



GARANTİ FAKTORİNG A.Ş.

Financial Statements

As at and for the Period Ended

30 June 2025

With Independent Auditors' Review Report
(Convenience Translation of Financial Statements
and Related Disclosures and Footnotes
Originally Issued in Turkish)

GARANTİ FAKTORİNG A.Ş.
BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AT 30 JUNE 2025

Presentation Currency : Thousands of Turkish Lira (TL)

	ASSETS	FootNotes	Reviewed 30 June 2025			Audited 31 December 2024		
			TL	FC	Total	TL	FC	Total
I.	CASH, CASH EQUIVALENTS AND BALANCES AT CENTRAL BANK	3	648.391	43.538	691.929	135.036	29.984	165.020
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	4	-	47	47	-	36	36
III.	DERIVATIVE FINANCIAL ASSETS		-	-	-	-	-	-
IV.	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Net)		-	-	-	-	-	-
V.	FINANCIAL ASSETS AT AMORTISED COST (Net)	5	22.184.167	2.601.248	24.785.415	10.680.988	2.267.231	12.948.219
5.1	Factoring Receivables	5.1	22.207.082	2.602.723	24.809.805	10.688.383	2.268.560	12.956.943
5.1.1	Discounted Factoring Receivables (Net)		16.062.328	522.224	16.584.552	7.383.201	143.035	7.526.236
5.1.2	Other Factoring Receivables		6.144.754	2.080.499	8.225.253	3.305.182	2.125.525	5.430.707
5.2	Savings Finance Receivables		-	-	-	-	-	-
5.2.1	From Savings Fund Pool		-	-	-	-	-	-
5.2.2	From Equity		-	-	-	-	-	-
5.3	Financial Loans		-	-	-	-	-	-
5.3.1	Consumer loans		-	-	-	-	-	-
5.3.2	Credit Cards		-	-	-	-	-	-
5.3.3	Installment Commercial Loans		-	-	-	-	-	-
5.4	Leasing Transactions (Net)		-	-	-	-	-	-
5.4.1	Finance lease receivables		-	-	-	-	-	-
5.4.2	Operating Lease Receivables		-	-	-	-	-	-
5.4.3	Unearned Income (-)		-	-	-	-	-	-
5.5	Other Financial Assets Measured at Amortised Cost		-	-	-	-	-	-
5.6	Non Performing Receivables	5.2	171.621	-	171.621	121.767	-	121.767
5.7	Allowance For Expected Credit Losses / Specific Provisions (-)	5.3	(194.536)	(1.475)	(196.011)	(129.162)	(1.329)	(130.491)
VI.	INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		-	-	-	-	-	-
6.1	Investments in Associates (Net)		-	-	-	-	-	-
6.2	Investments in Subsidiaries (Net)		-	-	-	-	-	-
6.3	Jointly Controlled Partnerships (Joint Ventures) (Net)		-	-	-	-	-	-
VII.	TANGIBLE ASSETS (Net)	6	42.628	-	42.628	2.751	-	2.751
VIII.	INTANGIBLE ASSETS AND GOODWILL (Net)	7	121.465	-	121.465	80.528	-	80.528
IX.	INVESTMENT PROPERTY (Net)		-	-	-	-	-	-
X.	CURRENT TAX ASSETS		-	-	-	-	-	-
XI.	DEFERRED TAX ASSET	8	39.991	-	39.991	41.356	-	41.356
XII.	OTHER ASSETS	9	145.276	1.376	146.652	62.148	320	62.468
	SUBTOTAL		23.181.918	2.646.209	25.828.127	11.002.807	2.297.571	13.300.378
XIII.	ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
13.1	Held for Sale		-	-	-	-	-	-
13.2	Non-Current Assets From Discontinued Operations		-	-	-	-	-	-
	TOTAL ASSETS		23.181.918	2.646.209	25.828.127	11.002.807	2.297.571	13.300.378

GARANTİ FAKTORİNG A.Ş.
BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AT 30 JUNE 2025

Presentation Currency : Thousands of Turkish Lira (TL)

	LIABILITY AND EQUITY ITEMS	FootNotes	Reviewed 30 June 2025			Audited 31 December 2024		
			TL	FC	Total	TL	FC	Total
I.	LOANS RECEIVED	10	17.507.197	2.468.879	19.976.076	7.488.005	2.247.848	9.735.853
II.	FACTORING PAYABLES	5.1	2.349	31.477	33.826	2.203	8.039	10.242
III.	PAYABLES FROM SAVINGS FUND POOL		-	-	-	-	-	-
IV.	LEASE PAYABLES	11	36.860	-	36.860	2.724	-	2.724
V.	MARKETABLE SECURITIES (Net)	12	1.190.598	-	1.190.598	-	-	-
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES		-	-	-	-	-	-
VIII.	PROVISIONS	13	119.316	23.559	142.875	154.491	18.267	172.758
8.1	Provision for Restructuring		-	-	-	-	-	-
8.2	Reserves For Employee Benefits	13.1	66.092	-	66.092	63.660	-	63.660
8.3	General Loan Loss Provisions		-	-	-	-	-	-
8.4	Other provisions	13.2	53.224	23.559	76.783	90.831	18.267	109.098
IX.	CURRENT TAX LIABILITIES	8	228.599	-	228.599	166.863	-	166.863
X.	DEFERRED TAX LIABILITY		-	-	-	-	-	-
XI.	SUBORDINATED DEBT		-	-	-	-	-	-
XII.	OTHER LIABILITIES	14	82.670	1.964	84.634	38.177	1.291	39.468
	SUBTOTAL		19.167.589	2.525.879	21.693.468	7.852.463	2.275.445	10.127.908
XIII.	LIABILITIES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
13.1	Held For Sale		-	-	-	-	-	-
13.2	Related to Discontinued Operations		-	-	-	-	-	-
XIV.	EQUITY	15	4.134.659	-	4.134.659	3.172.470	-	3.172.470
14.1	Issued capital		397.500	-	397.500	397.500	-	397.500
14.2	Capital Reserves		-	-	-	-	-	-
14.2.1	Equity Share Premiums		-	-	-	-	-	-
14.2.2	Share Cancellation Profits		-	-	-	-	-	-
14.2.3	Other Capital Reserves		-	-	-	-	-	-
14.3	Other Accumulated Comprehensive Income That Will Not Be Reclassified In Profit Or Loss		(8.140)	-	(8.140)	(8.140)	-	(8.140)
14.4	Other Accumulated Comprehensive Income That Will Be Reclassified In Profit Or Loss		-	-	-	-	-	-
14.5	Profit Reserves		2.783.110	-	2.783.110	1.345.022	-	1.345.022
14.5.1	Legal Reserves		79.500	-	79.500	15.900	-	15.900
14.5.2	Statutory Reserves		-	-	-	-	-	-
14.5.3	Extraordinary Reserves		2.703.610	-	2.703.610	1.329.122	-	1.329.122
14.5.4	Other Profit Reserves		-	-	-	-	-	-
14.6	Profit or Loss		962.189	-	962.189	1.438.088	-	1.438.088
14.6.1	Prior Years' Profit or Loss		-	-	-	-	-	-
14.6.2	Current Period Net Profit Or Loss		962.189	-	962.189	1.438.088	-	1.438.088
			-	-	-	-	-	-
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		23.302.248	2.525.879	25.828.127	11.024.933	2.275.445	13.300.378

GARANTİ FAKTORİNG A.Ş.
OFF-BALANCE SHEET ITEMS AT 30 JUNE 2025

Presentation Currency : Thousands of Turkish Lira (TL)

