

**ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.**

**FINANCIAL STATEMENTS AT 31 DECEMBER 2021  
TOGETHER WITH THE INDEPENDENT AUDITORS' REPORT**

**(CONVENIENCE TRANSLATION INTO ENGLISH OF THE  
INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH)**



**CONVENIENCE TRANSLATION INTO ENGLISH OF  
INDEPENDENT AUDITOR'S REPORT  
ORIGINALLY ISSUED IN TURKISH**

**INDEPENDENT AUDITOR'S REPORT**

To the General Assembly of Ziraat Katılım Varlık Kiralama A.Ş.

**A. Audit of the financial statements**

**1. Our opinion**

We have audited the accompanying financial statements of Ziraat Katılım Varlık Kiralama A.Ş. (the "Company") which comprise the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements comprising a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

**2. Basis for opinion**

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

**3. Key audit matters**

No matters have been determined to be the key audit matters to be communicated in our report.



#### **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 TFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

#### **5. Auditor's responsibilities for the audit of the financial statements**

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

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

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

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



- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



**B. Other responsibilities arising from regulatory requirements**

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2021 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

PwC Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.

A handwritten signature in blue ink, appearing to read "Zeynep Uras", is written over the printed name.

Zeynep Uras, SMMM  
Partner

Istanbul, 11 February 2022

## ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.

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# ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.

## STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts are expressed in Turkish Lira (“TL”) unless otherwise stated.)

	Notes	Audited 31 December 2021	Audited 31 December 2020
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	4,16	365.403	231.378
Trade Receivables	5	4.156.952.833	4.013.749.697
- <i>Due From Related Parties</i>	16	4.156.952.833	4.013.749.697
Other Current Assets	6	13.565	-
- <i>Other Current Assets from Related Parties</i>	6,16	12.500	-
- <i>Other Current Assets from Third Parties</i>		1.065	-
<b>Total Current Assets</b>		<b>4.157.331.801</b>	<b>4.013.981.075</b>
<b>TOTAL ASSETS</b>		<b>4.157.331.801</b>	<b>4.013.981.075</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Short-Term Borrowings	7	4.156.876.137	4.013.749.712
- <i>Short-Term Borrowings from Third Parties</i>	7	4.156.876.137	4.013.749.712
- <i>Issued Debt Instruments</i>	7	4.156.876.137	4.013.749.712
Trade Payables	8	76.696	-
- <i>Other Obligations to Third Parties</i>		76.696	-
Current Income Tax Liabilities	9	16.771	15.651
Other Current Liabilities	10	19.480	48.998
- <i>Other Short-Term Liabilities to Related Parties</i>	10,16	12.500	41.497
- <i>Other Short-Term Liabilities to Third Parties</i>	10	6.980	7.501
<b>Total Current Liabilities</b>		<b>4.156.989.084</b>	<b>4.013.814.361</b>
Paid-in Share Capital	11	50.000	50.000
Restricted Reserves		4.745	-
- <i>Retained Earnings</i>		4.745	-
Prior Years' Income	11	111.969	21.836
Profit For The Period		176.003	94.878
<b>Total Equity</b>		<b>342.717</b>	<b>166.714</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4.157.331.801</b>	<b>4.013.981.075</b>

The following explanations and notes constitute an integral part of the financial statements.

**ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

		<b>Audited</b>	<b>Audited</b>
	<b>Notes</b>	<b>1 January -</b>	<b>1 January -</b>
		<b>31 December 2021</b>	<b>31 December 2020</b>
Revenue	12	606.587.851	327.136.577
Cost of Sales	13	(606.587.851)	(327.136.577)
<b>GROSS PROFIT</b>		<b>-</b>	<b>-</b>
General Administrative Expenses	14	(13.699.707)	(15.259.079)
Other Operating Income	15	13.934.378	15.380.717
<b>OPERATING PROFIT/(LOSS)</b>		<b>234.671</b>	<b>121.638</b>
<b>OPERATING PROFIT/ (LOSS) BEFORE FINANCE INCOME/(EXPENSE)</b>		<b>234.671</b>	<b>121.638</b>
<b>PROFIT/(LOSS) FROM CONTINUING OPERATIONS BEFORE TAX</b>		<b>234.671</b>	<b>121.638</b>
<b>Tax Income (Expense)</b>	<b>9</b>	<b>(58.668)</b>	<b>(26.760)</b>
<i>Current Tax (Expense)</i>		<i>(58.668)</i>	<i>(26.760)</i>
<b>PROFIT/(LOSS) FROM CONTINUING OPERATIONS FOR THE YEAR</b>		<b>176.003</b>	<b>94.878</b>
<b>PROFIT (LOSS) FOR THE YEAR</b>		<b>176.003</b>	<b>94.878</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME/( LOSS)</b>		<b>176.003</b>	<b>94.878</b>
<b>EQUITY HOLDERS OF THE PARENT</b>		<b>176.003</b>	<b>94.878</b>

The following explanations and notes constitute an integral part of the financial statements.



**ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.****STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021**

(Amounts are expressed in Turkish Lira (TL) unless otherwise specified.)

	<b>Paid-in share capital</b>	<b>Restricted reserves</b>	<b>Prior years' income</b>	<b>Profit for the period</b>	<b>Total Equity</b>
<b>1 January 2020</b>	<b>50.000</b>	-	<b>16.841</b>	<b>4.995</b>	<b>71.836</b>
Transfers	-	-	4.995	(4.995)	-
Total comprehensive income	-	-	-	94.878	94.878
<b>31 December 2020</b>	<b>50.000</b>	-	<b>21.836</b>	<b>94.878</b>	<b>166.714</b>
<b>1 January 2021</b>	<b>50.000</b>	-	<b>21.836</b>	<b>94.878</b>	<b>166.714</b>
Transfers	-	4.745	90.133	(94.878)	-
Total comprehensive income	-	-	-	176.003	176.003
<b>31 December 2021</b>	<b>50.000</b>	<b>4.745</b>	<b>111.969</b>	<b>176.003</b>	<b>342.717</b>

The following explanations and notes constitute an integral part of the financial statements.

# ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

(Amounts are expressed in Turkish Lira (TL) unless otherwise specified.)

	Notes	Audited 1 January - 31 December 2021	Audited 1 January - 30 December 2020
<b>A. Cash flows from operating activities:</b>		<b>134.025</b>	<b>127.744</b>
<b>Profit for the period</b>		<b>176.003</b>	<b>94.878</b>
<b>Adjustments to reconcile profit for the period to cash generated from operating activities:</b>		<b>58.668</b>	<b>26.760</b>
Adjustments related to profit share income	5	(106.904.953)	(327.136.577)
Adjustments related to profit share expenses	5	106.904.953	327.136.577
Adjustments related to tax expenses		58.668	26.760
<b>Changes in working capital</b>		<b>(43.098)</b>	<b>17.235</b>
Adjustments related to decrease/(increase) in trade receivables - <i>Decrease/(increase) in trade receivables from related parties</i>		(143.203.136) (143.203.136)	(1.530.712.777) (1.530.712.777)
Decrease/(increase) in borrowings from financial sector activities		143.126.425	1.530.751.028
Adjustments related to decrease/(increase) in other receivables from activities		(13.565)	24.250
Adjustments related to (decrease)/increase in other liabilities from activities		47.178	(45.266)
<b>Total cash flows from operating activities:</b>		<b>(57.548)</b>	<b>(11.129)</b>
Income received lease certificate("sukuk")	12	606.587.851	327.136.577
Expenses paid to lease certificate("sukuk")	13	(606.587.851)	(327.136.577)
Tax payments	9	(57.548)	(11.129)
<b>B. Cash flows from investing activities:</b>		-	-
<b>Net cash provided by investing activities</b>		-	-
<b>C. Cash flows from financing activities:</b>		-	-
Cash inflows from the issuance of equity and other equity-based instruments		-	-
Cash inflows from borrowings		-	-
<b>Net cash flows from financing activities</b>		-	-
<b>D. Effect of exchange rate changes on cash and cash equivalents</b>		-	-
<b>Net changes in cash and cash equivalents (A+B+C+D)</b>		<b>134.025</b>	<b>127.744</b>
<b>E. Cash and cash equivalents at the beginning of the period</b>	<b>4</b>	<b>231.378</b>	<b>103.634</b>
<b>Cash and cash equivalents at the end of the period (A+B+C+D+E)</b>	<b>4</b>	<b>365.403</b>	<b>231.378</b>

The following explanations and notes constitute an integral part of the financial statements.

## ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Amounts are expressed in Turkish Lira (TL) unless otherwise specified.)

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#### 1 - THE ORGANIZATION AND BUSINESS ACTIVITY OF THE COMPANY

Ziraat Katılım Varlık Kiralama A.Ş. ("Company") was established on 22 January 2016, with a fully paid-up capital of 50.000 Turkish Lira, entirely funded by Ziraat Katılım, and with permission granted by the Banking Regulation and Supervision Agency and the Capital Markets Board within the framework of the Capital Markets Board's Lease Certificates Communiqué (III-61.1) published in the Official Gazette dated 7 June 2013. The Company was established exclusively for the purpose of issuing lease certificates.

The Company, acting as the representative of the investors from whom it raises funds through the issuance of lease certificates, carries out the following activities in order to achieve its purpose:

- To acquire all kinds of assets and rights in its own name and on behalf of lease certificate holders from the funding institution and lease them to the funding institution or third parties,
- To enter into contracts concerning the management of assets or rights belonging to the funding institution, including but not limited to leasing them for the duration of the lease without transferring ownership,
- To pay or transfer to lease certificate holders, in proportion to their shares, the income derived from the assets and rights underlying the issuance and the collections made from the fund users,
- To transfer the assets and rights subject to the contract to the funding institution or third parties at the end of the term, in the originally agreed conditions if required by the lease certificate issuance, and to pay the sales proceeds to lease certificate holders in proportion to their shares,
- To conduct the activities mentioned above in the interests of investors and in line with the Company's objectives, either with the assets it owns or without taking ownership of assets owned by third parties, and to manage, operate, and legally dispose of these assets in its own name, ensuring their management, and establish in-kind rights in favor of the funding institution or third parties, as permitted by the relevant regulations of the Capital Markets Board,
- To finance the acquisition of assets or rights by purchasing them and selling them to companies of the specified quality, with deferred payments, in accordance with the regulations of the Capital Markets Board and the characteristics specified in the relevant Communiqué,
- To establish new joint ventures based solely or in partnership with other partners on a profit and loss sharing basis, to participate in a joint venture, and to sell partnership shares,
- To act as a contractor, enter into construction contracts, lease and sell works, issue lease certificates based on construction contracts, and arrange other contracts such as service, participation, or land-for-construction to finance the construction of the work,
- To enter into contracts with fund users, funding institutions, authorized/intermediary institutions, and third parties for the purpose of carrying out the aforementioned activities, and to become a party to any commercial agreements and regulations that may be beneficial for its purpose and within the legal framework,

# ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Amounts are expressed in Turkish Lira (TL) unless otherwise specified.)

### 1 - THE ORGANIZATION AND BUSINESS ACTIVITY OF THE COMPANY (Continued)

- To act as the representative or trusted person of lease certificate holders, for the benefit of lease certificate holders, to secure or protect any rights and claims that have arisen or may arise in its favor, or to hedge against risks it may face, by obtaining collateral in the form of all kinds of movable and immovable mortgages (mortgages) and other in-kind and personal guarantees, to assign both existing and future receivables, to obtain guarantees provided by third parties, and to engage in all necessary legal transactions for this purpose,
- To carry out other transactions related to the issuance of lease certificates within the framework of the regulations and decisions of the Capital Markets Board, to make contracts and engage in activities, and to engage in other activities determined by the Capital Markets Board.

In addition to the matters shown above, in the future, the Company may engage in any kind of transactions and activities that are deemed beneficial and necessary within the scope of its purpose and subject to the regulations of the capital markets, provided that the necessary permissions are obtained from the Capital Markets Board.

The company's registered office address is Hobyar Eminönü Mahallesi Hayri Efendi Cad. No:12 Fatih / Istanbul.

As of 31 December 2021, the Company does not have any personnel (31 December 2020: None).

Shareholder's Title	Share Ratio	Number of Shares	Number of Stakes
Ziraat Katılım Bankası A.Ş.	100%	50.000	50.000

### 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

#### 2.1 Basis of Presentation

##### 2.1.1 Declaration of compliance with Turkish Financial Reporting Standards ("TFRS")

The attached financial statements are prepared in accordance with the provisions of the "Communiqué on Principles of Financial Reporting in the Capital Markets" ("Communiqué") numbered II-14.1, published in the Official Gazette numbered 28676 dated 13 June 2013 and published by the Capital Markets Board ("CMB") on Public Oversight, accounting and It has been prepared in accordance with the Turkish Financial Reporting Standards ("TFRS") put into effect by the Auditing Standards Authority ("POA"). TFRSs; It contains the Standards and Comments published by the POA under the names of Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards, TASI and TFRSI.

In accordance with the provisions of the "Communiqué on Lease Certificates", Series III, numbered 61.1, published in the Official Gazette dated 7 June 2013 and numbered 28670 of the CMB, the assets, rights and liabilities subject to the issuance of each issue of lease certificates, as well as the income to be obtained from them and the expenses to be incurred, are included in the relevant lease certificate. are tracked separately in the accounting records on a basis, and the relevant assets and liabilities, revenues to be obtained and expenses to be incurred are shown as gross in the account items of trade receivables and borrowings in the attached financial position statement, and revenue and cost of sales in the profit or loss and other comprehensive income statement.

# ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Amounts are expressed in Turkish Lira (TL) unless otherwise specified.)

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### 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### 2.1 Basis of Presentation (Continued)

The financial statements have been presented in accordance with the Turkish Financial Reporting Standards ("TFRS") Taxonomy, developed based on the financial statement templates determined in the Financial Statement Examples and Usage Guide published in the Official Gazette dated 7 June 2019, numbered 30794, by the Public Oversight, Accounting and Auditing Standards Authority ("POA").

During the first half of 2020, various measures were taken in our country, as in other countries affected by the global spread of the COVID-19 pandemic, to mitigate this adverse situation in social and economic terms. Partial changes and precautions continue to be implemented. The Company's Management monitors the effects of the pandemic on local and global markets and continues to evaluate the potential impacts of these developments on the sector in which the company operates. However, it is worth noting that the mentioned pandemic does not have a significant impact on the Company's financial statements and the continuity of its operations.

#### *Approval of financial statements:*

The financial statements were approved by the Company's Board of Directors on 11 February 2022. It's important to note that both the Company's General Assembly and relevant regulatory authorities have the right to request changes to these financial statements.

