

# **Dünya Varlık Yönetim Anonim Şirketi**

**Financial Statements As of December 31, 2022  
with Independent Auditor's Report**

*(Convenience Translation of Financial Statements and  
Related Disclosures and Footnotes Originally Issued in Turkish)*



**Building a better  
working world**

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

## **INDEPENDENT AUDITOR’S REPORT**

**To the General Assembly of Dünya Varlık Yönetim A.Ş.**

### **A) Report on the Financial Statements**

#### **1) Opinion**

We have audited the accompanying financial statements of Dünya Varlık Yönetim Anonim Şirketi (“the Company”), which comprise the statement of financial position as at December 31, 2022 and statement of profit or loss, statement of profit or loss and other comprehensive income, the statement of changes in shareholders’ equity, the statement of cash flows for the year ended December 31, 2022 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and its financial performance and its cash flows for the year then ended December 31, 2022 in accordance with the "Regulation on Establishment and Activity Principles of Asset Management Companies" published in the Official Gazette dated July 14, 2021 and numbered 31541 and announcements published by the Banking Regulation and Supervision Authority (“BRSA”) together referred as “BRSA Accounting and Financial Reporting Legislation” which includes provisions of Turkish Financial Reporting Standards (“TFRS”) for the matters which are not regulated by the aforementioned regulations.

#### **2) Basis for Opinion**

We conducted our audit in accordance with standards on auditing as issued by Independent Auditing Standards (“InSA”) which is a part of Turkish Auditing Standards promulgated by the Public Oversight Accounting and Auditing Standards Authority (“POA”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company within the meaning of Code of Ethics for Independent Auditors (Code of Ethics) published by POA and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **3) Other Matter**

The financial statements of the Company as at December 31, 2021 were audited by another audit firm, which expressed an unqualified opinion in their reports issued on March 11, 2022.

#### **4) Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. Our opinion on the financial statements is not modified with respect to any of the key audit matters describe below, and we do not provide a separate opinion on these matters.

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

<b>Key Audit Matter</b>	<b>How the key audit matter was addressed in the audit</b>
<b>Evaluation for carrying value of non-performing loans</b>	
<p>As of December 31, 2022, the Company has non-performing loans with total net present value of 1,384,302 thousand TL disclosure related to non-performing loans is explained in the Fifth Section Note 1.5 of the accompanying financial statements.</p> <p>The reasons that we focused on this area during our audit are; materiality of the non-performing loans amount and significant judgments, assumptions and estimates used by the Company Management in determining the future projections of these non-performing loans and discount rates used in the net present value calculations. Since the management's estimates and assumptions can significantly affect the amount of non-performing loans in the statement of financial position, this area has been considered as a key audit matter.</p>	<p>Following procedures have been applied for the audit of non-performing loans:</p> <ul style="list-style-type: none"> <li>-Evaluation of the compliance of the applied accounting policies with TFRS 9, past performance of the local and global practices by financial risk management experts,</li> <li>-Within the scope of our audit, we have obtained supporting evidence regarding the collection projections while having discussions with Company management and performed reviews on these documents with information gathering,</li> <li>-Within the scope of our audit, we recalculated net present values accounted in financial statements by using the discount rates determined at initial recognition,</li> <li>-In addition, we evaluated the sufficiency of the explanations in the disclosures that are the part of the financial statements.</li> </ul>

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

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

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

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

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

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

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

As part of an audit in accordance with standards on auditing as issued by InAS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

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

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

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

**B) Report on Other Legal and Regulatory Requirements**

- 1) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period January 1 – December 31, 2022 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.
- 2) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Emre Çelik.

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



Emre Çelik, SMMM  
Partner

March 1, 2023  
Istanbul, Turkey

**Dünya Varlık Yönetim Anonim Şirketi Financial Reports as at December 31, 2022**

Address of the headquarters of the Company : Esentepe Mah. Büyükdere Cad. Astoria Blok No:  
127 İç Kapı No:3 Şişli / İstanbul  
Company telephone number : 0850 22 22 850  
Company's fax number : 0850 480 7071  
Company's e-mail address : info@dunyavarlik.com

The financial report dated December 31, 2022 consists of the following sections.

- I. General information about the company
- II. The financial statements of the Company
- III. Explanations on accounting policies applied in the related period
- IV. Information on the financial position of the company
- V. Explanations and notes related to financial statements
- VI. Other explanations and footnotes
- VII. Independent auditor's report

The financial statements and related disclosures and footnotes that were subject to review, are prepared in accordance with Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance and in compliance with the financial records of our Company. Unless stated otherwise, the accompanying financial statements are presented in **thousands of Turkish Lira (TL)**.



Zehra Nida ÇETİN

Chief Executive Officer



Berk URAS

Chief Financial Officer

Information related to the personnel authorized to answer the questions regarding this financial report:

Name/Title : Berk URAS / Chief Financial Officer

Phone Num : 0850 22 22 850

Fax Num : 0850 480 70 71

## **Index**

### **Section One**

#### General information

- I. History of the Company including its incorporation date, initial legal status, amendments to legal status
- II. Company's shareholder structure, shareholders that retain direct or indirect control and management of the Company individually or together, changes about these issues during the period and information on Company's risk group
- III. Company's chairman and members of the board of directors, audit committee members, chief executive officer and executive vice presidents and their shareholdings in the Company
- IV. Information on the Company's qualified shareholders
- V. Information on the Company's activities and services

### **Section Two**

#### Financial statements

- I. Balance sheet (Statement of Financial Position)
- II. Off-balance sheet items
- III. Statement of profit or loss
- IV. Statement of profit or loss and other comprehensive income
- V. Statement of changes in shareholders' equity
- VI. Statement of cash flows
- VII. Statement of profit distribution

### **Section Three**

#### Explanations on accounting policies

- I. Basis of presentation
- II. Basis of presentation of the financial statements
- III. Explanations on forward transactions, options and derivative instruments
- IV. Explanations on interest income and expense
- V. Explanations on fee and commission income and expense
- VI. Explanations and notes on financial assets
- VII. Explanations on impairment of financial assets
- VIII. Explanations on offsetting of financial instruments
- IX. Explanations on sales and repurchase agreements and securities lending transactions
- X. Information on assets held for sale and related to discontinued operations and explanations on liabilities related with these assets
- XI. Explanations on goodwill and other intangible assets
- XII. Explanations on property and equipment
- XIII. Explanations on leasing transactions
- XIV. Explanations on provisions, contingent asset and liabilities
- XV. Explanations on obligations related to employee rights
- XVI. Explanations on taxation
- XVII. Explanations on borrowings
- XVIII. Explanations on issuance of share certificates
- XIX. Explanations on bill of guarantees and acceptances
- XX. Explanations on government grants
- XXI. Explanations on segment reporting
- XXII. Explanations on other matters
- XXIII. Earnings per share
- XXIV. Rearrangement of prior period financial statements

### **Section Four**

#### Explanations related to the financial position and risk management of the company

- I. Explanations on credit risk
- II. Explanations on the currency risk
- III. Explanations on liquidity risk
- IV. Explanations on the interest rate risk
- V. Explanations on presentation of fair values of financial assets and liabilities
- VI. Segment reporting

### **Section Five**

#### Explanations and notes related to financial statements

- I. Explanations and notes related to assets of balance sheet
- II. Explanations and notes related to liabilities of balance sheet
- III. Explanations and notes related to off-balance sheet accounts
- IV. Explanations and notes related to income statement
- V. Explanations and notes related to changes in shareholders' equity
- VI. Explanations and notes related to cash flow statements
- VII. Explanations and notes to the risk group of the Company

### **Section Six**

#### Other Explanations

- I. Other explanations related to the Company's operations

### **Section Seven**

#### Explanations on independent auditor's report

- I. Explanations on Independent Auditor's Report
- II. Explanations and notes prepared by the independent auditor

## Dünya Varlık Yönetim Anonim Şirketi

Notes to the financial statements

for December 31, 2022 and December 31, 2021

(Currency: Expressed as Thousand Turkish Lira ("TL"))

### Section One

#### General Information

**I. History of the Company including its incorporation date, initial legal status, amendments to legal status:**

Dünya Varlık Yönetim A.Ş. (formerly known as "LBT Varlık Yönetim Anonim Şirketi", "Turkasset Varlık Yönetim Anonim Şirketi" and "Hayat Varlık Yönetim Anonim Şirketi") ("Company") was established as a Joint Stock Company on February 1, 2008 in accordance with Article 143 and Provisional Article 1 of the Banking Law No. 5411 and the Regulation on the Establishment and Operation Principles of Asset Management Companies (The Regulation, which came into force on July 14, 2021, has been changed to the Regulation on the Establishment and Operation Principles of Asset Management Companies and Transactions Regarding Receivables to be Acquired.) and in compliance with the establishment permit of the Banking Regulation and Supervision Agency ("BRSA") No. 2438 and dated January 10, 2008. The establishment decision, registered on February 1, 2008, was published in the Turkish Trade Registry Gazette dated February 8, 2008 and numbered 6995.

**II. Company's shareholder structure, shareholders that retain direct or indirect control and management of the Company individually or together, changes about these issues during the period and information on Company's risk group:**

As of December 31, 2022, the Company's capital;

50.131126% to Vector Holdings S.à r.l.

37.600007% to Vector Investments Holding S.à r.l.

12.3% to European Bank for Reconstruction and Development (EBRD)

**III. Company's chairman and members of the board of directors, audit committee members, chief executive officer and executive vice presidents and their shareholdings in the Company:**

*Explanations on the members of the board of directors of the Company:*

Name	Title	Assigned Date	Education
İsak Antika	Chairman of the Board of Directors	10/02/2020	Graduate
Mehmet Murat Çavuşoğlu	Vice Chairman of the Board of Directors	10/02/2020	Graduate
Zehra Nida Çetin	CEO/ Board Member	13/05/2022	Undergraduate
Hilmi Güvenal	Board Member	10/02/2020	Undergraduate
Esra Soydan	Board Member	27/06/2022	Undergraduate
Hüseyin Hüsnü Okvuran	Board Member	10/02/2020	Undergraduate
Noel Cochran Edison	Board Member	10/02/2020	Graduate
Roy Eskenazi	Board Member	24/08/2020	Undergraduate
Peter Charles Richardson	Board Member	18/07/2022	Undergraduate

*Explanations on the members of the audit committee of the Company:*

Name	Title	Assigned Date	Education
Hüseyin Hüsnü Okvuran	Audit Committee Member	19/03/2021	Undergraduate

**IV. Information on the Company's qualified shareholders:**

Shareholders	Share amounts (nominal)	Share Percentage	Paid Shares (nominal)	Unpaid Shares
Vector Holdings S.à r.l.	92,742,588	50.131126%	92,742,588	-



## **Dünya Varlık Yönetim Anonim Şirketi**

Notes to the financial statements

for December 31, 2022 and December 31, 2021

(Currency: Expressed as Thousand Turkish Lira ("TL"))

### **V. Information on the Company's activities and services:**

The Company's scope of operation under the articles of incorporation is as below:

- To purchase or sell receivables and other assets of banks, participation banks and other financial institutions;
- To collect from obligators of the receivables, to convert assets into cash or to resell by restructuring;
- To give consultancy service to banks, participation banks and other financial institutions for restructuring or selling of their receivables and other assets and to act as an intermediary in those operations;
- It may operate within the scope of capital markets legislation and provided that it obtains the necessary permissions, and may issue securities.
- To invest in participations for running its operations
- To make investment in financial instruments issued by or sold under the intermediation of other asset management companies
- To provide consultancy service to the companies for financial and corporate restructurings.

The Company shall not engage in activities other than those specified in these articles.

In order to realize the purposes and activities of the Company's articles of association;

- a) Loans, guarantees and letter of guarantees in accordance with the relevant legislation provide domestic and foreign markets in short, medium or long term, and if necessary establish mortgage and pledge as guarantee on the accrued debt that will occur in financing.
- b) Invests in financial, managerial and industrial operations.
- c) Making financial commitments in order to fulfil Company's aim and operations.
- d) Within the scope of the Company's aim and operations, with necessary permissions from the relevant authorities, new entities may be established. The Company may participate domestic or foreign legal entities in the specified limits, may establish new subsidiaries and associates with domestic or foreign legal entities, buy or sell shares, bonds and other marketable securities with the condition of not providing brokerage activities and can make a disposition of them.
- e) Including any trademark, patent, copyright and patent rights, licenses, concessions, models, pictures, and know-how, trade name, proprietary manufacturing and trademark including but not limited to registration and all intellectual property rights and privileges can be acquired and used by the Company, the Company can also perform any legal and commercial transactions on these acquired intellectual properties, sign license agreements with domestic or foreign real/legal persons.
- f) Buy and sell all types of securities, real estates, right in order to realize its goals keep them in possession or accommodate, rent or sub rent the items except financial lease, buy or make other legal or commercial savings, can mortgage, pledge or put other liabilities, approve rent agreements to land registry. For assurances of third party debts, the Company can mortgage, pledge or put other liabilities to all or some of the assets and/or receivables or future receivables also the Company can quit its rights.
- g) The Company can make commercial, industrial or financial agreements or arrangements that will be useful to realize the aims and objectives or can take a side on these agreements.
- h) The Company can employ domestic or foreign technical, administrative and professional staff for the continuance of works and/or to operate future facilities can sign labour contracts, can apply for foreigner job permits and can transfer the salaries of foreign employees abroad.
- i) Under the relevant legislation, the Company may issue export all kinds of bonds, securities, financial bonds and profit-sharing certificates that a Company may issue.

Except the operations explained above, the Company may want to have other operations for the benefit of the Company in the future. In such case, this matter is presented by the Board of Directors to the approval of the General Assembly and, after the approval of the General Assembly; the activities can be performed by the Company. This decision of the General Assembly which requires a change in the articles of incorporation of the Company, and before the approval of board of directors, the Company must obtain necessary permissions from BRSA, judicial and administrative authorities.