	OFF-BALANCE SHEET ITEMS	Foot Notes	Reviewed 30 June 2025			Audited 31 December 2024		
			TP	YP	Total	TP	YP	Total
I.	IRREVOCABLE FACTORING TRANSACTIONS		8.915.261	1.776.633	10.691.894	5.270.457	1.656.380	6.926.837
II.	REVOCABLE FACTORING TRANSACTIONS		7.097.583	125.189	7.222.772	3.938.925	73.315	4.012.240
III.	SAVINGS FINANCE CONTRACTS TRANSACTIONS		-	-	-	-	-	-
IV.	COLLATERALS RECEIVED	24.1	19.517	206.164.347	206.183.864	554.024	141.444.990	141.999.014
V.	COLLATERALS GIVEN	24.2	13.993.970	122.703	14.116.673	4.514.311	69.746	4.584.057
VI.	COMMITMENTS		-	-	-	-	-	-
6.1	Irrevocable Commitments		-	-	-	-	-	-
6.2	Revocable Commitments		-	-	-	-	-	-
6.2.1	Lease Commitments		-	-	-	-	-	-
6.2.1.1	Finance Lease Commitments		-	-	-	-	-	-
6.2.1.2	Operational Lease Commitments		-	-	-	-	-	-
6.2.2	Other Revocable Commitments		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL INSTRUMENTS		-	-	-	-	-	-
7.1	Derivative Financial Instruments Held For Hedging		-	-	-	-	-	-
7.1.1	Fair Value Hedges		-	-	-	-	-	-
7.1.2	Cash Flow Hedges		-	-	-	-	-	-
7.1.3	Hedges of Net Investment in Foreign Operations		-	-	-	-	-	-
7.2	Derivative Financial Instruments Held For Trading		-	-	-	-	-	-
7.2.1	Forward Buy or Sell Transactions		-	-	-	-	-	-
7.2.2	Swap Purchases or Sales		-	-	-	-	-	-
7.2.3	Option Purchases or Sales		-	-	-	-	-	-
7.2.4	Futures Purchases or Sales		-	-	-	-	-	-
7.2.5	Other		-	-	-	-	-	-
VIII.	ITEMS HELD IN CUSTODY	24.3	14.882.233	625.204	15.507.437	6.869.404	440.388	7.309.792
			-	-	-	-	-	-
	TOTAL OFF-BALANCE SHEET ITEMS		44.908.564	208.814.076	253.722.640	21.147.121	143.684.819	164.831.940

GARANTİ FAKTORİNG A.Ş.
STATEMENT OF PROFIT OR LOSS AT 30 JUNE 2025

Presentation Currency : Thousands of Turkish Lira (TL)

	Statement of Profit or Loss	Foot Notes	Reviewed 1 January 2025- 30 June 2025	Reviewed 1 January 2024- 30 June 2024	Not Reviewed 1 April 2025- 30 June 2025	Not Reviewed 1 April 2024- 30 June 2024
I.	OPERATING INCOME	16	4.281.486	2.805.813	2.626.752	1.466.181
	FACTORING INCOME		4.281.486	2.805.813	2.626.752	1.466.181
1.1	Factoring Interest Income		4.219.655	2.717.822	2.587.208	1.442.862
1.1.1	Discounted		2.927.856	1.898.399	1.791.856	1.027.451
1.1.2	Other		1.291.799	819.423	795.352	415.411
1.2	Factoring Fee and Commission Income		61.831	87.991	39.544	23.319
1.2.1	Discounted		48.215	66.779	32.112	18.529
1.2.2	Other		13.616	21.212	7.432	4.790
	INCOME FROM FINANCING LOANS		-	-	-	-
1.3	Interest Income From Financing Loans		-	-	-	-
1.4	Fee and Commission Income From Financing Loans		-	-	-	-
	LEASE INCOME		-	-	-	-
1.5	Finance Lease Income		-	-	-	-
1.6	Operational Lease Income		-	-	-	-
1.7	Fee and Commission Income From Lease Operations		-	-	-	-
	SAVINGS FINANCE INCOME		-	-	-	-
1.8	Profit Share on Savings Finance Receivables		-	-	-	-
1.9	Fees and Commissions Received From Savings Finance Operations		-	-	-	-
II.	FINANCE COST (-)	17	(2.691.057)	(1.718.877)	(1.746.274)	(875.975)
2.1	Profit Share Expense on Savings Fund Pool		-	-	-	-
2.2	Interest Expenses on Funds Borrowed		(2.566.380)	(1.165.862)	(1.629.118)	(608.088)
2.3	Interest Expenses On Factoring Payables		-	-	-	-
2.4	Lease Interest Expenses		(4.537)	(626)	(3.562)	(315)
2.5	Interest Expenses on Securities Issued		(104.030)	(525.405)	(97.484)	(255.297)
2.6	Other Interest Expense		(1)	(16)	(1)	(13)
2.7	Fees and Commissions Paid		(16.109)	(26.968)	(16.109)	(12.262)
III.	GROSS PROFIT (LOSS)		1.590.429	1.086.936	880.478	590.206
IV.	OPERATING EXPENSES (-)	18	(260.060)	(159.630)	(126.592)	(80.248)
4.1	Personnel Expenses		(178.958)	(110.320)	(87.895)	(54.426)
4.2	Provision Expense for Employment Termination Benefits		(6.343)	(3.604)	(2.479)	(2.163)
4.3	Research and development expense		-	-	-	-
4.4	General Operating Expenses		(74.759)	(45.706)	(36.218)	(23.659)
4.5	Other		-	-	-	-
V.	GROSS OPERATING PROFIT (LOSS)		1.330.369	927.306	753.886	509.958
VI.	OTHER OPERATING INCOME	19	137.927	225.290	82.879	127.141
6.1	Interest Income on Banks		66.691	68.575	51.447	50.054
6.2	Interest Income on Marketable Securities Portfolio		-	-	-	-
6.3	Dividend Income		-	-	-	-
6.4	Gains Arising from Capital Markets Transactions		-	-	-	-
6.5	Derivative Financial Transactions' Gains		-	-	-	(5.593)
6.6	Foreign Exchange Gains		18.326	68.015	11.261	35.555
6.7	Other		52.910	88.700	20.171	47.125
VII.	PROVISION EXPENSES		(90.778)	(72.262)	(46.419)	(2.565)
7.1	Specific Provisions		-	-	-	-
7.2	Allowances For Expected Credit Losses	20	(83.927)	(69.679)	(46.589)	(26.691)
7.3	General Loan Loss Provisions		-	-	-	-
7.4	Other		(6.851)	(2.583)	170	24.126
VIII.	OTHER OPERATING EXPENSES (-)	21	(4.739)	(99.131)	(2.678)	(53.642)
8.1	Impairment in Value of Securities		-	-	-	-
8.2	Impairment in Value of Non-Current Assets		-	-	-	-
8.3	Capital Market Transactions Losses		-	-	-	-
8.4	Loss Arising from Derivative Financial Transaction		-	(35.195)	-	(35.195)
8.5	Foreign Exchange Losses		(4.739)	(63.925)	(2.678)	(18.436)
8.6	Other		-	(11)	-	(11)
IX.	NET OPERATING PROFIT (LOSS)		1.372.779	981.203	787.668	580.892
X.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-	-	-
XI.	PROFIT (LOSS) FROM COMPANIES ACCOUNTED FOR USING EQUITY METHOD		-	-	-	-
XII.	NET MONETARY POSITION GAIN (LOSS)		-	-	-	-
XIII.	PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		1.372.779	981.203	787.668	580.892
XIV.	TAX PROVISION FOR CONTINUING OPERATIONS (+/-)	8	(410.590)	(288.146)	(234.941)	(166.828)
14.1	Current Tax Provision		(409.225)	(293.034)	(236.515)	(166.026)
14.2	Expense Effect of Deferred Tax		(18.652)	-	(15.713)	-
14.3	Income Effect of Deferred Tax		17.287	4.888	17.287	(802)
XV.	NET PERIOD PROFIT (LOSS) FROM CONTINUING OPERATIONS		962.189	693.057	552.727	414.064
XVI.	INCOME ON DISCONTINUED OPERATIONS		-	-	-	-
16.1	Income on Assets Held for Sale		-	-	-	-
16.2	Gain on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-	-	-
16.3	Other Income on Discontinued Operations		-	-	-	-
XVII.	EXPENSES ON DISCONTINUED OPERATIONS (-)		-	-	-	-
17.1	Expense on Assets Held for Sale		-	-	-	-
17.2	Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-	-	-
17.3	Other Expenses on Discontinued Operations		-	-	-	-
XVIII.	PROFIT (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAX		-	-	-	-
XIX.	TAX PROVISION FOR DISCONTINUED OPERATIONS (+/-)		-	-	-	-
19.1	Current Tax Provision		-	-	-	-
19.2	Expense Effect of Deferred Tax		-	-	-	-
19.3	Income Effect of Deferred Tax		-	-	-	-
XX.	NET PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS		-	-	-	-
XXI.	NET PROFIT OR LOSS FOR THE PERIOD		962.189	693.057	552.727	414.064
	Profit per Share from Continuing Operations	22	2,420601	1,743540	1,390508	1,041670

GARANTİ FAKTORİNG A.Ş.**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AT 30 JUNE 2025**