#### 2.1.2 Functional and presentation currency

The financial statements have been presented in the functional currency, which is the primary currency used in the Company's main economic environment. The financial position and results of the Company are expressed in Turkish Lira ("TL"), which is both the functional currency of the Company and the presentation currency for the financial statements. All financial information, unless otherwise specified, is presented in TL. This means that the financial statements have been prepared and reported in TL, and all financial data is presented in TL unless otherwise indicated.

#### 2.1.3 Comparatives and adjustment of prior periods' financial statements

The financial statements are prepared in a comparative manner with the previous period in order to assess the financial position, performance, and trends in cash flows of the Company. If the presentation or classification of items in the financial statements has changed to ensure comparability, the previous period financial statements are also reclassified accordingly, and explanations are provided regarding these matters.

#### 2.1.4 Offsetting

Financial assets and liabilities are presented on the balance sheet (financial statement) at their net amounts when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### 2.1.5 Going Concern

The company has prepared its financial statements in accordance with the going concern principle.

## 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

### 2.1 Basis of Presentation (Continued)

#### 2.1.6 Changes in Accounting Policies

Changes in accounting policies arising from the first-time application of a new TFRS are applied retrospectively in accordance with the transitional provisions of that TFRS, if any. Changes without any transitional provisions, significant changes made on a voluntary basis in accounting policies, or identified accounting errors are retrospectively applied, and the previous period financial statements are restated.

#### 2.1.7 Implementation of New and Revised Financial Reporting Standards

*a. Standards, amendments and interpretations applicable as at 31 December 2021:*

- **Amendments to TFRS 7, TFRS 4 and TFRS 16 Interest Rate Benchmark Reform Phase 2;** effective from annual periods beginning on or after 1 January 2021. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific TAS 39 and TFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.
- **Amendments to TFRS 4 Insurance Contracts – deferral of TFRS 9;** effective from annual periods beginning on or after 1 January 2023. These amendments defer the date of application of TFRS 17 by two years to 1 January 2023 and change the fixed date of the temporary exemption in TFRS 4 from applying TFRS 9, Financial instrument until 1 January 2023.

The expected impact of these standards on the Company's financial statements is not anticipated to be significant.

*b. Standards, amendments and interpretations that are issued but not effective as at 31 December 2021:*

- **Amendment to TFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the Practical expedient;** as of March 2021, this amendment extended till June 2022 and effective from 1 April 2021. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the TASB published an amendment to TFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.
- **TFRS 17, 'Insurance contracts';** effective from annual periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

**NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021**

(Amounts are expressed in Turkish Lira (TL) unless otherwise specified.)

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**2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.1 Basis of Presentation (Continued)**

- **Amendments to TAS 1, Presentation of financial statements’ on classification of liabilities;** effective date deferred until accounting periods starting not earlier than 1 January 2024. These narrow-scope amendments to TAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what TAS 1 means when it refers to the ‘settlement’ of a liability.
- **A number of narrow-scope amendments to TFRS 3, TAS 16, TAS 37 and some annual improvements on TFRS 1, TFRS 9, TAS 41 and TFRS 16;** effective from Annual periods beginning on or after 1 January 2022.
  - **Amendments to TFRS 3,** ‘Business combinations’ update a reference in TFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
  - **Amendments to TAS 16,** ‘Property, plant and equipment’ prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
  - **Amendments to TAS 37,** ‘Provisions, contingent liabilities and contingent assets’ specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to TFRS 1, ‘First-time Adoption of TFRS’, TFRS 9, ‘Financial instruments’, TAS 41, ‘Agriculture’ and the Illustrative Examples accompanying TFRS 16, ‘Leases’.
- **Narrow scope amendments to TAS 1, Practice statement 2 and TAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to TAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

The company's management will assess the impact of the above-mentioned, as-yet-effective standards and standard changes on its operations and will apply them from their effective dates.

# ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Amounts are expressed in Turkish Lira (TL) unless otherwise specified.)

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### 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### 2.1 Basis of Presentation (Continued)

##### 2.1.8 Changes in Accounting Estimates and Errors

Changes in accounting estimates are applied prospectively, both in the period the change is made if it relates only to that period and in future periods if it relates to future periods. There have been no significant changes in the company's accounting estimates during the current period.

#### 2.2 Summary of Significant Accounting Policies

##### 2.2.1 Financial Instruments

###### Loans and Receivables

Trade and other receivables and loans with fixed and determinable payments that are not traded in the market are classified in this category. Loans and receivables are measured at amortized cost using the effective interest rate method, as the contractual cash flows are intended to be collected and the contractual terms meet the criteria to lead to cash flows that include only principal and interest payments on certain dates.

###### Financial Liabilities

The Company's financial liabilities and equity instruments are classified according to contractual arrangements and the basis on which a financial liability and an equity instrument are defined. The contract representing the right to the remaining assets of the company after deducting all its debts is an equity-based financial instrument.

Financial liabilities are valued at discounted value using the internal rate of return method.

###### IFRS 9 Financial Instruments

IFRS 9 regulates the accounting and measurement provisions for financial assets and financial liabilities.

IFRS 9 establishes requirements related to the accounting and measurement of financial assets and liabilities and certain non-financial items in purchase or sale contracts. Details of significant new accounting policies and the impact and nature of changes in previous accounting policies are outlined below.

##### *i. Classification of Financial Assets and Liabilities*

According to IFRS 9, upon initial recognition in the financial statements, a financial asset is classified as measured at amortized cost, measured at fair value through other comprehensive income ("OCI") with fair value changes recognized in OCI - debt instruments, measured at fair value through OCI with fair value changes recognized in OCI - equity instruments, or measured at fair value through profit or loss with fair value changes recognized in profit or loss. The classification of financial assets within the scope of IFRS 9 generally depends on the business model used by the entity for managing financial assets and the characteristics of the contractual cash flows of the financial asset. The requirement for the separation of embedded derivatives from financial assets has been eliminated under the standard, and the classification of a hybrid contract as a whole should be assessed.



## ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Amounts are expressed in Turkish Lira (TL) unless otherwise specified.)

---

#### 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

A financial asset is measured at amortized cost if both of the following conditions are met, and it is not classified as measured at fair value with fair value changes recognized in profit or loss:

- Held within a business model whose objective is to collect contractual cash flows, and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on specified dates.
- If a financial liability does not meet both of these conditions and is not classified as measured at fair value with fair value changes recognized in profit or loss, fair value changes are recognized in other comprehensive income for the financial liability:
- Held within a business model whose objective is both to collect contractual cash flows and to sell financial assets, and
- The contractual terms of the financial liability give rise to cash flows that are solely payments of principal and interest on specified dates.

In the initial recognition of investments in equity instruments not held for trading purposes, an irrevocable choice may be made to present subsequent changes in fair value in other comprehensive income. This choice can be made on an investment-by-investment basis.

All financial assets that are not measured at amortized cost or at fair value through other comprehensive income are measured at fair value with fair value changes recognized in profit or loss. In the initial recognition of financial assets in the financial statements, a financial asset may be designated as measured at fair value through profit or loss, provided that it eliminates or significantly reduces an accounting mismatch resulting from measuring financial assets differently or presenting gains or losses on them differently in the financial statements, and this designation is irrevocable.

In the initial measurement of financial assets other than those for which fair value changes are recognized in profit or loss (except for trade receivables that are measured at initial recognition at transaction price and do not have a significant financing component), transaction costs directly attributable to the acquisition or issuance of these financial assets are also added to their fair value

## ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Amounts are expressed in Turkish Lira (TL) unless otherwise specified.)

#### 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

The following accounting policies apply to subsequent measurements of financial assets.

