax	(133.364)	32.094
Balance at 31 December	**(644.075)**	**(510.711)**

24. Taxation *(Continued)*

The Reconciliation of the Effective Tax Rate

The tax provision is different from calculated value by using statutory tax rate via profit before tax for the year ended 31 December 2019 and 31 December 2018. Related reconciliation details are as follows:

		1 January-31 December 2019		**1 January-31 December 2018**
Profit for the year		1.811.481		3.799.778
Less: current period tax expense		(981.566)		(1.464.448)
Profit/loss before tax	**%**	**2.793.047**	**%**	**5.264.226**
Calculated tax via statutory rate	22,0%	(614.470)	22,0%	(1.158.130)
Non-deductible expenses	6,2%	(173.376)	1,6%	(85.937)
Unrecognized tax losses of current year	5,5%	(153.161)	5,7%	(301.461)
Other	1,5%	(40.559)	(1,5)%	81.080
Total tax income/(expense) recognized in profit or loss	**35%**	**(981.566)**	**28%**	**(1.464.448)**

Currency: Turkish Lira ("TL")

24. Taxation *(Continued)*

Deferred Tax

The breakdown of the deferred tax assets / (liabilities) based on temporary differences are as follows:

	Deferred Tax Asset		Deferred Tax Liability		Deferred Tax, Net	
	31 December 2019	**31 December 2018**	**31 December 2019**	**31 December 2018**	**31 December 2019**	**31 December 2018**
Provision for employment termination benefits	362.639	305.298	--	--	362.639	305.298
Provision for unused vacation	140.865	136.453	--	--	140.865	136.453
Provision for litigation	100.788	100.788	--	--	100.788	100.788
Fair value differences of financial investments	--	--	(543.017)	(543.017)	(543.017)	(543.017)
Provision for doubtful receivables	15.606	15.606	--	--	15.606	15.606
Leases	37.095	--	--	--	37.095	--
Tax losses carried forward	4.707.204	5.637.760	--	--	4.707.204	5.637.760
Impairment of equity accounted investees	136.548	130.026	--	--	136.548	130.026
Total	**5.500.745**	**6.325.931**	**(543.017)**	**(543.017)**	**4.957.728**	**5.782.914**
Offsetting	(543.017)	(543.017)	543.017	543.017	--	--
Net Deferred Tax	**4.957.728**	**5.782.914**	**--**	**--**	**4.957.728**	**5.782.914**

Currency: Turkish Lira ("TL")

24. Taxation *(Continued)*

Deferred Tax (Continued)

For the years ended 31 December 2019 and 31 December 2018 movements of deferred tax are as follows:

	1 January- 31 December 2019	1 January- 31 December 2018
Opening Balance	5.782.914	7.235.580
Recognized in Profit or Loss	132.917	11.782
Recognized in Other Comprehensive Income	(981.566)	(1.464.448)
TFRS 16 Adjustment Effect (Note 2.1.5)	23.463	--
Ending Balance	**4.957.728**	**5.782.914**

Tax Losses carried forward which can be reduced from corporate tax in future

The company's tax losses from past years will be deducted from tax base if a taxable income occurs within 5 years. The amounts of deferred tax and deferred tax are as follows at 31 December 2019 and 31 December 2018:

		31 December 2019		31 December 2018		
Tax Losses	**Expiration Date**	**Unrecognized Tax Losses**	**Deferred Tax Assets**	**Unrecognized Tax Losses**	**Deferred Tax Assets**	**Tax Rate**
2014	2019	--	--	3.757.937	826.746	%22
2015	2020	13.079.551	2.877.501	13.551.408	2.981.311	%22
2016	2021	9.148.516	1.829.703	9.148.516	1.829.703	%20
Total		**22.228.067**	**4.707.204**	**26.457.861**	**5.637.760**	
Allowance			--		--	
Recognized Deferred Tax Assets			**4.707.204**		**5.637.760**	

Unrecognized Deferred Tax Assets

The Group, did not recognize deferred tax asset amounting to TL 930.444 which calculated through tax losses amounting to TL 4.229.289 and deferred tax amounting to TL 51.327 arising from temporary differences of Global MD Portföy Yönetimi A.Ş since the management does not predict to utilize these tax losses and temporary differences.