Presentation Currency : Thousands of Turkish Lira (TL)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		Foot Notes	Reviewed 1 January 2025- 30 June 2025	Reviewed 1 January 2024- 30 June 2024	Not Reviewed 1 April 2025- 30 June 2025	Not Reviewed 1 April 2024- 30 June 2024
I.	CURRENT PERIOD PROFIT/LOSS		962.189	693.057	552.727	414.064
II.	OTHER COMPREHENSIVE INCOME		-	-	-	-
2.1	Other Comprehensive Income that will not be Reclassified to Profit or Loss		-	-	-	-
2.1.1	Gains (Losses) on Revaluation of Property, Plant and Equipment		-	-	-	-
2.1.2	Gains (Losses) on Revaluation of Intangible Assets		-	-	-	-
2.1.3	Gains (Losses) on Remeasurements of Defined Benefit Plans		-	-	-	-
2.1.4	Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss		-	-	-	-
2.1.5	Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss		-	-	-	-
2.2	Other Comprehensive Income That Will Be Reclassified to Profit or Loss		-	-	-	-
2.2.1	Exchange Differences on Translation		-	-	-	-
	Valuation and/or Reclassification Profit or Loss from financial assets at fair value through other comprehensive income		-	-	-	-
2.2.2						
2.2.3	Income (Losses) from Cash Flow Hedges		-	-	-	-
2.2.4	Income (Losses) on Hedges of Net Investments in Foreign Operations		-	-	-	-
2.2.5	Other Components of Other Comprehensive Income that will be Reclassified to Other Profit or Loss		-	-	-	-
2.2.6	Taxes Relating to Components of Other Comprehensive Income that will be Reclassified to Profit or Loss		-	-	-	-
III.	TOTAL COMPREHENSIVE INCOME (LOSS) (I+II)		962.189	693.057	552.727	414.064

GARANTİ FAKTORİNG A.Ş.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AT 30 JUNE 2025
Presentation Currency : Thousands of Turkish Lira (TL)

							Other Accumulated Comprehensive Income That Will Not Be Reclassified In Profit and Loss			Other Accumulated Comprehensive Income That Will Be Reclassified In Profit and Loss						
	STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Foot Notes	Paid-in Capital	Reserves	Share Premium	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Years' Profit/(Loss)	Current Period's Net Profit/Loss	Total Shareholders' Equity
	Prior Period 1 January - 30 June 2024 Reviewed															
I.	Equity at beginning of period	15	79.500	-	-	-	-	(8.440)	-	-	-	-	617.938	-	1.045.084	1.734.082
II.	Increase or Decrease Required by TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect Of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect Of Changes In Accounting Policy		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance		79.500	-	-	-	-	(8.440)	-	-	-	-	617.938	-	1.045.084	1.734.082
IV.	Total Comprehensive Income (Loss)		-	-	-	-	-	-	-	-	-	-	-	-	693.057	693.057
V.	Cash Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase Through Internal Reserves		318.000	-	-	-	-	-	-	-	-	-	(318.000)	-	-	-
VII.	Inflation Adjustments to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase (decrease) through other changes, equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit Distributions		-	-	-	-	-	-	-	-	-	-	1.045.084	-	(1.045.084)	-
11.1	Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers To Reserves		-	-	-	-	-	-	-	-	-	-	1.045.084	-	(1.045.084)	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity at end of period (30 June 2024) (III+IV+.....+X+XI)		397.500	-	-	-	-	(8.440)	-	-	-	-	1.345.022	-	693.057	2.427.139
	Current Period 1 January - 30 June 2025 Reviewed															
I.	Equity at beginning of period	15	397.500	-	-	-	-	(8.140)	-	-	-	-	1.345.022	-	1.438.088	3.172.470
II.	Increase or Decrease Required by TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect Of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect Of Changes In Accounting Policy		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance		397.500	-	-	-	-	(8.140)	-	-	-	-	1.345.022	-	1.438.088	3.172.470
IV.	Total Comprehensive Income (Loss)		-	-	-	-	-	-	-	-	-	-	-	-	962.189	962.189
V.	Cash Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase Through Internal Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Inflation Adjustments to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase (decrease) through other changes, equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit Distributions		-	-	-	-	-	-	-	-	-	-	1.438.088	-	(1.438.088)	-
11.1	Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers To Reserves		-	-	-	-	-	-	-	-	-	-	1.438.088	-	(1.438.088)	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity at end of period (30 June 2025) (III+IV+.....+X+XI)		397.500	-	-	-	-	(8.140)	-	-	-	-	2.783.110	-	962.189	4.134.659

1. Revaluation surplus on tangible and intangible assets

2. Defined Benefit Plans' Actuarial Gains/Losses

3. Other (Other comprehensive income and expenses from equity method investments not to be reclassified on profit/loss, and other accumulated comprehensive income and

4. Foreign exchange conversion differences

5. ncome/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI

6. Other (Profit/loss from cash flow hedges, other comprehensive income and expenses from equity method investments to be reclassified on profit/loss, and other accumulated comprehensive income and expenses to be reclassified on

GARANTİ FAKTORİNG A.Ş.
STATEMENT OF CASH FLOWS AT 30 JUNE 2025
Presentation Currency : Thousands of Turkish Lira (TL)

	STATEMENT OF CASH FLOWS	Foot Notes	Reviewed 1 January - 30 June 2025	Reviewed 1 January - 30 June 2024
A.	CASH FLOWS FROM OPERATING ACTIVITIES			
1.1	Operating Profit/Loss Before Changes in Operating Assets and Liabilities		1.371.631	1.182.015
			-	-
1.1.1	Interest Received / Profit Share Received / Lease Income		4.103.802	2.757.248
1.1.2	Interest Paid /Profit Share Paid / Lease Payments		(2.277.366)	(1.484.182)
1.1.3	Dividends received		-	-
1.1.4	Fees and Commissions Received		61.901	90.467
1.1.5	Other Gains		-	-
1.1.6	Collections from Previously Written Off Loans and Other Receivables		29.500	37.046
1.1.7	Cash Payments to Personnel and Service Suppliers		(200.621)	(124.992)
1.1.8	Taxes Paid		(347.489)	(130.570)
1.1.9	Other	8	1.904	36.998
			-	-
1.2	Changes in Operating Assets and Liabilities		(2.284.723)	(1.033.547)
			-	-
1.2.1	Net (Increase) Decrease in Factoring Receivables		(11.801.637)	535.741
1.2.2	Net (Increase) Decrease in Financing Loans		-	-
1.2.3	Net (Increase) Decrease in Receivables From Leasing Transactions		-	-
1.2.4	Net (Increase) Decrease in Savings Finance Receivables		-	-
1.2.5	Net (Increase) Decrease in Other Assets		(499.354)	39.906
1.2.6	Net Increase (Decrease) in Factoring Payables		23.584	(41.935)
1.2.7	Net Increase (Decrease) in Savings Fund Pool		-	-
1.2.8	Net Increase (Decrease) in Lease Payables		42.399	1.360
1.2.9	Net Increase (Decrease) in Funds Borrowed		9.947.109	(1.521.454)
1.2.10	Net Increase (Decrease) in Matured Payables		-	-
1.2.11	Net Increase (Decrease) Other Liabilities		3.176	(47.165)
			-	-
I.	Cash flows from (used in) operating activities		(913.092)	148.468
B.	CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
			-	-
2.1	Cash Paid for Purchase of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-
2.2	Cash Obtained from Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-
2.3	Tangible And Intangible Asset Purchases	6	(7.868)	-
2.4	Sale of Tangible Intangible Assets		-	-
2.5	Cash Paid for Purchase of Financial Assets At Fair Value Through Other Comprehensive Income		-	-
2.6	Cash Obtained from Sale of Financial Assets At Fair Value Through Other Comprehensive Income		-	-
2.7	Cash Paid for Purchase of Financial Assets At Amortised Cost		-	-
2.8	Cash Obtained from Sale of Financial Assets At Amortised Cost		-	-
2.9	Other	7	(53.258)	(28.899)
			-	-
II.	Net cash flows from (used in) investing activities		(61.126)	(28.899)
C.	CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES			
			-	-
3.1	Cash Obtained from Loans and Securities Issued		1.086.568	3.033.918
3.2	Cash Outflow Arised From Loans and Securities Issued		-	(3.181.591)
3.3	Equity Instruments Issued		-	-
3.4	Dividends paid		-	-
3.5	Payments of lease liabilities		(8.263)	(2.510)
3.6	Other		-	-
III.	Net cash flows from (used in) financing activities		1.078.305	(150.183)
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		7.653	2.824
V.	Net Increase (decrease) in cash and cash equivalents (I+II+III+IV)		111.740	(27.790)
VI.	Cash and Cash Equivalents at Beginning of the Period		54.423	76.026
VII.	Cash and Cash Equivalents at End of the Period (V+VI)	2.5	166.163	48.236

GARANTİ FAKTORİNG A.Ş.**BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AT 30 JUNE 2025**

(Amounts expressed in thousands of Turkish lira (“Thousands of TL”) unless otherwise indicated.)