<b>Financial assets measured at fair value through profit or loss</b>	These assets are measured at their fair value on subsequent measurements. Net gains and losses relating thereto, including any interest or dividend income, are recognized in profit or loss.
<b>Financial assets measured at amortized cost</b>	These assets are subsequently measured at amortized cost using the effective interest method. If any, amortized costs are reduced by the amount of impairment losses. Interest income, foreign currency gains and losses and impairment losses are recognized in profit or loss. Gains or losses resulting from their derecognition are recognized in profit or loss.
<b>Debt instruments measured at fair value through other comprehensive income</b>	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairments are recognized in the income statement. Other gains and losses are recognized in other comprehensive income. When financial assets are derecognized from the balance sheet, any previously recognized gains or losses in other comprehensive income are reclassified to the income statement.
<b>Equity instruments at fair value through other comprehensive income</b>	These assets are subsequently measured at fair value. Dividends are recognized in profit or loss unless it clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are not reclassified to profit or loss.

##### ii. *Impairment of Financial Assets*

According to TFRS 9, the "Expected Credit Loss" (ECL) model is applied for impairment of financial assets. This new impairment model is applicable to financial assets measured at amortized cost, contract assets, and debt instruments measured at fair value through other comprehensive income (OCI), but it does not apply to investments in equity instruments.

Financial assets measured at amortized cost consist of trade receivables and cash and cash equivalents.

Under TFRS 9, provisions for losses can be measured using any of the following principles:

- 12-month ECLs: This represents the portion of expected credit losses arising from default events that are likely to occur within the 12 months following the reporting date, and
- Lifetime ECLs: These represent expected credit losses arising from default events that are likely to occur throughout the entire expected lifetime of the financial asset.

# ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Amounts are expressed in Turkish Lira (TL) unless otherwise specified.)

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### 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### 2.2 Summary of Significant Accounting Policies (Continued)

In determining whether there has been a significant increase in credit risk since initial recognition of a financial asset and in estimating ECLs, the Company considers reasonable and supportable information that is available without undue cost or effort, including information about expected early payments and includes quantitative and qualitative information and analyses that are based on historical credit loss experience of the Company and forward-looking information.

The Company assumes that credit risk on a financial asset has increased significantly if it is more than 30 days past due.

##### 2.2.2 Provisions, Contingent Assets, and Liabilities

A provision is recognized in the financial statements when there is a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

The amount recognized as a provision is calculated based on the most reliable estimate of the expenditure required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties associated with the obligation. If the provision is measured using the present value of the estimated cash flows required to settle the existing obligation, then the carrying amount of the provision is equal to the present value of those cash flows.

In situations where some or all of the economic benefits required to settle the provision are expected to be reimbursed by third parties, the expected reimbursement is recognized as an asset if it is virtually certain that the reimbursement will be received and can be reliably measured.

##### 2.2.3 Cash Flow Statement

In the cash flow statement, cash flows for the period are classified and reported based on main, investing and financing activities.

##### 2.2.4 Cash and Cash Equivalents

Cash and cash equivalent items include cash on hand, demand deposits and other short-term investments with high liquidity, with original maturities of 3 months or less from the date of purchase, which can be converted into cash immediately and which do not carry a significant risk of change in value (Note 4).

##### 2.2.5 Taxes on Income

Income tax expense comprises current and deferred tax expenses.

# ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Amounts are expressed in Turkish Lira (TL) unless otherwise specified.)

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### 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### 2.2 Summary of Significant Accounting Policies (Continued)

##### Current Tax

Current year tax liability is calculated on the taxable portion of the period profit. Taxable profit differs from the profit included in the statement of profit or loss because it excludes items that are taxable or deductible in other years and items that cannot be taxed or deducted. The Company's current tax liability is calculated using the tax rate that has been legalized or substantially legalized as of the balance sheet date (Note 9).

##### Deferred Tax

Deferred tax liability or asset is determined by calculating the tax effects of temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the legal tax base calculation, according to the balance sheet method, taking into account the legal tax rates. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from such differences by obtaining taxable profit in the future. The assets and liabilities in question are not recognized if the temporary difference related to the transaction that does not affect the commercial or financial profit/loss arises from the initial recognition of goodwill or other assets and liabilities (other than business combinations) (Note 9).

#### 2.2.6 Fees, commissions and profit share income and expenses

##### Fee and commission income and expenses

Fees and commissions are generally reflected in the statement of profit or loss on the date they are collected or paid. However, export service commissions are accounted for on an accrual basis.

##### Profit share income and expense

Profit share income and expenses are recognized on an accrual basis in the income statement for the respective period.

#### 2.2.7 Events After The Reporting Period

Subsequent events refer to events that occur between the balance sheet date and the date when the financial statements are authorized for issue, even if they come to light after the announcement of any profit allocation or other selected financial information related to earnings.

In the event that events requiring adjustments to the financial statements arise after the balance sheet date, the Company adjusts the amounts included in the financial statements to reflect this new situation (Note 19).

#### 2.2.8 Related Parties

Related parties are entities or individuals that have the ability to control or significantly influence the other party, either directly or indirectly, through ownership, contractual rights, family relationships, or similar means. This definition includes shareholders and the company's management as related parties. Transactions with related parties involve the transfer of resources and obligations between related entities, whether for consideration or at no cost (Note 16).

## ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Amounts are expressed in Turkish Lira (TL) unless otherwise specified.)

#### 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

##### 2.3 Significant Accounting Evaluations, Estimates and Assumptions

The preparation of financial statements involves making estimates and assumptions that affect the amounts of assets, liabilities, income, and expenses reported as of the balance sheet date and during the reporting period. These estimates and assumptions are based on the best judgment and information available to management at the time of preparation. However, actual results may differ from these estimates and assumptions. As of 31 December 2021, the company does not have any significant estimates or assumptions that have a material impact on its financial statements.

##### 2.4 Fees for Services Received from Independent Auditor/Independent Audit Firm

	31 December 2021	31 December 2020
Independent Audit Fee (*)	36.673	33.400
<b>TOTAL</b>	<b>36.673</b>	<b>33.400</b>

(\*) Amounts are presented excluding VAT.

#### 3 - SEGMENT REPORTING

Since the company operates in Turkey and only as an asset leasing company, no reporting description is given according to segments.

#### 4 - CASH AND CASH EQUIVALENTS

	31 December 2021	31 December 2020
Banks		
- Private Current Account(*)	365.403	231.378
<b>TOTAL</b>	<b>365.403</b>	<b>231.378</b>

(\*) Cash and cash equivalents consist of special current accounts with Ziraat Katılım Bankası A.Ş. (Note 16). As of 31 December 2021, the amount of cash and cash equivalents is 365.403 TL, all of which are in Turkish Lira (31 December 2020: 231.378 TL).

#### 5 - TRADE RECEIVABLES

	31 December 2021	31 December 2020
Trade Receivables from Related Parties	4.050.047.880	4.013.749.697
Profit Share Accruals	106.904.953	63.749.712
<b>TOTAL</b>	<b>4.156.952.833</b>	<b>4.013.749.697</b>

(\*) The company has used the funds obtained from the issuance of lease certificates with the same amount, maturity, and profit-sharing cost to provide funds to Ziraat Katılım Bankası A.Ş. (Note 16).

## ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Amounts are expressed in Turkish Lira (TL) unless otherwise specified.)