25 Earnings per Share

	1 January- 31 December 2019	1 January- 31 December 2018
Net profit for the year	1.811.481	3.799.778
Weighted average number of the shares	40.000.000	40.000.000
Earnings per ordinary share	**0,0453**	**0,0950**

Currency: Turkish Lira ("TL")

26 Related Parties

Global Holding and its direct and indirect subsidiaries are the related parties of the Company.

a) Receivables and Payables From Related Parties

Trade receivables from related parties

	31 December 2019	**31 December 2018**
Turkcom Turizm İnşaat Gıda Yatırımlar A.Ş.	2.353.656	--
IEG Global Kurumsal Finansman Danışmanlık A.Ş.	1.313.303	1.078.167
Global MD Portföy Yatırım Fonları	139.493	68.274
Global Sigorta Aracılık Hizmetleri A.Ş.	26.871	--
IEG Eurasia Finansal Dan. Hiz. Ltd. Şti.	22.897	17.545
Mavibayrak Enerji Üretim A.Ş.	1.408	1.408
Global Yatırım Holding A.Ş	--	291.586
Global Liman İşletmeleri A.Ş.	--	4.738
Naturel Gaz A.Ş.	--	4.980
Actus Portföy Yönetimi A.Ş.	--	2.259
Tres Enerji Hizmetleri San. Ve Tic. A.Ş.	--	27.379
Other	6.292	--
Total (Note 7)	**3.863.920**	**1.496.336**

Trade payables from related parties

	31 December 2019	**31 December 2018**
Global Yatırım Holding A.Ş.	--	18.463
Total (Note 7)	**--**	**18.463**

Other payables from related parties

	31 December 2019	**31 December 2018**
Global Yatırım Holding A.Ş.	49.265	--
Total (Note 8)	**49.265**	**--**

Currency: Turkish Lira ("TL")

26. Related Parties *(Continued)*

b) Transactions with related parties

For the years ended 31 December 2019 and 31 December 2018 transactions with related parties as follows:

Related Party	**Transaction**	**1 January-31 December 2019**	**1 January-31 December 2018**
Global Yatırım Holding	Interest income	143.208	89.536
Global Yatırım Holding	Interest expenses	704	22.958
Global Yatırım Holding	Other expenses	191.348	--
Global Yatırım Holding	Other income	160.771	326.778
Global Yatırım Holding	Brokerage comission income	868.600	950.900
Naturel Gaz San. ve Tic. A.Ş.	Interest income	862	788
Tres Enerji Hizmetleri San. Ve Tic. A.Ş.	Interest income	5.096	4.716
Turkcom Turizm	Loan interest income	264.331	806.344
Turkcom Turizm	Other income	14	--
Turkcom Turizm	Brokerage comission income	6.134	--
Global Liman İşletmeleri A.Ş.	Interest income	--	552
Actus Portföy Yönetimi A.Ş.	Other income	16.703	14.014
Tres Enerji Hizmetleri San. Ve Tic. A.Ş.	Other income	--	3.248
Global MD Portföy Fonları	Fund management income	--	970.350
Ege Liman İşletmeleri A.Ş.	Other income	--	15.498
Ege Liman İşletmeleri A.Ş.	Interest expenses	--	949.444
Pera GYO	Other income	2.191	33
Global Liman İşletmeleri A.Ş.	Other income	--	5.450
Global Yatırım Holding	Brokerage comission income	19.110	--
IEG Global Kurumsal Finansman	Other income	--	748
Naturel Gaz San. ve Tic. A.Ş.	Other income	--	3.520
Mehmet Kutman	Other income	79	6.555
Mehmet Kutman	Loan interest income	137.413	177.785
Mehmet Kutman	Brokerage comission income	2.127	--
Erol Göker	Other income	2.986	168
IEG Global Kurumsal Finansman	Interest income	207.222	149.861
Global A Tipi Fon	Portfolio management commissions	111.312	--
Global B Tipi Fon	Portfolio management commissions	863.787	--