1 ORGANIZATION AND OPERATIONS OF THE COMPANY

Garanti Faktoring Hizmetleri A.Ş. was incorporated on 4 June 1990 in Turkey to provide factoring services to industrial and commercial firms. The commercial title of Aktif Finans Faktoring Hizmetleri A.Ş. was changed to Garanti Faktoring Hizmetleri A.Ş. with the approval of the General Assembly held on 27 March 2002. At the 2013 General Assembly Meeting of the company held on 17 April 2014 the commercial title of the Company was changed to Garanti Faktoring A.Ş. (“the Company”).

The Company offered its shares to public in 1993 with the authorization of the Capital Markets Board (“CMB”) and is quoted in Borsa İstanbul A.Ş. (“BİAŞ”).

The Company operates in accordance with the Capital Markets Law and “Financial Leasing, Factoring and Financing Companies Law” published in the Official Gazette dated 13 December 2012 and numbered 28496 and the “Regulation on Principles For Establishment And Operations Of Financial Leasing, Factoring and Financing Companies” issued by the Banking Regulation and Supervision Agency (“BRSA”) dated 24 April 2013 and numbered 28627 published in the Official Gazette.

The Company prepares its financial statements in accordance with “the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Reporting Regulations” including the communique on “Communiqué on Uniform Chart of Accounts and Prospectus to be implemented by Financial Leasing, Factoring and Financing Companies and on Financial Statements to be announced to Public” published in the Official Gazette dated 24 December 2013 and numbered 28861 and the “Regulation on Principles For Establishment And Operations Of Financial Leasing, Factoring and Financing Companies” and other regulations, communiqués and circulars published by the BRSA and Turkish Accounting Standards (“TAS”) published by the Public Oversight Accounting and Auditing Standards Authority (“POA”) for the matters not legislated by the aforementioned regulations

Information about the Company’s shareholders and respective shares are as follows:

	30 June 2025	Shareholding (%)	31 December 2024	Shareholding (%)
Türkiye Garanti Bankası A.Ş.	325.328	81,84	325.328	81,84
Türkiye İhracat Kredi Bankası A.Ş.	38.865	9,78	38.865	9,78
Publicly Traded	33.307	8,38	33.307	8,38
Capital	397.500	100,00	397.500	100,00

The shareholding of T. Garanti Bankası A.Ş. as of 30 June 2025 is 55,40% and T. Garanti Bankası A.Ş. has obtained the remaining 26,44% shares from public shares via Borsa İstanbul (31 December 2024: 55,40% and 26,44%).

The Company has 124 employees as at 30 June 2025 (31 December 2024: 120).

The Company is registered in Turkey and operates at the following address: Çamçeşme, Tersane Caddesi No: 15 Pendik / İstanbul

The Company provides factoring operations with 11 (eleven) branches in Turkey.

Approval of Financial Statements:

The financial statements were approved and authorized for issue by the Board of Directors based on the Board of Directors decision dated 29 July 2025 and numbered 033. The General Assembly has the authority to change the financial statements.

GARANTİ FAKTORİNG A.Ş.**BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AT 30 JUNE 2025**

(Amounts expressed in thousands of Turkish lira (“Thousands of TL”) unless otherwise indicated.)

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**2.1 Basis of Presentation****2.1.1 Statement of Compliance**

The Company prepares its financial statements in accordance with “the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Reporting Regulations” including the communique on “Communiqué on Uniform Chart of Accounts and Prospectus to be implemented by Financial Leasing, Factoring and Financing Companies and on Financial Statements to be announced to Public” published in the Official Gazette dated 24 December 2013 and numbered 28861 and the “Regulation on Principles For Establishment And Operations Of Financial Leasing, Factoring and Financing Companies” and other regulations, communiqués and circulars published by the BRSA and Turkish Accounting Standards (“TAS”) published by the Public Oversight Accounting and Auditing Standards Authority (“POA”) for the matters not legislated by the aforementioned regulations

2.1.2 Functional Currency

Financial statements of the Company are presented in Turkish Lira (“TL”), which is the Company’s functional currency.

2.1.3 Preparation of Financial Statements in Hyperinflationary Periods

Entities whose functional currency is the currency of a hyperinflationary economy present their financial statements in terms of the measuring unit current at the end of the reporting period according to “TAS 29 Financial Reporting in Hyperinflation Economies”.

Based on the announcement made by Public Oversight, Accounting and Auditing Standards Authority (POA) on 23 November 2023, entities applying Turkish Financial Reporting Standards (TFRSs) are required to present their financial statements by adjusting for the impact of inflation for the annual reporting period ending on or after 31 December 2023, in accordance with the accounting principles specified in TAS 29.

In the same announcement, it was stated that institutions or organizations authorized to regulate and supervise in their respective scope might determine different transition dates for the implementation of inflation accounting. In accordance with the Banking Regulation and Supervision Agency’s decision dated 5/12/2024 and numbered 11021, it was decided that banks and financial leasing, factoring, financing, savings financing and asset management companies would not apply inflation accounting in 2025.

Accordingly, “TAS 29 Financial Reporting Standard in Hyperinflationary Economies” was not applied in the Company’s attached financial statements dated 30 June 2025.

2.1.4 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet 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 realize the asset and settle the liability simultaneously.

GARANTİ FAKTORİNG A.Ş.

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AT 30 JUNE 2025

(Amounts expressed in thousands of Turkish lira (“Thousands of TL”) unless otherwise indicated.)

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.2 Changes in Accounting Policies

Changes in accounting policies are applied retrospectively and the prior period financial statements are restated accordingly.

2.3 Changes in Accounting Estimates and Errors

If the changes in accounting estimates relate to only one period, changes are applied in the current period but if changes in estimates relate to future periods, changes are applied both in the current and following periods prospectively. Material prior period errors are corrected retrospectively and prior period financial statements are restated.

The management is required to apply accounting policies and make decisions, estimations and assumptions that affect the reported assets, liabilities, income and expenses, in order to prepare the financial statements in accordance with the BRSA Accounting and Reporting Legislation. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed constantly. The effect of a change in accounting estimates is recognized prospectively in the current and future periods.

The main notes for the items including estimates are as follows:

Note 3 –	Cash and Cash Equivalents and Central Bank
Note 4 –	Financial Assets At Fair Value Through Profit or Loss (Net)
Note 5 –	Factoring receivables, Non-performing Receivables
Note 6 –	Tangible Assets
Note 7 –	Intangible Assets
Note 8 –	Tax Assets and Liabilities
Note 13 –	Provisions

2.4 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the financial statements as of June 30, 2025 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2025 and thereafter. The effects of these standards and interpretations on the Company’s 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, 2025 are as follows:

Amendments to TAS 21 - Lack of exchangeability

In May 2024, POA issued amendments to TAS 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. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a significant impact on the financial position or performance of the Company.

GARANTİ FAKTORİNG A.Ş.

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AT 30 JUNE 2025

(Amounts expressed in thousands of Turkish lira (“Thousands of TL”) unless otherwise indicated.)

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

2.4 The new standards, amendments and interpretations (continued)

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 consolidated financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the consolidated 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

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Company will wait until the final amendment to assess the impacts of the changes.

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, 2026 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.

TFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

In May 2025, POA issued TFRS 18 which replaces TAS 1. TFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. TFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as TAS 7, TAS 8 and TAS 34. TFRS 18 and the related amendments are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted. TFRS 18 will be applied retrospectively.

The Company is in the process of assessing the impact of the standard on financial position or performance of the Company.

iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following two amendments to IFRS 9 and IFRS 7 and Annual Improvements to IFRS Accounting Standards as well as IFRS 19 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 consolidated financial statements after the amendments and new Standard are issued and become effective under TFRS.

GARANTİ FAKTORİNG A.Ş.

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AT 30 JUNE 2025

(Amounts expressed in thousands of Turkish lira (“Thousands of TL”) unless otherwise indicated.)

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

2.4 The new standards, amendments and interpretations (continued)

iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

In May 2024, IASB issued amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7). The amendment clarifies that a financial liability is derecognised on the ‘settlement date’. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment.

The Company expects no significant impact on its balance sheet and equity.

Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11, amending the followings:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter: These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
- IFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition: The amendments update the language on unobservable inputs in the Standard and include a cross reference to IFRS 13.
- IFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price: IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply derecognition requirement of IFRS 9 and recognise any resulting gain or loss in profit or loss. IFRS 9 has been also amended to remove the reference to 'transaction price'.
- IFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent': The amendments are intended to remove the inconsistencies between IFRS 10 paragraphs.
- IAS 7 Statement of Cash Flows – Cost Method: The amendments remove the term of “cost method” following the prior deletion of the definition of 'cost method'.