## **SECTION TWO**

### **FINANCIAL STATEMENTS**

- I. Balance sheet (Statement of Financial Position)
- II. Off-balance sheet items
- III. Statement of profit or loss
- IV. Statement of profit or loss and other comprehensive income
- V. Statement of changes in shareholders' equity
- VI. Statement of cash flows
- VII. Statement of profit distribution

# Dünya Varlık Yönetim Anonim Şirketi

As of December 31, 2022 and December 31, 2021

## Statements of Financial Position

(Currency: Expressed as Thousand Turkish Lira (“TL”)) - (Convenience translation of a report and financial statements originally issued in Turkish)

		Audited			Audited		
		Current Period			Prior Period		
		December 31, 2022			December 31, 2021		
	Notes	TL	FC	Total	TL	FC	Total
ASSETS	(5-1)						
<b>I. FINANCIAL ASSETS (Net)</b>		<b>264,923</b>	<b>13,071</b>	<b>277,994</b>	<b>93,582</b>	<b>1,896</b>	<b>95,478</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>223,128</b>	<b>13,071</b>	<b>236,199</b>	<b>92,192</b>	<b>1,896</b>	<b>94,088</b>
1.1.1 Cash and Balances with Central Bank	(1)	1	-	1	-	-	-
1.1.2 Banks	(2)	223,214	13,071	236,285	92,201	1,896	94,097
1.1.3 Money Market Placements		-	-	-	-	-	-
1.1.4 Expected Credit Loss (-)	(2)	(87)	-	(87)	(9)	-	(9)
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>	<b>(3)</b>	<b>41,625</b>	<b>-</b>	<b>41,625</b>	<b>-</b>	<b>-</b>	<b>-</b>
1.2.1 Government Debt Securities		-	-	-	-	-	-
1.2.2 Equity Securities	(3)	41,625	-	41,625	-	-	-
1.2.3 Other Financial Assets		-	-	-	-	-	-
<b>1.3 Financial Assets at Fair Value Through Other Comprehensive Income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1.3.1 Government Debt Securities		-	-	-	-	-	-
1.3.2 Equity Securities		-	-	-	-	-	-
1.3.3 Other Financial Assets		-	-	-	-	-	-
<b>1.4 Derivative Financial Assets</b>	<b>(10)</b>	<b>170</b>	<b>-</b>	<b>170</b>	<b>1,390</b>	<b>-</b>	<b>1,390</b>
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		-	-	-	-	-	-
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		170	-	170	1,390	-	1,390
<b>II. LOANS (Net)</b>	<b>(4)</b>	<b>1,384,302</b>	<b>-</b>	<b>1,384,302</b>	<b>1,224,666</b>	<b>-</b>	<b>1,224,666</b>
<b>2.1 Loans</b>		<b>1,384,340</b>	<b>-</b>	<b>1,384,340</b>	<b>1,226,302</b>	<b>-</b>	<b>1,226,302</b>
2.2 Lease Receivables		-	-	-	-	-	-
2.3 Factoring Receivables		-	-	-	-	-	-
<b>2.4 Other Financial Assets Measured at Amortised Cost</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2.4.1 Government Debt Bonds		-	-	-	-	-	-
2.4.2 Other Financial Assets		-	-	-	-	-	-
<b>2.5 Expected Credit Loss(-)</b>	<b>(38)</b>	<b>-</b>	<b>-</b>	<b>(38)</b>	<b>(1,636)</b>	<b>-</b>	<b>(1,636)</b>
<b>III. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	<b>(9)</b>	<b>4,578</b>	<b>-</b>	<b>4,578</b>	<b>6,419</b>	<b>-</b>	<b>6,419</b>
3.1 Asset Held for Resale		4,578	-	4,578	6,419	-	6,419
3.2 Assets of Discontinued Operations		-	-	-	-	-	-
<b>IV. EQUITY INVESTMENTS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4.1 Investment in Associates (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
<b>4.2 Investment in Subsidiaries (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.2.1 Unconsolidated Financial Investments in Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Investments in Subsidiaries		-	-	-	-	-	-
<b>4.3 Entities Under Common Control (Joint Ventures) (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
<b>V. TANGIBLE ASSETS (Net)</b>	<b>(6)</b>	<b>69,224</b>	<b>-</b>	<b>69,224</b>	<b>38,529</b>	<b>-</b>	<b>38,529</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>	<b>(7)</b>	<b>12,338</b>	<b>-</b>	<b>12,338</b>	<b>9,232</b>	<b>-</b>	<b>9,232</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		12,338	-	12,338	9,232	-	9,232
<b>VII. INVESTMENT PROPERTY (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. CURRENT TAX ASSET</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IX. DEFERRED TAX ASSET</b>	<b>(8)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. OTHER ASSETS</b>	<b>(11)</b>	<b>33,654</b>	<b>14</b>	<b>33,668</b>	<b>19,830</b>	<b>1,269</b>	<b>21,099</b>
<b>TOTAL ASSETS</b>		<b>1,769,019</b>	<b>13,085</b>	<b>1,782,104</b>	<b>1,392,258</b>	<b>3,165</b>	<b>1,395,423</b>

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

# Dünya Varlık Yönetim Anonim Şirketi

As of December 31, 2022 and December 31, 2021

## Statements of Financial Position

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

	Notes (5-II)	Audited Current period December 31, 2022			Audited Prior period December 31, 2021		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>		-	-	-	-	-	-
<b>II. FUNDS BORROWED</b>	(1)	528,082	-	528,082	375,636	-	375,636
<b>III. MONEY MARKETS</b>		-	-	-	-	-	-
<b>IV. MARKETABLE SECURITIES ISSUED (Net)</b>	(2)	50,364	-	50,364	215,094	-	215,094
4.1 Bills		-	-	-	-	-	-
4.2 Assets Backed Securities		-	-	-	-	-	-
4.3 Bonds		50,364	-	50,364	215,094	-	215,094
<b>V. FUNDS</b>		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
<b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS</b>		-	-	-	-	-	-
<b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>		-	-	-	-	-	-
7.1 Derivative Financial Liabilities Measured at Fair Value Through Profit or Loss		-	-	-	-	-	-
7.2 Derivative Financial Liabilities Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
<b>VIII. FACTORING LIABILITIES</b>		-	-	-	-	-	-
<b>IX. LEASE LIABILITIES (Net)</b>	(6)	36,510	-	36,510	23,149	-	23,149
<b>X. PROVISIONS</b>	(4)	28,069	-	28,069	11,103	-	11,103
10.1 Restructuring provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		26,069	-	26,069	11,103	-	11,103
10.3 Insurance Technical Provisions		-	-	-	-	-	-
10.4 Other Provisions		2,000	-	2,000	-	-	-
<b>XI. CURRENT TAX LIABILITY</b>	(5)	45,572	-	45,572	5,690	-	5,690
<b>XII. DEFERRED TAX LIABILITY</b>	(5)	162,220	-	162,220	117,358	-	117,358
<b>LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>		-	-	-	-	-	-
13.1 Asset Held for Sale		-	-	-	-	-	-
13.2 Assets of Discontinued Operations		-	-	-	-	-	-
<b>XIV. SUBORDINATED DEBT INSTRUMENTS</b>		-	-	-	-	-	-
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	-	-	-	-	-
<b>XV. OTHER LIABILITIES</b>	(3)	46,302	992	47,294	23,805	366	24,171
<b>XVI. SHAREHOLDERS' EQUITY</b>	(7)	883,993	-	883,993	623,222	-	623,222
16.1 Paid-in capital		185,000	-	185,000	185,000	-	185,000
16.2 Capital reserves		17,099	-	17,099	17,099	-	17,099
16.2.1 Share premium		17,099	-	17,099	17,099	-	17,099
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		-	-	-	-	-	-
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		-	-	-	-	-	-
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		(3,928)	-	(3,928)	1,548	-	1,548
16.5 Profit Reserves		14,415	-	14,415	14,340	-	14,340
16.5.1 Legal Reserves		14,415	-	14,415	14,340	-	14,340
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		-	-	-	-	-	-
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Income or (loss)		671,407	-	671,407	405,235	-	405,235
16.6.1 Prior Periods' Income or (loss)		404,887	-	404,887	342,696	-	342,696
16.6.2 Current Period' Income or (loss)		266,520	-	266,520	62,539	-	62,539
16.7 Minority Interest		-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>		<b>1,781,112</b>	<b>992</b>	<b>1,782,104</b>	<b>1,395,057</b>	<b>366</b>	<b>1,395,423</b>

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

# Dünya Varlık Yönetim Anonim Şirketi

As of December 31, 2022 and December 31, 2021

## Statements of Off Balance Sheet Items

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

		Audited			Audited		
		Current period			Prior period		
		December 31, 2022			December 31, 2021		
	Notes	TL	FC	Total	TL	FC	Total
	(S - III)						
<b>OFF BALANCE SHEET</b>							
<b>A. OFF BALANCE SHEET COMMITMENTS (I+ II+ III)</b>		<b>195,613</b>	<b>-</b>	<b>195,613</b>	<b>297,545</b>	<b>-</b>	<b>297,545</b>
<b>I. GUARANTEES AND WARRANTIES</b>	<b>(I)</b>						
1.1 Letters of guarantee		-	-	-	-	-	-
1.1.1 Guarantees subject to State Tender Law		-	-	-	-	-	-
1.1.2 Guarantees given for foreign trade operations		-	-	-	-	-	-
1.1.3 Other letters of guarantee		-	-	-	-	-	-
1.2 Bank acceptances		-	-	-	-	-	-
1.2.1 Import letter of acceptance		-	-	-	-	-	-
1.2.2 Other bank acceptances		-	-	-	-	-	-
1.3 Letters of credit		-	-	-	-	-	-
1.3.1 Documentary letters of credit		-	-	-	-	-	-
1.3.2 Other letters of credit		-	-	-	-	-	-
1.4 Guaranteed prefinancings		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other endorsements		-	-	-	-	-	-
1.6 Securities issue purchase guarantees		-	-	-	-	-	-
1.7 Factoring guarantees		-	-	-	-	-	-
1.8 Other guarantees		-	-	-	-	-	-
1.9 Other warranties		-	-	-	-	-	-
<b>II. COMMITMENTS</b>		<b>195,613</b>	<b>-</b>	<b>195,613</b>	<b>297,545</b>	<b>-</b>	<b>297,545</b>
2.1 Irrevocable commitments		195,613	-	195,613	297,545	-	297,545
2.1.1 Asset purchase and sales commitments		-	-	-	-	-	-
2.1.2 Deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3 Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4 Loan granting commitments		-	-	-	-	-	-
2.1.5 Securities issue brokerage commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Commitments for cheque payments		-	-	-	-	-	-
2.1.8 Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9 Commitments for credit card expenditure limits		-	-	-	-	-	-
2.1.10 Commitments for credit cards and banking services promotions		-	-	-	-	-	-
2.1.11 Receivables from short sale commitments		-	-	-	-	-	-
2.1.12 Payables for short sale commitments		-	-	-	-	-	-
2.1.13 Other irrevocable commitments		195,613	-	195,613	297,545	-	297,545
2.2 Revocable commitments		-	-	-	-	-	-
2.2.1 Revocable loan granting commitments		-	-	-	-	-	-
2.2.2 Other revocable commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>							
3.1 Derivative financial instruments held for hedging		-	-	-	-	-	-
3.1.1 Fair value hedges		-	-	-	-	-	-
3.1.2 Cash flow hedges		-	-	-	-	-	-
3.1.3 Hedges for investments made in foreign countries		-	-	-	-	-	-
3.2 Trading transactions		-	-	-	-	-	-
3.2.1 Forward foreign currency buy/sell transactions		-	-	-	-	-	-
3.2.1.1 Forward foreign currency transactions-buy		-	-	-	-	-	-
3.2.1.2 Forward foreign currency transactions-sell		-	-	-	-	-	-
3.2.2 Swap transactions related to foreign currency and interest rates		-	-	-	-	-	-
3.2.2.1 Foreign currency swap-buy		-	-	-	-	-	-
3.2.2.2 Foreign currency swap-sell		-	-	-	-	-	-
3.2.2.3 Interest rate swaps-buy	(I)	8,000	-	8,000	160,368	-	160,368
3.2.2.4 Interest rate swaps-sell		(8,000)	-	(8,000)	(160,368)	-	(160,368)
3.2.3 Foreign currency, interest rate and security options		-	-	-	-	-	-
3.2.3.1 Foreign currency options-buy		-	-	-	-	-	-
3.2.3.2 Foreign currency options-sell		-	-	-	-	-	-
3.2.3.3 Interest rate options-buy		-	-	-	-	-	-
3.2.3.4 Interest rate options-sell		-	-	-	-	-	-
3.2.3.5 Securities options-buy		-	-	-	-	-	-
3.2.3.6 Securities options-sell		-	-	-	-	-	-
3.2.4 Foreign currency futures		-	-	-	-	-	-
3.2.4.1 Foreign currency futures-buy		-	-	-	-	-	-
3.2.4.2 Foreign currency futures-sell		-	-	-	-	-	-
3.2.5 Interest rate futures		-	-	-	-	-	-
3.2.5.1 Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2 Interest rate futures-sell		-	-	-	-	-	-
3.2.6 Other		-	-	-	-	-	-
<b>B. CUSTODY AND PLEDGED SECURITIES (IV+V+VI)</b>	<b>(I)</b>						
<b>IV. ITEMS HELD IN CUSTODY</b>							
4.1 Assets under management		-	-	-	-	-	-
4.2 Investment securities held in custody		-	-	-	-	-	-
4.3 Checks received for collection		-	-	-	-	-	-
4.4 Commercial notes received for collection		-	-	-	-	-	-
4.5 Other assets received for collection		-	-	-	-	-	-
4.6 Assets received for public offering		-	-	-	-	-	-
4.7 Other items under custody		-	-	-	-	-	-
4.8 Custodians		-	-	-	-	-	-
<b>V. PLEDGED ITEMS</b>							
5.1 Marketable securities		-	-	-	-	-	-
5.2 Guarantee notes		-	-	-	-	-	-
5.3 Commodity		-	-	-	-	-	-
5.4 Warranty		-	-	-	-	-	-
5.5 Real estates		-	-	-	-	-	-
5.6 Other pledged items		-	-	-	-	-	-
5.7 Pledged items-depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>							
<b>TOTAL OFF BALANCE SHEET COMMITMENTS (A+B)</b>		<b>195,613</b>	<b>-</b>	<b>195,613</b>	<b>297,545</b>	<b>-</b>	<b>297,545</b>

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

# Dünya Varlık Yönetim Anonim Şirketi

For Year Ending December 31, 2022 and December 31, 2021

## Profit or Loss Statements

(Currency: Expressed as Thousand Turkish Lira (“TL”)) - (Convenience translation of a report and financial statements originally issued in Turkish)

		Audited	Audited
		Current period	Prior period
		January 1, - December 31, 2022	January 1, - December 31, 2021
INCOME AND EXPENSES			
	Notes (5 - 4)		
<b>I. INTEREST INCOME</b>	<b>(1)</b>	<b>818,190</b>	<b>379,599</b>
1.1 Interest Income on Loans		799,431	369,326
1.2 Interest Income on Reserve Deposits		-	-
1.3 Interest Income on Banks		18,759	10,273
1.4 Interest Income on Money Market Transactions		-	-
1.5 Interest Income on Marketable Securities Portfolio		-	-
1.5.1 Financial Assets at Fair Value Through Profit or Loss		-	-
1.5.2 Financial Assets at Fair Value Through Other Comprehensive Income		-	-
1.5.3 Financial assets measured at amortised cost		-	-
1.6 Financial lease Income		-	-
1.7 Other Interest Income		-	-
<b>II. INTEREST EXPENSES</b>	<b>(2)</b>	<b>(124,572)</b>	<b>(125,167)</b>
2.1 Interest on deposits		-	-
2.2 Interest on funds borrowed		(105,039)	(76,803)
2.3 Interest on money market transactions		-	-
2.4 Interest on marketable securities issued		(19,533)	(48,364)
2.5 Other interest expense		-	-
<b>III. NET INTEREST INCOME/(EXPENSE) [ I - II ]</b>		<b>693,618</b>	<b>254,432</b>
<b>IV. NET FEES AND COMMISSIONS EXPENSES</b>	<b>(13)</b>	<b>(13,632)</b>	<b>(9,015)</b>
4.1 Fees and commission income		-	-
4.1.1 Non-cash loans		-	-
4.1.2 Other		-	-
4.2 Fees and commission expense		(13,632)	(9,015)
4.2.1 Non-cash loans		(3,505)	(3,353)
4.2.2 Other		(10,127)	(5,662)
<b>V. PERSONNEL EXPENSES</b>	<b>(7)</b>	<b>(147,705)</b>	<b>(77,437)</b>
<b>VI. DIVIDEND INCOME</b>	<b>(3)</b>	<b>-</b>	<b>-</b>
<b>VII. NET TRADING INCOME/(LOSS) (NET)</b>	<b>(4)</b>	<b>1,242</b>	<b>(546)</b>
7.1 Income/(loss) from capital market operations, net		(505)	-
7.2 Income/(loss) from derivative financial instruments, net		555	(949)
7.3 Foreign exchange gains/losses, net		1,192	403
<b>VIII. OTHER OPERATING INCOME</b>	<b>(5)</b>	<b>12,738</b>	<b>7,651</b>
<b>IX. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)</b>		<b>546,261</b>	<b>175,085</b>
<b>X. EXPECTED LOSS PROVISIONS</b>	<b>(6)</b>	<b>-</b>	<b>(9)</b>
<b>XI. OTHER OPERATING EXPENSES (-)</b>	<b>(7)</b>	<b>(159,866)</b>	<b>(89,435)</b>
<b>XII. NET OPERATING (LOSS)/PROFIT (VIII-IX-XI-XII)</b>		<b>386,395</b>	<b>85,641</b>
<b>XIII. AMOUNT RECORDED IN EXCESS AS GAIN AFTER MERGER</b>		<b>-</b>	<b>-</b>
<b>XIV. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING</b>		<b>-</b>	<b>-</b>
<b>XV. GAIN/LOSS ON NET MONETARY POSITION</b>		<b>-</b>	<b>-</b>
<b>XVII. INCOME/LOSS BEFORE TAXES (XIII+...+XVI)</b>	<b>(5)</b>	<b>386,395</b>	<b>85,641</b>
<b>XVIII. TAX INCOME PROVISION (±)</b>	<b>(10)</b>	<b>(119,875)</b>	<b>(23,102)</b>
18.1 Current tax expense		(73,376)	-
18.2 Deferred tax expense effect		(55,629)	(23,102)
18.3 Deferred tax income effect		9,130	-
<b>XIII. NET OPERATING (LOSS)/INCOME AFTER TAX (XVII+XVIII)</b>	<b>(10)</b>	<b>266,520</b>	<b>62,539</b>
<b>XIX. INCOME FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>
20.1 Income from assets held for sale		-	-
20.2 Income from sale of subsidiaries, associates and joint ventures		-	-
20.3 Other income from discontinued operations		-	-
<b>XX. EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>
21.1 Expenses on assets held for sale		-	-
21.2 Expenses on sale of subsidiaries, associates and joint ventures		-	-
21.3 Other expenses from discontinued operations		-	-
<b>XXI. INCOME/EXPENSE BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIV)</b>		<b>-</b>	<b>-</b>
<b>XXII. PROVISION FOR TAXES ON DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>
23.1 Current tax provision		-	-
23.2 Deferred tax expense effect (+)		-	-
23.3 Deferred tax income effect (-)		-	-
<b>XXIII. NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XXII+XXIII)</b>		<b>-</b>	<b>-</b>
<b>XXIV. NET (LOSS)/PROFIT (XIX+XXIV)</b>		<b>266,520</b>	<b>62,539</b>
25.1 Equity holders Profit/Loss		266,520	62,539
25.2 Minority's Profit/Loss		-	-
<b>Earnings per Share</b>	<b>3-XXIII</b>	<b>1.4406</b>	<b>0.3380</b>