Currency: Turkish Lira ("TL")

26. Related Parties *(Continued)*

b) Benefits Provided Top Management

For the years ended 31 December 2019 and 2018, detail of the salaries and relevant benefits utilized to chairman, members of the board of directors, general manager, directors and other top management personnel is as follows:

	1 January- 31 December 2019	1 January- 31 December 2018
Salaries	4.765.356	4.871.886
Bonus	1.889.082	1.787.689
Attendance fees	223.563	227.576
Other (*)	1.403.820	447.885
	8.281.821	**7.335.036**

(*) Includes termination benefits, unused vacation and other benefits.

27 Quality and Level of Risks from Financial Instruments

The Company is exposed to various following risks:

- Credit Risk
- Liquidity Risk
- Market risk

This disclosure is made for the purpose of giving information about the Company's targets and policies when the Company expose to those risks.
The Company's Board of Directors is generally responsible for the settlement of the risk management facilities.

The Company's risk management policies are conducted for the determination of the risks exposed and analyzing those risks. The purpose of the risk management policies is to provide suitable risk limit controls, to follow those risks and to be in line with the limits

Currency: Turkish Lira ("TL")

27 Quality and Level of Risks from Financial Instruments *(Continued)*

27.1 Credit Risk

The Company performs intermediary and consultancy services hi the name of individuals and companies. During the operations, the Company also performs security purchase and sales transactions. Within these operations, the Company may expose losses arising from the opposing party's noncompliance to the security purchase and sales agreements. In order to control and decrease of such transaction losses, the Company requests from the customers to keep cash or cash equivalents in their accounts.

As of 31 December 2019, the Company's assets exposed to credit risk are as follows:

31 December 2019	**Trade Receivables**	**Trade Receivables**	**Other Receivables**	**Other Receivables**		
	Related Parties	**Third Parties**	**Related Parties**	**Third Parties**	**Bank Deposits**	**Other**
Maximum credit risk exposed as of reporting period	**3.863.920**	**255.618.316**	**--**	**6.426.178**	**25.127.139**	**144.430**
A. Net book value of financial assets having no impairment or not overdue	3.863.920	255.618.316	--	6.426.178	25.127.139	144.430
B. Net book value of financial assets of which their conditions are revised if not subjected to impairment or considered overdue	--	--	--	--	--	--
C. Net book value of those assets overdue but not subject to impairment	--	--	--	--	--	--
D. Net book value of those assets overdue but not subject to impairment	--	--	--	--	--	--
- Overdue (gross book value)	--	1.227.875	--	--	--	--
- Provision for doubtful receivables	--	(1.227.875)	--	--	--	--
E. Off balance sheet items having credit risk	--	--	--	--	--	--

Currency: Turkish Lira ("TL")

27. Quality and Level of Risks from Financial Instruments *(Continued)*

27.1 Credit Risk *(Continued)*

As of 31 December 2018, the Company's assets exposed to credit risk are as follows:

31 December 2018	Trade Receivables	Trade Receivables	Other Receivables	Other Receivables		
	Related Parties	**Third Parties**	**Related Parties**	**Third Parties**	**Bank Deposits**	**Other**
Maximum credit risk exposed as of reporting period	**1.496.336**	**140.964.085**	**--**	**4.399.433**	**18.157.418**	**308.010**
A. Net book value of financial assets having no impairment or not overdue	1.496.336	140.964.085	--	4.399.433	18.157.418	308.010
B. Net book value of financial assets of which their conditions are revised if not subjected to impairment or considered overdue	--	--	--	--	--	--
C. Net book value of those assets overdue but not subject to impairment	--	--	--	--	--	--
D. Net book value of those assets overdue but not subject to impairment	--	--	--	--	--	--
- Overdue (gross book value)	--	1.228.017	--	--	--	--
- Provision for doubtful receivables	--	(1.228.017)	--	--	--	--
E. Off balance sheet items having credit risk	--	--	--	--	--	--