The Company expects no significant impact on its balance sheet and equity.

Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendment clarifies the application of the “own use” requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The Company expects no significant impact on its balance sheet and equity.

GARANTİ FAKTORİNG A.Ş.

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AT 30 JUNE 2025

(Amounts expressed in thousands of Turkish lira (“Thousands of TL”) unless otherwise indicated.)

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

2.4 The new standards, amendments and interpretations (continued)

iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, IASB issued IFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. An entity that is a subsidiary, does not have public accountability and has a parent (either ultimate or intermediate) which prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards may elect to apply IFRS 19.

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

2.5 Summary of Significant Accounting Policies

(a) Revenue

Factoring service income is composed of collected interest income and commission income earned from advance payments made to customers.

A proportion of factoring invoice total obtained constitutes commission income. Interest and commission income and other income and expenses are accounted accrual basis.

Other interest income is accrued based on the effective interest rate which equals the estimated cash flows to net book value of the related asset.

(b) Financial Instruments

Classification and measurement

Classification and measurement of financial assets in accordance with TFRS 9 Financial Instruments standard is determined by whether the financial asset is based on the business model in which the financial asset is managed and whether it is based on contractual cash flows including interest payments on principal and principal balance.

TFRS 9 contains three principal classification categories for financial assets: amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

The Company accounts for its financial assets in three classes. The classification is based on the characteristics of the contractual cash flows of the entity and the business model used by the entity for the management of the financial assets. The Company classifies its financial assets at the time of purchase.

GARANTİ FAKTORİNG A.Ş.

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AT 30 JUNE 2025

(Amounts expressed in thousands of Turkish lira (“Thousands of TL”) unless otherwise indicated.)

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

(b) Financial Instruments (continued)

Classification and measurement (continued)

“Financial assets measured at amortized cost” are financial assets held as part of a business model aimed at collecting contractual cash flows and that have cash flows that include interest payments solely on principal and principal balance at specific dates in contractual terms, are not traded in an active market. Financial assets at amortized cost of the Company also include “cash and cash equivalents”, “factoring receivables”.

Related assets are initially recognized at fair value in the financial statements; in subsequent accounting, measured at amortized cost using the effective interest rate method. Gains and losses resulting from the valuation of non-derivative financial assets measured at amortized cost are recognized in the consolidated income statement.

“Financial assets at fair value through other comprehensive income” are financial assets held as part of a business model for the collection and settlement of contract cash flows and for which there are cash flows from interest payments arising principally only at principal and principal amounts under contractual terms. Interest income, foreign currency gains and losses and impairment losses calculated using the effective interest method are recognized in profit or loss. Other gains and losses are recognized in other comprehensive income.

When financial assets are excluded from the statement of financial position, the total gains or losses that previously recognized in other comprehensive income are reclassified to profit or loss.

For investments in equity-based financial assets, the Company may inadvertently choose the method of reflecting subsequent changes in fair value to other comprehensive income during the first financial statement purchase. In the case of such a preference, the dividends from the related investments are recognized in the consolidated income statement.

Under TFRS 9, all investments in equity instruments and contracts on those instruments must be measured at fair value. However, in limited circumstances, cost value may be an appropriate estimate of fair value.

The Company uses the cost method as a method to determine the fair value in case there is not sufficient information about the fair value measurement or if the fair value can be measured with more than one method and the cost reflects the fair value estimation among these methods.

“*Financial assets at fair value through profit or loss*” are financial assets measured other than those at amortized cost and fair value through other comprehensive income. The resulting gains and losses from the valuation of such assets are recognized in the consolidated income statement

GARANTİ FAKTORİNG A.Ş.

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AT 30 JUNE 2025

(Amounts expressed in thousands of Turkish lira (“Thousands of TL”) unless otherwise indicated.)

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

(b) Financial Instruments (continued)

Classification and measurement (continued)

Factoring Receivables and Other Receivables

Factoring receivables and other receivables are stated at fair value at initial recognition. Subsequent to initial recognition, all receivables except for factoring receivables are carried at amortized cost using the effective interest method. Interest income is calculated and accounted by using the effective interest rate method.

Disclosures on impairment of financial assets

As at 1 January 2019, loss allowance for expected credit losses is set aside for factoring receivables measured at amortized cost based on TFRS 9 and the regulation published in the Official Gazette no. 30409 dated 2 May 2018 and effective from 31 December 2019 in connection with “Regulation on Making Amendments to the Regulation on Accounting Practices and Financial Statements of Leasing, Factoring and Financing Companies”.

At each reporting date, it shall be assessed whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, it shall be used the change in the risk of a default occurring for the financial instrument.

As of the reporting date, if the credit risk on a financial instrument has not increased significantly since initial recognition, it shall be measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. However, if there is a significant increase in credit risk of a financial instrument since initial recognition, it is measured loss allowance regarding such instrument at an amount equal to lifetime expected credit losses.

The expected credit loss is calculated on a collective basis by means of grouping the financial assets having common credit risk features or on an individual basis.

Calculation of expected credit losses

Expected credit losses is calculated based on a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due based on the contract and the cash flows that are expected to be received.

Probability of Default (PD): PD refers to the likelihood that a loan will default, which is usually set at 12 months, given certain characteristics:

- 12-month PD: as the estimated probability of default occurring within the next 12 months.
- Lifetime PD: as the estimated probability of default occurring over the remaining life of the financial instrument.

Internal rating systems are used for commercial portfolios. The internal rating models used for the commercial portfolio include customer financial information and demographic information. Probability of default calculation has been carried out based on past information, current conditions and forward-looking macroeconomic parameters.

GARANTİ FAKTORİNG A.Ş.

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AT 30 JUNE 2025

(Amounts expressed in thousands of Turkish lira (“Thousands of TL”) unless otherwise indicated.)

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

(b) Financial Instruments (continued)

Calculation of expected credit losses (continued)

Loss Given Default (LGD): If a loan default occurs, it represents the economic loss incurred on the loan. It is expressed as a percentage.

LGD calculations are performed using historical data which best reflects current conditions. LGD summarizes all cash flows from customers subsequent to default. It covers all costs and collections that occur during the collection cycle, including collections from collaterals. It also includes the “time value of money” calculated by means of deducting costs and additional losses from the present value of collections.

Exposure at Default (EAD): For cash loans, it corresponds to the amount of loan granted as of the reporting date.

With the exception of revolving facilities, the maximum period for which the credit losses are determined is the contractual life of a financial instrument unless there is the legal right to call it earlier.

Stage 1: 12-month expected credit loss represents the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date and calculated as the portion of lifetime expected credit losses. 12-month expected credit loss is calculated based on a probability of default realized within 12 months after the reporting date. Such expected 12-month probability of default is applied on an expected exposure at default, multiplied with loss given default rate and discounted with the original effective interest rate.

Stage 2: When there is a significant increase in credit risk since origination, lifetime expected credit losses is calculated. Including multiple scenario usage, probability of default and loss given default rates are estimated through the life of the instrument. Estimated cash shortfalls are discounted by using the original effective interest rate.

Stage 3: Lifetime expected credit losses are recognized for the impaired lease receivables. The methodology is similar to stage 2 and the probability of default is taken into account as 100%.

It is considered a debt as default on these two below conditions;

1. Objective Default Definition: It means debt having past due more than 90 days. Current definition of default in the Bank and its financial subsidiaries subject to consolidation is based on a more than 90 days past due definition. If a loan is exactly 90 days past due, it will not be considered as default. Default status starts on the 91st day.
2. Subjective Default Definition: It means it is considered that a debt is unlikely to be paid. Whenever it is considered that an obligor is unlikely to pay its credit obligations, it should be considered as defaulted regardless of the existence of any past-due amount or of the number of days past due.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

(b) Financial Instruments (continued)

Calculation of expected credit losses (continued)

In addition, a certain portion of commercial and corporate loans is assessed individually in accordance with the internal policies in the calculation of the expected credit losses based on TFRS 9. Such calculations are made by discounting the expected cash flows from the individual financial instrument to its present value using the effective interest rate. When measuring expected credit losses, it shall be considered the risk or probability that a credit loss occurs by reflecting the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the possibility of a credit loss occurring is very low. Such assessment is made by reflecting the estimate of expected credit loss which is unbiased and probability-weighted determined by evaluating a range of possible outcomes.

The Company updated the TFRS 9 models during the period in order to increase compliance and consistency with group policies. The relevant model update was made in the 4th quarter of 2024 and the expected loss provision calculated with the updated model was used in the year-end results.

Forward-looking macroeconomic information

Forward-looking macroeconomic information is incorporated into credit risk parameters during assessment of significant increase in credit risk and expected credit loss calculation.

