

# **Dünya Varlık Yönetim Anonim Şirketi**

**Financial Statements As of December 31, 2023  
with Independent Auditor's Report**

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



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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, 2023 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, 2023 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, 2023, and its financial performance and its cash flows for the year then ended December 31, 2023 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) 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, 2023, the Company has non-performing loans with total net present value of 2,921,067 thousand TL (December 31, 2022: 1,384,302 thousand TL); disclosure related to non-performing loans is explained in the Fifth Section Note 1.4 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>

#### **4) 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.

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

**5) 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 scepticism 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, 2023 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

February 12, 2024  
Istanbul, Turkey

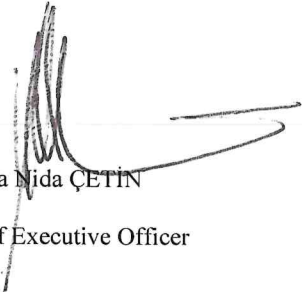
**Dünya Varlık Yönetim Anonim Şirketi Financial Reports as at December 31, 2023**

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, 2023 consists of the following sections.

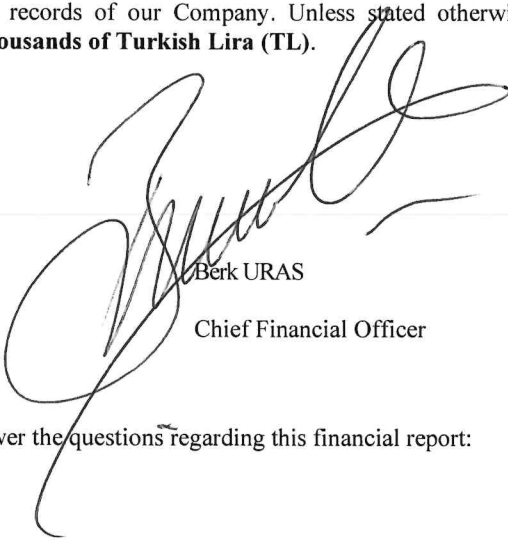
- I. General information about the company
- II. The financial statements of the Company
- III. Explanations on accounting policies applied in the related period
- IV. Information on the financial position of the company
- V. Explanations and notes related to financial statements
- VI. Other explanations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

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## 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, 2023, the Company's capital;

50.13% to Vector Holdings S.à r.l.

37.60% to Vector Investments Holding S.à r.l.

12.27% to European Bank for Reconstruction and Development (EBRD)

Since the Company's Board of Directors plans to apply to the Capital Markets Board for approval of the Initial Public Offering of some of the shares of Dünya Varlık Yönetim A.Ş.; It has decided to take the necessary steps to amend the Company's Articles of Association in line with the relevant communiqués and provisions of the Capital Markets Board, to switch to the registered capital system and to determine the registered capital ceiling as 925,000,040 (full) TL.

#### 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	04/04/2023	Graduate
Mehmet Murat Çavuşoğlu	Vice Chairman of the Board of Directors	04/04/2023	Graduate
Zehra Nida Çetin	CEO/ Board Member	04/04/2023	Undergraduate
Hilmi Güvenal	Board Member	04/04/2023	Undergraduate
Esra Soydan	Board Member	04/04/2023	Undergraduate
Roy Eskenazi	Board Member	04/04/2023	Undergraduate
Noel Cochran Edison	Board Member	04/04/2023	Graduate
Peter Charles Richardson	Board Member	04/04/2023	Undergraduate

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

Name	Title	Assigned Date	Education
Esra Soydan	Audit Committee Member	14/03/2023	Undergraduate
Roy Eskenazi	Audit Committee Member	14/03/2023	Undergraduate
Peter Charles Richardson	Audit Committee Member	18/07/2022	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	%50.13	92,742,588	-
Vector Investments Holding S.à r.l.	69,560,016	%37.60	69,560,016	-
European Bank for Reconstruction and Development (EBRD)	22,697,404	%12.27	22,697,404	-



## **Dünya Varlık Yönetim Anonim Şirketi**

Notes to the financial statements

for December 31, 2023 and December 31, 2022

(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, establish funds, and invest in issued securities.
- May operate, rent, guarantee, transfer and invest in real estate or other property, rights and assets acquired for the purpose of collecting receivables;
- Provided that the provisions of the capital markets legislation regarding the transfer of disguised profits are reserved, it may acquire participations limited to the sole purpose of carrying out its activities, except for the participation shares that have to be acquired due to receivables.
- Provided that it complies with capital markets legislation and does not qualify as investment services and activities, it may provide consultancy services to companies in the fields of corporate and financial restructuring.

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) Provided that it is in accordance with the capital markets legislation and other relevant legislation, obtaining short, medium and long-term loans, guarantees or letters of guarantee from domestic and foreign markets can provide secured or unsecured collateral with collateral and, if necessary, the framework accrual period of the financial financial transactions in question. Mortgage, pledge or other encumbrances may be established on general or part of the assets and/or receivables as debts;
- 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) Purchase and sell any kind of share certificates, debentures, privileged shares, issue securities or usufructs on these, benefit from the usufruct rights issued on them and perform any kind of transactions related to securities provided to be in compliance with the conditions and restrictions defined in capital market legislations and not being within the frame of investment services or operations;
- f) 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.
- g) 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.

## **Dünya Varlık Yönetim Anonim Şirketi**

Notes to the financial statements

for December 31, 2023 and December 31, 2022

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

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

- h)** 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.
- i)** 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.
- j)** Grant compensations or make donations or give support to universities, educational and training institutions, associations, foundations and such other persons and/or institutions and become a member of associations provided that it is not contrary with the provisions of Capital Market Law on the hidden income transfer and any other related regulations, and the required specific circumstance explanations are made, donations made are added to the profit base, and the shareholders are informed about the donations made within the year at the general assembly and the right of Capital Market Board to determine an upper limit for the donations to be made is saved.

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.

## **Dünya Varlık Yönetim Anonim Şirketi**

Notes to the financial statements

for December 31, 2023 and December 31, 2022

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

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# Dünya Varlık Yönetim Anonim Şirketi

As of December 31, 2023 and December 31, 2022

## Statements of Financial Position

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

	Notes	Audited			Audited		
		Current Period			Prior Period		
		December 31, 2023			December 31, 2022		
		TL	FC	Total	TL	FC	Total
ASSETS	(5-1)						
<b>I. FINANCIAL ASSETS (Net)</b>		<b>153,257</b>	<b>21,887</b>	<b>175,144</b>	<b>264,923</b>	<b>13,071</b>	<b>277,994</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>153,242</b>	<b>21,887</b>	<b>175,129</b>	<b>223,128</b>	<b>13,071</b>	<b>236,199</b>
1.1.1 Cash and Balances with Central Bank	(1)	-	-	-	1	-	1
1.1.2 Banks	(2)	153,294	21,887	175,181	223,214	13,071	236,285
1.1.3 Money Market Placements		-	-	-	-	-	-
1.1.4 Expected Credit Loss (-)	(2)	(52)	-	(52)	(87)	-	(87)
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>	<b>(3)</b>	<b>15</b>	<b>-</b>	<b>15</b>	<b>41,625</b>	<b>-</b>	<b>41,625</b>
1.2.1 Government Debt Securities		-	-	-	-	-	-
1.2.2 Equity Securities		15	-	15	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>-</b>	<b>-</b>	<b>-</b>	<b>170</b>	<b>-</b>	<b>170</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
<b>II. LOANS (Net)</b>	<b>(4)</b>	<b>2,921,067</b>	<b>-</b>	<b>2,921,067</b>	<b>1,384,302</b>	<b>-</b>	<b>1,384,302</b>
<b>2.1 Loans</b>		<b>2,929,798</b>	<b>-</b>	<b>2,929,798</b>	<b>1,384,340</b>	<b>-</b>	<b>1,384,340</b>
<b>2.2 Lease Receivables</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.3 Factoring Receivables</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<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>(8,731)</b>	<b>-</b>	<b>(8,731)</b>	<b>(38)</b>	<b>-</b>	<b>(38)</b>
<b>III. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	<b>(9)</b>	<b>3,921</b>	<b>-</b>	<b>3,921</b>	<b>4,578</b>	<b>-</b>	<b>4,578</b>
3.1 Asset Held for Resale		3,921	-	3,921	4,578	-	4,578
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>69,963</b>	<b>-</b>	<b>69,963</b>	<b>69,224</b>	<b>-</b>	<b>69,224</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>	<b>(7)</b>	<b>21,237</b>	<b>-</b>	<b>21,237</b>	<b>12,338</b>	<b>-</b>	<b>12,338</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		21,237	-	21,237	12,338	-	12,338
<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>18,909</b>	<b>-</b>	<b>18,909</b>	<b>33,654</b>	<b>14</b>	<b>33,668</b>
<b>TOTAL ASSETS</b>		<b>3,188,354</b>	<b>21,887</b>	<b>3,210,241</b>	<b>1,769,019</b>	<b>13,085</b>	<b>1,782,104</b>