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

**Dünya Varlık Yönetim Anonim Şirketi**

For Year Ending December 31, 2022 and December 31, 2021

Statements of Profit or Loss and Other Comprehensive Income

(Currency: Expressed as Thousand Turkish Lira (“TL”)) - (Convenience translation of a report and financial statements originally issued in Turkish)

	Audited Current Period	Audited Prior Period
Profit or loss and other comprehensive income	December 31, 2022	December 31, 2021
<b>I. PROFIT OR LOSS FOR THE PERIOD</b>	<b>266,520</b>	<b>62,539</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>(5,476)</b>	<b>109</b>
<b>2.1 Items not to be reclassified to profit / loss</b>	<b>(4,104)</b>	<b>-</b>
2.1.1 Revaluation increase/ decrease on tangible assets	-	-
2.1.2 Revaluation increase/ decrease on intangible assets	-	-
2.1.3 Defined Benefit Plans' Actuarial Gains/Losses	(5,472)	-
2.1.4 Other Comprehensive Income Items That Will Not Be Reclassified As Other Profit or Loss	-	-
2.1.5 Taxes on items not to be reclassified to profit or loss	1,368	-
<b>2.2 Items to be reclassified to profit or loss</b>	<b>(1,372)</b>	<b>109</b>
2.2.1 Currency translation differences	-	-
2.2.2 Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	-	-
2.2.3 Gains/losses from Cash Flow Hedges	(1,829)	145
2.2.4 Gains/Losses on Hedges of Net Investments in Foreign Operations	-	-
2.2.5 Other Comprehensive Items of Income to be Reclassified as Other Profit or Loss	-	-
2.2.6 Taxes Relating to Other Comprehensive Income to be Reclassified to Profit or Loss	457	(36)
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>261,044</b>	<b>62,648</b>

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

## Dünya Varlık Yönetim Anonim Şirketi

For Year Ended December 31, 2022 and December 31, 2021

Statements of Changes in Shareholders' Equity

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

		Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss							Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss										
		Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Revaluation Increase/Decrease of Fixed Asset	Accumulated Remeasurement Gain/Loss of Defined Benefit Pension Plan	Other (Shares of Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)	Foreign Currency Translation Differences	Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Assets at Fair Value Through Other Comprehensive Income	Other (Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Shareholders' Equity Before Minority Shares	Minority Shares	Total Shareholders Equity		
	Current Period (31/12/2022)																		
I.	Prior Period End Balance	185,000	17,099	-	-	-	-	-	-	-	1,548	14,340	342,696	62,539	623,222	-	623,222		
	Corrections and Accounting Policy Changes Made According to TFRS 9 and TFRS 15																		
II.	(section three, note XXIV)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2.1	Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2.2	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Adjusted Beginning Balance (I+II)	185,000	17,099	-	-	-	-	-	-	-	1,548	14,340	342,696	62,539	623,222	-	623,222		
IV.	Total Comprehensive Income	-	-	-	-	-	-	-	-	-	(5,476)	-	-	266,520	261,044	-	261,044		
V.	Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VI.	Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VII.	Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VIII.	Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
IX.	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
X.	Increase/Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	75	(348)	-	(273)	-	(273)		
11.1	Dividends paid	-	-	-	-	-	-	-	-	-	-	-	62,539	(62,539)	-	-	-		
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	62,539	(62,539)	-	-	-		
Period-End Balance (III+IV+...+X+XI)		185,000	17,099	-	-	-	-	-	-	-	(3,928)	14,415	404,887	266,520	883,993	-	883,993		

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



# Dünya Varlık Yönetim Anonim Şirketi

For Year Ended December 31, 2022 and December 31, 2021

## Statements of Changes in Shareholders' Equity

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

		Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss							Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss										
		Paid-in Capital	Share Premium s	Share Cancellation Profits	Other Capital Reserves	Accumulated Revaluation Increase/Decrease of Fixed Asset	Accumulated Remeasurement Gain/Loss of Defined Benefit Pension Plan	Other (Shares of Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)	Foreign Currency Translation Differences	Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Assets at Fair Value Through Other Comprehensive Income	Other (Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Shareholders' Equity Before Minority Shares	Minority Shares	Total Shareholders Equity		
	Current Period (31/12/2021)																		
I.	Prior Period End Balance	185,000	17,099	-	-	-	-	-	-	-	1,439	14,340	324,020	18,676	560,574	-	560,574		
	Corrections and Accounting Policy Changes Made According to TFRS 9 and TFRS 15																		
II.	(section three, note XXIV)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2.1	Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2.2	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Adjusted Beginning Balance (I+II)	185,000	17,099	-	-	-	-	-	-	-	1,439	14,340	324,020	18,676	560,574	-	560,574		
IV.	Total Comprehensive Income	-	-	-	-	-	-	-	-	-	109	-	-	62,539	62,648	-	62,648		
V.	Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VI.	Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VII.	Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VIII.	Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
IX.	Subordinated Debt Instruments Increase/Decrease by Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
X.	Changes (*)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	18,676	(18,676)	-	-	-		
11.1	Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	18,676	(18,676)	-	-	-		
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Period-End Balance (III+IV+...+X+XI)		185,000	17,099	-	-	-	-	-	-	-	1,548	14,340	342,696	62,539	623,222	-	623,222		

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

## Dünya Varlık Yönetim Anonim Şirketi

For Year Ended December 31, 2022 and December 31, 2021

### Cash Flow Statements

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

		Audited Current period	Audited Prior period
	Notes (5)	January 1, - December 31, 2022	January 1, - December 31, 2021
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities</b>		<b>402,268</b>	<b>198,096</b>
1.1.1 Interest received		849,838	461,247
1.1.2 Interest paid		(111,323)	(110,571)
1.1.3 Dividend received		-	-
1.1.4 Fees and commissions received		-	-
1.1.5 Other income		11,291	7,651
1.1.6 Collection from previously written off loans		-	-
1.1.7 Cash payments to personnel and service suppliers		(186,880)	(96,543)
1.1.8 Taxes paid		(73,921)	(19,054)
1.1.9 Other	(3)	(86,737)	(44,634)
<b>1.2 Changes in operating assets and liabilities</b>		<b>(208,727)</b>	<b>(96,939)</b>
1.2.1 Net decrease in securities held for trading		(41,625)	738
1.2.2 Net (increase)/decrease in financial assets valued at fair value through profit or loss		1,220	-
1.2.3 Net (increase)/decrease in due to banks		-	-
1.2.4 Net (increase)/decrease in loans		(189,837)	(80,410)
1.2.5 Net (increase)/decrease in other assets	(3)	(50,624)	5,298
1.2.6 Net increase/(decrease) in bank deposits		-	-
1.2.7 Net increase/(decrease) in other deposits		-	-
1.2.8 Net increase/(decrease) in funds borrowed		-	-
1.2.9 Net increase/(decrease) in matured payables		-	-
1.2.10 Net increase/(decrease) in other liabilities	(3)	72,139	(22,565)
<b>I. Net cash used in Company's operations</b>		<b>193,541</b>	<b>101,157</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash from investing activities</b>		<b>(18,154)</b>	<b>(19,836)</b>
2.1 Cash paid for purchase of subsidiaries, associates and joint ventures		-	-
2.2 Cash obtained from sale of associates, subsidiaries and joint ventures		-	-
2.3 Purchases of tangible assets		(37,376)	(20,140)
2.4 Sales of tangible assets		1,240	1,415
2.5 Cash paid for purchase of financial assets measured at FVOCI		-	-
2.6 Cash obtained from sale of financial assets measured at FVOCI		-	-
2.7 Cash paid for purchase of financial assets measured at amortised cost		-	-
2.8 Cash obtained from sale of financial assets measured at amortised cost		-	-
2.9 Other		17,982	(1,111)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash from financing activities</b>		<b>(34,468)</b>	<b>(49,859)</b>
3.1 Cash obtained from funds borrowed and securities issued		467,300	345,250
3.2 Cash used from repayment of funds borrowed and securities issued		(498,309)	(395,109)
3.3 Debt securities issued (increase of capital)		-	-
3.4 Dividend payments		-	-
3.5 Payment for financial leases		(3,459)	-
3.6 Other		-	-
<b>IV. Effect of foreign exchange rate on cash and cash equivalents</b>		<b>1,192</b>	<b>403</b>
<b>V. Net increase/(decrease) in cash and cash equivalents</b>		<b>142,111</b>	<b>31,865</b>
<b>VI. Cash and cash equivalents at the beginning of the period</b>	(2)	<b>94,088</b>	<b>62,223</b>
<b>VII. Cash and cash equivalents at the end of the period</b>	(2)	<b>236,199</b>	<b>94,088</b>

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

## Dünya Varlık Yönetim Anonim Şirketi

For Year Ended December 31, 2022 and December 31, 2021

### Cash Flow Statements

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

		Current Period	Prior Period
		December 31,	December 31,
		2022 (*)	2021(**)
<b>I.</b>	<b>Distribution of current year profit</b>		
1.1	Current period profit	386,395	85,641
1.2	Taxes and legal duties payable (-)	(119,875)	(23,102)
1.2.1	Corporate tax (income tax)	(73,376)	-
1.2.2	Withholding tax	-	-
1.2.3	Other taxes and duties	(46,499)	(23,102)
<b>A.</b>	<b>Net profit for the period (1.1-1.2)</b>	<b>266,520</b>	<b>62,539</b>
1.3	Accumulated losses (-)	-	-
1.4	First legal reserves (-)	-	-
1.5	Other statutory reserves (-)	-	-
<b>B.</b>	<b>Net profit available for distribution [(a)-(1.3+1.4+1.5)]</b>	<b>266,520</b>	<b>62,539</b>
1.6	First dividend to shareholders (-)	-	-
1.6.1	To owners of ordinary shares	-	-
1.6.2	To owners of privileged shares	-	-
1.6.3	To owners of redeemed shares	-	-
1.6.4	To profit sharing bonds	-	-
1.6.5	To holders of profit and loss sharing certificates	-	-
1.7	Dividends to personnel (-)	-	-
1.8	Dividends to board of directors (-)	-	-
1.9	Second dividend to shareholders (-)	-	-
1.9.1	To owners of ordinary shares	-	-
1.9.2	To owners of privileged shares	-	-
1.9.3	To owners of redeemed shares	-	-
1.9.4	To profit sharing bonds	-	-
1.9.5	To holders of profit and loss sharing certificates	-	-
1.10	Second legal reserves (-)	-	-
1.11	Status reserves (-)	-	-
1.12	Extraordinary reserves	-	-
1.13	Other reserves	-	-
1.14	Speccial funds	-	-
<b>II.</b>	<b>Distribution of reserves</b>		
2.1	Appropriated reserves	-	-
2.2	Second legal reserves (-)	-	-
2.3	Dividends to shareholders (-)	-	-
2.3.1	To owners of ordinary shares	-	-
2.3.2	To owners of privileged shares	-	-
2.3.3	To owners of redeemed shares	-	-
2.3.4	To profit sharing bonds	-	-
2.3.5	To holders of profit and loss sharing certificates	-	-
2.4	Dividends to personnel (-)	-	-
2.5	Dividends to board of directors (-)	-	-
<b>III.</b>	<b>Earnings per share</b>	<b>1.4406</b>	<b>0.338</b>
3.1	To owners of ordinary shares	1.4406	0.338
3.2	To owners of ordinary shares ( % )	-	-
3.3	To owners of privileged shares	-	-
3.4	To owners of privileged shares ( % )	-	-
<b>IV.</b>	<b>Dividends per share</b>		
4.1	To owners of ordinary shares	-	-
4.2	To owners of ordinary shares ( % )	-	-
4.3	To owners of privileged shares	-	-
4.4	To owners of privileged shares ( % )	-	-

(\*) The General Assembly is the authorized body of the Company to distribute the profit for the current period. As of the date of these financial statements, the Ordinary General Assembly of the Company has not yet been held. The Banking Regulation and Supervision Agency has concluded that the income amounts related to deferred tax assets cannot be considered as cash or internal resources and therefore, the portion of the profit for the period arising from the aforementioned assets should not be subject to profit distribution and capital increase. As of December 31, 2022, the Company has deferred tax expense amounting to TL 73,376 arising from current tax provision and deferred tax expense amounting to TL 45,131 arising from deferred tax assets .

(\*\*) On April 13, 2022, the General Assembly unanimously decided not to distribute the profit for the year 2021.

## **Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

### **Third Section**

#### **Accounting policies**

##### **I. Basis of presentation:**

##### **a) The preparation of financial statements and their explanations and notes in accordance with the Turkish Accounting Standards:**

The financial statements are prepared in accordance within the scope of the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" and "Regulation on the Establishment and Operating Principles of Asset Management Companies" has been published in the Official Gazette No. 31541 dated July 14, 2021, Turkish Accounting Standards ("TAS"), and Turkish Financial Reporting Standards ("TFRS") and its related statements and interpretations (together "Reporting Standards") published by the Public Oversight Accounting and Auditing Standards Authority ("POA").

The financial statements have been prepared in Turkish Lira ("TL") based on the historical cost basis except for the derivative financial instruments and securities shown at fair value.

##### **Accounting in hyperinflationary countries**

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary, and it requires all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. Therefore, it is expected that TAS 29 will start to be applied simultaneously by all entities with the announcement of Public Oversight Accounting and Auditing Standards Authority to ensure consistency of the application required by TAS 29 throughout the country. However, the Authority has not published any announcement that determines entities would restate their financial statements for the accounting period ending on 31 December 2022 in accordance with TAS 29. In this context, TAS 29 is not applied, and inflation adjustment has not been reflected in the financial statements as of 31 December 2022.

##### **Approval of financial statements**

The financial statements were approved by the Board of Directors on March 1, 2023. The General Assembly has the right to amend the accompanying financial statements and the relevant legal entities have the right to request the amendment.

##### **b) Valuation principles and accounting policies used in the preparation of financial statements:**

The accounting policies and valuation principles used in the preparation of the financial statements are determined and applied according to the principles within the scope of TAS. These accounting policies and valuation principles are disclosed in the Notes 2.

##### **c) Comparative information and correction of previous period's financial statements**

The Company's current period financial statements are prepared comparatively with the previous period in order to enable the determination of financial situation and performance trends. Comparative information is reclassified when deemed necessary to ensure compliance with the presentation of the current period financial statements. In this context, in order to be consistent with the current period financial statements, the right of use assets have been reclassified from the intangible fixed assets account to the tangible fixed assets account in accordance with TFRS 16 in the Company's balance sheet dated December 31, 2021, and necessary classifications have been made in the cash flow statement accordingly.