Significant increase in credit risk

Qualitative and quantitative assessments are performed regarding assessment of significant increase in credit risk.

Qualitative assessment:

It is classified the financial asset as Stage 2 (Significant Increase in Credit Risk) where any of the following conditions are satisfied as a result of a qualitative assessment.

- Loans overdue more than 30 days as of the reporting date,
- Loans classified as watchlist,
- When there is a change in the payment plan due to refinancing, restructuring or concession, the loan is not considered as default or written off and the change is not due to any commercial reason.

Quantitative assessment:

The quantitative reason explaining the significant increase in the credit risk is based on a comparison of the probability of default calculated at the origination of the loan and the probability of default assigned for the same loan as of the reporting date.

It is classified the related financial asset as stage 2 (Significant Increase in Credit Risk) where both of the following criteria are satisfied as a result of quantitative assessment.

Low credit risk

TFRS 9, the credit risk on a financial instrument is considered as low if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

It is not considered financial instruments to have low credit risk when they are regarded as having a low risk of loss simply because of the value of collateral and the financial instrument without that collateral would not be considered low credit risk.

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(Amounts expressed in thousands of Turkish lira (“Thousands of TL”) unless otherwise indicated.)

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

(b) Financial Instruments (continued)

Calculation of expected credit losses (continued)

Financial instruments are also not considered to have low credit risk simply because they have a lower risk of default than the other financial instruments or relative to the credit risk of the jurisdiction within which it is operated.

If it is determined that a financial instrument has a low credit risk as of the reporting date, it is assumed that the credit risk on the financial instrument has not increased significantly following its first recognition in the financial statements.

Explanations on write down policy

The Regulation on Accounting Practices and Financial Tables of Financial Leasing, Factoring and Financing Companies was published in the Official Gazette No. 30961 on November 27, 2019. With this regulation, it is possible to deduct the part of Factoring Receivables, which are classified as “Loss like Receivables” by financial institutions, for which there is no reasonable expectation of recovery by companies, and thus to be taken off the balance sheet.

The company makes an objective and subjective assessment while determining whether there are no reasonable expectations.

As explained in the accounting policies entitled Calculation of Expected Credit Loss, provisions for expected credit losses are made under TFRS 9 for the parts of Factoring receivables that are not expected to be collected.

Therefore, the portion of factoring receivables, which are deemed to have no reasonable expectation for the recovery of the loan by the unit responsible for the collection of the relevant receivables, and which are currently monitored in the uncollectable receivables category, up to the allocated provisions, may be subject to derecognition.

In addition, all factoring receivables that meet at least the following conditions are considered to be completely lost by the Company and can be deducted from the record based on the positive opinion of the relevant units:

In this context, the provision rates of the related receivables can be determined as 100% if the relevant units also have positive opinion.

- i. Being monitored as a receivable as a loss for at least 2 years,
- ii. The fact that no collection has been made in the last 6 months or the Company has gone bankrupt in the last 6 months, and there is no new collection capacity due to the assets at the bankruptcy estate,
- iii. Lack of a guarantee in kind,

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2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)**2.5 Summary of Significant Accounting Policies (continued)**

	30 June 2025		31 December 2024	
	TL	FC	TL	FC
Sold of Factoring Receivables	-	-	13.606	-
	-	-	13.606	-

As of June 30, 2025, there are no factoring receivables for which receivables have been sold.

(31 December 2024 : While the follow-up ratio was 1,03% before the receivable sale, it decreased to 0,93% after the receivable sale.)

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Derivative Financial Instruments

The Company’s activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates. The Company uses derivative financial instruments (primarily foreign currency forward contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Derivatives are initially recognized at fair value at the date a derivative contract is entered and are subsequently remeasured to their fair value at the end of each reporting period.

Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities at fair value through profit or loss are stated at fair value at initial recognition and remeasured at fair value as at the balance sheet date at each reporting period.

Changes in fair values are accounted in the statement of profit or loss. Net gains or losses which are accounted in the statement of profit or loss include the interest paid for the financial liabilities.

(c) TFRS 16 Leases

The Company has started to apply TFRS 16 Leases standard (“TFRS 16”) starting from 1 January 2019. TFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Company, as a lessee, has recognized right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

(c) TFRS 16 Leases (continued)

Definition of Leasing

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under TFRIC 4 Determining Whether an Arrangement contains a Lease. The Company now assesses whether a contract is or contains a lease based on the new definition of a lease. Under TFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to TFRS 16, the Company elected to apply it as it used to be defined as a lease by using the practical expedient to the assessment of which transactions are leases. It applied TFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under TAS 17 and TFRIC 4 were not reassessed. Therefore, the definition of a lease under TFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Company has elected not to separate non-lease components and will instead account for the lease and non- lease components as a single lease component.

The Company has allocated to each lease and non-lease component, based on its relative stand-alone price, at the reassessment or inception of a contract containing a lease component. However, for the properties it is tenant, the Company has chosen not to separate non-lease components and to account for non-lease and non-lease components as a single lease component.

As a lessee

The Company leases properties and vehicles. Under TFRS 16, the Company recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

However, the Company has elected not to recognise to the financial statements right-of-use assets and lease liabilities for properties and vehicles leases with a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company presents lease liabilities in ‘Lease Liabilities (Net)’ in the statement of financial position.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

When a right-of-use asset meets the definition of investment property, it is presented in investment property. The right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Company’s accounting policies.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made.

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2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)**2.5 Summary of Significant Accounting Policies (continued)****(c) TFRS 16 Leases (continued)**

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

(d) Tangible Assets and Amortization

Tangible assets are carried at historical cost, less accumulated depreciation and accumulated impairment losses.

Tangible assets are depreciated principally on a straight-line basis considering the expected useful lives. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Expenses for the maintenance of tangible assets are normally recorded in profit and loss statement. Gain or loss arising on the disposal or retirement of an item of tangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

Tangible Asset Estimated useful lives (Year)

Furniture and fixtures 5-15

Leasehold improvements 5-10

(e) Intangible Assets**Intangible Fixed Assets Acquired**

Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period with the effect of any changes in estimate being accounted for on a prospective basis.

Computer Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their useful lives.

Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible fixed assets. Costs include the software development employee costs and an appropriate portion of relevant overheads.

Intangible Assets Estimated useful lives (Year)

Rights 5-15

Software 5

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(Amounts expressed in thousands of Turkish lira (“Thousands of TL”) unless otherwise indicated.)

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

(f) Impairment of Assets

Assets that are subject to depreciation and amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets which were subject to impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Capital Increase

Capital increases by the existing shareholders are decided in the General Assembly Meetings and accounted for over the registered nominal values.

(h) Retirement Pay Provision

Under the Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Company. Such payments are considered as being part of defined retirement benefit plan in accordance with the TAS 19 “Employee Benefits” (“TAS 19”).

Retirement pay provision of the employees is calculated by discounting the future retirement liability of the employees and presented in the financial statements. All actuarial gains and losses are accounted under the other comprehensive income.

(i) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

(j) Borrowing Costs

All borrowing costs are recognized in profit or loss in the period in which they are incurred.

(k) Effects of Changes in Exchange Rates

The financial statements of the Company are presented in the currency of the primary economic environment in which the entity operates. The results and financial position of the Company is expressed in thousands of TL, which is the functional currency of the Company, and the presentation currency for the financial statements.

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(Amounts expressed in thousands of Turkish lira (“Thousands of TL”) unless otherwise indicated.)

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)**2.5 Summary of Significant Accounting Policies (continued)****(k) Effects of Changes in Exchange Rates (continued)**

The foreign currency exchange rates used by the Company as of 30 June 2025 and 31 December 2024 are as follows:

	<u>30 June 2025</u>	<u>31 December 2024</u>
USD	39,7490	34,5480
EUR	46,6610	35,8470
GBP	54,4830	43,2870

In preparing the financial statements of the Company, transactions in currencies other than TL (foreign currencies) are recorded at the prevailing exchange rates at the transaction date. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(l) Earnings per Share

In Turkey, companies can raise their share capital by distributing “Bonus Shares” to shareholders from retained earnings. In computing earnings per share, such “Bonus Share” distributions are treated as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

(m) Events after the reporting period

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

The Company adjusts the amounts recognized in its financial statements to reflect adjusting events after the balance sheet date if such subsequent events arise.

(n) Segment Reporting

No segmental information is disclosed as the Company operates in Turkey and provides only factoring services.

(o) Income Tax

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

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

Deferred tax is recognized on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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(Amounts expressed in thousands of Turkish lira ("Thousands of TL") unless otherwise indicated.)