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

# Dünya Varlık Yönetim Anonim Şirketi

As of December 31, 2023 and December 31, 2022

## Statements of Financial Position

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

		Audited Current period December 31, 2023			Audited Prior period December 31, 2022			
		Notes (5-II)	TL	FC	Total	TL	FC	Total
I.	DEPOSITS		-	-	-	-	-	-
II.	FUNDS BORROWED	(1)	359,025	-	359,025	528,082	-	528,082
III.	MONEY MARKETS		-	-	-	-	-	-
IV.	MARKETABLE SECURITIES ISSUED (Net)	(2)	400,824	-	400,824	50,364	-	50,364
4.1	Bills		317,461	-	317,461	50,364	-	50,364
4.2	Assets Backed Securities		-	-	-	-	-	-
4.3	Bonds		83,363	-	83,363	-	-	-
V.	FUNDS		-	-	-	-	-	-
5.1	Borrower Funds		-	-	-	-	-	-
5.2	Other		-	-	-	-	-	-
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES		-	-	-	-	-	-
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		-	-	-	-	-	-
VIII.	FACTORING LIABILITIES		-	-	-	-	-	-
IX.	LEASE LIABILITIES (Net)	(6)	39,108	-	39,108	36,510	-	36,510
X.	PROVISIONS	(4)	57,290	-	57,290	28,069	-	28,069
10.1	Restructuring provisions		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		-	-	-	-	-	-
10.3	Insurance Technical Provisions		54,898	-	54,898	26,069	-	26,069
10.4	Other Provisions		-	-	-	-	-	-
			2,392	-	2,392	2,000	-	2,000
XI.	CURRENT TAX LIABILITY	(5)	105,903	-	105,903	45,572	-	45,572
XII.	DEFERRED TAX LIABILITY	(5)	333,308	-	333,308	162,220	-	162,220
	LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF		-	-	-	-	-	-
XIII.	DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
13.1	Asset Held for Sale		-	-	-	-	-	-
13.2	Assets of Discontinued Operations		-	-	-	-	-	-
XIV.	SUBORDINATED DEBT INSTRUMENTS		-	-	-	-	-	-
14.1	Loans		-	-	-	-	-	-
14.2	Other Debt Instruments		-	-	-	-	-	-
XV.	OTHER LIABILITIES	(3)	51,168	625	51,793	46,302	992	47,294
XVI.	SHAREHOLDERS' EQUITY	(7)	1,862,990	-	1,862,990	883,993	-	883,993
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		(11,264)	-	(11,264)	(4,104)	-	(4,104)
16.4	Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		-	-	-	176	-	176
16.5	Profit Reserves		14,415	-	14,415	14,415	-	14,415
16.5.1	Legal Reserves		14,415	-	14,415	14,415	-	14,415
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		-	-	-	-	-	-
16.5.4	Other Profit Reserves		-	-	-	-	-	-
16.6	Income or (loss)		1,657,740	-	1,657,740	671,407	-	671,407
16.6.1	Prior Periods' Income or (loss)		671,407	-	671,407	404,887	-	404,887
16.6.2	Current Period' Income or (loss)		986,333	-	986,333	266,520	-	266,520
16.7	Minority Interest		-	-	-	-	-	-
TOTAL LIABILITIES			3,209,616	625	3,210,241	1,781,112	992	1,782,104

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

# Dünya Varlık Yönetim Anonim Şirketi

As of 31 December 2023 and 31 December 2022

## 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, 2023			December 31, 2022		
	Notes	TL	FC	Total	TL	FC	Total
OFF BALANCE SHEET	(5 - III)						
<b>A. OFF BALANCE SHEET COMMITMENTS (I+ II+ III)</b>							
<b>I. GUARANTEES AND WARRANTIES</b>	(I)	616,446	-	616,446	195,613	-	195,613
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>		616,446	-	616,446	195,613	-	195,613
2.1 Irrevocable commitments		616,446	-	616,446	195,613	-	195,613
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		616,446	-	616,446	195,613	-	195,613
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		-	-	-	8,000	-	8,000
3.2.2.4 Interest rate swaps-sell		-	-	-	(8,000)	-	(8,000)
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>	(I)	-	-	-	-	-	-
<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>		616,446	-	616,446	195,613	-	195,613

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

# Dünya Varlık Yönetim Anonim Şirketi

For Year Ending December 31, 2023 and December 31, 2022

## 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, 2023	January 1, - December 31, 2022
INCOME AND EXPENSES			
	Notes (5 - 4)		
<b>I. INTEREST INCOME</b>	<b>(1)</b>	<b>2,309,516</b>	<b>818,190</b>
1.1 Interest Income on Loans		2,188,694	799,431
1.2 Interest Income on Reserve Deposits		-	-
1.3 Interest Income on Banks		120,822	18,759
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>(213,728)</b>	<b>(124,572)</b>
2.1 Interest on deposits		-	-
2.2 Interest on funds borrowed		(138,216)	(105,039)
2.3 Interest on money market transactions		-	-
2.4 Interest on marketable securities issued		(75,512)	(19,533)
2.5 Other interest expense		-	-
<b>III. NET INTEREST INCOME/(EXPENSE) [ I – II ]</b>		<b>2,095,788</b>	<b>693,618</b>
<b>IV. NET FEES AND COMMISSIONS EXPENSES</b>	<b>(12)</b>	<b>(14,946)</b>	<b>(13,632)</b>
4.1 Fees and commission income		-	-
4.1.1 Non-cash loans		-	-
4.1.2 Other		-	-
4.2 Fees and commission expense		(14,946)	(13,632)
4.2.1 Non-cash loans		(4,934)	(3,505)
4.2.2 Other		(10,012)	(10,127)
<b>V. DIVIDEND INCOME</b>	<b>(3)</b>	<b>-</b>	<b>-</b>
<b>VI. NET TRADING INCOME/(LOSS) (NET)</b>	<b>(4)</b>	<b>13,879</b>	<b>1,242</b>
6.1 Income/(loss) from capital market operations, net		4,963	(505)
6.2 Income/(loss) from derivative financial instruments, net		-	555
6.3 Foreign exchange gains/losses, net		8,916	1,192
<b>VII. OTHER OPERATING INCOME</b>	<b>(5)</b>	<b>29,862</b>	<b>12,738</b>
<b>VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)</b>		<b>2,124,583</b>	<b>693,966</b>
<b>IX. EXPECTED LOSS PROVISIONS</b>	<b>(6)</b>	<b>(8,674)</b>	<b>-</b>
<b>X. OTHER PROVISION EXPENSES</b>		<b>-</b>	<b>-</b>
<b>XI. PERSONNEL EXPENSES</b>	<b>(7)</b>	<b>(270,497)</b>	<b>(146,409)</b>
<b>XII. OTHER OPERATING EXPENSES (-)</b>	<b>(7)</b>	<b>(422,029)</b>	<b>(161,162)</b>
<b>XIII. NET OPERATING (LOSS)/PROFIT (VIII-IX-X-XI-XII)</b>		<b>1,423,383</b>	<b>386,395</b>
<b>XIV. AMOUNT RECORDED IN EXCESS AS GAIN AFTER MERGER</b>		<b>-</b>	<b>-</b>
<b>XV. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING</b>		<b>-</b>	<b>-</b>
<b>-XVI. GAIN/LOSS ON NET MONETARY POSITION</b>		<b>-</b>	<b>-</b>
<b>XVII. INCOME/LOSS BEFORE TAXES (XIII+...+XVI)</b>	<b>(8)</b>	<b>1,423,383</b>	<b>386,395</b>
<b>XVIII. TAX INCOME PROVISION (+)</b>	<b>(9)</b>	<b>(437,050)</b>	<b>(119,875)</b>
18.1 Current tax expense		(262,918)	(73,376)
18.2 Deferred tax expense effect		(191,657)	(55,629)
18.3 Deferred tax income effect		17,525	9,130
<b>XIX. NET OPERATING (LOSS)/INCOME AFTER TAX (XVII+XVIII)</b>	<b>(10)</b>	<b>986,333</b>	<b>266,520</b>
<b>XX. 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>XXI. 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>XXII. INCOME/EXPENSE BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIV)</b>		<b>-</b>	<b>-</b>
<b>XXIII. 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>XXIV. NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XXII+XXIII)</b>		<b>-</b>	<b>-</b>
<b>XXV. NET (LOSS)/PROFIT (XIX+XXIV)</b>		<b>986,333</b>	<b>266,520</b>
25.1 Equity holders Profit/Loss		986,333	266,520
25.2 Minority's Profit/Loss		-	-
<b>Earnings per Share</b>	<b>3-XXIII</b>	<b>5.3315</b>	<b>1.4406</b>

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

## Dünya Varlık Yönetim Anonim Şirketi

For Year Ending December 31, 2023 and December 31, 2022

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	Audited
	Current Period	Prior Period
Profit or loss and other comprehensive income	December 31, 2023	December 31, 2022
<b>I. PROFIT OR LOSS FOR THE PERIOD</b>	<b>986,333</b>	<b>266,520</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>(7,336)</b>	<b>(5,476)</b>
<b>2.1 Items not to be reclassified to profit / loss</b>	<b>(7,160)</b>	<b>(4,104)</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	(10,228)	(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	3,068	1,368
<b>2.2 Items to be reclassified to profit or loss</b>	<b>(176)</b>	<b>(1,372)</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	(251)	(1,829)
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	75	457
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>978,997</b>	<b>261,044</b>