#### 6 - OTHER CURRENT ASSETS

	31 December 2021	31 December 2020
Other Current Assets from Related Parties	12.500	-
Other	1.065	-
<b>TOTAL</b>	<b>13.565</b>	<b>-</b>

#### 7 - BORROWINGS

##### Short-Term Borrowings

As of 31 December 2021 and 31 December 2020 the Company's short-term borrowings are as follows:

	31 December 2021	31 December 2020
<b>Issued Debt Instruments</b>	<b>4.050.000.000</b>	<b>3.950.000.000</b>
TRDZKVK12213	600.000.000	-
TRDZKVK32211	450.000.000	-
TRDZKVK12221	500.000.000	-
TRDZKVK22212	400.000.000	-
TRDZKVK22220	600.000.000	-
TRDZKVK32229	400.000.000	-
TRDZKVK32237	300.000.000	-
TRDZKVK62218	400.000.000	-
TRDZKVK42210	400.000.000	-
TRDZKVK12114	-	500.000.000
TRDZKVK12122	-	350.000.000
TRDZKVK22113	-	500.000.000
TRDZKVK22139	-	500.000.000
TRDZKVK32112	-	600.000.000
TRDZKVK32138	-	700.000.000
TRDZKVK32120	-	210.000.000
TRDZKVK62119	-	590.000.000
<b>Profit Share Accruals</b>	<b>106.876.137</b>	<b>63.749.712</b>
TRDZKVK12213	27.757.282	-
TRDZKVK32211	20.594.113	-
TRDZKVK12221	19.422.807	-
TRDZKVK22212	11.842.966	-
TRDZKVK22220	13.081.647	-
TRDZKVK32229	5.997.892	-
TRDZKVK32237	2.783.662	-
TRDZKVK62218	3.861.507	-
TRDZKVK42210	1.534.261	-
TRDZKVK12114	-	16.467.914
TRDZKVK12122	-	9.804.759
TRDZKVK22113	-	10.956.702
TRDZKVK22139	-	8.883.833
TRDZKVK32112	-	7.679.769
TRDZKVK62119	-	4.003.539
TRDZKVK32120	-	1.449.817
TRDZKVK32138	-	4.503.379
<b>TOTAL</b>	<b>4.156.876.137</b>	<b>4.013.749.712</b>

## ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Amounts are expressed in Turkish Lira (TL) unless otherwise specified.)

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#### 7 – BORROWINGS (Continued)

##### Sukuk Issuance Dated 28 September 2021

Ziraat Katılım Varlık Kiralama A.Ş. issued lease certificates on 28 September 2021, with a nominal yield rate of 17,80%, a maturity period of 101 days, and a redemption date of 7 January 2022, under ISIN code TRDZKVK12213, totaling 600.000.000 TL.

Details of the income distribution amounts of the 600.000.000 TL sukuk issuance dated 28 September 2021 are as follows:

1. Income Distribution Amount on 7 January 2022	29.552.880
Lease Certificate Payment Amount on 7 January 2022	600.000.000

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##### Sukuk Issuance Dated 30 September 2021

Ziraat Katılım Varlık Kiralama A.Ş. On 30 September 2021, a lease certificate was issued in the amount of 450.000.000 TL, with an ISIN code of TRDZKVK32211, an annual simple return rate of 18,35%, a maturity of 181 days, and a redemption date of 30 March 2022.

Details of the income distribution amounts of the 450.000.000 TL sukuk issuance dated 30 September 2021 are as follows:

1. Income Distribution Amount on 30 March 2022	40.948.155
Lease Certificate Payment Amount on 30 March 2022	450.000.000

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##### Sukuk Issuance Dated 13 October 2021

Ziraat Katılım Varlık Kiralama A.Ş. On 13 October 2021, a lease certificate was issued in the amount of 500.000.000 TL, with an ISIN code of TRDZKVK12221, an annual simple return rate of 17,80%, a maturity of 98 days, and a redemption date of 19 January 2022

Details of the income distribution amounts of the 500.000.000 TL sukuk issuance dated 13 October 2021 are as follows:

1. Income Distribution Amount on 19 January 2022	23.895.900
Lease Certificate Payment Amount on 19 January 2022	500.000.000

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##### Sukuk Issuance Dated 26 October 2021

Ziraat Katılım Varlık Kiralama A.Ş. On 26 October 2021, a lease certificate was issued in the amount of 400.000.000 TL, with an ISIN code of TRDZKVK22212, an annual simple return rate of 16,25%, a maturity of 101 days, and a redemption date of 4 February 2022.

Details of the income distribution amounts of the 400.000.000 TL sukuk issuance dated 26 October 2021 are as follows:

1. Income Distribution Amount on 4 February 2022	17.986.320
Lease Certificate Payment Amount on 4 February 2022	400.000.000

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## ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Amounts are expressed in Turkish Lira (TL) unless otherwise specified.)

#### 7 - BORROWINGS (Continued)

##### Sukuk Issuance Dated 12 November 2021

Ziraat Katılım Varlık Kiralama A.Ş. On 12 November 2021, a lease certificate was issued in the amount of 600.000.000 TL, with an ISIN code of TRDZKVK22220, an annual simple return rate of 16,10%, a maturity of 103 days, and a redemption date of 23 February 2022.

Details of the income distribution amounts of the 600.000.000 TL sukuk issuance dated 12 November 2021 are as follows:

1. Income Distribution Amount on 23 February 2022	27.259.740
Lease Certificate Payment Amount on 23 February 2022	600.000.000

##### Sukuk Issuance Dated 26 November 2021

Ziraat Katılım Varlık Kiralama A.Ş. On 26 November 2021, a lease certificate was issued in the amount of 400.000.000 TL, with an ISIN code of TRDZKVK32229, an annual simple return rate of 15,40%, a maturity of 98 days, and a redemption date of 4 March 2022.

Details of the income distribution amounts of the 400.000.000 TL sukuk issuance dated 26 November 2021 are as follows:

1. Income Distribution Amount on 4 March 2022	16.539.160
Lease Certificate Payment Amount on 4 March 2022	400.000.000

##### Sukuk Issuance Dated 9 December 2021

Ziraat Katılım Varlık Kiralama A.Ş. On 9 December 2021, a lease certificate was issued in the amount of 300.000.000 TL, with an ISIN code of TRDZKVK62218, an annual simple return rate of 15,20%, a maturity of 180 days, and a redemption date of 7 June 2022.

Details of the income distribution amounts of the 300.000.000 TL sukuk issuance dated 9 December 2021 are as follows:

1. Income Distribution Amount on 7 June 2022	22.487.670
Income Distribution Amount on 7 June 2022	300.000.000

##### Sukuk Issuance Dated 12 December 2021

Ziraat Katılım Varlık Kiralama A.Ş. On 12 December 2021, a lease certificate was issued in the amount of 400.000.000 TL, with an ISIN code of TRDZKVK32237, an annual simple return rate of 16,30%, a maturity of 102 days, and a redemption date of 22 March 2022.

Details of the income distribution amounts of the 400.000.000 TL sukuk issuance dated 12 December 2021 are as follows:

1. Income Distribution Amount on 22 March 2022	18.220.280
Lease Certificate Payment Amount on 22 March 2022	400.000.000



## ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Amounts are expressed in Turkish Lira (TL) unless otherwise specified.)

#### 7 - BORROWINGS (Continued)

##### Short-Term Borrowings (Continued)

##### Sukuk Issuance Dated 24 December 2021

Ziraat Katılım Varlık Kiralama A.Ş. On 24 December 2021, a lease certificate was issued in the amount of 400.000.000 TL, with an ISIN code of TRDZKVK42210, an annual simple return rate of 17,90%, a maturity of 102 days, and a redemption date of 5 April 2022.