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)**2.5 Summary of Significant Accounting Policies (continued)****(o) Income Tax**

Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(o) Statement of Cash Flows

In the statement of cash flows, cash flows are classified according to operating, investment and finance activities.

Cash flows from operating activities reflect cash flows mainly generated from factoring operations of the Company.

Cash flows from investment activities express cash used in investment activities (capital expenditures and financial investments) and cash flows generated from investment activities of the Company.

Cash flows relating to finance activities express sources of financial activities and payment schedules of the Company.

Cash and Cash Equivalents:

	30 June 2025	30 June 2024
Case / effective	2	2
Cash and cash equivalents (*)	166.161	38.196
Time deposit (**)	525.300	125.796
Blocked Deposits (***)	(525.300)	(115.758)
	166.163	48.236

(*)Expected credit loss amount TL 215 has not been presented as net (30 June 2024:286 TL).

(**)The interest income rediscount of 681 TL has not been taken into account (30 June 2024:523 TL).

(***)A cash collateral of 525.300 TL is kept for Takasbank Money Market transactions. (30 June 2024: TL 115.758).

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3 CASH, CASH EQUIVALENTS AND CENTRAL BANK

Details of cash and cash equivalents as of 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025		31 December 2024	
	TL	FC	TL	FC
Cash and cash equivalents	122.493	43.670	18.499	30.071
Time deposits(*)	525.981	-	116.602	-
Expected credit losses	(83)	(132)	(65)	(87)
	648.391	43.538	135.036	29.984

(*) TL 525.300 is held as collateral for Takasbank Monetary Market transactions (31 December 2024: TL 110.895).

4 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (NET)

As of 30 June 2025 and 31 December 2024, financial assets measured at fair value through profit or loss consist of equity securities not listed on exchange.

	30 June 2025			31 December 2024		
	Carrying Value		% Share Rate	Carrying Value		% Share Rate
	TP	FC		TP	FC	
Factors Chain International (FCI)	-	47	1,72	-	36	1,72
	-	47		-	36	

5 FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)**5.1 Factoring Receivables and Payables*****Factoring Receivables***

Details of factoring receivables as at 30 June 2025 and 31 December 2024 are as follows:

Financial assets at amortised cost (net)	30 June 2025		31 December 2024	
	TP	FC	TP	FC
Discounted Factoring Receivables (Net)	16.062.328	522.224	7.383.201	143.035
Other Factoring Receivables	6.144.754	2.080.499	3.305.182	2.125.525
Non Performing Receivables	171.621	-	121.767	-
Expected Credit Losses (-)	(194.536)	(1.475)	(129.162)	(1.329)
Stage 1	(31.099)	(1.475)	(12.937)	(1.329)
Stage 2	(7.951)	-	(3)	-
Stage 3	(155.486)	-	(116.222)	-
Factoring receivables	22.184.167	2.601.248	10.680.988	2.267.231

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5 FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET) (continued)**5.1 Factoring Receivables and Payables (continued)***Factoring Receivables (continued)*

Stage 2 overdue receivables of the company are TL 19.749 (31 December 2024 : TL 2.746) and the delay periods are as follows:

<i>Stage 2</i>	30 June 2025		31 December 2024	
	TP	YP	TP	YP
Overdue 1 month	17.788	-	2.659	-
Overdue 1-3 months	1.961	-	87	-
	19.749	-	2.746	-

In addition, there are 123.227 TL of factoring receivables that are not yet due and are being followed up in the second stage.

Factoring Payables

Details of short-term factoring payables as at 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025		31 December 2024	
	TP	FC	TP	FC
Factoring payables	2.349	31.477	2.203	8.039
	2.349	31.477	2.203	8.039

Factoring payables represent the amounts of collections on behalf of factoring customers not transferred to the factoring customer accounts yet.

5.2 Non-Performing Receivables

Details of the Company’s non-performing factoring receivables as at 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025		31 December 2024	
	TP	YP	TP	YP
Non-performing factoring receivables	171.621	-	121.767	-
Non-performing factoring receivables	171.621	-	121.767	-

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5 FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET) (continued)**5.3 Expected Credit Losses**

Details of the Company’s expected credit losses for factoring receivables as at 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025		31 December 2024	
	TP	YP	TP	YP
Expected credit losses	(194.536)	(1.475)	(129.162)	(1.329)
Expected credit losses	(194.536)	(1.475)	(129.162)	(1.329)

The movements of expected credit losses for factoring receivables for 30 June 2025 and 31 December 2014 are as follows:

	1 January- 30 June 2025	1 January- 31 December 2024
Opening balance 1 January	130.491	91.677
<i>Expected credit loss of the period</i>		
Stage 1	26.049	7.941
Stage 2	8.052	692
Stage 3	48.543	84.865
<i>Collections/reversals of the period;</i>		
Stage 1	(7.741)	(17.791)
Stage 2	(104)	(698)
Stage 3	(9.279)	(22.589)
<i>Factoring receivables subject to sale</i>		
Stage 3	-	(13.606)
	196.011	130.491

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6 TANGIBLE ASSETS

Movements in tangible fixed assets for the period ended 30 June 2025 are as follows:

	1 January 2025	Additions	Disposals	30 June 2025
Acquisition Cost				
Furniture and fixtures	4.195	47	-	4.242
Leasehold improvements	2.235	208	-	2.443
<i>Right-of-use</i>				
Leased buildings	7.731	3.661	(4.890)	6.502
<i>Right-of-use</i>				
Vehicles	4.807	33.723	(4.807)	33.723
	18.968	45.252	(9.697)	54.523
	1 January 2025	Depreciation for the period	Disposals	30 June 2025
Accumulated Depreciation				
Furniture and fixtures	4.129	11	-	4.140
Vehicles	-	284	-	284
Leasehold improvements	1.902	81	-	1.983
Leased buildings	5.501	2.314	(4.890)	2.925
Vehicles	4.685	2.639	(4.761)	2.563
	16.217	5.329	(9.651)	11.895
Net book value	2.751			42.628

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6 TANGIBLE ASSETS (continued)

Movements in tangible assets for the period ended 31 December 2024 are as follows:

	1 January 2024	Additions	Disposals	31 December 2024
Acquisition Cost				
Furniture and fixtures	4.271	13	(89)	4.195
Vehicles	19	-	-	-
Leasehold improvements	2.018	217	-	2.235
Right-of-use				
Leased buildings	6.584	2.662	(1.515)	7.731
Right-of-use				
Vehicles	5.061	63	(317)	4.807
	17.934	2.955	(1.921)	18.968
Accumulated Depreciation				
	1 January 2024	Depreciation for the period	Disposals	31 December 2024
Furniture and fixtures	4.195	23	(89)	4.129
Vehicles	-	-	-	-
Leasehold improvements	1.779	123	-	1.902
Leased buildings	3.740	3.276	(1.515)	5.501
Vehicles	3.586	1.341	(242)	4.685
	13.300	4.763	(1.846)	16.217
Net book value	4.634			2.751

7 INTANGIBLE ASSETS

The movement of intangible assets for the period ended 30 June 2025 is as follows:

	1 January 2025	Additions	Disposals	30 June 2025
Acquisition Cost				
Rights	139.510	53.258	-	192.768
Other (Software)	3.076	-	-	3.076
	142.586	53.258	-	195.844
Accumulated Amortization				
	1 January 2025	Charge for the period	Disposals	30 June 2025
Rights	58.982	12.321	-	71.303
Other (Software)	3.076	-	-	3.076
	62.058	12.321	-	74.379
Net book value	80.528			121.465

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7 INTANGIBLE ASSETS (continued)

The movement of intangible assets for the period ended 31 December 2024 is as follows:

	1 January 2024	Additions	Disposals	31 December 2024
Acquisition Cost				
Rights	74.976	64.534	-	139.510
Other (Software)	3.076	-	-	3.076
	78.052	64.534	-	142.586
Accumulated Amortization		Charge for the period	Disposals	31 December 2024
Rights	45.850	13.133	-	58.982
Other (Software)	3.076	-	-	3.076
	48.926	13.133	-	62.058
Net book value	29.126			80.528

As at 30 June 2025 and 31 December 2024, the Company has not any intangible asset that is generated within the company.

8 TAX ASSETS AND LIABILITIES**Corporate Tax**

While corporate tax which is applied to corporate earnings at the rate of 20% in Turkey, in accordance with the regulation introduced by the Law No.7456 "On the Formation of Additional Motor Vehicle Tax to Compensate the Economic Losses Caused by the Earthquakes That Occurred on 6/2/2023, Amending Certain Laws and the Decree Law No. 375, the corporate earnings of 2023 and later taxation periods this rate has been determined to be applied as 25% and for the banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies this rate has been determined to be applied as 30%.