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



# Dünya Varlık Yönetim Anonim Şirketi

For Year Ended December 31, 2023 and December 31, 2022

## 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							Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Shareholders' Equity Before Minority Shares	Minority Shares	Total Shareholders Equity
	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	Income Items Not Reclassified Through Other Profit or (Loss)	Foreign Currency Translation Differences	Fair Value 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)	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)									
Current Period (31/12/2023)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
I. Prior Period End Balance	185,000	17,099	-	-	-	(4,104)	-	-	-	-	176	14,415	404,887	266,520	-	883,993	-	883,993		
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	-	-	-	(4,104)	-	-	-	-	176	14,415	404,887	266,520	-	883,993	-	883,993		
IV. Total Comprehensive Income	-	-	-	-	-	(7,160)	-	-	-	-	(176)	-	-	986,333	-	978,997	-	978,997		
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
11.1 Dividends paid	-	-	-	-	-	-	-	-	-	-	-	266,520	(266,520)	-	-	-	-	-		
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	266,520	(266,520)	-	-	-	-	-		
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Period-End Balance (I+II+III+...+XI+XII+XIII+XIV)	185,000	17,099	-	-	-	(11,264)	-	-	-	-	-	14,415	671,407	986,333	-	1,862,990	-	1,862,990		

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

# Dünya Varlık Yönetim Anonim Şirketi

For Year Ended December 31, 2023 and December 31, 2022

## 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					Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Shareholders' Equity Before Minority Shares	Minority Shares	Total Shareholders Equity
	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)						
I. Current Period (31/12/2022)																
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 (section three, note XXIV)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted Beginning Balance	185,000	17,099	-	-	-	-	-	-	-	1,548	14,340	342,696	62,539	623,222	-	623,222
III. (I+II)										(1,372)	-	-	266,520	261,044	-	261,044
IV. Total Comprehensive Income	-	-	-	-	-	(4,104)	-	-	-	-	-	-	-	-	-	-
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 (*)	-	-	-	-	-	-	-	-	-	-	75	(348)	-	(273)	-	(273)
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	62,539	(62,539)	-	-	-
11.1 Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	62,539	(62,539)	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance (I+II+III+...+XVI+XVII+XVIII)	185,000	17,099	-	-	-	(4,104)	-	-	-	176	14,415	404,887	266,520	883,993	-	883,993

(\*) With the decision registered on 7 April 2022 and published in the Turkish Trade Registry Gazette numbered 12 April 2022 and 10557, Hisar Strategic Investments Holding A.Ş. was merged to the Company under the legal entity Dünya Varlık Yönetim A.Ş. on 7 April 2022, by a transfer transaction. The merger effect of (273) TL was recognized under equity account.

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

## Dünya Varlık Yönetim Anonim Şirketi

For Year Ended 31 December 2023 and 31 December 2022

### Cash Flow 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
	Notes	January 1, -	January 1, -
	(5)	December 31, 2023	December 31, 2022
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities</b>		<b>991,315</b>	<b>398,247</b>
1.1.1 Interest received		1,999,955	849,838
1.1.2 Interest paid		(181,306)	(125,439)
1.1.3 Dividend received		-	-
1.1.4 Fees and commissions received		-	-
1.1.5 Other income		25,668	7,413
1.1.6 Collection from previously written off loans		-	-
1.1.7 Cash payments to personnel and service suppliers		(384,230)	(190,202)
1.1.8 Taxes paid		(287,751)	(73,921)
1.1.9 Other	(3)	(181,021)	(69,442)
<b>1.2 Changes in operating assets and liabilities</b>		<b>(1,176,829)</b>	<b>(209,553)</b>
1.2.1 Net decrease in securities held for trading		-	-
1.2.2 Net (increase)/decrease in financial assets valued at fair value through profit or loss		41,612	(41,625)
1.2.3 Net (increase)/decrease in due to banks		-	-
1.2.4 Net (increase)/decrease in loans		(1,234,415)	(189,686)
1.2.5 Net (increase)/decrease in other assets		24,168	(48,783)
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)	(8,194)	70,541
<b>I. Net cash used in Company's operations</b>		<b>(185,514)</b>	<b>188,694</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash from investing activities</b>		<b>(24,730)</b>	<b>(31,985)</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		(25,485)	(37,376)
2.4 Sales of tangible assets		585	4,171
2.5 Cash paid for purchase of financial assets measured at FVOCI		170	1,220
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		-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash from financing activities</b>		<b>141,721</b>	<b>(17,721)</b>
3.1 Cash obtained from funds borrowed and securities issued		1,222,891	552,880
3.2 Cash used from repayment of funds borrowed and securities issued		(1,073,911)	(567,142)
3.3 Debt securities issued (increase of capital)		-	-
3.4 Dividend payments		-	-
3.5 Payment for financial leases		(7,259)	(3,459)
3.6 Other		-	-
<b>IV. Effect of foreign exchange rate on cash and cash equivalents</b>		<b>8,916</b>	<b>1,192</b>
<b>V. Net increase/(decrease) in cash and cash equivalents</b>		<b>(59,607)</b>	<b>140,180</b>
<b>VI. Cash and cash equivalents at the beginning of the period</b>	(2)	<b>234,268</b>	<b>94,088</b>
<b>VII. Cash and cash equivalents at the end of the period</b>	(2)	<b>174,661</b>	<b>234,268</b>

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

## Dünya Varlık Yönetim Anonim Şirketi

For Year Ended 31 December 2023 and 31 December 2022

### 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, 2023 (*)	December 31, 2022(**)
<b>I.</b>	<b>Distribution of current year profit</b>		
1.1	Current period profit	1,423,383	386,395
1.2	Taxes and legal duties payable (-)	(437,050)	(119,875)
1.2.1	Corporate tax (income tax)	(262,918)	(73,376)
1.2.2	Withholding tax	-	-
1.2.3	Other taxes and duties	(174,132)	(46,499)
<b>A.</b>	<b>Net profit for the period (1.1-1.2)</b>	<b>986,333</b>	<b>266,520</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>986,333</b>	<b>266,520</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>5.3315</b>	<b>1.4406</b>
3.1	To owners of ordinary shares	5.3315	1.4406
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, 2023, the Company has deferred tax expense amounting to TL 262,918 arising from current tax provision and deferred tax expense amounting to TL 174,132 arising from deferred tax assets .

(\*\*) On April 4, 2023, the General Assembly unanimously decided not to distribute the profit for the year 2023.

## **Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2023 and December 31, 2022

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 Hyperinflationary Economies" requires entities whose functional currency is the currency of a hyperinflationary economy to report their financial statements in terms of the purchasing power of money at the end of the reporting period. Based on the announcement made by the Public Oversight Accounting and Auditing Standards Authority (POA) on November 23, 2023, entities applying Turkish Financial Reporting Standards (TFRS) are required to present their financial statements for the annual reporting period ending on or after December 31, 2023, adjusted for the effects of inflation in accordance with the accounting principles in "TAS 29 Financial Reporting in Hyperinflationary Economies". In the same statement, it is stated that institutions or organizations authorized to regulate and supervise in their fields may determine different transition dates for the application of inflation accounting, and in this context, the Banking Regulation and Supervision Agency (BRSA); In accordance with the Board decision dated December 12, 2023; banks and financial leasing, factoring, financing, savings financing and asset management companies announced that their financial statements as of December 31, 2023 will not be subject to inflation adjustment. Accordingly, "TAS 29 Financial Reporting in Hyperinflationary Economies" has not been applied in the financial statements of December 31, 2023

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

The financial statements were approved by the Board of Directors on February 12, 2024. 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, necessary classifications have been made in the previous period cash flow table in order to be compatible with the current period cash flow table.

## **Dünya Varlık Yönetim Anonim Şirketi**

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### **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, 2023 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRS interpretations effective as of January 1, 2023 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, 2023 are as follows:**

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

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of “accounting estimates”. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date. The amendments did not have a significant impact on the financial position or performance of the Company.

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

In August 2021, POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. In the absence of a definition of the term ‘significant’ in IFRS, the POA decided to replace it with ‘material’ in the context of disclosing accounting policy information. ‘Material’ is a defined term in IFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added. The amendments did not have a significant impact on the financial position or performance of the 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.

## **Dünya Varlık Yönetim Anonim Şirketi**

As of December 31, 2023 and December 31, 2022

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(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) The new standards, amendments and interpretations which are effective as of January 1, 2023 (continued)**

##### **Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules**

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments. However, certain disclosure requirements are not required to be applied for any interim period ending on or before December 31, 2023. 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, 2024 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**

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(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) Standarts issued but not yet effective and not early adopted (continued)**

##### **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. 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 January 1, 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16. Overall, the Company expects no significant impact on its balance sheet and equity.

##### **Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements**

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments will be effective for annual reporting periods beginning on or after January 1, 2024. Early adoption is permitted but will need to be disclosed. Overall, the Company expects no significant impact on its balance sheet and equity.

#### **iii) The new amendments that are issued by the International Accounting Standarts Board (IASB) but not issued by Public Overnight Authority (POA)**

The following amendments to IAS 21 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Company will make the necessary changes to its financial statements after the amendments are issued and become effective under TFRS.

##### **Amendments to IAS 21 - Lack of exchangeability**

In August 2023, IASB issued amendments to IAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows. Overall, the Company expects no significant impact on its balance sheet and equity.



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

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

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

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, 2023 and December 31, 2022, the exchange rates used in converting foreign currency transactions into Turkish currency and reflecting them in the financial statements are as follows:

<b>Year</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Euro	32.5739	19.9349
US Dollar	29.4382	18.6983

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

As of December 31, 2023, the company has no derivative transactions. (December 31, 2022: 8,000 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.

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### **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, 2023, the Company has no financial assets held at fair value other than securities. As of December 31, 2023, it has financial assets held at fair value of 15 TL (December 31, 2022: 41,625 TL).