As of 31 December 2019 and 2018 aging tables for impaired receivables are as follows:

31 December 2019	Trade Receivables	Other Receivables	Bank Deposit	Financial Investments
Past due 1-30 days	--	--	--	--
Past due 1-3 months	--	--	--	--
Past due 3-12 months	--	--	--	--
Past due 1-5 years	1.227.875			
Past due 5 years or more	--	--	--	--
Net value guaranteed with collateral etc.	--	--	--	--
	1.227.875	**--**	**--**	**--**

31 December 2018	Trade Receivables	Other Receivables	Bank Deposit	Financial Investments
Past due 1-30 days	--	--	--	--
Past due 1-3 months	--	--	--	--
Past due 3-12 months	--	--	--	--
Past due 1-5 years	1.228.017	--	--	--
Past due 5 years or more	--	--	--	--
Net value guaranteed with collateral etc.	--	--	--	--
	1.228.017	**--**	**--**	**--**

Currency: Turkish Lira ("TL")

27. Quality and Level of Risks from Financial Instruments *(Continued)*

27.2 Liquidity risk

In accordance with the liquidity risk under the scope of Notification 34, Global Menkul is required to current assets at minimum to meet its current liabilities. However, in accordance with the capital adequacy base calculation disclosed in the capital management section in 27.4, deductible items together with items considered as 100 % in the position risk and opposing party risk are considered as current assets.

Based on the scope of CMB Notification No#34, as of 31 December 2019 and 2018, liquidity risks of Global Menkul are as follows:

	31 December 2019	31 December 2018
A. Current Assets	292.915.386	166.658.072
B. Short Term Liabilities	254.059.683	128.394.449
Current Assets / Short Term Liabilities (A/B)	**1,15**	**1,30**

31 December 2019, distribution of financial liabilities as to their maturities is as follows:

31 December 2019						
Maturities based on the agreements	**Book Value**	**Cash outflows based on agreements**	**Less than 3 months**	**Between 3-12 months**	**Betwen 1-5 years**	**More than 5 years**
Borrowings	32.565.479	32.834.015	31.597.528	864.432	372.055	--
Trade payables	217.191.113	217.191.113	217.191.113	--	--	--
Other payables	1.323.033	1.323.033	1.323.033	--	--	--
Payables related to employee benefits	1.758.052	1.758.052	1.758.052	--	--	--
	252.837.677	**253.106.213**	**251.869.726**	**864.432**	**372.055**	--

31 December 2018, distribution of financial liabilities as to their maturities is as follows:

31 December 2018						
Maturities based on the agreements	**Book Value**	**Cash outflows based on agreements**	**Less than 3 months**	**Betwee n 3-12 months**	**Betwee n 1-5 years**	**More than 5 years**
Borrowings	6.800.000	6.800.000	6.800.000	--	--	--
Trade payables	118.242.602	118.242.602	118.242.602	--	--	--
Other payables	1.192.471	1.192.471	1.192.471	--	--	--
Payables related to employee benefits	908.977	908.977	908.977	--	--	--
	127.144.050	**127.144.050**	**127.144.050**	--	--	--

Currency: Turkish Lira ("TL")

27. Quality and Level of Risks from Financial Instruments *(Continued)*

27.3 Market Risk

Foreign currency risk

As of 31 December 2019, The Group's foreign currency position comprises the cash and cash equivalents amounting to TL 727.133 (total of USD 92.554 equivalent to TL 549.789, 26.562 EURO equivalent to TL 176.654 GBP 10 equivalent to TL 78 and other currencies equivalent to TL 612).