Details of the income distribution amounts of the 400.000.000 TL sukuk issuance dated 24 December 2021 are as follows:

1. Income Distribution Amount on 5 April 2022	20.008.760
Lease Certificate Payment Amount on 5 April 2022	400.000.000

##### Lease Certificates that Have Been Redeemed

Fund User	ISIN Code	Issuance Amount	Issuance Date	Redemption date	Maturity Date	Profit Share
Ziraat Katılım Bankası A.Ş.	TRDZKVK92116	250.000.000,00	30.03.2021	29.06.2021	91	10.976.100,00
Ziraat Katılım Bankası A.Ş.	TRDZKVK72118	500.000.000,00	29.06.2021	28.09.2021	91	11.586.925,00
Ziraat Katılım Bankası A.Ş.	TRDZKVK72126	600.000.000,00	26.03.2021	6.07.2021	102	11.586.925,00
Ziraat Katılım Bankası A.Ş.	TRDZKVK82117	600.000.000,00	14.04.2021	14.07.2021	91	26.547.950,00
Ziraat Katılım Bankası A.Ş.	TRDZKVK82125	400.000.000,00	28.04.2021	6.08.2021	100	28.122.720,00
Ziraat Katılım Bankası A.Ş.	TRDZKVK92124	300.000.000,00	25.05.2021	25.08.2021	92	30.821.940,00
Ziraat Katılım Bankası A.Ş.	TRDZKVK92132	400.000.000,00	4.06.2021	10.09.2021	98	18.904.120,00
Ziraat Katılım Bankası A.Ş.	TRDZKVK92112	400.000.000,00	22.06.2021	28.09.2021	98	15.102.750,00
Ziraat Katılım Bankası A.Ş.	TRDZKVK2112	500.000.000,00	6.07.2021	13.10.2021	99	20.137.000,00
Ziraat Katılım Bankası A.Ş.	TRDZKVK2120	600.000.000,00	14.07.2021	26.10.2021	104	25.563.700,00
Ziraat Katılım Bankası A.Ş.	TRDZKVK2114	600.000.000,00	6.08.2021	12.11.2021	98	32.225.760,00
Ziraat Katılım Bankası A.Ş.	TRDZKVK2122	400.000.000,00	25.08.2021	26.11.2021	93	30.286.020,00
Ziraat Katılım Bankası A.Ş.	TRDZKVK2116	300.000.000,00	10.09.2021	10.12.2021	91	19.160.560,00

The following lease certificates listed below have been issued by Ziraat Katılım Varlık Kiralama A.Ş. and, as of 31 December 2021, have not yet matured. Lease certificates are arranged by their remaining tenors. Each lease certificate issuance is in accordance with the relevant Management Agreement signed between Ziraat Katılım Bankası A.Ş., as the Fund User, and Ziraat Katılım Varlık Kiralama A.Ş., and consists of assets and rights owned by Ziraat Katılım Varlık Kiralama A.Ş., which are present (or will be created from the proceeds of the issuance) in the balance sheet of the Fund User, as Assets and Rights, in accordance with the terms of the Management Agreement.

Fund User	ISIN Code	Issuance Amount	Issuance Date	Redemption date	Remaining Days to Maturity	Annual Simple Interest Rate
Ziraat Katılım Bankası A.Ş.	TRDZKVK12213	600.000.000,00	28.09.2021	7.01.2022	7	17,80%
Ziraat Katılım Bankası A.Ş.	TRDZKVK32211	450.000.000,00	30.09.2021	30.03.2022	89	18,35%
Ziraat Katılım Bankası A.Ş.	TRDZKVK12221	500.000.000,00	13.10.2021	19.01.2022	19	17,80%
Ziraat Katılım Bankası A.Ş.	TRDZKVK22212	400.000.000,00	26.10.2021	4.02.2022	35	16,25%
Ziraat Katılım Bankası A.Ş.	TRDZKVK22220	600.000.000,00	12.11.2021	23.02.2022	54	16,10%
Ziraat Katılım Bankası A.Ş.	TRDZKVK32229	400.000.000,00	26.11.2021	4.03.2022	63	15,40%
Ziraat Katılım Bankası A.Ş.	TRDZKVK32237	400.000.000,00	10.12.2021	22.03.2022	81	16,30%
Ziraat Katılım Bankası A.Ş.	TRDZKVK62218	300.000.000,00	9.12.2021	7.06.2022	158	15,20%
Ziraat Katılım Bankası A.Ş.	TRDZKVK42210	400.000.000,00	24.12.2021	5.04.2022	95	17,90%

Assets and Rights; In accordance with Article 19(1)(ç) of the Regulation on Banks' Credit Transactions published by the Banking Regulation and Supervision Agency ("BRSA") in the Official Gazette dated 1 November 2016 and numbered 26333, it is one of the financing methods of participation banks and is provided by the Bank to Individual/Corporate It refers to financing transactions and financial leasing transactions that will be made available or have been made available to customers on behalf of the Asset Leasing Company.

## ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Amounts are expressed in Turkish Lira (TL) unless otherwise specified.)

#### 8 - TRADE PAYABLES

	31 December 2021	31 December 2020
Trade Payables to Third Parties	76.696	-
<b>TOTAL</b>	<b>76.696</b>	<b>-</b>

#### 9 - TAX ASSETS AND LIABILITIES

The provisions of Law No. 5520, the New Corporate Income Tax Law, became effective on 1 January 2006, as published in the Official Gazette dated 21 June 2006, with issue number 26205. Accordingly, in Turkey, the corporate income tax rate is 20% as of 1 January 2006. Additionally, Law No. 7061, titled "Law on Making Amendments in Some Tax Laws and Other Laws," was published in the Official Gazette with issue number 30261 on 5 December 2017.

With the temporary article added to Article 32 of Law No. 5520, the corporate income tax rate was set at 22% for the corporate profits of the years 2018, 2019, and 2020. Furthermore, as of 1 July 2021, based on the provisions in Articles 11 and 14 of the "Law on the Procedure for Collecting Public Receivables and Making Amendments in Some Laws" published in the Official Gazette with issue number 31462 on 22 April 2021, the corporate income tax rates were revised to 25% for the fiscal year 2021 profits and 23% for the fiscal year 2022 profits, starting from the submission of the declarations and beginning from 1 January 2021, for the fiscal years.

The company is subject to the tax legislation and practices currently in effect in Turkey.

According to the Corporate Tax Law, financial losses declared on the tax return can be deducted from the taxable income for the period, provided that they do not exceed five years. Tax returns and related accounting records can be examined by the tax authorities within five years, and tax calculations can be revised.

As of 31 December 2021, and 31 December 2020, the company's tax liabilities are detailed as follows:

	31 December 2021	31 December 2020
Current Income Tax Liabilities	16.771	15.651
<b>Tax Liabilities</b>	<b>16.771</b>	<b>15.651</b>

The tax expense details for the periods ending on 31 December 2021, and 31 December 2020, are as follows:

	31 December 2021	31 December 2020
Tax Expense	58.668	26.760
<b>Total</b>	<b>58.668</b>	<b>26.760</b>

As of 31 December 2021, after netting the corporate tax provision and the corporate tax paid, the remaining amount is recorded in the "corporate tax payable" or "assets related to current period tax" account within the "current profit tax liability" account.

## ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Amounts are expressed in Turkish Lira (TL) unless otherwise specified.)