#### *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, 2023 and December 31, 2022, the Company does not have any financial assets held at fair value through other comprehensive income.

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### **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, 2023 and December 31, 2022, there are no securities subject to repo, securities subject to reverse repo, or securities subject to lending.

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### **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. Assets held for sale, resulting from legal actions related to financial assets with low credit ratings at the time of purchase or creation, such as real estate, land, and fields, are included in the Company's assets.

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, 2023, the Company has a total of 3,921 TL in assets held for sale (as of December 31, 2022 – 4,578 TL). Gains from the sale of assets held for sale are recognized in the income statement under the "other operating income" account.

As of December 31, 2023, and December 31, 2022, 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, 2023, there is no goodwill amount disclosed in the attached financial statements.

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:

<b>Tangible Assets</b>	<b>Estimated Useful Life (years)</b>
Buildings	10
Fixtures	2-50
Transport Vehicles	3-5
Special Costs	3-15

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.

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

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.

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### **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**

In accordance with the applicable labor law in Turkey, the Company is obliged to pay a determined amount to the personnel who leave the job due to retirement or whose employment is terminated for reasons other than resignation and misbehavior.

Moreover, in accordance with the Labor Law, in case the employment contract is terminated for any reason, the Company is obliged to pay the employees or their beneficiaries the remunerations for the annual paid leave periods that they are entitled to but do not use, based on their wages on the date of termination of the contract.

In the accompanying financial statements, the Company has calculated and recognized for severance pay provision in accordance with the "Turkish Accounting Standard on Employee Benefits" ("TAS 19") using a statistical model. TAS 19 requires the Company's liabilities to be calculated using actuarial valuation methods within the scope of defined benefit plans. The severance pay obligation recognized in the balance sheet is calculated according to the net present value of the liability amounts expected to arise in the future due to the retirement of all employees and reflected in the financial statements. Calculated actuarial gains and losses are recognized in the other comprehensive income statement.

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

#### **Corporate tax**

Corporate profits are subject to a corporate tax rate of 30% (2022: 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.

With Article 17 of the Omnibus Law published in the Official Gazette dated 28 December 2023, companies within the scope of the Law on Banks, Financial Leasing, Factoring, Financing and Savings Finance Companies, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, Capital market institutions, insurance and reinsurance companies and pension companies will apply inflation accounting in accordance with the Tax Procedure Law as of December 31, 2023 and the profit/loss difference arising from inflation adjustments made in the 2024 and 2025 accounting periods, including the temporary tax periods, will not be taken into consideration in determining the tax base.

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### **XVI. Explanations on taxation (continued):**

There is no practice of reaching an agreement with tax authorities regarding taxes to be paid in Turkey. Corporate income tax returns must be submitted to the relevant tax office by the 25th day of the fourth month following the end of the accounting period. However, authorities with the power to conduct tax audits may review accounting records within a five-year period, and if errors are detected, the amount of tax payable may change. With the "Law Amending the Tax Procedure Law and Corporate Tax Law," approved by the Turkish Grand National Assembly on

#### ***Deferred tax liability / asset(continued)***

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, 2023, the applicable corporate tax rate is 30%, so a 30% tax rate is used for temporary differences (as of December 31, 2022: 25%). The deferred tax liability reflected in the Company's financial statements as of December 31, 2023, is 333,308 TL (as of December 31, 2022 – 162,220 TL 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, 2023, the Company does not have issued shares.

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

As of December 31, 2023, the Company does not have any avalized drafts or acceptances.

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

As of December 31, 2023, the total employer contribution benefit under Law No. 5510 on Social Insurance and General Health Insurance is 8,635 TL (as of December 31, 2022: 3,880 TL).

As of December 31, 2023, the total benefit under Law No. 6111 on Restructuring Some Receivables, and Changes to the Social Insurance and General Health Insurance Law, and Some Other Laws and Decree-Laws is 701 TL as part of the Additional Employment Incentive (as of December 31, 2022: 309 TL).

As of December 31, 2023, the total benefit under the Incentive No. 15510 - EYT- SGDP Employer Share Five-Point Premium Incentive is 310 TL (as of December 31, 2022: Not applicable).

As of December 31, 2023, the total benefit under Law No. 4857 on Employment regarding the Employer Share Premium Incentive for Employing Disabled Insured Persons is 100 TL (as of December 31, 2022: 43 TL).

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

Explained in fourth section footnote VI.

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### **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.

Business combinations subject to joint control are not within the scope of "TFRS 3 – Business Combinations," and the companies, in such cases, apply the pooling-of-interests method according to the "Principle Decision on the Accounting of Business Combinations Subject to Joint Control," published in the Official Gazette numbered 28714 and dated July 21, 2013 by the Public Oversight, Accounting and Auditing Standards Authority. However, considering the materiality criterion, the comparative financial statements were not reorganized for the past periods for the merger with Hisar Stratejik Yatırımlar Holding A.Ş., as recorded on April 7, 2022, and published in the Official Gazette of Turkey Trade Registry with number 10557 on April 12, 2022.



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**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, 2022
Distributable net profit / (loss) to ordinary shareholders	986,333	266,520
Weighted average number of ordinary shares in issue (Thousand)	185,000	185,000
<b>Profit / (loss) per share (expressed in full tl)</b>	<b>5.3315</b>	<b>1.4406</b>

The Company has no bonus shares issued in 2023 (December 31, 2022 – None).

**XXIV. Accounting estimates and assumptions:**

Management has made judgments, estimates, and assumptions regarding the application of the Company's accounting policies and the amounts of reported assets, liabilities, income, and expenses while preparing the financial statements. Actual amounts may differ from estimated amounts. Estimates and related assumptions are continuously reviewed. Changes in estimates are accounted for prospectively.

**Assumptions**

Significant information about the application of accounting policies based on professional judgments that have a significant impact on the amounts recorded in the financial statements is disclosed in the notes below:

- Note 4 –Assumptions related to the measurement of financial assets with credit impairment at the time of acquisition or creation;
- Note 5.b – Recognition of deferred tax assets: Availability of future taxable profits that can be used based on temporary differences.

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### **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, 2023, the maximum credit risk amount of the Company is TL 3,096,211 (December 31, 2022 - TL 1,662,296).

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### 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, 2023	EUR	USD	GBP	Total
<b>Current period</b>				
<b>Assets</b>				
Banks	3,385	18,479	23	21,887
Other assets	-	-	-	-
<b>Total assets</b>	<b>3,385</b>	<b>18,479</b>	<b>23</b>	<b>21,887</b>
Other liabilities	-	(625)	-	(625)
<b>Total liabilities</b>	<b>-</b>	<b>(625)</b>	<b>-</b>	<b>(625)</b>
<b>Net balance sheet position</b>	<b>3,385</b>	<b>17,854</b>	<b>23</b>	<b>21,262</b>
<b>Net off-balance sheet position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>December 31, 2022</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	1,868	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>

The Company, as it tracks the credit portfolios it acquires in foreign currency in TL from the acquisition date and collects them in TL, is not exposed to exchange rate risk from credit portfolio receivables.

Assuming that, as of December 31, 2023, the TL depreciates by 10% against other currencies, with all other variables remaining constant, the resulting net exchange rate gain / (loss) from assets and liabilities denominated in foreign currency and the increase / (decrease) in equity and net income for the period are presented in the table below. The principles used in the sensitivity analysis are also applied for December 31, 2022.

	December 31, 2023		December 31, 2022	
	Gain / (loss)	Equity (*)	Gain / (loss)	Equity (*)
Euro	339	339	124	124
US Dollar	1,785	1,785	1,097	1,097
Other FX	2	2	(12)	(12)
<b>Total</b>	<b>2,126</b>	<b>2,126</b>	<b>1,209</b>	<b>1,209</b>

(\*) Includes income/expense calculation.

Assuming a 10% appreciation of the Turkish Lira against other currencies, with all other variables remaining constant, the impact from assets and liabilities denominated in foreign currency would be of the same amount as shown in the table above, but in the opposite direction for the financial periods ending on December 31, 2023, and December 31, 2022.