## **Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira (“TL”)) - (Convenience translation of a report and financial statements originally issued in Turkish)

### **II. Basis of presentation of financial statements:**

#### **Changes in accounting policies and disclosures**

In preparing the financial statements in accordance with TAS/IFRS, the Company management is required to make assumptions and estimations about the assets and liabilities on the balance sheet and the contingent issues as of the balance sheet date. These assumptions and estimates are reviewed regularly and any necessary corrections are made and the impact of these corrections are reflected in the income statement.

The most significant estimates and assumptions affecting the amounts reflected in the financial statements are the collections projections for the overdue receivables that are valued by the effective interest rate method that the Company purchased.

#### **The new standards, amendments and interpretations**

The accounting policies adopted in preparation of the financial statements as of December 31, 2022 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2022 and thereafter. The effects of these standards and interpretations on the Company financial position and performance have been disclosed in the related paragraphs.

#### **i) The new standards, amendments and interpretations which are effective as of January 1, 2022 are as follows:**

##### **Amendments to TAS 3 - Change regarding References to the Conceptual Framework**

In July 2020, POA issued amendments to TFRS Business Combinations. The amendment is intended to replace the reference to the old version of the Conceptual Framework (the 1989 Framework) with a reference to the current version (the Conceptual Framework) issued in March 2018, without materially changing the requirements of TFRS 3. However, it has added a new paragraph to TFRS 3 to identify contingent assets that do not meet the criteria for recognition at the acquisition date. The amendment is applied prospectively. The amendments did not have a significant impact on the financial position or performance of the Company.

##### **Amendments to TAS 16 - Making it suitable for its intended use**

In July 2020, POA issued amendments to TAS 16 Tangible Fixed Assets. The amendments do not allow companies to deduct the proceeds from the sale of manufactured goods from the cost of an item of tangible fixed assets when converting an item of tangible fixed assets to its intended use. Companies will now recognize such sales revenue and related costs in profit or loss. The amendments can be applied retrospectively only to items of tangible fixed assets that are put into use on or after the beginning of the earliest period comparative with the accounting period in which the entity first applies the amendments. The amendments did not have a significant impact on the financial position or performance of the Company.

##### **Amendments to TAS 37 – Economically disadvantaged contracts- Costs to fulfill the contract**

In July 2020, POA issued amendments to TAS 37 Provisions, Conditional Liabilities and Contingent Assets. This amendment to TAS 37 was made to determine the costs to be taken into account when assessing whether a contract is economically 'disadvantaged' or 'loss-making' and includes the application of the 'directly related costs' inclusion approach. The amendments are applied prospectively to contracts for which the entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which the amendments are first applied (date of initial application). The amendments did not have a significant impact on the financial position or performance of the Company.

## **Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

## **II. Basis of presentation of financial statements (continued)**

### **i) Annual Improvements- 2018-2020 Period**

In July 2020, POA issued "Annual Improvements to TFRS Standards / 2018-2020 Cycle" with the following amendments:

- *TFRS 1- First-time Adoption of International Financial Reporting Standards – Subsidiary as a First Implementer*: The amendment permits a subsidiary to measure cumulative translation differences using amounts reported by the parent. The amendment also applies to an associate or joint venture.
- *TFRS 9 Financial Instruments - Fees taken into account in the '10% test for derecognition for financial liabilities*: The amendment clarifies the fees that an entity considers when assessing whether the terms of a new or modified financial liability are materially different from the terms of the original financial liability. These fees include only fees paid or received between the borrower and the lender, including fees paid by the parties on each other's behalf.
- *TAS 41 Agricultural Activities – Taxation in determining fair value*: The amendment removes the requirement in paragraph 22 of TAS 41 that cash flows for taxation are not taken into account in determining the fair value of an entity's assets within the scope of TAS 41. The amendments did not have a significant impact on the financial position or performance of the Company.

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

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

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

POA has indefinitely postponed the validity date of the amendments made to TFRS 10 and TAS 28 in December 2017, to be changed depending on the outputs of the ongoing research project regarding the equity method. However, it still allows early application. The company shall evaluate the effects of these changes after the standards in question are finalized.

### **TFRS 17 - The new Standard for insurance contracts**

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2023 with the announcement made by the POA. The standard is not applicable for the Company and will not have an impact on the financial position or performance of the Company.

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

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

## **Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

### **II. Basis of presentation of financial statements (continued)**

#### **ii) Standards issued but not yet effective and not early adopted (continued)**

##### **Amendments to TAS 8 - Definition of Accounting Estimates**

In August 2021, POA issued amendments to TAS 8 introducing a new definition for "accounting estimates". The amendments to TAS 8 are effective for annual periods beginning on or after January 1, 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and corrections of errors. In addition, the amended standard clarifies that the effects of a change in an input or a change in a measurement technique on an accounting estimate are changes in accounting estimates, unless they result from corrections of prior period errors. The previous definition of a change in accounting estimate stated that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not considered as corrections of errors. This aspect of the definition has been retained by the POA. The amendments will apply to changes in accounting estimates or changes in accounting policies on or after the effective date, with earlier application permitted. The standard is not applicable for the Company and will not have an impact on the financial position or performance of the Company.

##### **Amendments to TAS 1 - Disclosure of Accounting Policies**

In August 2021, POA issued amendments to TAS 1 that provide guidance and examples to help entities apply materiality estimates to accounting policy statements. The amendments to TAS 1 are effective for annual periods beginning on or after January 1, 2023. Since there is no definition of the term "significant" in TFRS, the POA has decided to replace it with the term "material" in the context of disclosing accounting policy information. 'Significant' is a defined term in TFRS and, according to POA, is substantially understood by users of financial statements. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or circumstances, and their nature. We have also included examples of situations where an entity may consider accounting policy information to be material. The Company is in the process of assessing the impact of the amendment on financial position or performance of the Company.

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

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized. The amendments did not have a significant impact on the financial position or performance of the Company.

##### **Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback**

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16.

## **Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

### **II. Basis of presentation of financial statements (continued)**

#### **ii) Standards issued but not yet effective and not early adopted (continued)**

The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16. The Company is in the process of assessing the impact of the amendment on financial position or performance of the Company.

#### **Strategy for use of financial instruments and foreign currency transaction:**

The company's core business is collections from overdue receivables.

The Company follows the collections made in TL, USD and EURO in consideration of future loan repayments and other payments, and keeps the exchange rate risk within certain limits. The collections realized are evaluated in short-term bank accounts. Transactions that the Company has made with foreign currency have been translated into Turkish Lira (TL) from the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising from the valuation of monetary items are recognized in the income statement as "foreign exchange gains / losses".

As of December 31, 2022, USD and Euro exchange rates used in the conversion of foreign currency transactions into Turkish Lira and their reflection in the financial statements are TL 18.6983 and TL 19.9349, respectively.

### **III. Explanations regarding future and option contracts and derivative products:**

As of December 31, 2022, the total notional amount of the Company's interest rate swap transactions is TL 8,000 (December 31, 2021: 160,368 TL).

The Company applies the "TAS 39 Financial Instruments: Recognition and Measurement" ("TAS 39") standard in hedge accounting practices. The purpose of the hedging relationship is to manage the interest risk arising from variable interest TL-denominated bond payments and loan payments issued by the Company through interest swap transactions designed to make the company pay variable interest and fixed interest.

Within the scope of cash flow hedge accounting, the fair value change of the hedging instrument, depending on whether it is positive or negative, is recognized in the "Part of derivative financial assets whose fair value difference is reflected in other comprehensive income" or "Part of derivative financial liabilities whose fair value difference is reflected in other comprehensive income" accounts of the balance sheet. The company applies effectiveness tests for cash flow hedge accounting at each balance sheet date, and the effective parts are accounted for in the "accumulated other comprehensive income or expenses to be reclassified to profit or loss" account item under equity in the financial statements, as defined in TAS 39. The amount related to the ineffective part is associated with the profit or loss statement. In periods where the cash flows related to the hedged item affect profit or loss, the profit/loss of the relevant hedging instrument is also removed from equity and reflected in the profit or loss statement.

The Company performs effectiveness tests at the beginning of hedge accounting and at each reporting period. Effectiveness tests are carried out using the "Dollar off-set method" and if the effectiveness is within the range of 80%-125%, hedge accounting is continued.

In cases where cash flow hedge accounting is discontinued due to termination, realization, sale, discontinuation of hedging or ineffectiveness of the effectiveness test; The profit/loss accounted under equity within the scope of cash flow hedge accounting continues to remain in the "Accumulated other comprehensive income or expenses to be reclassified to profit or loss" account under equity until the cash flows related to the hedged item occurs.

If cash flows related to the hedged item occur, the profit/loss recognized under equity is classified in the profit or loss statement.



## **Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

### **IV. Explanations on interest income and expense:**

Interest income and expenses are calculated using the effective interest method and accounted for on an accrual basis.

#### *Interest income from loans*

The Company calculates and recognizes the net present value of the estimated collection projections of the overdue receivables using the effective interest rate determined at the date of purchase in the valuations of the loan portfolio purchased. Interest income, which is calculated using the credit-adjusted effective interest rate according to the loan determined at the initial purchase of the loan portfolio through the book values of the loan portfolio, is recorded as income under the item "interest income from loans".

### **V. Explanations on fee and commission income and expenses:**

All income and expenses are recognized on an accrual basis. Fees and commission expenses are recorded according to the periodicity principle.

### **VI. Explanations and notes related to financial assets:**

The Company is accounted for as the financial assets are subject to contractual provisions of the relevant financial asset for the first time. A financial asset is measured at fair value at initial recognition. In the measurement of financial assets other than those reflected at fair value through profit or loss, transaction costs that can be directly related to their acquisition are added to their fair values. Financial assets are classified at fair value or amortized cost in the following periods based on the management model used by the Company and the contractual cash flow characteristics of the related assets in order to manage the related assets. The Company's financial assets consist of cash and cash impaired loans and are carried at amortized cost.

#### *Financial assets measured at amortised cost*

A financial asset is measured at amortized cost where the following two conditions are met:

- (a) Retention of the asset in the context of a management model aimed at the collection of contractual cash flows
- (b) The contractual provisions of the financial asset cause cash flows on the principal dates and interest payments on certain dates at certain dates.

#### *Financial assets at fair value through profit or loss*

Changes in financial assets recognized at fair value are accounted in the income statement, including interest and dividends related to them. Financial assets are classified as financial assets at fair value through profit or loss when the two conditions stated above are not provided for the financial assets recognized at amortized cost. In addition, during the initial recognition, the fair value difference of the financial asset may be classified as being measured at profit or loss.

Financial assets;

- (a) The management model used by the entity for the management of the related assets (financial asset management model) and;
- (b) Based on the contractual cash flow characteristics of the aforementioned assets, they are classified in the following periods at their fair value.

As of December 31, 2022, the Company has no financial assets held at fair value other than securities. As of December 31, 2022, the Group has financial assets held at fair value amounting to TL 41,625 excluding derivative financial instruments (December 31, 2021: None).

#### *Financial assets at fair value through other comprehensive income*

In addition to holding the financial asset within the scope of a business model that aims to collect contractual cash flows and sell the financial asset, the financial asset is subject to fair value difference if the contractual terms of the financial asset lead to cash flows that include only payments of principal and interest arising from the principal balance on certain dates. It is classified as reflected in other comprehensive income. As of December 31, 2022 and December 31, 2021, the Company does not have any financial assets held at fair value through other comprehensive income.

## **Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

### **VI. Explanations and notes related to financial assets (continued)**

#### ***Financial assets that are credit-impaired when purchased or originated***

At the reporting date, for financial assets that are credit-impaired when purchased or originated, an entity recognizes as a loss allowance only the total changes in lifetime expected credit losses since initial recognition. At each reporting date, the entity recognizes the amount of the change in lifetime expected credit losses as an impairment gain or loss in profit or loss. Even if lifetime expected credit losses are lower than the expected credit losses estimated when the asset was first recognized, positive changes in lifetime expected credit losses are recognized as an impairment gain. These balances are shown in the income/interest from loans as positive differences between the net present value of the loans and their amortized costs in the accompanying financial statement.

The company monitors the relevant assets in the "Financial Assets Measured at Amortized Cost" account.

### **VII. Explanations on impairment of financial assets:**

Loans and receivables shown from the amortized cost of the Company consist of the purchased problematic and vulnerable, impairment loss arising from acquisitions, is measured as the difference between the present value calculated by discounting the expected future cash flows over the effective interest rate adjusted for the loan determined at the first purchase and the book value provision is made for impairment if the estimated amount of the consideration to be calculated is less than its carrying amount; and are accounted for in the provision account.

The Company calculates and records the net present values of its overdue receivables with credit-adjusted effective interest rates calculated based on the collection projections on the first purchase date. All negative differences between the interest income calculated using the loan-adjusted effective interest rate determined at the initial purchase of the loan portfolios based on their recorded book values, and the net present values and amortized costs of the calculated collection projections of the loan portfolios, calculated using the loan-adjusted effective interest rate are recognized under the "Expected loss provisions", positive differences arising from the cancellation of provisions set aside in previous periods are recognized as "Other operating income".

Impairment is monitored in the "Expected Loss Provisions" account under "Loans" for overdue receivables that are reflected in the balance sheet at the effective interest rate adjusted for the loan.

### **VIII. Explanations on offsetting financial instruments**

Financial assets and liabilities are riskset and the net amount is reported when the Company has legally enforceable rights to offset the recognized amounts and to collect / pay financial assets and liabilities on a net basis, or there is an intention to realize the asset and settle the liability simultaneously.

### **IX. Explanations on sales and repurchase agreements and securities lending transactions**

Securities sold under repurchase agreements ("repo") are followed in the balance sheet accounts in accordance with the Uniform Chart of Accounts Accordingly, government bonds and treasury bills sold to customers under repurchase agreements are classified under "Repurchase Agreements" under the related securities account and are valued at their fair value or discounted at their internal rate of return in accordance with their holding purpose in the Bank's portfolio. Funds obtained from repo transactions are reflected as a separate item in the liability accounts and rediscount is recorded for the interest expense.

As of December 31, 2022 and December 31, 2021, there are no securities subject to repurchase agreements.

As of December 31, 2022 and December 31, 2021, there are no securities subject to reverse repurchase agreements.

As of December 31, 2022 and December 31, 2021, the Company does not have any securities transactions subject to payment.

## **Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

### **X. Information on assets held for sale and related to discontinued operations and explanations on liabilities related with these assets**

A long-term asset classified as held for sale (or a group of non-current assets held for sale) is measured at the lower of its carrying amount and fair value less costs to sell. For an asset to be classified as held for sale, it must be in a condition to be immediately sold under usual conditions at the time of sale, and the probability of a sale must be high. To establish a high probability of sale, appropriate management must have formulated a plan for the asset's sale, and an active program for the completion of the plan through identification of buyers should be initiated. Additionally, the asset should be actively marketed at a price consistent with its fair value.

A discontinued operation is a segment of the Company that has been classified as either discontinued or held for sale. Results related to discontinued operations are presented separately in the income statement.

Assets held for sale consist of tangible fixed assets acquired or created due to financial assets with low credit ratings at the time of purchase or creation.

As of December 31, 2022, the Company has a total of 4,578 TL in assets held for sale (as of December 31, 2021 – 6,419 TL).

As of December 31, 2022, and December 31, 2021, the Company has no discontinued operations.

### **XI. Explanations on goodwill and other intangible assets**

The difference between the incurred acquisition cost related to the purchase of a business and the fair value of identifiable assets, liabilities, and contingent liabilities acquired is recognized as goodwill in the financial statements. As of December 31, 2022, there is no goodwill amount disclosed in the attached financial statements.

Goodwill arising in a business combination is not amortized, but instead tested for impairment annually (at year-end) or more frequently if events or changes in circumstances indicate that it may be impaired. Impairment losses recognized on goodwill are not recognized in the statement of profit or loss in subsequent periods, even if the impairment is reversed. Goodwill is associated with cash-generating units during impairment testing.