The sensitivity analysis of the Company regarding exchange rate movements in foreign currency is as follows

31 December 2019	**Profit/Loss (*)**	
	Appreciation of foreign currency	Appreciation of foreign currency
	In the case of appreciation of USD at 10% ratio compared to TL;	
1- USD net asset / liability	54.979	(54.979)
2- Part of hedged from USD risk (-)	--	--
3- USD net effect (1+2)	**54.979**	**(54.979)**
	In the case of appreciation of EUR at 10% ratio compared to TL;	
4- EUR net asset / liability	17.665	(17.665)
5- Part of hedged from EUR risk (-)	--	--
6- EUR net effect (4+5)	**17.665**	**(17.665)**
	In the case of appreciation of OTHER at 10% ratio compared to TL;	
7- OTHER net asset / liability	69	(69)
8- Part of hedged from OTHER risk (-)	--	--
9- OTHER net effect (7+8)	**69**	**(69)**
TOTAL (3+6+9)	**72.713**	**(72.713)**

Interest rate risk

The Company measures cash items on hand as share certificates or bank deposits. As of 31 December 2019 and 2018, the Company's interest position is as follows:

Financial instrument with fixed interest rate	**31 December 2019**	**31 December 2018**
Financial assets		
Trade Receivables	259.482.236	142.460.421
Financial assets measured at fair value through profit or loss	144.430	308.010
Bank deposits	17.830.676	12.135.892
Borrowings	(32.565.479)	(6.800.000)
Trade payables	(217.191.113)	(118.242.602)
	27.700.750	**29.861.721**

Currency: Turkish Lira ("TL")

27. Quality and Level of Risks from Financial Instruments *(Continued)*

27.4 Capital Management

Global Menkul performs management of the risks arising from the financial instruments based on the scope of Serial V No. 34 ''Notification Related to the Bases of the Capital and Capital Adequacies of the Intermediary Entities" ("Notification 34") issued by the CMB. Within the scope of Notification 34, Global Menkul is required to prepare capital adequacy base, provision for risk and liquidity requirement tables and send them to the CMB periodically.

As of 31 December 2019 and 2018, the equity liabilities of Global Menkul, calculated within the scope of Notification 34 should be TL 27.453.733 and TL 26.209.815 respectively.

Additionally, within the scope of Notification 34, the capital adequacy base required by Global Menkul represents the amount calculated as deduction of the following asset items from the assets of the equity Global Menkul representing utilized by the shareholders:

a) Non-current assets;

1) Property, plant and equipment (net),

2) Intangible assets (net),

3) Except of those who have transaction in the capital markets, financial long term assets after deduction of impairments and capital commitments,

4) Other non-current assets,

b) Receivables from the personnel, shareholders, participations and other related parties without any guarantee and capital market instruments issued by those individuals or entities. Individuals or institutions having direct or indirect relation.

As of 31 December 2019 and 2018, the capital adequacy bases of Global Menkul are 29.477.932 and TL 32.244.760 respectively. Capital adequacy base liability cannot be less than the items shown below:

a) Minimum equity shown hi the authorization documents owned.

b) Provision for risk,

c) Operational expenses realized during the last 3 months.

As of 31 December 2019 and 2018, the capital adequacy base of Global Menkul is above the items described above.

Risk provision

Within the scope of Notification 34, Global Menkul calculates risk provisions for the items shown in the balance sheet and off balance sheet. Also, within the scope of Notification 34, risk provision represent total of position risk, counterpart risk, concentration risk and foreign currency risk.