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### 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, 2023	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	-	-	-	-	-	-	-	-
Banks (*)	37,416	137,713	-	-	-	-	-	175,129
Financial assets at fair value reflected to profit or loss	-	-	-	-	-	-	15	15
Loans (**)	-	105,890	201,490	732,429	1,719,177	162,081	-	2,921,067
Other assets (***)	-	102	3,349	13,153	2,305	-	95,121	114,030
<b>Total assets</b>	<b>37,416</b>	<b>243,705</b>	<b>204,839</b>	<b>745,582</b>	<b>1,721,482</b>	<b>162,081</b>	<b>95,136</b>	<b>3,210,241</b>
<b>Liabilities</b>								
Funds borrowed	-	40,529	123,355	125,849	69,292	-	-	359,025
Marketable securities issued	-	70,824	-	255,000	75,000	-	-	400,824
Other liabilities	-	370	704	44,151	6,003	565	-	51,793
Lease liabilities	-	140	337	1,549	14,417	22,665	-	39,108
Other liabilities excluding miscellaneous payables (****)	-	105,903	-	-	-	-	390,598	496,501
<b>Total liabilities</b>	<b>-</b>	<b>217,766</b>	<b>124,396</b>	<b>426,549</b>	<b>164,712</b>	<b>23,230</b>	<b>390,598</b>	<b>1,347,251</b>
<b>Liquidity surplus/deficit</b>	<b>37,416</b>	<b>25,939</b>	<b>80,443</b>	<b>319,033</b>	<b>1,556,770</b>	<b>138,851</b>	<b>(295,462)</b>	<b>1,862,990</b>
<b>Prior 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 (**)	-	41,808	96,702	383,779	822,972	39,041	-	1,384,302
Derivative financial assets	-	-	-	170	-	-	-	170
Other assets (***)	-	497	15,410	6,523	11,238	-	86,140	119,808
<b>Total assets</b>	<b>26,158</b>	<b>252,346</b>	<b>112,112</b>	<b>390,472</b>	<b>834,210</b>	<b>39,041</b>	<b>127,765</b>	<b>1,782,104</b>
<b>Liabilities</b>								
Funds borrowed	-	184,095	38,772	176,189	129,026	-	-	528,082
Marketable securities issued	-	-	50,364	-	-	-	-	50,364
Other liabilities	-	823	871	38,011	7,232	357	-	47,294
Lease liabilities	-	373	726	3,291	16,617	15,503	-	36,510
Other liabilities excluding miscellaneous payables (****)	-	45,572	-	-	-	-	190,289	235,861
<b>Total liabilities</b>	<b>-</b>	<b>230,863</b>	<b>90,733</b>	<b>217,491</b>	<b>152,875</b>	<b>15,860</b>	<b>190,289</b>	<b>898,111</b>
<b>Liquidity surplus/deficit</b>	<b>26,158</b>	<b>21,483</b>	<b>21,379</b>	<b>172,981</b>	<b>681,335</b>	<b>23,181</b>	<b>(62,524)</b>	<b>883,993</b>

(\*) Banks balance includes expected loss provisions amounting to (52) TL (December 31, 2022: (87) 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.

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### III. Explanations on liquidity risk (continued):

Liquidity risk is the possibility that the Company may be unable to meet its net funding obligations. Events such as market disruptions or credit rating downgrades that result in a reduction in funding sources can lead to the emergence of liquidity risk. The Group management manages liquidity risk by diversifying funding sources and ensuring a sufficient amount of cash and similar resources to meet existing and potential obligations.

December 31, 2023	Carrying Value	0-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed	Total
Funds borrowed	359,025	176,100	169,830	94,793	-	-	440,723
Marketable securities issued	400,824	85,701	319,371	92,702	-	-	497,774
Lease liabilities	39,108	2,557	7,671	40,910	30,681	-	81,819
<b>Total</b>	<b>798,957</b>	<b>264,358</b>	<b>496,872</b>	<b>228,405</b>	<b>30,681</b>	<b>-</b>	<b>1,020,316</b>
<b>Net charge-off balance sheet</b>	<b>798,957</b>	<b>264,358</b>	<b>496,872</b>	<b>228,405</b>	<b>30,681</b>	<b>-</b>	<b>1,020,316</b>
Receivables from derivative financial assets	-	-	-	-	-	-	-
Liabilities from derivative financial assets	-	-	-	-	-	-	-
<b>Total</b>	<b>798,957</b>	<b>264,358</b>	<b>496,872</b>	<b>228,405</b>	<b>30,681</b>	<b>-</b>	<b>1,020,316</b>

December 31, 2022	Carrying Value	0-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed	Total
Funds borrowed	528,082	239,022	229,375	186,960	-	-	655,357
Marketable securities issued	50,364	53,677	-	-	-	-	53,677
Lease liabilities	36,510	1,328	5,379	39,827	47,403	-	93,937
<b>Total</b>	<b>614,956</b>	<b>294,027</b>	<b>234,754</b>	<b>226,787</b>	<b>47,403</b>	<b>-</b>	<b>802,971</b>
<b>Net charge-off balance sheet</b>	<b>614,956</b>	<b>294,027</b>	<b>234,754</b>	<b>226,787</b>	<b>47,403</b>	<b>-</b>	<b>802,971</b>
Receivables from derivative financial assets	474	-	474	-	-	-	474
Liabilities from derivative financial assets	304	-	304	-	-	-	304
<b>Total</b>	<b>614,786</b>	<b>294,027</b>	<b>234,584</b>	<b>226,787</b>	<b>47,403</b>	<b>-</b>	<b>802,801</b>

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**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, 2023</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	175,129	-	-	175,129
Loans	307,380	732,429	1,881,258	2,921,067
<b>Total assets</b>	<b>482,509</b>	<b>732,429</b>	<b>1,881,258</b>	<b>3,096,196</b>
<b>Liabilities</b>				
Funds borrowed	163,884	125,849	69,292	359,025
Marketable securities issued	70,824	255,000	75,000	400,824
Payables from leasing transaction	477	1,549	37,082	39,108
<b>Total liabilities</b>	<b>235,185</b>	<b>382,398</b>	<b>181,374</b>	<b>798,957</b>
<b>Net position (*)</b>	<b>247,324</b>	<b>350,031</b>	<b>1,699,884</b>	<b>2,297,239</b>
<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
Loans	138,510	383,779	862,013	1,384,302
<b>Total assets</b>	<b>374,709</b>	<b>383,779</b>	<b>862,013</b>	<b>1,620,501</b>
<b>Liabilities</b>				
Funds borrowed	222,867	176,189	129,026	528,082
Marketable securities issued	50,364	-	-	50,364
Payables from leasing transaction	1,099	3,291	32,120	36,510
<b>Total liabilities</b>	<b>274,330</b>	<b>179,480</b>	<b>161,146</b>	<b>614,956</b>
<b>Net position (*)</b>	<b>100,379</b>	<b>204,299</b>	<b>700,867</b>	<b>1,005,545</b>

(\*) Items without interest sensitivity are excluded.

As of December 31, 2023 and December 31, 2022 the Company’s average interest rates are as follows;

	<b>December 31, 2023 TL (%)</b>	<b>December 31, 2022 TL (%)</b>
Banks (Deposit Accounts)	42.06	18.96
Loans	49.59	50.70
Derivative financial assets	-	19.60
Funds borrowed	27.94	22.77
Marketable securities issued	42.08	23.17

As of December 31, 2023, if the interest rates denominated in TL were 100 basis points higher/lower, and all other variables remained constant, the pretax profit would decrease by 199 TL (December 31, 2022: 3,436 TL) or increase by 199 TL (December 31, 2022: 3,436 TL) due to variable interest-bearing financial assets and liabilities.

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### 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 cash and cash equivalents and miscellaneous payables are short term, it is assumed that carrying value approximates fair value.

The estimated fair value of the receivables and marketable securities issued are calculated by using discounted cash flows using current market interest rates.

The fair value of the company's non-performing loan portfolio calculated as a result of discounting the expected future collections with a rate based on the risks by taking into account other risks too.

	Carrying value Current period December 31, 2023	Fair value Current period December 31, 2023	Carrying value Prior period December 31, 2022	Fair value Prior period December 31, 2022
<b>Financial Assets</b>				
Cash and cash equivalents	-	-	1	1
Banks, net	175,129	175,129	236,198	236,198
Loans	2,921,067	2,711,186	1,384,302	1,495,003
Derivative financial assets	-	-	170	170
<b>Financial Liabilities</b>				
Funds borrowed	359,025	340,462	528,082	567,940
Marketable securities issued (net)	400,824	358,547	50,364	50,608
Miscellaneous payables	51,793	51,793	47,294	47,294

(\*) As of December 31, 2023, 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, 2022: 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, 2023, and December 31, 2022, 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	-	-	-	-
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	15	-	-	15
<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	-	170	-	170
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	41,625	-	-	41,625

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**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.

<b>January 1 – December 31, 2023</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
Income from purchased loan portfolios (interest on loans – expected credit loss )	472,223	1,707,797	2,180,020
Interest income from banks	26,172	94,650	120,822
Interest on funds borrowed	(29,940)	(108,276)	(138,216)
Interest on marketable securities issued	(16,357)	(59,155)	(75,512)
Fee and commission expense (net)	(3,238)	(11,708)	(14,946)
Personel expenses	(8,115)	(262,382)	(270,497)
Trading account profit/loss (net)	1,075	3,888	4,963
Interest on derivatives operations	-	-	-
Foreign exchange gain/loss	267	8,649	8,916
Other operations income	896	28,966	29,862
Other operating expenses and other provision expenses	(12,661)	(409,368)	(422,029)
<b>Profit/(loss) before tax</b>	<b>430,322</b>	<b>993,061</b>	<b>1,423,383</b>

<b>January 1 – December 31, 2022</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
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 on funds borrowed	(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)	(141,978)	(146,409)
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)	(156,365)	(161,162)
<b>Profit/(loss) before tax</b>	<b>117,341</b>	<b>269,054</b>	<b>386,395</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.