The substantial portion of intangible assets, consisting mainly of software programs, is recognized based on their acquisition costs. These intangible assets are amortized over their estimated useful lives (3-15 years) using the straight-line amortization method. The carrying values of intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and impairments are recognized and recorded when necessary.

### **XII. Explanations on property and equipment**

Tangible assets are measured at its cost when initially recognised and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any, subsequent to the acquisition.

Depreciation is calculated over the cost of property and equipment by using the straight-line method to write down the cost of each asset to their residual values over their estimated useful life as follows. The estimated useful lives are as follows:

Office machinery, furniture, furnishings, computers and safes 2-50 years

Gains or losses emerging from the disposal of tangible assets are recognized in the profit or loss account as difference between net revenue of a related intangible asset and its net book value.

Ordinary maintenance and repair expenses of tangible fixed assets items are recognized as expenses. Investment expenditures that increase the future benefit by enhancing the capacity of tangible assets are capitalized. The investment expenditures include the cost components which are used either to increase the useful life or the capacity of the asset or the quality of the product or to decrease the costs.

There are no purchase commitments related to tangible fixed assets.

## **Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

### **XIII. Explanations on leasing transactions**

The Company first started to apply TFRS 16 Leases as of January 1, 2019.

The company recognizes the right-of-use asset and lease liability in its financial statements from the date when the lease is effectively commenced. The right-of-use asset is initially measured at cost and subsequently measured at its cost adjusted for accumulated depreciation and impairment losses, and adjusted for remeasurement of the lease liability. The determination of impairment and the recognition of any impairment loss for properties held under a right-of-use are assessed in accordance with TAS 36 Impairment of Assets.

With the adoption of the "TFRS 16 Leases" standard effective from January 1, 2019, the distinction between operating leases and finance leases has been eliminated. Lease transactions are now presented by lessees as assets "Tangible Fixed Assets" representing the right-of-use and liabilities "Liabilities from Lease Transactions" in the financial statements.

TFRS 16 introduces a single lessee accounting model. Consequently, the company, as a lessee, recognizes the right-of-use asset representing the right to use the underlying asset and the lease liabilities representing the obligation to make lease payments in its financial statements. Accounting treatment for lessors remains consistent with the previous accounting policies.

#### **Right-of-use-asset**

The right-of-use asset is initially recognized using the cost model and includes:

- The initial measurement of these liability,
- The amount obtained by deducting any lease incentives received on or before the commencement date from any lease payments made and,
- All initial direct costs incurred by the company.

When applying the cost model, the company measures the right-of-use asset at its:

- Cost adjusted for accumulated depreciation and impairment losses and
- Remeasured cost in accordance with the remeasurement of the lease liability.

The company applies the depreciation provisions of TAS 16 Property, Plant and Equipment when amortizing the right-of-use asset.

#### **Lease liability**

At the commencement date of the lease, the company measures the lease liability at the present value of the unpaid lease payments using the discount rate implicit in the lease, if readily determinable, or the incremental borrowing rate.

Lease payments included in the measurement of the lease liability at the commencement date of the lease consist of payments to be made for the right to use the underlying asset during the lease term and outstanding at the commencement date of the lease:

After the actual start date of the lease, the Company measures the lease liability as follows:

- Increasing the carrying amount to reflect the interest on the lease liability,
- Decreasing the carrying amount to reflect the lease payments made and
- Remeasuring the carrying amount to reflect reassessments and revisions or remeasurements of the substance fixed lease payments

The interest expense for each period during the lease term is determined by applying a constant periodic interest rate to the remaining balance of the lease liability.

## **Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

### **XIV. Explanations on provisions, contingent asset and liabilities**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. For the obligations that arise as a result of past events, a provision is made in the period in which the liabilities arise in accordance with the "periodicity principle". Where the amount cannot be measured reliably and it is not probable that an outflow of resources will be required to settle the obligation, the liability is recognized as "Contingent" and disclosed in the footnotes.

Contingent assets usually consist of unplanned or other unexpected events that give rise to the possibility of entry into the business of economic benefits. The presentation of contingent assets on the financial statements is not included in the financial statements, as it may result in the recognition of an income that can never be obtained. Contingent assets are disclosed in the notes to the financial statements if it is probable that the economic benefits will flow to the entity. Contingent assets are assessed on an ongoing basis to ensure that they are accurately reflected in the financial statements. If it becomes almost certain that the economic benefit will enter the Company, the related asset and related income are reflected in the financial statements of the period in which the change occurred.

### **XV. Explanations on obligations related to employee rights**

Liabilities related to severance pay and vacation rights are accounted in accordance with the provisions of "Turkish Accounting Standard for Employee Benefits" ("TAS 19").

Under applicable law, the Company is required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct as defined in the Labor Law. The provision for employment termination benefits is calculated and reflected in the financial statements based on the net present value of the estimated provision for the future probable obligation of the Company arising from the retirement of all employees in accordance with the Turkish Labor Law or termination of employment after completing at least one year of service, being called up for military service or death.

Liabilities arising from vacation pay liability defined as "Short-term employee benefits" under TAS 19 are accrued and not discounted in the period in which they are earned.

### **XVI. Explanations on taxation**

#### **Corporate tax**

Corporate profits are subject to a corporate tax rate of 25%. This rate is applied to the taxable income of companies after adding non-deductible expenses under tax laws, and considering exemptions (such as participation exemption) and other deductions (such as investment incentives). No additional taxes are payable if profits are not distributed.

For companies earning income through a branch or permanent representative in Turkey and for dividends paid to resident companies in Turkey, no withholding tax is applied. However, a withholding tax of 10% is levied on dividend payments made to companies outside of these categories. In the application of withholding rates for dividend distributions to limited taxpayers and individuals, the practices specified in the relevant Double Taxation Prevention Agreements are taken into account. The addition of profits to capital is not considered a dividend distribution, and no withholding tax is applied.

Temporary taxes are calculated and paid at the corporate tax rate applicable to the year's profits. Temporary taxes paid during the year can be offset against the annual corporate tax calculated on the corporate tax return for that year.

According to Turkish tax legislation, declared financial losses shown on the tax return can be deducted from the annual corporate income, provided that they do not exceed five years.

In Turkey, there is no practice of reaching an agreement with the tax authority on taxes payable. Corporate tax returns are submitted to the tax office until the evening of the 25th day of the fourth month following the close of the accounting period. However, the tax authorities can review the accounting records within five years and the amount of tax payable may change if erroneous transactions are detected.

On January 20, 2022, the application of inflation accounting has been postponed starting from the balance sheet dated December 31, 2023 with the "Law Amending the Tax Procedure Law and Corporate Tax Law" adopted by the Grand National Assembly of Turkey.

## **Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

### **XVI. Deferred tax liability / asset**

Deferred tax assets or liabilities are determined in accordance with the "Turkish Accounting Standard on Income Taxes" ("TAS 12") by calculating the tax effects of "temporary differences" between the carrying amounts of assets and liabilities in the financial statements and the amounts considered in the legal tax base, based on the balance sheet method. Differences that do not affect the taxable profit or loss of assets or liabilities at the acquisition date, according to tax legislation, are excluded from this calculation.

If transactions and other events are accounted for in profit or loss, the related tax effects are also accounted for in profit or loss. If transactions and other events are directly recorded in equity accounts, the relevant tax effects are also directly recorded in equity accounts.

Calculated deferred tax assets and deferred tax liabilities are presented in the financial statements after netting.

As of December 31, 2022, since the effective corporate tax rate is 25%, 25% tax rate is used for temporary differences expected to be realized/closed in the current period (31 December 2021: Since the corporate tax rate applicable for 31 December 2021 is 25%, 25% tax rate is used for temporary differences expected to be realized / closed in the current period, 23% tax rate is used for temporary differences expected to be realized / closed in 2022, 20% tax rate is used for temporary differences expected to be realized / closed after 2022).

As of December 31, 2022, the deferred tax liability reflected in the financial statements of the Company is TL 162,220 (December 31, 2021 - TL 117,358 deferred tax liability).

### **XVII. Explanations on borrowings:**

Financial liabilities are measured at amortized cost including amortization of goodwill, except for financial liabilities at fair value through profit or loss and derivative financial liabilities at fair value, which are subsequently measured at "discounted" cost using the "internal rate of return" method.

### **XVIII. Explanations on issuance of share certificates:**

As of December 31, 2022, the Company does not have issued shares.

### **XIX. Explanations on avalized drafts and acceptances:**

As of December 31, 2022, the Company does not have any avalized drafts or acceptances.

### **XX. Explanations on government grants:**

As of December 31, 2022, the total employer contribution benefit under Law No. 5510 on Social Insurance and General Health Insurance is 3,880 TL (as of December 31, 2021: 2,238TL).

As of December 31, 2022, there is a total of TL 1,039 incentive amount utilized within the scope of Additional Employment Incentive No. 7103 (December 31, 2021: TL 133)

### **XXI. Explanations on segment reporting:**

Explained in fourth section footnote VI.

## **Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - *(Convenience translation of a report and financial statements originally issued in Turkish)*

### **XXII. Explanations on other matters:**

LBT Varlık Yönetim A.Ş. acquired 99.99% of the shares of Turkasset Varlık Yönetim A.Ş., as disclosed in Part I of Section 1. As of June 26, 2014, based on the financial statements of Turkasset Varlık Yönetim A.Ş. dated May 20, 2014, Turkasset Varlık Yönetim A.Ş. merged under the legal entity of Turkasset Varlık Yönetim A.Ş. The two companies, although operating within the same economic entity and engaging in the same business activities after the share transfer on May 20, 2014, conducted separate managerial and operational activities due to their distinct legal entities. As part of the restructuring process, a decision was made to merge the companies under a single legal entity to create significant synergy and optimize resource utilization.

The company was established on September 18, 2015, with a paid-up capital of 10,000 TL. It obtained operational permission from the Banking Regulation and Supervision Agency on January 14, 2016, based on the decision numbered 6661. The company completed the acquisition of 99.99% of the shares of AEH Sigorta Acenteliği A.Ş., a subsidiary of Atlas Varlık Yönetim A.Ş., on September 29, 2016, as approved by an extraordinary general assembly.

On November 21, 2016, the trade name of Atlas Varlık Yönetim A.Ş. was changed to Hayat Varlık Yönetim A.Ş. through an extraordinary general assembly, and this change was published in the Official Gazette of the Istanbul Trade Registry Directorate on November 29, 2016.

The company merged with the main shareholder Turkasset Varlık Yönetim A.Ş. on March 17, 2017, in accordance with the ordinary general assembly. According to the letter numbered 43890421-110.01.03 [128-13]-E3619 from the Banking Regulation and Supervision Agency dated February 28, 2017, Turkasset Varlık Yönetim A.Ş., a fully-owned subsidiary, merged with Hayat Varlık Yönetim A.Ş., registered under the number 1586-5 in the Istanbul Trade Registry Directorate, as of March 17, 2017.

The unanimous decision was made during the extraordinary general assembly on March 15, 2017, for the entire assets and liabilities of Turkasset Varlık Yönetim A.Ş., along with the dissolution of the company, to be transferred to Hayat Varlık Yönetim A.Ş. without liquidation. This transaction was registered by the Istanbul Trade Registry Directorate on March 17, 2017.

The general assembly decisions related to the merger were published in the Official Gazette of the Turkey Trade Registry on March 23, 2017, with number 9290.

Dünya Varlık Yönetim A.Ş. was established as a Joint Stock Company in accordance with Article 143 and Temporary Article 1 of Banking Law No. 5411 and the Regulation on the Principles of Establishment and Activities of Asset Management Companies, and it received approval from the Banking Regulation and Supervision Agency ("BRSA") with its decision numbered 8959 dated March 19, 2020. The establishment decision, registered on May 30, 2019, was published in the Official Gazette of the Turkey Trade Registry with number 9844 on June 10, 2019. The BRSA granted operational permission on March 19, 2020, and it was published in the Official Gazette of the Turkey Trade Registry with number 31074 on March 20, 2020.

Dünya Varlık Yönetim A.Ş. merged with its main shareholder Hayat Varlık Yönetim A.Ş. on June 25, 2020, according to the extraordinary general assembly decision. According to the letter numbered 12509071-110.01.03-E.5600 from the BRSA dated June 22, 2020, Hayat Varlık Yönetim A.Ş., as a fully-owned subsidiary, merged with Dünya Varlık Yönetim A.Ş., registered under the number 194785-5 in the Istanbul Trade Registry Directorate, as of 30 September 2020. The general assembly decisions related to the merger were published in the Official Gazette of the Turkey Trade Registry on July 2, 2020, with number 10110.

**Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

**XXIII. Earnings per share:**

Earnings per share disclosed in the income statement are calculated by dividing the net income / (loss) of the shares issued in the related year by weighted average number of shares,

	January 1- December 31, 2022	January 1- December 31, 2021
Distributable net profit / (loss) to ordinary shareholders	266,520	62,539
Weighted average number of ordinary shares in issue (Thousand)	185,000	185,000
<b>Profit / (loss) per share (expressed in full tl)</b>	<b>1.4406</b>	<b>0.3380</b>

The Company has no bonus shares issued in 2022 (December 31, 2021 – None).

**XXIV. Restatement of prior period financial statements:**

Business combinations under common control are not within the scope of "TFRS 3 - Business Combinations", and when applying the pooling of interests method for such transactions in accordance with the POA's "Principle Decision on Accounting for Business Combinations Under Common Control" published in the Official Gazette dated July 21, 2013 and numbered 28714, the financial statements should be adjusted and presented comparatively as if the combination had occurred from the date on which the company that has joint control obtained control. However, prior period comparative financial statements have not been restated considering the materiality criterion regarding the merger of Hisar Stratejik Yatırımlar Holding A.Ş. with the Company by transfer under the legal entity of Dünya Varlık Yönetim A.Ş. on April 7, 2022 with the decision registered on April 7, 2022 and published in the Turkish Trade Registry Gazette dated April 12, 2022 and numbered 10557.



## **Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

### **Section Four**

#### **Explanations related to the financial position and risk management of the Company**

##### **I. Explanations on credit risk:**

In accordance with the main operating areas, the Company;

- Can buy/sell banks', private financial institutions' and other financial sector entities' receivables and other assets;
- Can collect receivables from debtor, liquidate assets and sell them after restructuring;
- Give advisory, consultancy services to restructuring the receivables of banks, private financial institutions and other financial entities' receivables and other assets.

The Company is exposed to credit risk as a result of the activities mentioned above.

Borrower information shared by the seller institution in the process of submitting tenders and / or tenders for commercial credits transferred from banks and financial institutions is analysed by the expert valuation staff of the Company and consulting lawyers.

Company's non-performing loans consists of overdue receivables bought from various banks and other financial institutions from Turkey. Loans and receivables are recognized at acquisition cost. Non-performing loans are monitored at amortized cost using the effective interest rate method. Charges paid for assets acquired as collateral and other similar collection costs are not considered as part of transaction costs and are reflected in expense accounts. The Company calculates and records the valuation of these loan portfolio items based on the net present value of the expected collections projections of the overdue receivables. Positive differences between the net present value and the registered value of the loan portfolio projected collections projections are recorded as revenue under the "Interests from loans" column. The allowance for impairment is set aside for the negative differences between the net present values of the loan portfolio calculated using the effective interest method and the estimated collections projections.

Expected loss provisions account is used for all positive/negative differences between the net present values of the loan portfolios' calculated collection projections, amortized using the effective interest method. The Company calculates and records the net present value of future collection projections by monitoring the yearly collection performances of financial assets that have credit impairment when they are purchased or created in the valuations of these loan portfolios.

Placements made in the Banks are reflected to the records with their discounted values by using effective interest method.

As of December 31, 2022, the maximum credit risk amount of the Company is TL 1,620,500 (December 31, 2021 - TL 1,318,754).