#### 9 - TAX ASSETS AND LIABILITIES (Continued)

	31 December 2021	31 December 2020
Current Year Corporate Tax Expense	58.668	26.760
Taxes Paid (-)	(41.897)	(11.109)
<b>Current Tax Liability</b>	<b>16.771</b>	<b>15.651</b>

As of 31 December 2021, the Company does not have any deferred tax assets or liabilities (31 December 2020: None).

#### 10- OTHER LIABILITIES

	31 December 2021	31 December 2020
<i>Other Current Liabilities</i>		
Advances Taken from Related Parties	12.500	41.497
VAT Payable	4.920	4.924
Income Tax Payable	1.202	-
Income Withholdings Payable	797	2.577
Stamp Duty Payable	61	-
<b>TOTAL</b>	<b>19.480</b>	<b>48.998</b>

#### 11 - EQUITY

As of 31 December 2021, the Company's paid-in capital amount is 50.000 TL, consisting of 50.000 shares, each with a nominal value of 1 TL (31 December 2020: 50.000 TL). The Company does not have any preferred shares as of 31 December 2021.

The Company's legal capital and ownership structure are as follows:

	31 December 2021		31 December 2020	
	Paid-in Share Capital	Partnership Structure	Paid-in Share Capital	Partnership Structure
Ziraat Katılım Bankası A.Ş.	50.000	100%	50.000	100%

#### *Prior Years' Income*

The company has 111.969 TL of prior years income. (31 December 2020: 21.836 TL).

#### 12 - REVENUE

	31 December 2021	31 December 2020
Profit Share Income	606.587.851	327.136.577
<b>TOTAL</b>	<b>606.587.851</b>	<b>327.136.577</b>

(\*) The company includes its profit share income derived from the utilization of funds it obtained from the issuance of lease certificates to Ziraat Katılım Bankası A.Ş., with the same amount, maturity, and profit-sharing cost.

# ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Amounts are expressed in Turkish Lira (TL) unless otherwise specified.)

### 13 - COST OF SALES

	31 December 2021	31 December 2020
Profit Share Expenses	606.587.851	327.136.577
<b>TOTAL</b>	<b>606.587.851</b>	<b>327.136.577</b>

The details of profit share expense paid for the lease certificates issued for the periods ending on 31 December 2021 and 31 December 2020 are as follows:

	31 December 2021	31 December 2020
TRDZKVK12114	890.986	16.467.914
TRDZKVK12122	3.159.625	9.804.759
TRDZKVK22113	8.374.798	10.956.702
TRDZKVK22139	11.118.917	8.883.833
TRDZKVK32112	19.347.351	7.679.769
TRDZKVK62119	46.450.370	4.003.539
TRDZKVK32120	7.601.477	1.449.817
TRDZKVK32138	27.635.231	4.503.379
TRDZKVK42111	17.009.055	-
TRDZKVK42129	15.703.030	-
TRDZKVK52110	19.729.319	-
TRDZKVK62127	19.178.080	-
TRDZKVK62135	19.979.160	-
TRDZKVK72118	26.547.950	-
TRDZKVK92116	22.563.025	-
TRDZKVK72126	28.122.720	-
TRDZKVK82117	30.821.940	-
TRDZKVK82125	18.904.120	-
TRDZKVK92124	15.102.750	-
TRDZKVK92132	20.137.000	-
TRDZKVKKE2112	25.563.700	-
TRDZKVKKE2120	32.225.760	-
TRDZKVKK2114	30.286.020	-
TRDZKVKK2122	19.160.560	-
TRDZKVKKA2116	14.098.770	-
TRDZKVK12213	27.757.282	-
TRDZKVK32211	20.594.113	-
TRDZKVK12221	19.422.807	-
TRDZKVK22212	11.842.966	-
TRDZKVK22220	13.081.647	-
TRDZKVK32229	5.997.892	-
TRDZKVK62218	2.783.662	-
TRDZKVK32237	3.861.507	-
TRDZKVK42210	1.534.261	-
TRDZKVK12023	-	1.436.551
TRDZKVK12031	-	4.005.236
TRDZKVK22014	-	10.751.039
TRDZKVK32013	-	10.830.168
TRDZKVK42012	-	15.144.882
TRDZKVK42020	-	10.258.077
TRDZKVK52011	-	12.484.947
TRDZKVK62010	-	17.876.877
TRDZKVK62028	-	13.426.047
TRDZKVK72019	-	14.071.247
TRDZKVK72027	-	16.924.917
TRDZKVK82018	-	16.915.077
TRDZKVK82026	-	6.785.757
TRDZKVK92017	-	18.511.757
TRDZKVK92025	-	11.428.747
TRDZKVKKE2013	-	15.411.477
TRDZKVKK2015	-	13.946.278
TRDZKVKK2023	-	20.110.158
TRDZKVKKA2017	-	10.293.688
TRDZKVKKA2025	-	22.773.938
<b>TOTAL</b>	<b>606.587.851</b>	<b>327.136.577</b>

## ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Amounts are expressed in Turkish Lira (TL) unless otherwise specified.)

#### 14 - GENERAL ADMINISTRATIVE EXPENSES

	31 December 2021	31 December 2020
Issuance Related Expenses	13.599.063	15.016.179
Audit and Consultancy Expenses	49.453	33.302
Board Member Attendance Allowance Expenses	33.535	201.702
Rent Expenses	3.600	-
Stamp Duty	2.655	1.657
Notary Registration Expenses	2.323	1.250
Chamber of Commerce Registration Fee	7.847	1.405
Other Miscellaneous Expenses	1.231	3.584
<b>TOTAL</b>	<b>13.699.707</b>	<b>15.259.079</b>

#### 15 – OTHER OPERATING INCOME

	31 December 2021	31 December 2020
Service Commission Income (*)	13.934.378	15.380.717
<b>TOTAL</b>	<b>13.934.378</b>	<b>15.380.717</b>

(\*) The costs related to issuances incurred for Ziraat Katılım Bankası A.Ş. consist of accounting processes for reflection.

#### 16 - RELATED PARTIES

1) As of 31 December 2021, the details of receivables and payables from related parties are as follows:

##### Cash and Cash Equivalents

	31 December 2021	31 December 2020
-Ziraat Katılım Bankası A.Ş (Note 4)	365.403	231.378
<b>TOTAL</b>	<b>365.403</b>	<b>231.378</b>

##### Trade Receivables

	31 December 2021	31 December 2020
-Ziraat Katılım Bankası A.Ş (Note 5)	4.156.952.833	4.013.749.697
<b>TOTAL</b>	<b>4.156.952.833</b>	<b>4.013.749.697</b>

## ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Amounts are expressed in Turkish Lira (TL) unless otherwise specified.)

#### 16 - RELATED PARTIES (Continued)

##### Other Current Assets from Related Parties

	31 December 2021	31 December 2020
-ZKB Varlık Kiralama A.Ş (Note 6)	12.500	-
<b>TOTAL</b>	<b>12.500</b>	<b>-</b>

##### Other Current Liabilities to Related Parties

	31 December 2021	31 December 2020
-Ziraat Katılım Bankası A.Ş (Note 10)	12.500	41.497
<b>TOTAL</b>	<b>12.500</b>	<b>41.497</b>

2) As of 31 December 2021, the details of income and expenses from related parties are as follows:

##### Income from Related Party Transactions

	31 December 2021	31 December 2020
-Ziraat Katılım Bankası A.Ş – Profit Share Income	606.587.851	327.136.577
-Ziraat Katılım Bankası A.Ş - Service Commission Income	13.934.378	15.380.717
<b>TOTAL</b>	<b>620.522.229</b>	<b>342.517.294</b>

#### 17 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

##### 17.1 Equity Related Risks

The Company aims to increase its profits by maintaining a balance between debt and equity while conducting its activities.