<b>December 31, 2023</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
Loans	859,441	2,061,626	2,921,067
Assets held for sale and discontinued operations	3,921	-	3,921
<b>December 31, 2022</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
Loans	307,425	1,076,877	1,384,302
Assets held for sale and discontinued operations	4,580	-	4,580



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### 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, 2023		December 31, 2022	
	TL	FC	TL	FC
Cash/Effective	-	-	1	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>

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

	December 31, 2023		December 31, 2022	
	TL	FC	TL	FC
Banks	153,294	21,887	223,214	13,071
Domestic (*)	153,294	21,887	223,214	13,071
Expected credit losses	(52)	-	(87)	-
<b>Total</b>	<b>153,242</b>	<b>21,887</b>	<b>223,127</b>	<b>13,071</b>

As of December 31, 2023, the Company has term deposits amounting to 137,713 TL. (December 31, 2022: 212,059 TL). The interest rates on term deposits range from 40% to 43%. (December 31, 2022: 10% to 26%) The maturity dates of the term deposits are between 2 January 2024 and 29 January 2024. (December 31, 2022: January 2 to January 23)

The table for the expected loss provision movement as of December 31, 2023 and December 31, 2022 is as follows;

	December 31, 2023	December 31, 2022
Beginning of period	87	9
Cancellations	(35)	-
Additional provisions	-	78
<b>End of the period</b>	<b>52</b>	<b>87</b>

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

	December 31, 2023		December 31, 2022	
	TL	FC	TL	FC
Mutual fund	15	-	14,487	-
Stock	-	-	27,138	-
<b>Toplam</b>	<b>15</b>	<b>-</b>	<b>41,625</b>	<b>-</b>

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

a) Expected credit loss for loans: As of December 31, 2023, the expected credit loss recognized in the financial statements is TL 8,731 (December 31, 2022 - TL 38).

a) Information on subordinated loans (Net):

- 1) As of December 31, 2023, 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.

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**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, 2023 (TL)	Carrying value as of December 31, 2022 (TL)
<b>DÜNYA VARLIK</b>						
2008 Portfolios	2008	TL	804,651	121,750	33,618	31,976
2008 Portfolios	2008	USD	11,988	6,850	280,588	111,406
2009 Portfolios	2009	TL	183,223	18,000	8,461	3,953
2010 Portfolios	2010	TL	1,124,720	96,721	93,847	38,698
2011 Portfolios	2011	TL	836,263	76,691	34,285	22,759
2012 Portfolios	2012	TL	1,459,358	148,564	156,510	75,115
2013 Portfolios	2013	TL	1,055,823	119,682	81,009	72,407
2014 Portfolios	2014	TL	1,531,296	181,249	122,170	130,027
2015 Portfolios	2015	TL	733,645	69,281	42,681	47,364
2016 Portfolios	2016	TL	1,763,428	167,343	178,971	182,153
2017 Portfolios	2017	TL	1,447,828	106,985	114,918	124,356
2018 Portfolios	2018	TL	1,877,091	95,800	145,860	137,829
2019 Portfolios	2019	TL	1,647,485	159,902	138,390	127,572
2020 Portfolios	2020	TL	185,540	17,310	16,858	14,049
2021 Portfolios	2021	TL	357,619	80,401	85,350	78,246
2022 Portfolios	2022	TL	828,418	189,686	178,388	186,392
2023 Portfolios	2023	TL	2,771,155	1,234,415	1,209,163	-
					<b>2,921,067</b>	<b>1,384,302</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, 2023	January 1, - December 31, 2022
Balances at beginning of period	1,384,302	1,224,666
Loan interest income	2,188,694	799,431
Purchased portfolios on current period	1,234,415	189,686
Expected loss provisions/reversals	(8,674)	1,598
Collections made during the period	(1,877,670)	(831,079)
<b>Balances at the end of period</b>	<b>2,921,067</b>	<b>1,384,302</b>

As of December 31, 2023, and December 31, 2022, the details of the Company's undiscounted overdue receivables are as follows;

	Book value	0-3 months	3-12 months	1-5 years	5 years and over	Total
December 31, 2023 Loans	2,921,067	319,713	888,406	3,482,880	1,369,346	6,060,345
December 31, 2022 Loans	1,384,302	144,421	471,635	1,746,227	333,583	2,695,866

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### 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 October 17, 2018. 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.

### 6. Explanations Regarding Tangible Assets:

The movement table for tangible assets and related accumulated depreciation accounts for the periods ending on December 31, 2023 and December 31, 2022 is as follows:

	Buildings	Fixtures	Vehicles	Leaseholds improvements	Total
<b>Net book value of December 31, 2021</b>	<b>23,149</b>	<b>2,964</b>	<b>3,561</b>	<b>8,855</b>	<b>38,529</b>
Additions	11,449	16,136	7,313	5,993	40,891
Disposals	-	(440)	(800)	-	(1,240)
Current depreciation expense	(2,752)	(1,930)	(2,093)	(2,181)	(8,956)
<b>Net book value of December 31, 2022</b>	<b>31,846</b>	<b>16,730</b>	<b>7,981</b>	<b>12,667</b>	<b>69,224</b>
Cost	34,598	28,658	11,702	15,318	90,276
Accumulated depreciation	(2,752)	(11,928)	(3,721)	(2,651)	(21,052)
<b>Net book value as of December 31, 2022</b>	<b>31,846</b>	<b>16,730</b>	<b>7,981</b>	<b>12,667</b>	<b>69,224</b>
<b>Net book value of December 31, 2022</b>	<b>31,846</b>	<b>16,730</b>	<b>7,981</b>	<b>12,667</b>	<b>69,224</b>
Additions	15,415	7,008	-	162	22,585
Disposals	(7,858)	(104)	(77)	-	(8,039)
Current depreciation expense	(3,225)	(4,629)	(2,953)	(3,000)	(13,807)
<b>Net book value as of December 31, 2023</b>	<b>36,178</b>	<b>19,005</b>	<b>4,951</b>	<b>9,829</b>	<b>69,963</b>
Cost	42,155	35,562	11,625	15,479	104,821
Accumulated depreciation	(5,977)	(16,557)	(6,674)	(5,650)	(34,858)
<b>Net book value as of 31 Decembre 2023</b>	<b>36,178</b>	<b>19,005</b>	<b>4,951</b>	<b>9,829</b>	<b>69,963</b>

As of December 31, 2023 and December 31, 2022, the Company does not have any mortgages or liens on its tangible fixed assets. Current period depreciation expenses are recorded under the "other operating expenses" account in the income statement.

Buildings represent assets arising from leases of the right to use.

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**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, 2023 and December 31, 2022 is as follows:

	Softwares	Total
<b>Net book value of December 31, 2021</b>	<b>9,232</b>	<b>9,232</b>
Additions	7,934	7,934
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>
Cost	35,619	35,619
Accumulated amortization	(23,281)	(23,281)
<b>Net book value as of December 31, 2022</b>	<b>12,338</b>	<b>12,338</b>
<b>Net book value of December 31, 2022</b>	<b>12,338</b>	<b>12,338</b>
Additions	18,315	18,315
Current amortization expense	(9,416)	(9,416)
<b>Net book value as of December 31, 2023</b>	<b>21,237</b>	<b>21,237</b>
Cost	53,934	53,934
Accumulated amortization	(32,697)	(32,697)
<b>Net book value as of December 31, 2023</b>	<b>21,237</b>	<b>21,237</b>

The current period amortization expenses are recorded in the income statement under the account 'other operating expenses.

**8. Deferred Tax Asset Explanations:**

As of December 31, 2023, the Company does not have any net deferred tax assets reflected in its financial statements (as of December 31, 2022 - None).

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

As of December 31, 2023, the Company has assets held for sale amounting to 3,921 TL, and there are no discontinued operations (as of December 31, 2022 - 4,578 TL in assets held for sale, and no discontinued operations).

The movement table for the periods ending on December 31, 2023 and December 31, 2022, related to the Company's assets held for sale, is as follows:

	2023	January 1, – December 31,	January 1, – December 31, 2022
<b>Net book value at beginning of period</b>		<b>4,578</b>	<b>6,419</b>
Addition		3,728	4,175
Disposal		(4,385)	(6,016)
<b>Closing net book value</b>		<b>3,921</b>	<b>4,578</b>

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

As of December 31, 2023, and December 31, 2022, the details of derivative transactions reflected in the Company's financial statements are as follows.

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	-	-	-

**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)

December 31, 2023	Contract amount	Asset	Liabilities
Interest rate swap	-	-	-
December 31, 2022	Contract amount	Asset	Liabilities
Interest rate swap	8,000	170	-

**11. Other Asset Information:****a) Other Asset**

	December 31, 2023	December 31, 2022
Prepaid expenses (*)	15,459	7,517
Receivables from employees	2,329	153
Receivables from law firms	743	259
Receivables from execution offices	378	2,329
Miscellaneous receivables	-	15,493
Provided collaterals	-	7,917
<b>Total</b>	<b>18,909</b>	<b>33,668</b>

(\*) Within the prepaid expenses account, payments made include health insurance, maintenance and repair expenses, etc.

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

	December 31, 2023		December 31, 2022	
	TL	FC	TL	FC
Domestic banks and institutions	251,316	-	416,650	-
Foreign banks, institutions, and funds	107,709	-	111,432	-
<b>Total</b>	<b>359,025</b>	<b>-</b>	<b>528,082</b>	<b>-</b>

**Dünya Varlık Yönetim Anonim Şirketi**

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**II Explanation and Notes for the Liabilities of the Balance Sheet(continued)****1.b) Information Regarding Funds borrowed:**

	December 31, 2023		December 31, 2022	
	TL	FC	TL	FC
Short term	289,733	-	399,056	-
Medium and long term	69,292	-	129,026	-
<b>Total</b>	<b>359,025</b>	<b>-</b>	<b>528,082</b>	<b>-</b>

The movement table for Funds borrowed are as follows:

	January 1, – December 31, 2023	January 1, – December 31, 2022
Opening balance	528,082	375,636
Funds borrowed and accrued interest	931,216	605,445
Principal repaid	(973,911)	(357,842)
Interest paid	(126,362)	(95,157)
<b>Ending balance</b>	<b>359,025</b>	<b>528,082</b>

As of December 31, 2023, one of the loans received by the Company has security clauses (December 31, 2022: 2). It has been observed that the Company fulfills the assurance conditions as of December 31, 2023 and December 31, 2022.