## Dünya Varlık Yönetim Anonim Şirketi

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

### II. Explanations on the currency risk:

Foreign currency denominated assets and liabilities of the Company are as follows:

#### Information on foreign currency risk of the Company:

December 31, 2022	EUR	USD	GBP	Total
<b>Current period</b>				
<b>Assets</b>				
Cash and cash equivalents	-	-	-	-
Banks	1,868	11,196	7	13,071
Other assets	-	13	1	14
<b>Total assets</b>	<b>1,868</b>	<b>11,209</b>	<b>8</b>	<b>13,085</b>
Other liabilities	(627)	(240)	(125)	(992)
<b>Total liabilities</b>	<b>(627)</b>	<b>(240)</b>	<b>(125)</b>	<b>(992)</b>
<b>Net balance sheet position</b>	<b>1,241</b>	<b>10,969</b>	<b>(117)</b>	<b>12,093</b>
<b>Net off-balance sheet position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>December 31, 2021</b>	<b>EURO</b>	<b>USD</b>	<b>GBP</b>	<b>Total</b>
<b>Prior period</b>				
<b>Assets</b>				
Cash and cash equivalents	-	-	-	-
Banks	-	1,895	1	1,896
Other assets	-	1,183	86	1,269
<b>Total assets</b>	<b>-</b>	<b>3,078</b>	<b>87</b>	<b>3,165</b>
Other liabilities	-	(366)	-	(366)
<b>Total liabilities</b>	<b>-</b>	<b>(366)</b>	<b>-</b>	<b>(366)</b>
<b>Net balance sheet position</b>	<b>-</b>	<b>2,712</b>	<b>87</b>	<b>2,799</b>
<b>Net off-balance sheet position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As of December 31, 2022, the Company's net closed balance sheet position is TL 12,093 (December 31, 2021 - TL 2,799 closed position). As of December 31, 2022, a 10% increase in the valuation exchange rates (USD and Euro) will have an impact of TL 1,209 on the Company's profit before tax (December 31, 2021 - TL 280 increase). The Company is not exposed to foreign currency risk from loan portfolio receivables since the Company monitors the loan portfolios purchased in foreign currencies in TL from the date of purchase and collects them in TL.

## Dünya Varlık Yönetim Anonim Şirketi

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

### III. Explanation on liquidity risk:

The maturity structure of the Company's assets and liabilities concerning liquidity risk is presented in the table below:

December 31, 2022	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed	Total
<b>Current Period</b>								
<b>Assets</b>								
Cash and central bank	1	-	-	-	-	-	-	1
Banks (*)	26,157	210,041	-	-	-	-	-	236,198
Financial assets at fair value reflected to profit or loss	41,625	-	-	-	-	-	-	41,625
Loans (**)	-	89,957	95,209	369,649	790,446	39,041	-	1,384,302
Derivative financial assets	-	-	-	170	-	-	-	170
Other assets (***)	-	497	15,410	6,523	994	-	96,384	119,808
<b>Total assets</b>	<b>67,783</b>	<b>300,495</b>	<b>110,619</b>	<b>376,342</b>	<b>791,440</b>	<b>39,041</b>	<b>96,384</b>	<b>1,782,104</b>
<b>Liabilities</b>								
Funds borrowed	-	141,802	-	175,533	210,747	-	-	528,082
Marketable securities issued	-	-	50,364	-	-	-	-	50,364
Other liabilities	-	823	871	38,011	7,232	357	-	47,294
Lease liabilities	-	380	1,099	3,291	16,617	15,123	-	36,510
Other liabilities excluding miscellaneous payables (****)	-	45,572	-	-	-	-	190,289	235,861
<b>Total liabilities</b>	<b>-</b>	<b>188,577</b>	<b>52,334</b>	<b>216,835</b>	<b>234,596</b>	<b>15,480</b>	<b>190,289</b>	<b>898,111</b>
<b>Liquidity surplus/deficit</b>	<b>67,783</b>	<b>111,918</b>	<b>58,285</b>	<b>159,507</b>	<b>556,844</b>	<b>23,561</b>	<b>(93,905)</b>	<b>883,993</b>
December 31, 2021	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed	Total
<b>Prior period</b>								
<b>Assets</b>								
Cash and central bank	-	-	-	-	-	-	-	-
Banks (*)	6,338	87,750	-	-	-	-	-	94,088
Loans (**)	-	32,896	63,265	283,699	720,990	123,816	-	1,224,666
Derivative financial assets	-	91	408	792	99	-	-	1,390
Other assets (***)	-	2,251	4,584	13,103	1,161	-	54,180	75,279
<b>Total assets</b>	<b>6,338</b>	<b>122,988</b>	<b>68,257</b>	<b>297,594</b>	<b>722,250</b>	<b>123,816</b>	<b>54,180</b>	<b>1,395,423</b>
<b>Liabilities</b>								
Funds borrowed	-	22,552	84,580	176,773	91,731	-	-	375,636
Marketable securities issued	-	32,166	5,174	177,754	-	-	-	215,094
Other liabilities	-	3,816	2,921	11,766	4,963	706	-	24,172
Lease liabilities	-	237	461	2,078	11,599	8,773	-	23,148
Other liabilities excluding miscellaneous payables (****)	-	11,163	-	-	122,988	-	-	134,151
<b>Total liabilities</b>	<b>-</b>	<b>69,934</b>	<b>93,136</b>	<b>368,371</b>	<b>231,281</b>	<b>9,479</b>	<b>-</b>	<b>772,201</b>
<b>Liquidity surplus/deficit</b>	<b>6,338</b>	<b>53,054</b>	<b>(24,879)</b>	<b>(70,777)</b>	<b>490,969</b>	<b>114,337</b>	<b>54,180</b>	<b>623,222</b>

(\*) Banks balance includes expected loss provisions amounting to (87) TL (December 31, 2021: (9) TL).

(\*\*) The book values of the loans are presented according to the estimated collection dates.

(\*\*\*) Other liabilities consist of provisions, current tax and deferred tax.

(\*\*\*\*) Other liabilities other than miscellaneous payables consist of provisions, current tax and deferred tax.

**Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

**IV. Explanations on the interest rate risk:**

Maturity structure of assets and liabilities related to the Company's interest rate risk is presented in the table below:

<b>December 31, 2022</b>	<b>Demand and up to 3 months</b>	<b>3 to 12 months</b>	<b>Over 1 year</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents, net	236,199	-	-	236,199
Financial Assets	41,625	-	-	41,625
Loans	185,166	369,649	829,487	1,384,302
Derivative financial assets	-	170	-	170
<b>Total assets</b>	<b>462,990</b>	<b>369,819</b>	<b>829,487</b>	<b>1,662,296</b>
<b>Liabilities</b>				
Funds borrowed	141,802	175,533	210,747	528,082
Marketable securities issued	50,364	-	-	50,364
<b>Total liabilities</b>	<b>192,166</b>	<b>175,533</b>	<b>210,747</b>	<b>578,446</b>
<b>Net position (*)</b>	<b>270,824</b>	<b>194,286</b>	<b>618,740</b>	<b>1,083,850</b>
<b>December 31, 2021</b>	<b>Demand and up to 3 months</b>	<b>3 to 12 months</b>	<b>Over 1 year</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents, net	94,088	-	-	94,088
Loans	96,161	283,699	844,806	1,224,666
Derivative financial assets	499	792	99	1,390
<b>Total assets</b>	<b>190,748</b>	<b>284,491</b>	<b>844,905</b>	<b>1,320,144</b>
<b>Liabilities</b>				
Funds borrowed	107,132	176,773	91,731	375,636
Marketable securities issued	37,340	177,754	-	215,094
<b>Total liabilities</b>	<b>144,472</b>	<b>354,527</b>	<b>91,731</b>	<b>590,730</b>
<b>Net position (*)</b>	<b>46,276</b>	<b>(70,036)</b>	<b>753,174</b>	<b>729,414</b>

(\*) Items without interest sensitivity are excluded.

## Dünya Varlık Yönetim Anonim Şirketi

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

### V. Explanations on presentation of fair values of financial assets and liabilities:

The table below shows the carrying value and fair value of financial assets and liabilities in the Company's financial statements.

Since the banks and miscellaneous payables are short-term, it is assumed that their fair values represent their carrying values.

The estimated fair value of borrowings and marketable securities issued is calculated by discounting cash flows using current market interest rates.

The fair value of the Company's portfolio of financial assets that are credit impaired at the time of acquisition or origination is calculated by discounting the expected future collections at a rate determined by taking into account the risks.

	Carrying value	Fair value	Carrying value	Fair value
	Current period December 31, 2022	Current period December 31, 2022	Prior period December 31, 2021	Prior period December 31, 2021
<b>Financial Assets</b>				
Cash and cash equivalents	1	1	-	-
Banks, net	236,198	236,198	94,088	94,088
Loans	1,384,302	1,495,003	1,224,666	1,378,793
Derivative financial assets	170	170	1,390	1,390
<b>Financial Liabilities</b>				
Funds borrowed	528,082	567,940	375,636	373,059
Marketable securities issued (net)	50,364	50,608	215,094	214,720
Miscellaneous payables	47,294	47,294	24,171	24,171

(\*) As of December 31, 2022, the risk premium was taken into account as 6-8% in the fair value calculation of the loans and receivables account, and the risk premium was taken into account as 2% in the fair value calculation of the loans received account. (December 31, 2021: In the fair value calculation of the loans and receivables account, the risk premium is 6-8%, and in the fair value calculation of the loans received account, the risk premium is taken into account as 2%).

TFRS 7 establishes a classification of valuation techniques based on whether data used in valuation techniques, which are basis for fair value calculations, are observable.

The corresponding classification for the fair value is established as follows:

- First level: Financial assets and liabilities are valued at the stock exchange prices in an active market for the same assets and liabilities.
- Second level: Financial assets and liabilities are valued with the inputs used to determine a directly or indirectly observable price other than the stock market price of the relevant asset or liability mentioned in Level 1.
- Third level: Financial assets and liabilities are valued with inputs that cannot be based on data observable in the market and used to determine the fair value of the asset or liability.

The distribution of financial assets and liabilities reflected in the financial statements at fair values as of December 31, 2022, and December 31, 2021, based on fair value levels, is presented in the tables below.

Current period	Level 1	Level 2	Level 3	Total
<b>Total assets</b>				
Derivative financial assets	-	170	-	170
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	41,625	-	-	41,625
<b>Prior period</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Total assets</b>				
Derivative financial assets	-	1,390	-	1,390

## Dünya Varlık Yönetim Anonim Şirketi

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

### VI. Segment reporting:

Segment reporting was prepared in a structure close to the structure that the Company management followed the operations, so the statement of income in this report was shown in a different structure from the presentation. The sum of interest income from loans and impairment of other receivables in the Income Statement Table is shown as income from purchased portfolio. "Interests from banks", "Interests given to used loans" and "Interests given to securities issued" items were distributed to the segments according to the "Loans" item in the balance sheet.

January 1 – December 31, 2022	Secured	Unsecured	Total
Income from purchased loan portfolios (interest on loans – expected credit loss )	148,303	651,128	799,431
Interest income from banks	3,474	15,285	18,759
Interest paid on borrowings	(19,451)	(85,588)	(105,039)
Interest on marketable securities issued	(3,617)	(15,916)	(19,533)
Fee and commission expense (net)	(2,524)	(11,108)	(13,632)
Personel expenses	(4,431)	(143,274)	(147,705)
Trading account profit/loss (net)	(94)	(411)	(505)
Interest on derivatives operations	103	452	555
Foreign exchange gain/loss	36	1,156	1,192
Other operations income	339	12,399	12,738
Other operating expenses and other provision expenses	(4,797)	(155,771)	(159,866)
<b>Profit/(loss) before tax</b>	<b>117,341</b>	<b>269,054</b>	<b>386,395</b>

January 1 – December 31, 2021	Secured	Unsecured	Total
Income from purchased loan portfolios (interest on loans – expected credit loss )	61,230	308,087	369,317
Interest income from banks	1,703	8,570	10,273
Interest on funds borrowed	(12,733)	(64,070)	(76,803)
Interest on marketable securities issued	(8,018)	(40,346)	(48,364)
Fee and commission expense (net)	(1,495)	(7,520)	(9,015)
Personel expenses	(2,323)	(75,114)	(77,437)
Interest on derivatives operations	(157)	(792)	(949)
Foreign exchange gain/loss	12	391	403
Other operations income	230	7,421	7,651
Other operating expenses and other provision expenses	(2,684)	(86,751)	(89,435)
<b>Profit/(loss) before tax</b>	<b>35,765</b>	<b>49,876</b>	<b>85,641</b>

The segmental distribution of balance sheet items “Loans and receivables” and “Assets held for sale” are presented below, since they are monitored on a segment basis.

December 31, 2022	Secured	Unsecured	Total
Loans	307,425	1,076,877	1,384,302
Assets held for sale and discontinued operations	4,578	-	4,578
<b>December 31, 2021</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
Loans	316,114	908,552	1,224,666
Assets held for sale and discontinued operations	6,419	-	6,419

## Dünya Varlık Yönetim Anonim Şirketi

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

### Section Five

#### Explanations and notes related to financial statements

##### I. Explanations and notes related to assets of balance sheet

###### 1. Information on cash and CBRT:

	December 31, 2022		December 31, 2021	
	TL	FC	TL	FC
Cash/Effective	1	-	-	-
<b>Total</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>

###### 2. Information related to banks:

	December 31, 2022		December 31, 2021	
	TL	FC	TL	FC
Banks	223,127	13,071	92,192	1,896
Domestic (*)	223,127	13,071	92,192	1,896
<b>Total</b>	<b>223,127</b>	<b>13,071</b>	<b>92,192</b>	<b>1,896</b>

(\*) Provision amounts calculated from bank balances is TL 87 as of December 31, 2022 (December 31, 2021 - TL 9).

As of December 31, 2022, the Company has term deposits amounting to 210,041 TL. (December 31, 2021: 86,7 TL). The interest rates on term deposits range from 10.24% to 26%. (December 31, 2021: 2% to 28.25%) The maturity dates of the term deposits are between 2 January and 23 January. (December 31, 2021: January 3)

###### 3. Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)

	December 31, 2022		December 31, 2021	
	TL	FC	TL	FC
Stock	27,138	-	-	-
Mutual fund	14,487	-	-	-
<b>Total</b>	<b>41,625</b>	<b>-</b>	<b>-</b>	<b>-</b>

###### 4. Information related to loans:

a) Expected credit loss for loans: As of December 31, 2022, the expected credit loss recognized in the financial statements is TL 38 (December 31, 2022 - TL 1,636).

a) Information on subordinated loans (Net):

- 1) As of December 31, 2021, the Company presents its purchase price paid for its purchased portfolio and individual loans within the balance sheet of the loans in the balance sheet and accounts and follows them on the debtor basis. Loans and receivables are initially recognized at cost and carried at amortized cost using the effective interest method. The Company regularly monitors its forecasted cash flows within its risk management and investment strategies.

**Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

**4. Information related to loans (continued):**

**Valuation method:** The Company calculates and records the net present value of the overdue receivables at the effective interest rates adjusted according to the credit projections at the initial acquisition date. Positive differences between the net present value and the amortized cost calculated using the effective interest rate calculated by the credit projections of the interest income and loan portfolios calculated by using the effective interest rate adjusted for the loan determined at the initial purchase over the book values of the loan portfolio are under "Interest income from loans" and negative differences are recorded under "Expected credit loss"

	Purchased year		Principal price of purchased portfolios (*)	Purchased price (*)	Carrying value as of December 31, 2022 (TL)	Carrying value as of December 31, 2021 (TL)
<b>DÜNYA VARLIK</b>						
2008 Portfolios	2008	TRY	804,651	121,750	31,976	26,866
2008 Portfolios	2008	USD	11,988	6,850	111,406	73,114
2009 Portfolios	2009	TRY	183,223	18,000	3,953	17,028
2010 Portfolios	2010	TRY	1,124,720	96,721	38,698	53,524
2011 Portfolios	2011	TRY	836,263	76,691	22,759	44,510
2012 Portfolios	2012	TRY	1,459,358	148,564	75,115	125,877
2013 Portfolios	2013	TRY	1,055,823	119,682	72,407	98,562
2014 Portfolios	2014	TRY	1,531,296	181,249	130,027	149,634
2015 Portfolios	2015	TRY	733,645	69,281	47,364	57,219
2016 Portfolios	2016	TRY	1,763,428	167,343	182,153	146,021
2017 Portfolios	2017	TRY	1,447,828	106,985	124,356	104,674
2018 Portfolios	2018	TRY	1,877,091	95,800	137,829	103,233
2019 Portfolios	2019	TRY	1,647,485	159,902	127,572	127,292
2020 Portfolios	2020	TRY	185,540	17,310	14,049	15,968
2021 Portfolios	2021	TRY	357,619	80,401	78,246	81,144
2022 Portfolios	2022	TRY	828,418	189,686	186,392	-
					<b>1,384,302</b>	<b>1,224,666</b>

(\*) Portfolios acquired in foreign currency are expressed in thousands of USD.