##### 17.2. Financial Risks

The company is exposed to credit risk and liquidity risk due to its activities.

##### 17.2.1 Credit Risk

The financial instruments held by the Company include counterparty credit risk due to the counterparty's failure to fulfill the terms of the agreement.

## ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Amounts are expressed in Turkish Lira (TL) unless otherwise specified.)

#### 17 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

##### Credit risks exposed by financial instrument types

	Receivables				
	Trade Receivables		Other Receivables		Deposits in
	Related Party	Other Party	Related Party	Other Party	Banks
<b>31 December 2021</b>					
Maximum credit risk exposed as of balance sheet date 31 December 2022	4.156.952.833	-	12.500	1.065	365.403
- The part of maximum risk under guarantee with collaterals etc.	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	4.156.952.833	-	12.500	1.065	365.403
B. The net book value of financial assets that have had their terms renegotiated, otherwise, they would be considered past due or impaired	-	-	-	-	-
C. Net book value of financial assets past due but not impaired	-	-	-	-	-
- The portion secured by collateral, etc.	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Not overdue (Gross carrying amount)	-	-	-	-	-
- Impairment	-	-	-	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-
- Overdue (Gross carrying amount)	-	-	-	-	-
- Impairment	-	-	-	-	-
E. Off-balance sheet items	-	-	-	-	-

(\*) In determining the amount, factors that increase credit reliability, such as guarantees received, were not taken into account.

	Receivables				
	Trade Receivables		Other Receivables		Deposits in
	Related Party	Other Party	Banks	Other Party	Banks
<b>31 December 2020</b>					
Maximum credit risk exposed as of balance sheet date 31 December 2022	4.013.749.697	-	-	-	231.378
- The part of maximum risk under guarantee with collaterals etc.	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	4.013.749.697	-	-	-	231.378
B. The net book value of financial assets that have had their terms renegotiated, otherwise, they would be considered past due or impaired	-	-	-	-	-
C. Net book value of financial assets past due but not impaired	-	-	-	-	-
- The portion secured by collateral, etc.	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Not overdue (Gross carrying amount)	-	-	-	-	-
- Impairment	-	-	-	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-
- Overdue (Gross carrying amount)	-	-	-	-	-
- Impairment	-	-	-	-	-
E. Off-balance sheet items	-	-	-	-	-

(\*) In determining the amount, factors that increase credit reliability, such as guarantees received, were not taken into account.

## ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Amounts are expressed in Turkish Lira (TL) unless otherwise specified.)

#### 17 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

##### 17.2.2 Liquidity Risk

Management of liquidity risk is the responsibility of the company's Board of Directors. The board of directors has established an appropriate liquidity risk management structure for the liquidity requirements of the company. The Company manages liquidity risk by regularly monitoring liquidity risk and ensuring adequate availability of funds and borrowing reserves by matching the maturities of financial assets and liabilities.

##### Liquidity Risk Table

<b>31 December 2021</b>	<b>Up to 1 month</b>	<b>1 to 12 months</b>	<b>1 to 5 years</b>	<b>Demand</b>	<b>Total</b>
Cash and cash equivalents	-	-	-	365.403	365.403
Trade Receivables	-	4.156.952.833	-	-	4.156.952.833
Other Current Assets	13.565	-	-	-	13.565
<b>Total Assets</b>	<b>13.565</b>	<b>4.156.952.833</b>	-	<b>365.403</b>	<b>4.157.331.801</b>
Lease Certificates Issued	-	4.156.876.137	-	-	4.156.876.137
Other Current Liabilities	89.196	23.751	-	342.717	455.664
<b>Total Liabilities</b>	<b>89.196</b>	<b>4.156.899.888</b>	-	<b>342.717</b>	<b>4.157.331.801</b>
<b>Liquidity Risk</b>	<b>(75.631)</b>	<b>52.945</b>	-	<b>22.686</b>	-
<b>31 December 2020</b>	<b>Up to 1 month</b>	<b>1 to 12 months</b>	<b>1 to 5 years</b>	<b>Demand</b>	<b>Total</b>
Cash and cash equivalents	-	-	-	231.378	231.378
Trade Receivables	-	4.013.749.697	-	-	4.013.749.697
Other Current Assets	-	-	-	-	-
<b>Total Assets</b>	-	<b>4.013.749.697</b>	-	<b>231.378</b>	<b>4.013.981.075</b>
Lease Certificates Issued	-	4.013.749.712	-	-	4.013.749.712
Other Current Liabilities	41.497	23.152	-	166.714	231.363
<b>Total Liabilities</b>	<b>41.497</b>	<b>4.013.772.864</b>	-	<b>166.714</b>	<b>4.013.981.075</b>
<b>Liquidity Risk</b>	<b>(41.497)</b>	<b>(23.167)</b>	-	<b>64.664</b>	-

##### 17.3 Market Risk

The company is not exposed to market risk since it has no foreign currency assets and liabilities and no purchase or sale commitments.



## ZİRAAT KATILIM VARLIK KİRALAMA A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Amounts are expressed in Turkish Lira (TL) unless otherwise specified.)

#### 18 - FAIR VALUE DISCLOSURES OF FINANCIAL INSTRUMENTS

	<b>Book value</b>	<b>Fair value</b>
	<b>31 December 2021</b>	<b>31 December 2021</b>
<u>Financial Assets</u>		
<i>Trade Receivables from Related Parties</i>	4.156.952.833	4.156.952.833
<u>Financial Obligations</u>		
<i>Short-Term Borrowings from Third Parties</i>	4.156.876.137	4.156.876.137
<hr/>		
	<b>Book value</b>	<b>Fair value</b>
	<b>31 December 2020</b>	<b>31 December 2020</b>
<u>Financial Assets</u>		
<i>Trade Receivables from Related Parties</i>	4.013.749.697	4.013.749.697
<u>Financial Obligations</u>		
<i>Short-Term Borrowings from Third Parties</i>	4.013.749.712	4.013.749.712

It is assumed that there is no significant difference between the fair value and book value of financial assets and liabilities due to their short-term nature.

#### 19 - EVENTS AFTER THE REPORTING PERIOD

The company conducted sukuk issuances on 7 January 2022 and 19 January 2022 with the following details:

##### **Sukuk Issuance Dated 7 January 2022**

Ziraat Katılım Varlık Kiralama A.Ş. On 7 January 2022, a lease certificate was issued in the amount of 600.000.000 TL, with a simple annual return rate of 20,00%, a maturity of 98 days, and a redemption date of 15 April 2022, with the code TRDZKVK42228ISIN.

Details of the income distribution amounts of the 600.000.000 TL sukuk issuance dated 7 January 2022 are as follows:

1. Income Distribution Amount on 15 April 2022	32.219.160
Lease Certificate Payment Amount on 15 April 2022	600.000.000

##### **Sukuk Issuance Dated 19 January 2022**

Ziraat Katılım Varlık Kiralama A.Ş. On 19 January 2022, a lease certificate was issued in the amount of 500.000.000 TL, with an ISIN code of TRDZKVK42236, an annual simple return rate of 19,50%, a maturity of 98 days, and a redemption date of 27 April 2022.

Details of the income distribution amounts of the 500.000.000 TL sukuk issuance dated 19 January 2022 are as follows:

1. Income Distribution Amount on 27 April 2022	26.178.100
Lease Certificate Payment Amount on 27 April 2022	500.000.000