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

As of December 31, 2023, and December 31, 2022, the average interest rates for the loans obtained by the Company are as follows:

	December 31, 2023		December 31, 2022	
	TL	FC	TL	FC
Domestic loans obtained (%)	27.63	-	21.54	-
Foreign loans obtained (%)	32.58	-	25.87	-

**2. Information Regarding Marketable Securities Issued:****December 31, 2023**

ISIN Code	Issued date	Nominal value of issued	Book Value	Maturity date	Sales method	Coupon period
TRFDVYS12417	6 July 2023	50,000 TL	49,892 TL	2 January 2024	Sale to qualified investors	Variable coupon payments every 3 months
TRSDVYS72513	19 July 2023	75,000 TL	83,363 TL	18 July 2025	Sale to qualified investors	Variable coupon payments every 3 months
TRFDVYS52413	17 August 2023	130,000 TL	136,251 TL	16 May 2025	Sale to qualified investors	Variable coupon payments every 3 months
TRFDVYS82410	17 August 2023	125,000 TL	131,318 TL	15 August 2024	Sale to qualified investors	Variable coupon payments every 3 months
<b>Total</b>		<b>380,000 TL</b>	<b>400,824 TL</b>			

**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>			

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**II Explanations and Notes for the Liabilities of the Balance Sheet (continued):****2. Information Regarding Marketable Securities Issued (continued) :**

The table of movements for issued marketable securities is as follows:

	January 1, – December 31, 2023	January 1, – December 31, 2022
Opening balance	50,364	215,094
Issued securities and accrued interest	505,404	74,852
Principal repaid	(100,000)	(209,300)
Interest paid	(54,944)	(30,282)
<b>Ending balance</b>	<b>400,824</b>	<b>50,364</b>

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

- a) **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, 2022 - Not applicable).

**b) Explanations Regarding Miscellaneous Payables:**

	December 31, 2023	December 31, 2022
Shared portfolio liabilities	10,200	12,665
Accrued expenses	9,879	7,459
Undetermined receipts	9,413	9,346
Liabilities to law firms	8,327	1,864
Deferred income	7,815	11,728
Accounts payable	4,850	2,203
Other	1,309	2,029
<b>Total</b>	<b>51,793</b>	<b>47,294</b>

**4. Explanations Regarding Provisions:**

The details of the employee rights account are as follows:

	December 31, 2023	December 31, 2022
Employee bonus payments	33,097	15,667
Provisions for employment termination benefits	13,253	6,195
Unused vacation provision	8,548	4,207
Employee litigation provisions	2,392	2,000
<b>Total</b>	<b>57,290</b>	<b>28,069</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 23,489 full TL as of December 31, 2023 (December 31, 2022 – 15,371 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, 2023	December 31, 2022
Discount rate, net	3.39%	3.90%

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**II Explanations and Notes for the Liabilities of the Balance Sheet (continued)****4. Explanations Regarding Provisions (continued):**

The movement of the severance pay provision account for the periods ended December 31, 2023, and December 31, 2022 is presented below:

	January 1, – December 31, 2023	January 1, – December 31, 2022
Opening balance	6,195	3,319
Interest rate cost	1,875	706
Service cost	1,357	590
Special termination benefits paid (*)	787	-
Paid in period	(7,189)	(3,892)
Actuarial gain/loss	10,228	5,472
<b>Ending balance</b>	<b>13,253</b>	<b>6,195</b>

(\*) The impact of the legislation enacted on March 3, 2023, regarding the retirement age requirement, on the severance pay obligation.

The movement of the vacation provision account for the periods ended December 31, 2023, and December 31, 2022 is presented below:

	January 1, – December 31, 2023	January 1, – December 31, 2022
Opening balance	4,207	2,311
Usage/payment	(1,684)	(1,118)
Current expense	6,025	3,014
<b>Ending balance</b>	<b>8,548</b>	<b>4,207</b>

The movements related to premium payments for the periods ended December 31, 2023, and December 31, 2022 are presented below:

	January 1, – December 31, 2023	January 1, – December 31, 2022
Opening balance	15,667	5,473
Payment	(11,006)	(5,856)
Additional provision	28,436	16,050
<b>Ending balance</b>	<b>33,097</b>	<b>15,667</b>

The movements related to employee litigation provisions for the periods ended December 31, 2023 and December 31, 2022 are presented below:

	January 1, – December 31, 2023	January 1, – December 31, 2022
Opening balance	2,000	-
Additional provision	530	2,000
Provision cancellation income	(138)	-
<b>Ending balance</b>	<b>2,392</b>	<b>2,000</b>



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

Based on the Company's transactions for the 2023, tax liabilities (amounts to be paid for social security premiums) are as follows;

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Corporate income tax payable	79,900	33,188
Banking insurance transaction tax	10,599	5,242
Tax base increase debt under law no. 7440	3,550	-
Value added tax payable	125	1,072
Other (*)	11,729	6,070
<b>Total</b>	<b>105,903</b>	<b>45,572</b>

(\*) As of December 31, 2023, there are income tax of 3,459 TL (December 31, 2022 – 2,080 TL), freelance withholding tax of 3,028 TL (December 31, 2022 – 1,142 TL), stamp duty of 111 TL (December 31, 2022 – 67 TL), and social security premium debts of 5,131 TL (December 31, 2022 – 2,781 TL) within the 'Other' category.

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

**b) Information Regarding Deferred Tax Liability (continued):** As of December 31, 2023, the net deferred tax liability reflected in the Company's financial statements is 333,308 TL. This amount is primarily calculated based on the book value and acquisition cost difference of the credit portfolio, provisions for severance and leave, and the discounted value difference of utilized loans (as of December 31, 2022, there was a deferred tax liability of 162,220 TL). Corporate profits are subject to a corporate tax rate of 30% (2022: 25%). This rate is applied to the taxable income determined by adding non-deductible expenses under tax laws to the commercial income of companies, along with the addition of exemptions (such as participation exemptions) and other deductions (such as investment incentives). If no dividends are distributed, no additional tax is paid. As of December 31, 2023, the applicable corporate tax rate is 30% for the period, so a 30% tax rate is applied to temporary differences (as of December 31, 2022: 25%).

	Taxable (Deductible) Temporary Differences		Deferred Tax (assets) / liabilities	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Valuation of financial assets	1,193,817	670,688	358,145	167,672
Tax base differences of tangible and intangible assets	(27,117)	7,620	(8,135)	1,905
Deferred commission income	2,306	8,612	692	2,153
Accrued expenses and shared portfolio liabilities	(7,234)	(13,416)	(2,170)	(3,354)
Provisions	(31,997)	(17,064)	(9,599)	(4,266)
Other	(18,747)	(7,560)	(5,625)	(1,890)
<b>Total, (net)</b>	<b>1,111,028</b>	<b>648,880</b>	<b>333,308</b>	<b>162,220</b>

According to Turkish tax legislation, financial losses declared on the tax return can be deducted from the annual corporate income for a period not exceeding 5 years. As of December 31, 2023, the Company does not have any tax losses (as of December 31, 2022, the Company did not have any tax losses).

The deferred tax movement table for the periods ended December 31, 2023, and December 31, 2022 is as follows:

	January 1, – December 31, 2023	January 1, – December 31, 2022
Opening balance	162,220	117,358
Deferred tax income/expense	174,132	46,499
Deferred tax impact on other comprehensive Income/Expense	(3,044)	(1,637)
<b>As of the end of the period</b>	<b>333,308</b>	<b>162,220</b>

The tax expense reconciliation for the periods ended December 31, 2023, and December 31, 2022 is as follows:

	January 1, – December 31, 2023	January 1, – December 31, 2022
Net operating profit	1,423,383	386,395
The calculated tax expense at the current tax rate (%30 - %25)	(427,015)	(96,599)
Tax base increase debt under law no.7440	7,710	-
Legally non-deductible expenses	(2,419)	(978)
Effect of change in tax rate	(32,400)	(22,100)
Inflation adjustment effect	14,576	-
Other	2,498	(198)
<b>Tax expense</b>	<b>(437,050)</b>	<b>(119,875)</b>

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

As of December 31, 2023, and December 31, 2022, the tax expense of the Company is as follows:

	January 1, – December 31, 2023	January 1, – December 31, 2022
Current tax provisions	(262,918)	(73,376)
Deferred tax expense	(174,132)	(46,499)
<b>Tax expense</b>	<b>(437,050)</b>	<b>(119,875)</b>

As of December 31, 2023, the effective tax rate for the period ended that date is 31% (December 31, 2022: 31%).

	January 1, – December 31, 2023	January 1, – December 31, 2022
Period tax expense	262,918	73,376
Tax base increase debt under law no.7440 (*)	(7,710)	-
Prepaid taxes	(175,308)	(40,188)
<b>Tax liabilities</b>	<b>79,900</b>	<b>33,188</b>

(\*) The Company's corporate income tax expense for the year 2022, including the adjustment for the tax base increase under Law No.7440, was 56,264 TL.

**6. Liabilities from Lease Transactions**

	December 31, 2023	December 31, 2022
Liabilities from lease transaction	39,108	36,510
<b>Total</b>	<b>39,108</b>	<b>36,510</b>

As of December 31, 2023, and December 31, 2022, the movement table of liabilities from lease transactions for the periods ending on those dates is as follows:

	January 1, – December 31, 2023	January 1, – December 31, 2022
As of January 1	36,510	23,149
Entries and interest	21,257	16,820
Exits	(11,400)	-
Paid rent	(7,259)	(3,459)
<b>End of period</b>	<b>39,108</b>	<b>36,510</b>

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

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Paid in capital	185,000	185,000
<b>Total</b>	<b>185,000</b>	<b>185,000</b>

As of December 31, 2023, 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).