Movement tables for financial assets with credit impairment when purchased or originated;

	January 1,- December 31, 2022	January 1, - December 31, 2021
Balances at beginning of period	1,224,666	1,225,913
Purchased portfolios on current period	189,686	80,401
Collections made during the period	(831,079)	(450,974)
Loan interest income	799,431	369,326
Expected loss provisions/reversals	1,598	-
<b>Balances at the end of period</b>	<b>1,384,302</b>	<b>1,224,666</b>



**Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

**5. Information regarding equity-accounted affiliates (net):**

Business combinations subject to joint control are not within the scope of "TFRS 3 – Business Combinations." In such transactions, companies apply the method of combining interests in accordance with the Public Oversight, Accounting and Auditing Standards Authority's (POA) "Principle Decision on the Accounting for Business Combinations Subject to Joint Control," published on 28714 dated July 21, 2013. When a company holding joint control consolidates the rights, financial statements should be adjusted as if the merger had occurred from the date the controlling party gained control, and they should be presented comparatively. However, considering the materiality criterion, the comparative financial statements have not been restated for the merger of Hisar Stratejik Yatırımlar Holding A.Ş., registered on April 7, 2022, and published in the Official Gazette of the Turkish Trade Registry on April 12, 2022, under Decision No. 10557, into the Company as of April 7, 2022, under the legal entity of Dünya Varlık Yönetim A.Ş.

**Information of the subsidiary as of December 31, 2021:**

	Total Assets	Equity	Fixed Asset Total	Interest Income	Marketable Securities Income	Profit/loss s for the current period	Previous period Profit/loss
Hisar Stratejik Yatırımlar Holding A.Ş.	20,073	19,744	20,023	-	-	(181)	75

  

Title	Address (City/Country)	The Company's Shareholding rate- voting rate if different (%)	Company risk Group share rate (%)
Hisar Stratejik Yatırımlar Holding A.Ş.	Istanbul/ Turkey	99.99	100.00

**6. Explanations Regarding Tangible Assets:**

The movement table for tangible assets and related accumulated depreciation accounts for the periods ending on December 31, 2022 and December 31, 2021 is as follows:

	Tangible fixed assets
Net book value of December 31, 2020	7,246
Additions	37,069
Disposals	(1,415)
Current depreciation expense	(4,371)
<b>Net book value of December 31, 2021</b>	<b>38,529</b>

  

	Tangible fixed assets
Net book value of December 31, 2021	38,529
Additions	40,891
Disposals	(1,240)
Current depreciation expense	(8,856)
<b>Net book value of December 31, 2022</b>	<b>69,224</b>

**Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

**7. Explanations Regarding Intangible Fixed Assets**

The movement table for intangible fixed assets and related amortization expense accounts for the periods ending on December 31, 2022 and December 31, 2021 is as follows:

	<b>Softwares</b>	<b>Total</b>
Net book value of December 31, 2020	<b>11,500</b>	<b>11,500</b>
Additions	6,220	6,220
Impairment of R&D	(4,558)	(4,558)
Current amortization expense	(3,930)	(3,930)
<b>Net book value as of December 31, 2021</b>	<b>9,232</b>	<b>9,232</b>
	<b>Softwares</b>	<b>Total</b>
Net book value of December 31, 2021	<b>9,232</b>	<b>9,232</b>
Additions	7,934	7,934
Impairment of R&D	-	-
Current amortization expense	(4,828)	(4,828)
<b>Net book value as of December 31, 2022</b>	<b>12,338</b>	<b>12,338</b>

**8. Deferred Tax Asset Explanations:**

As of December 31, 2022, the Company does not have any net deferred tax assets reflected in its financial statements (as of December 31, 2021 - None).

**9. Explanations Regarding Assets Held for Sale and Discontinued Operations:**

As of December 31, 2022, the Company has assets held for sale amounting to 4,578 TL, and there are no discontinued operations (as of December 31, 2021 – 6,419 TL in assets held for sale, and no discontinued operations).

The movement table for the periods ending on December 31, 2022 and December 31, 2021, related to the Company's assets held for sale, is as follows:

	<b>January 1, – December 31, 2021</b>
Net book value at beginning of period	<b>8,114</b>
Addition	3,575
Disposal	(5,270)
<b>Closing net book value</b>	<b>6,419</b>
	<b>January 1, – December 31, 2022</b>
Net book value at beginning of period	<b>6,419</b>
Addition	4,175
Disposal	(6,016)
<b>Closing net book value</b>	<b>4,578</b>

**Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

**10. Details on the transaction-based breakdown of derivative transactions exposed to cash flow risk:**

As of December 31, 2022, and December 31, 2021, the details of derivative transactions reflected in the Company's financial statements are as follows.

**December 31, 2022**

Hedging Item	Hedging Item	Type of Risk	Fair Value Change of Hedged Item	Profit/Loss Recognized in Equity for the Period	Portion Reclassified to the Income Statement During the Period
Interest Rate Swaps	Floating-rate funds borrowed	Interest rate risk	170	(1,372)	(65)
<b>December 31, 2022</b>			<b>Contract amount</b>	<b>Asset</b>	<b>Liabilities</b>
Interest rate swap			8,000	170	-

**December 31, 2021**

Hedging Item	Hedging Item	Type of Risk	Fair Value Change of Hedged Item	Profit/Loss Recognized in Equity for the Period	Portion Reclassified to the Income Statement During the Period
Interest Rate Swaps	Floating-rate funds borrowed	Interest rate risk	1,390	109	(620)
<b>December 31, 2021</b>			<b>Contract amount</b>	<b>Asset</b>	<b>Liabilities</b>
Interest rate swap			16,368	1,390	-

**11. Other Asset Information:**

- a) If the other assets item of the balance sheet exceeds 10% of the balance sheet total excluding off-balance sheet commitments, the names and amounts of the sub-accounts constituting at least 20% of these:

Other assets amounting to TL 33,668 (December 31, 2021- TL 21,099) mainly consist of prepaid taxes/expenses, work advances given to service providers during the legal proceedings of their files and other receivables.

**II Explanation and Notes for the Liabilities of the Balance Sheet****1. a) Information Regarding Banks and Other Financial Institutions:**

	December 31, 2022		December 31, 2021	
	TL	FC	TL	FC
Domestic banks and institutions	416,650	-	348,281	-
Foreign banks, institutions, and funds	111,432	-	27,355	-
<b>Total</b>	<b>528,082</b>	<b>-</b>	<b>375,636</b>	<b>-</b>

**1.b) Information Regarding Funds borrowed:**

	December 31, 2022		December 31, 2021	
	TL	FC	TL	FC
Short term	317,335	-	283,905	-
Medium and long term	210,747	-	91,731	-
<b>Total</b>	<b>528,082</b>	<b>-</b>	<b>375,636</b>	<b>-</b>

As of December 31, 2022, two of the loans received by the Company has security clauses. It has been observed that the Company fulfills the assurance conditions as of December 31, 2022.

## Dünya Varlık Yönetim Anonim Şirketi

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

### II Explanation and Notes for the Liabilities of the Balance Sheet(continued)

#### Explanations Regarding the Concentration Areas of the Company's Liabilities:

As of December 31, 2022, and December 31, 2021, the average interest rates for the loans obtained by the Company are as follows:

	December 31, 2022		December 31, 2021	
	TL	FC	TL	FC
Domestic loans obtained (%)	24.20	-	22.02	-

#### 2. Information Regarding Marketable Securities Issued:

##### December 31, 2022

ISIN Code	Issued date	Nominal value of issued	Book Value	Maturity date	Sales method	Coupon period
TRFDVYS32316	22 September 2022	50,000 TL	50,364 TL	23 March 2023	Sale to qualified investors	Variable coupon payments every 3 months
<b>Total</b>		<b>50,000 TL</b>	<b>50,364 TL</b>			

##### December 31, 2021

ISIN Code	Issued date	Nominal value of issued	Book Value	Maturity date	Sales method	Coupon period
TRFHYTV62216	26 June 2020	25,000 TL	23,606 TL	24 June 2022	Sale to qualified investors	Discounted bonds
TRFDVYS12219	28 January 2021	27,000 TL	28,405 TL	27 January 2022	Sale to qualified investors	Variable coupon payments every 3 months
TRFDVYS42216	13 April 2021	30,000 TL	31,535 TL	13 April 2022	Sale to qualified investors	Variable coupon payments every 3 months
TRFDVYS62214	9 June 2021	42,300 TL	42,918 TL	8 June 2022	Sale to qualified investors	Variable coupon payments every 3 months
TRFDVYS82212	5 August 2021	50,000 TL	51,759 TL	4 August 2022	Sale to qualified investors	Variable coupon payments every 3 months
TRFDVYSE2211	7 October 2021	35,000 TL	36,871 TL	6 October 2022	Sale to qualified investors	Variable coupon payments every 3 months
<b>Total</b>		<b>209,300 TL</b>	<b>215,094 TL</b>			

#### 3. Information on Other Foreign Liabilities and Miscellaneous Payables:

- If the Other Foreign Liabilities item in the balance sheet exceeds 10% of the total balance, the names and amounts of sub-accounts constituting at least 20% of them:** Not applicable (as of December 31, 2021 - Not applicable).
- Explanations Regarding Miscellaneous Payables:** As of December 31, 2022, liabilities arising from revenue-sharing portfolios consist of undetermined collections and payables to vendors that provide collection and archive services and other services to the Company amounting to TL 47,294 (December 31, 2021: TL 24,171).

**Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

**4. Explanations Regarding Provisions:**

The details of the employee rights account are as follows:

	December 31, 2022	December 31, 2021
Provisions for employment termination benefits	6,195	3,319
Unused vacation provision	4,207	2,311
Employee bonus payments	15,667	5,473
Employee litigation provisions	2,000	-
<b>Total</b>	<b>28,069</b>	<b>11,103</b>

The Company is obligated to pay a certain amount of Provisions for employment termination benefits who retire from their positions due to retirement after serving for at least one year or whose employment is terminated for reasons other than resignation and misconduct. The provisions for employment termination benefits to be paid is equivalent to one monthly salary for each year of service, and this amount is capped at 15,371 full TL as of December 31, 2022 (December 31, 2021 – 8,285 full TL).

Based on past experiences, the Company's management has discounted the benefits of employees eligible for severance pay, in accordance with TAS 19, using the prevailing government bond rates as of the balance sheet date, and reflected the present value on their financial statements.

	December 31, 2022	December 31, 2021
Discount rate, net	%3,9	%4,4
Average annual interest rate	%22	%20
Estimated limit/fee increase	%18	%15

The movement of the severance pay provision account for the periods ended December 31, 2022, and December 31, 2021 is presented below:

	January 1, – December 31, 2022	January 1, – December 31, 2021
Opening balance	3,319	2,494
Interest rate cost	706	3,276
Service cost	590	543
Paid in period	(3,892)	(3,865)
Actuarial gain/loss	5,472	871
<b>Ending balance</b>	<b>6,195</b>	<b>3,319</b>

The movement of the vacation provision account for the periods ended December 31, 2022, and December 31, 2021 is presented below:

	January 1, – December 31, 2022	January 1, – December 31, 2021
Opening balance	2,311	1,867
Usage/payment	(1,118)	(757)
Current expense	3,014	1,201
<b>Ending balance</b>	<b>4,207</b>	<b>2,311</b>

The movements related to premium payments for the periods ended December 31, 2022, and December 31, 2021 are presented below

**Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

**II Explanation and Notes for the Liabilities of the Balance Sheet(continued)**

	January 1, – December 31, 2022	January 1, – December 31, 2021
Opening balance	5,473	4,407
Payment	(5,856)	(4,516)
Additional provision	16,050	5,582
<b>Ending balance</b>	<b>15,667</b>	<b>5,473</b>

The movements related to employee litigation provisions for the periods ended December 31, 2022 and December 31, 2021 are presented below:

	January 1, – December 31, 2022	January 1, – December 31, 2021
Opening balance	-	-
Additional provision	2,000	-
<b>Ending balance</b>	<b>2,000</b>	<b>-</b>

**5. Explanations Regarding Tax Liability:****a) Explanations Regarding Current Tax Liability:**

Based on the Company's transactions for the 2022, tax liabilities (amounts to be paid for social security premiums) are as follows;

	December 31, 2022	December 31, 2021
Corporate income tax payable	33,188	-
Banking insurance transaction tax	5,242	2,341
Value added tax payable	1,072	363
Other (*)	6,070	2,986
<b>Total</b>	<b>45,572</b>	<b>5,690</b>

(\*) The amount in the "Other" line consists of income tax amounting to TL 2,080 (December 31, 2021 - TL 1,087), self-employment withholding tax amounting to TL 1,142 (December 31, 2021 - TL 404), other withholding tax amounting to TL 2,781 (December 31, 2021 - TL 61) and stamp tax amounting to TL 67 (December 31, 2021 - TL 61). Provision for corporate tax is TL 33,679 (December 31, 2021 - None). Amounts payable related to social insurance premiums: As of December 31, 2022, social insurance premiums payable by the Company is TL 2,781 (December 31, 2021 - TL 1,373).

**b) Information Regarding Deferred Tax Liability** The Company's net deferred tax liability reflected in the financial statements as of December 31, 2022 is TL 162,220 and this amount is mainly calculated over the difference between the book value and acquisition cost of the loan portfolio, personnel premium payable, severance and vacation provisions and the discounted value difference of the loans used (December 31, 2021 - deferred tax liability amounting to TL 117,358).

Corporate income is subject to corporate tax at a rate of 25%. This rate is applied to the tax base which is calculated by adding non-deductible expenses and exemptions (such as exemption for participation income) and other deductions (such as investment incentives) in accordance with the tax laws to the commercial income of the corporations. If no profit is distributed, no further tax is payable.

As of 31 December 2022, 25% tax rate is used for the temporary differences expected to be realized/closed in the current period since the corporate tax rate is 25% (31 December 2021: As of 31 December 2021, 25% tax rate is used for the temporary differences expected to be realized/closed in the current period, 23% tax rate is used for the temporary differences expected to be realized/closed in 2022, 20% tax rate is used for the temporary differences expected to be realized/closed after 2022).

**Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

**II Explanations and Notes for the Liabilities of the Balance Sheet(continued)****5. Explanations Regarding Tax Liability**

	December 31, 2022	December 31, 2021
Valuation of financial assets	167,672	114,907
Deferred commission income	2,153	1,939
Tax base differences of tangible and intangible assets	1,905	892
Accrued expenses and shared portfolio liabilities	(3,354)	(1,865)
Provisions	(4,266)	(1,031)
Other	(1,890)	2,516
<b>Total, (net)</b>	<b>162,220</b>	<b>117,358</b>
	January 1, – December 31, 2022	January 1, – December 31, 2021
Income before tax	386,395	85,641
Tax expense calculated using the current tax rate (25%)	(96,599)	(21,410)
Other	(23,276)	(1,692)
<b>Tax Expense</b>	<b>(119,875)</b>	<b>(23,102)</b>

As of December 31, 2022, the effective tax rate for the period ended that date is 31.02% (December 31, 2021: 26.98%).

**6. Liabilities from Lease Transactions**

	December 31, 2022	December 31, 2021
Liabilities from lease transaction	36,510	23,149

As of December 31, 2022, and December 31, 2021, the movement table of liabilities from lease transactions for the periods ending on those dates is as follows:

	January 1, – December 31, 2022	January 1, – December 31, 2021
As of January 1	23,149	-
Entries and interest	16,820	23,149
Paid rent	(3,459)	-
<b>End of period</b>	<b>36,510</b>	<b>23,149</b>

**Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

**II Explanations and Notes for the Liabilities of the Balance Sheet(continued)****7. Information Regarding Equities:**

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Paid in capital	185,000	185,000
<b>Total</b>	<b>185,000</b>	<b>185,000</b>

As of December 31, 2022, the Company does not have any preferred shares.