As of 31 December 2019 and 2018, within the scope of Notification 34, risk provision calculation is as follows:

	31 December 2019	31 December 2018
Position risk	12.455.823	6.690.152
Counterparty risk	2.077.639	2.349.243
Total Risk Provision	**14.533.462**	**9.039.395**

27. Quality and Level of Risks from Financial Instruments *(Continued)*

Fair Values of Financial Instruments

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange. The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fab value:

Financial Assets

The fair values of certain financial assets carried at cost in the financial statements, including cash and cash equivalents plus the respective accrued interest and other financial assets are considered to approximate their respective carrying values due to then short-term nature and negligible credit losses. The carrying value of trade receivables along with the related allowance for unearned income and uncollectibility are estimated to be their fab values.

Financial Liabilities

Trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. The bank borrowings are stated at their amortized costs and transaction costs are included in the initial measurement of loans and bank borrowings. The fair value of bank borrowings are considered to state their respective carrying values since the interest rate applied to bank loans and borrowings are updated periodically by the lender to reflect active market price quotations.

Currency: Turkish Lira ("TL")

27. Quality and Level of Risks from Financial Instruments *(Continued)*

31 December 2019	Financial Assets/Liabilities at Amortization Cost	Financial assets measured at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss	Carrying Value	Fair Value
Financial Assets					
Cash and cash equivalents	25.156.594	--	--	25.156.594	25.156.594
Financial investments-current	--	--	144.430	144.430	144.430
Trade receivables	259.482.236	--	--	259.482.236	259.482.236
Other receivables	6.426.178	--	--	6.426.178	6.426.178
Financial investments- non current	--	3.034.508	--	3.034.508	3.034.508
Financial Liabilities					
Borrowings	32.565.479	--	--	32.565.479	32.565.479
Trade payables	217.191.113	--	--	217.191.113	217.191.113
Other payables	1.323.033	--	--	1.323.033	1.323.033
Employee Benefits	1.758.052	--	--	1.758.052	1.758.052

Currency: Turkish Lira ("TL")

27. Quality and Level of Risks from Financial Instruments *(Continued)*

31 December 2018	Financial Assets/Liabilities at Amortization Cost	Financial assets measured at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss	Carrying Value	Fair Value
Financial Assets					
Cash and cash equivalents	18.185.472	--	--	18.185.472	18.185.472
Financial investments-current	--	--	308.010	308.010	308.010
Trade receivables	142.460.421	--	--	142.460.421	142.460.421
Other receivables	4.399.433	--	--	4.399.433	4.399.433
Financial investments- non current	--	3.034.508	--	3.034.508	3.034.508
Financial Liabilities					
Borrowings	6.800.000	--	--	6.800.000	6.800.000
Trade payables	118.242.602	--	--	118.242.602	118.242.602
Other payables	1.192.471	--	--	1.192.471	1.192.471
Employee Benefits	908.977	--	--	908.977	908.977

Currency: Turkish Lira ("TL")

27. Quality and Level of Risks from Financial Instruments *(Continued)*

Classification of the Fair Value Measurement

Measurement methods for the financial instruments valued as to their fair values are described as below. The measurement methods based on their levels are described as follows:

Level 1: Prices as to active markets for the identical assets or liabilities;

Level 2: Data for the prices other than those shown in Level 1 that is identifiable directly or indirectly;

Level 3: Data which have no observation to the market inputs:

31 December 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through profit or loss	144.430	--	--	144.430
Financial assets measured at fair value through other comprehensive income	--	3.034.508	--	3.034.508
	144.430	**3.034.508**	**--**	**3.178.938**

31 December 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through profit or loss	308.010	--	--	308.010
Financial assets measured at fair value through other comprehensive income	--	3.034.508	--	3.034.508
	308.010	**3.034.508**	**--**	**3.342.518**

For the year ended 31 December 2019 there are no classifications from Level 2 to Level 1 (2018: there are no classifications from Level 2 to Level 1).

28 Other Matters That May Have a Material Effect On, or Be Explained For the Clear Understanding of the Consolidated Financial Statements

None.

29 Subsequent Events

The Company issued a private sector financing bond with nominal value of TL 15.000.000 and maturity of 21.08.2020 to the qualified investors on 26.02.2020.