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Legal reserves	14,415	14,415
<b>Total</b>	<b>14,415</b>	<b>14,415</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.

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### **II. 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, 2023, other letters of guarantee amounting to 616,446 TL (December 31, 2022 - 145,613 TL) consist of letters of guarantee given to banks within the scope of sales tenders of overdue receivables. 380,000 TL, which is included in the irrevocable commitments, is the nominal amount of the bonds issued. (December 31, 2022 – 50,000 TL)

Derivative financial instruments: There is no swap interest purchase and swap interest sales transactions as of December 31, 2023 (December 31, 2022 - 8,000 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 amount is 1,377 TL in total, including the original amount of 689 TL, the penal interest of 689 TL, and the special irregularity penalty of 59 TL; The original BITT amount is 10,189 TL and the tax loss penalty is 10,189 TL, for a total of 20,377 TL. The original Corporate Tax amount is 608 TL, the tax loss penalty is 608 TL, for a total of 1,216 TL. The RUSF amount is 615 TL, and the penalty interest is 421 TL, for a total of 1,037 TL

Lawsuits have been filed regarding RUSF, BITT, VAT and Corporate Tax. Although the Corporate Tax case was concluded in favor of the Company in 2022, the appeal phase of the litigation process was also concluded in favor of the Company in 2023. RUSF cases were concluded positively in the administrative court and the accrual slips issued to the Company were cancelled.

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.

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**IV. Information Regarding Interest Income****1. Information on interest income:****a) Information Regarding Revenues from Loans:**

	January 1, – December 31, 2023		January 1, – December 31, 2022	
	TL	FC	TL	FC
Interest income from loans	2,188,694	-	799,431	-
<b>Total</b>	<b>2,188,694</b>	<b>-</b>	<b>799,431</b>	<b>-</b>

(\*) For the period ended December 31, 2023, the Company recorded the portion of interest income from loans that exceeds the credit cost of financial assets with credit impairment when acquired or originated, amounting to 1,030,505 TL (as of December 31, 2022: 360,165 TL) consists of positive variances from changes in collection expectations, amounting to 1,158,199 TL (as of December 31, 2022: 439,266 TL) is interest income from discounted loans, as well as interest accruals.

**b) Information Regarding Interest from Banks:**

	January 1, – December 31, 2023		January 1, – December 31, 2022	
	TL	FC	TL	FC
Domestic banks	120,822	-	18,759	-
<b>Total</b>	<b>120,822</b>	<b>-</b>	<b>18,759</b>	<b>-</b>

c) Information on interest income from securities: For the period ended December 31, 2023, the Company did not have any interest income from securities (as of December 31, 2022 - None)

**2) Information on interest expense:****a. Information on interest paid on loans used:**

	January 1, – December 31, 2023		January 1, – December 31, 2022	
	TL	FC	TL	FC
Banks	138,216	-	105,039	-
Domestic banks	103,363	-	78,295	-
Foreign banks	34,853	-	26,744	-
<b>Total</b>	<b>138,216</b>	<b>-</b>	<b>105,039</b>	<b>-</b>

b. Information on interest paid on issued securities: As of December 31, 2023, during the reporting period, the Company incurred interest expenses of 75,512TL on issued securities (December 31, 2022 – 19,533 TL).

3) **Information on dividend income:** As of December 31, 2023, during the reporting period, the Company has no dividend income (December 31, 2022 - None).

**4) Explanation regarding trading profit/loss (net):**

	January 1, – December 31, 2023	January 1, – December 31, 2022
<b>Profit</b>	<b>17,046</b>	<b>3,962</b>
Foreign exchange gains	12,083	3,407
Income from derivative instruments	-	555
Profit from Capital Market Operations	4,963	-
<b>Loss (-)</b>	<b>3,167</b>	<b>2,720</b>
Foreign exchange loss	3,167	2,215
Loss from Capital Market Operations	-	505
<b>Trading profit / loss (net)</b>	<b>13,879</b>	<b>1,242</b>

**5) Information on other operating income:**

	January 1, – December 31, 2023	January 1, – December 31, 2022
Incentives	11,389	4,392
Sales revenues from fixed assets held for sale	8,753	2,394
Income from bank	2,608	13
Fixed asset sales revenues	404	2,931
Other	6,708	3,008
<b>Total</b>	<b>29,862</b>	<b>12,738</b>

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**IV. Explanations and footnotes regarding the income statement (continued)****6) Expected loss provisions and other provision expenses:**

As of December 31, 2023, the expected loss provisions of the Company amounted to 8,731 TL and there is an expected loss provision expense of 8,674 TL in the current period. As of December 31, 2023, the Company has no other provision expenses (December 31, 2022 - None).

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

	January 1, – December 31, 2023	January 1, – December 31, 2022
Personal expenses (*)	270,497	146,409
Tangible asset depreciation expenses	13,807	8,956
Intangible asset depreciation expenses	9,416	4,828
Other operating expenses	398,806	147,378
Legal consultancy expenses	199,211	72,724
Taxes and duties	107,080	42,157
Consulting expenses	26,721	9,807
Computer usage expense	8,318	7,877
Vehicle expense	3,728	2,001
Dues expense	3,922	1,474
Transportation and portage expenses	2,567	245
Communication expense	978	1,524
Maintenance and repair expenses	926	202
Stationery expense	296	313
Representation and hosting expenses	200	442
Other expenses (**)	44,859	8,612
<b>Total</b>	<b>692,526</b>	<b>307,571</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" consist of various expenses related to office costs, motivation, grading, accommodation, lighting, cleaning, etc.

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

The portion of the profit before tax, amounting to 2,095,788 TL from continuing operations, is composed of net interest income of 22,232 TL (December 31, 2022 – 693,618 TL), other operating income of 29,862 TL (December 31, 2022 – 12,738 TL), 13,879 TL from commercial profit/loss (December 31, 2022 - 1,242 TL), and 692,526 TL from other operating and personnel expenses (December 31, 2022 – 307,571 TL). Additionally, 14,946 TL is attributed to fees and commissions and provision expenses (December 31, 2022 – 13,632 TL).

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

- As of December 31, 2023, for the period ended, the current tax expense is 262,918 TL (December 31, 2022: 73,376 TL).
- Deferred tax income or expense arising from the creation or reversal of temporary differences: As of December 31, 2023, for the period ended, there is a deferred tax expense of 191,657 TL (December 31, 2022 : 55,629 TL) and deferred tax income of 17,525 TL (December 31, 2022 : 9,130 TL) arising from the creation or reversal of temporary differences.

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

This is explained in items 8 and 9 above.

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### IV. Explanations and footnotes regarding the income statement (continued)

#### 11. 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) If a change in an estimate regarding financial statement items has an effect on profit/loss and is likely to affect subsequent periods, the effect in question will be explained in the footnote titled "IV. a) Information on income from loans" in the explanations and footnotes of the income statement, covering those periods. explained. It is expected to have an interest income impact in the coming years based on the average interest rate on loans given with the said amount.
- c) Profit/loss attributable to minority shares: None.

#### 12. Explanations regarding other items included in the income statement: In the accounting period ending on December 31, 2023, the fees and commissions given consist of cash and non-cash loan commissions amounting to 14,946 TL (December 31, 2022 :13,632 TL).

#### 13. 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 2023	Prior period 2022
Independent audit fee (*)	5,730	475
Tax consulting fee	-	-
Other assurance consultancy services fee	-	-
Other non-audit services fee	-	-
<b>Total</b>	<b>5,730</b>	<b>475</b>

(\*)The current period independent audit fee also includes full-scope audit works as of December 31, 2023.

### 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.

### 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".



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**VI. Explanations and footnotes regarding the cash flow statement (continued):****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:**

<b>Opening period</b>	<b>January 1, – December 31, 2023</b>	<b>January 1, – December 31, 2022</b>
Banks and other financial institutions – up to 3 months maturity	236,199	94,088
Interest accruals (-)	(1,931)	-
<b>Cash and cash equivalents</b>	<b>234,268</b>	<b>94,088</b>

<b>End of period</b>	<b>January 1, – December 31, 2023</b>	<b>January 1, – December 31, 2022</b>
Banks and other financial institutions – up to 3 months maturity	175,129	236,199
Interest accruals (-)	(468)	(1,931)
<b>Cash and cash equivalents</b>	<b>174,664</b>	<b>234,268</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 (181,021) TL (December 31, 2022 - (69,402) 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 24,168TL (December 31, 2022: (48,783) 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 (8,194) TL (December 31, 2022 – 70,541 TL) consists of changes in various debts and tax debts, except for debts that do not create cash outflows.

**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, 2023</b>	<b>December 31, 2022</b>
Funds borrowed (*)	107,109	116,416

(\*) 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 34,853TL (December 31, 2022 - 26,809 TL).

**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, 2023 is 17,001 TL (December 31, 2022 - 9,607 TL).

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### **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:

In accordance with the Board decision dated January 11, 2024, BRSA announced that banks, financial leasing, factoring, financing, savings financing and asset management companies will start to apply inflation accounting as of January 1, 2025.

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 February 12, 2024 was presented before the financial statements.

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

None.