Company has 185,000,008 shares, and the nominal value of one share is 1 TL (the full TL amount is provided).

The Company's capital was increased from TL 40,754 to TL 185,000 with the General Assembly resolution dated April 8, 2015 and the approval letter dated March 9, 2015 and numbered 4389021-110.01.04-E.3893 from the Banking Regulation and Supervision Agency. This increase and the related amendment to the Articles of Association were published in the Turkish Trade Registry Gazette dated April 16, 2015 and numbered 8802.

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Legal reserves	14,415	14,340
<b>Total</b>	<b>14,415</b>	<b>14,340</b>

On October 14, 2011, the European Bank for Reconstruction and Development (EBRD) made an issuance premium payment of 17,099 TL to the Company, which was accounted for under the equity issuance premiums category.



## **Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

### **III. Explanations and footnotes regarding off-balance sheet account items**

#### **1. Explanation regarding the liabilities included in the off-balance sheet account items:**

Irrevocable commitments: As of December 31, 2022, other letters of guarantee amounting to 145,613 TL (December 31, 2021 – 88,245 TL) consist of letters of guarantee given to banks within the scope of sales tenders of overdue receivables. 50,000 TL, which is included in the irrevocable commitments, is the nominal amount of the bonds issued. (December 31, 2021 – 209,300 TL)

Derivative financial instruments: 8,000 TL swap interest purchase and swap interest sales transactions as of December 31, 2022 (December 31, 2021 - 160,368 TL).

#### **2. Explanations on contingent liabilities and assets:**

Provisions and contingent liabilities other than the provisions set aside for loans are recognized in accordance with the "Turkish Accounting Standard on Provisions, Contingent Liabilities and Contingent Assets" ("TAS 37").

A provision is recognized if there is a current obligation arising from past events, it is probable that the obligation will be fulfilled, and the amount of the obligation can be measured reliably. Provisions are calculated based on the best estimate made by the Company management of the expenditure to be incurred to fulfill the obligation as of the balance sheet date, and are discounted to reduce it to its present value in cases where its effect is significant. In cases where the amount is not measured reliably enough and there is no possibility of resources being released from the Company to fulfill the obligation, the liability in question is considered "contingent" and disclosed in the footnotes.

Corporate Tax, Value Added Tax, Banking and Insurance Transactions Tax ("BITT") and Resource Utilization Support Fund ("RUSF") were levied on the Company's books and records for the years 2014, 2015 and 2016.

The assessed RUSF amount is 51,823 TL in total, the original amount being 29,292 TL and the penal interest being 22,531 TL; The actual BITT amount is 2,183 TL and the tax loss penalty is 2,183 TL, totaling 4,366 TL and the actual stamp tax amount is 1,274 TL, with the original amount being 637 TL and the tax loss penalty being 637TL.

As a result of the RUSF Case, the appeal decisions were in favor of the Company, and these decisions are in the appeal process at the Council of State. A reconciliation request was made to the Revenue Administration regarding BITT. In terms of BITT, no settlement was reached and a lawsuit was filed.

RUSF cases were concluded in favor of the Company in the administrative court and the accrual slips issued to the Company were cancelled.

Corporate Tax, Value Added Tax, Banking and Insurance Transactions Tax ("BITT") and Resource Utilization Support Fund ("RUSF"), VAT and Corporate Tax were assessed on the Company's books and records for the years 2017 and 2018.

The assessed Value Added Tax amounted to TL 1,437 in total, consisting of TL 689 in principal, TL 689 in penalty interest and TL 59 in special irregularity penalty; BITT amounted to TL 20,378 in total, consisting of TL 10,189 in principal and TL 10,189 in penalty interest; and Stamp Duty amounted to TL 8 in total, consisting of TL 4 in principal and TL 4 in penalty interest. Corporate Tax amounting to TL 1,216 in total, of which the original amount is TL 608 and the penalty for tax loss is TL 608, and KKDF amounting to TL 1,037 in total, of which the original amount is TL 615 and the penalty interest is TL 421.

The application for reconciliation in terms of Stamp Tax was abandoned, VAT was restructured within the scope of Law No. 7326 together with ÖUCZ and paid in advance. Lawsuits were filed for KKDF, BITT, VAT and Corporate Tax.

Although the Corporate Tax lawsuit was concluded in favor of the Company in 2022, the lawsuit process is at the appeal stage.

It has been stated in the examinations and reports prepared by experts on the subject that the tax assessment and penalty recommendations in the tax inspection reports are contrary to the law and relevant legislation, and it has been evaluated that they will result in favor of the Company. Therefore, no provision has been allocated in the accompanying financial statements regarding this matter.

**Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

**IV. Information Regarding Interest Income****1. Information on interest income:**

## a) Information Regarding Revenues from Loans:

	January 1, – December 31, 2022		January 1, – December 31, 2021	
	TL	FC	TL	FC
Interest income from loans	799,431	-	369,326	-
<b>Total</b>	<b>799,431</b>		<b>369,326</b>	

## b) Information Regarding Interest from Banks:

	January 1, – December 31, 2022		January 1, – December 31, 2021	
	TL	FC	TL	FC
Domestic banks	18,759	-	10,273	-
<b>Total</b>	<b>18,759</b>		<b>10,273</b>	

c) Information on interest income from securities: For the period ended December 31, 2022, the Company did not have any interest income from securities (as of December 31, 2021 - None)

d) Information on interest income received from associates and subsidiaries As of December 31, 2022, the Company has no interest income from subsidiaries (December 31, 2021 - None).

**2) Information on interest expense:**

## a. Information on interest paid on loans used:

	January 1, – December 31, 2022		January 1, – December 31, 2021	
	TL	FC	TL	FC
Banks	105,039	-	76,803	-
Domestic banks	78,295	-	69,181	-
Foreign banks	26,744	-	7,622	-
<b>Total</b>	<b>105,039</b>		<b>76,803</b>	

b. Information on interest paid on issued securities: As of December 31, 2022, during the reporting period, the Company incurred interest expenses of 19,533 TL on issued securities (December 31, 2021 – 48,364 TL).

**3) Information on dividend income:** As of December 31, 2022, during the reporting period, the Company has no dividend income (December 31, 2021 - None).**4) Explanation regarding trading profit/loss (net):**

	January 1, – December 31, 2022	January 1, – December 31, 2021
<b>Profit</b>	<b>3,962</b>	<b>692</b>
Foreign exchange gains	3,407	692
Income from derivative instruments	555	-
Profit from Capital Market Operations	-	-
<b>Loss (-)</b>	<b>2,720</b>	<b>1,238</b>
Foreign exchange loss	2,215	289
Losses on derivative transactions	-	949
Loss from Capital Market Operations	505	-
<b>Trading profit / loss (net)</b>	<b>1,242</b>	<b>(546)</b>

**Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

**IV. Information Regarding Interest Income(continued)****5) Information on other operating income:**

As of December 31, 2022, it consists of income amounting to TL 2,394 (December 31, 2021 - TL 2,032) from the sale of assets held for sale and other income amounting to TL 10,344 (December 31, 2021 - TL 5,619).

**6) Expected loss provisions and other provision expenses:**

As of December 31, 2022, the Company has no expected loss provision (December 31, 2021 - 9).

**7) Information on other operating expenses:**

	January 1, – December 31, 2022	January 1, – December 31, 2021
Personal expenses (*)	147,705	77,437
Tangible asset depreciation expenses	8,856	4,371
Intangible asset depreciation expenses	4,828	3,930
R&D impairment expenses	-	4,558
Other operating expenses	146,182	76,576
Legal consultancy expenses	72,724	25,516
Taxes and duties	42,157	22,130
Consulting expenses	9,807	7,279
Computer usage expense	7,877	6,020
Vehicle expense	2,001	547
Communication expenses	1,524	454
Dues expense	1,474	1,935
Non-recognized expenses	1,347	2,634
Representation and hosting expenses	442	630
Stationery expense	313	251
Maintenance and repair expenses	202	313
Loss on sale of assets	81	290
Advertisement expenses	11	26
Other expenses (**)	6,222	8,551
<b>Total</b>	<b>307,571</b>	<b>166,872</b>

(\*) The "Personnel Expenses," which are presented as a separate item and not included in the "Other Operating Expenses" in the income statement, are also included in this table.

(\*\*) Other expenses amounting to TL 8,698 consist of food and beverage expenses, accommodation expenses, audit expenses, VAT expenses, archive management expenses and other miscellaneous expenses.

**8. Fees for services received from the independent auditor / independent audit firm:**

In accordance with the POA's decision dated March 26, 2021, fee information for the reporting period for the services received from the independent auditor or independent audit firm is given in the table below.

(Amount excluding VAT)	Current period 2022	Prior period 2021
Independent audit fee (*)	475	227
Tax consulting fee	-	-
Other assurance consultancy services fee	-	-
Other non-audit services fee	-	-
<b>Total</b>	<b>475</b>	<b>227</b>

## **Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira (“TL”)) - (Convenience translation of a report and financial statements originally issued in Turkish)

### **IV. Information Regarding Interest Income(continued)**

#### **9. Statement on profit/loss before tax from continued and discontinued operations:**

Profit before tax from continuing operations consists of net interest income amounting to TL 693,618 (December 31, 2021 - TL 254,432), other operating income amounting to TL 11,291 (December 31, 2021 - TL 7,651), other operating expenses and personnel expenses amounting to TL 307,571 (December 31, 2021 - TL 166,872).

#### **10. Explanation on the tax provision for the period from continuing and discontinued operations:**

- a) Current tax expense and deferred tax income or expense: As of December 31, 2022, current tax expense amounting to TL 73,376 (December 31, 2021 - None). As of December 31, 2022, deferred tax expense amounting to TL 55,629 (December 31, 2021 - TL 23,102 deferred tax expense) and deferred tax income amounting to TL 9,130 (December 31, 2021 - None).
- b) Deferred tax income or expense arising from the creation or closure of temporary differences: As of December 31, 2022, there is deferred tax expense amounting to TL 55,629 (December 31, 2021 - TL 23,102 deferred tax expense) and deferred tax income amounting to TL 9,130 (December 31, 2021 - None) arising from the creation or closure of temporary differences.

#### **11. Explanation on the net profit or loss for the period from continuing and discontinued operations:**

This is explained in items 8 and 9 above.

#### **12. Information on net profit and loss for the period:**

- a) If disclosure of the nature, size and recurrence rate of income and expense items arising from ordinary asset management transactions is necessary to understand the Company's performance during the period, the nature and amount of these items:  
  
Most of the income/expense items arising from ordinary transactions consist of interest income/expenses received from and given to banks, difference adjustments to the carrying amount of loans amortized at the effective interest rate related to purchased portfolios, and collections above cost, and service fees paid by the Company to its service providers, Income obtained from the Companies it provides services to, operational expenses and personnel expenses.
- b) The effect of a change in an estimate of financial statement items on profit or loss, including the effect on subsequent periods, if any: None.
- c) Profit/loss attributable to minority shares: None.

#### **13. Explanations regarding other items in the income statement:**

In the accounting period ended December 31, 2022, the fees and commissions awarded consisted of cash and non-cash loan commissions amounting to TL 13,632 (December 31, 2021 – TL 9,015).

### **V. Equity Change Statement – Explanation and Footnotes:**

The Company was established in 2008 with a paid-in capital of 10,000 TL and a capital advance of 25,754 TL. By the resolution of the general assembly dated September 23, 2011, the Company's capital was increased from 10,000 TL to 35,754 TL using internal sources. Additionally, through an extraordinary General Assembly Resolution on 30 September 2011, the Company's capital was further increased from 35,754 TL to 40,754 TL. Furthermore, on October 14, 2011, a payment of 17,099 TL in issuance premium was made to the Company by the European Bank for Reconstruction and Development (EBRD) and accounted for under the share issuance premiums category. The Company's capital was increased from 40,754 TL to 185,000 TL based on the General Assembly Resolution dated April 8, 2015, and the approval letter dated March 9, 2015, with reference number 4389021-110.01.04-E.3893 received from the Banking Regulation and Supervision Agency. This increase and the related amendment to the articles of association were published in the Turkish Trade Registry Gazette on April 16, 2015, with registration number 8802.

**Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira ("TL")) - (Convenience translation of a report and financial statements originally issued in Turkish)

**VI. Explanations and footnotes regarding the cash flow statement****1. The elements that constitute cash and cash equivalent assets, the accounting policy used in determining these elements:**

Cash and cash deposit are defined as "Cash"; Domestic and foreign bank deposits with original maturity of less than 3 months are defined as "Cash equivalent assets".

**2. Reconciliation between the amounts recorded in the balance sheet and the amounts recorded in the cash flow statement of the elements that constitute cash and cash equivalent assets:**

	January 1, – December 31, 2022	January 1, – December 31, 2021
<b>Opening period</b>		
Cash and cash equivalents	-	2
Banks and other financial institutions – up to 3 months maturity	94,088	62,221
<b>Cash and cash equivalents</b>	<b>94,088</b>	<b>62,223</b>

	January 1, – December 31, 2022	January 1, – December 31, 2021
<b>End of period</b>		
Cash and cash equivalents	1	-
Banks and other financial institutions – up to 3 months	236,198	94,088
<b>Cash and cash equivalents</b>	<b>236,199</b>	<b>94,088</b>

**3. Explanation of Other Items in the Cash Flow Statement and the Impact of Exchange Rate Changes on Cash and Cash Equivalents:**

The "Other" item amounting to (86,737) TL (December 31, 2021 - (44,634) TL) included in the "Operating profit before changes in operating assets and liabilities" mainly consists of other operating expenses excluding expenses that do not constitute cash outflows.

"Net increase/decrease in other assets" amounting to (50,624 TL) (December 31, 2021: (5,298) TL) included in "Change in assets and liabilities subject to activities" mainly consists of changes in miscellaneous receivables other than receivables that do not generate cash outflows, prepaid insurance and taxes, and assets held for sale.

"Net increase/decrease in other payables" item amounting to (72,139) TL (December 31, 2021 – 22,565TL) consists of changes in various debts and tax debts, except for debts that do not create cash outflows.

**Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira (“TL”)) - (Convenience translation of a report and financial statements originally issued in Turkish)

**VII. Explanations regarding the risk group the Company belongs to**

Regardless of whether there is a transaction between the parties, the Company's relations with organizations in the risk group and under the control of the Company:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Funds borrowed (*)	116,416	27,355

(\*) Transactions related to the risk group in which the Company is included consist of loans used from the European Bank for Reconstruction and Development and loan interest accruals related to these loans. Current period interest expense is 26,809 TL (December 31, 2021 – 7,622TL).

**Information regarding benefits provided to senior managers:**

The total benefits provided by the Company to senior managers (general manager and managers reporting to the general manager) during the accounting year ended on December 31, 2022 is 8,618 TL (December 31, 2021 – 5,246 TL).

## **Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2022 and December 31, 2021

Financial Statements and Related Disclosures and Footnotes

(Currency: Expressed as Thousand Turkish Lira (“TL”)) - (Convenience translation of a report and financial statements originally issued in Turkish)

### **Section Six**

#### **Other Explanations**

##### **I. Other explanations regarding the Company's activities:**

a) Matters to be disclosed related to matters after the balance sheet date:

An earthquake occurred in the southeastern part of Turkey, affecting many of our provinces. The ultimate severity of this earthquake, which has killed and injured thousands of people, is currently uncertain and the Company is in the process of assessing the impact on its operations and financial condition.

b) Matters requiring additional explanation that are related to the Company's activities but are not related to the previous sections:

None.

### **Section Seven**

#### **Independent audit report**

##### **I. Explanations regarding the independent audit report:**

The financial statements and footnotes of the Company are prepared by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst & Young Global Limited) and the independent audit report dated March 1, 2023 was presented before the financial statements.

##### **II. Explanations and footnotes prepared by the independent auditor:**

None.