This rate is applied to tax base which is calculated by adding certain non-deductible expenses for tax purposes and deducting certain exemptions (like dividend income) and other deductions on accounting income. If there is no dividend distribution, no further tax charges are made.

Dividends paid to the resident institutions and the institutions working through local offices or representatives in Turkey are not subject to withholding tax. As per the decisions No. 2009/14593 and 2009/14594 of the Council of Ministers published in the Official Gazette No. 27130 dated 3 February 2009, certain duty rates included in the Articles No.15 and 30 of the new Corporate Tax Law No.5520 are revised. Accordingly, the withholding tax rate on the dividend payments other than the ones paid to the nonresident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions has been changed to 10% from 15% by the Presidential decision published in the Official Gazette No. 31697 dated 22 December 2021. In applying the withholding tax rates on dividend payments to the nonresident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account.

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8 TAX ASSETS AND LIABILITIES (continued)

Corporate Tax (continued)

Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The prepayments can be deducted from the annual corporate tax calculated for the whole year’s earnings.

In accordance with the Turkish tax legislation, the tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

While 75% of earnings generated through sale of equity shares, founders’ shares, redeemed shares and preemption rights are exempt from the corporate tax with the conditions that such earnings shall be held in a special reserve account under equity until the end of five years following the year of sale and shall be collected as cash until the end of the following two fiscal years.

While 50% of the profits arising from the sale of real estates included in the assets for the same period are subject to exemption from corporate tax on condition that they are kept in a special fund account in liabilities until the end of the fifth year following the year of sale and collected until the end of the second calendar year; in accordance with the regulation introduced by the Law No. 7456 on “Imposition of Additional Motor Vehicle Tax for Compensation of Economic Losses Caused by Earthquakes Occurring on 6/2/2023 and Amendment of Certain Laws and Legislative Decree No. 375”, this exemption article has been abolished and it has been determined that the exemption rate will be applied as 25% for real estates included in the assets of institutions before the date of entry into force of the law (July 15, 2023).

All earnings generated through transfer of equity shares, founders’ shares, redeemed shares and preemption rights by the companies being under legal proceedings or guarantor and mortgage provider of such companies, to banks, financial leasing companies and finance companies or the Savings Deposit Insurance Fund in connection with liquidation of their liabilities and earnings of banks, financial leasing companies and finance companies through sale of immovable part of such assets or other items are exempt from corporate tax at the rate of 50% and 75%, respectively.

As of 31 December 2021, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/ Ç of the Tax Procedure Law. These conditions are both the exceed in the increase of Producer Price Index in the last 3 accounting periods including current period by 100% and the exceed in the increase in the current period by 10%. However, temporary article 33 has been added on the Tax Procedure Law No. 213 with the regulation made with the Tax Procedure Law and the Law on Change in Corporate Tax Law No. 7352 published in the Official Gazette No.31734 dated 29 January 2022, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023. According to this, the financial statements for the 2021 and 2022 accounting periods, including the provisional tax periods, are not subject to inflation adjustment, and for the 2023 accounting period; are not subject to inflation adjustment as of the provisional tax periods, and the financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. Profit/loss difference arising from inflation adjustment in the financial statements are to be shown in previous years' profit/loss accounts and does not affect the corporate tax base.

According to Law No. 7440 on Restructuring of Certain Receivables and Amending Certain Laws published in the Official Gazette (dated on March 12, 2023 and numbered 32130), corporate tax payers are to be calculating additional tax in order to be indicated in corporate income tax returns of the year 2022.

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8 TAX ASSETS AND LIABILITIES (continued)

With the regulation of Law No. 5520 on the “Corporate Tax Law” and other tax regulations, an additional tax of 10% will be calculated based on the exemption and deduction amounts subject to deduction from corporate income and the tax bases subject to reduced corporate tax within the scope of Article 32/A of the same law and with the exception regulated in subparagraph (a) of the first paragraph of Article 5 of the Law No. 5520., an additional tax of 5% will be calculated based on exempted dividends and earnings from abroad. The first partial payment of this additional taxes is to be paid within the payment period of the corporate income tax, and the second partial payment is to be paid in the fourth month following this period.

Income Tax Withholding

There is a withholding tax liability on dividend distributions, and this withholding liability is accrued in the period when the dividend payment is made.

In accordance with the Presidential Decision No. 4936 which came into force by being published in the Official Gazette No. 6791, dated February 14, 2023, duty rates will be 0% of the amounts considered as distributed dividends regarding their own shares or partnership shares acquired by fully liable capital companies within the scope of the fourth paragraph of Article 94 of Law No. 193.

In the application of withholding tax rates on profit distributions to limited taxpayer institutions and real persons, the withholding tax rates in the relevant Double Taxation Agreements are also taken into account. The addition of retained earnings to the capital is not considered as profit distribution, so it is not subject to withholding tax.

Deferred Tax

According to the Turkish Accounting Standard 12 (TAS 12) “Income Taxes”; deferred tax assets and liabilities are recognized, using the balance sheet method, on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base, except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

As stated in corporate tax note, in accordance with the regulation introduced by the Law No.7456 "On the Formation of Additional Motor Vehicle Tax to Compensate the Economic Losses Caused by the Earthquakes That Occurred on 6/2/2023, corporate income tax has been determined to be applied as 30% for the banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. Therefore, as of 31 December 2023, the Company has calculated deferred tax at the rate of 30% for assets and liabilities.

According to the temporary article 33 of the Tax Procedure Law, the tax effects arising from the inflation adjustment of the financial statements dated 31 December 2024 are included in the deferred tax calculation as of 30 June 2025 regardless of whether the conditions for inflation adjustment are met.

If transactions and other events are recognized in profit or loss, associated tax effects are also recognized in profit or loss. If transactions and other events are recognized directly in equity, the relevant tax effects are also recognized directly in equity accounts.

Calculated deferred tax receivables and deferred tax liabilities are netted in the financial statements. The carrying value of deferred tax assets is reviewed as of each balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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8 TAX ASSETS AND LIABILITIES (continued)**Deferred Tax (continued)**

Furthermore, the deferred tax assets are not subject to profit distribution or capital increase as per the BRSA’s related circular in cases where there are net asset balances after netting deferred tax assets with deferred tax liabilities.

Transfer Pricing

In Turkey, transfer pricing regulations are specified in Article 13 of the Corporate Tax Law, titled “Disguised profit distribution through transfer pricing”. The communiqué on disguised profit distribution through transfer pricing, dated November 18, 2007, regulates the details of the application. partially distributed through transfer pricing. Disguised profit distribution through such transfer pricing is considered as an expense that is not legally accepted for corporate tax

According to this Communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm’s length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

As stated in the General Communiqué No. 4 on Disguised Profit Distribution by Way of Transfer Pricing, the taxpayers are required to fill out the “Transfer Pricing, Controlled Foreign Entities and Thin Capitalization” form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices.

Tax income/(expense)

The details of tax income / (expense) for the periods ended 30 June 2025 and 30 June 2024 are as follows:

Tax provision reconciliation

	1 January- 30 June 2025	1 January- 30 June 2024
Current tax expense	1.372.779	981.203
Calculated tax on reported profit	(411.834)	(294.361)
Permanent Differences:		
Disallowable incomes	1.728	6.799
Disallowable expenses	(484)	(150)
Inflation valuation difference	-	(434)
Tax expense/(income)	(410.590)	(288.146)

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8 TAX ASSETS AND LIABILITIES (continued)

The details of tax income / (expense) for the periods ended 31 December 2024 and 31 December 2023 are as follows:

	30 June 2025	31 December 2024
Temporary tax paid in current period	409.225	628.406
Withholding income tax	(170.917)	(452.347)
Current period payment	(9.709)	(6.195)
Other (*)	-	(3.001)
Current Period Tax Payable/ (Receivable)	228.599	166.863

(*)Deducted from 2023 corporate tax payment.

As of June 30, 2025, there is a withheld income tax of 9,709 TL (31 December 2024: TL 6.195).

Deferred tax asset and liability

Carrying values of deferred tax assets and liabilities in the financial statements and tax goodwill and accounting, which are not subject to tax deduction, between the values used in the assessment and temporary differences, calculated on excluding differences in assets and liabilities recognized for the first time, which are not subject to taxation.

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8 TAX ASSETS AND LIABILITIES (continued)***Recognition of deferred tax asset and liability***

As of 30 June 2025 and 31 December 2024, deferred tax asset and liabilities calculated on the following items:

	30 June 2025	31 December 2024
Temporary Differences		
Factoring provisions for receivables (1st and 2nd stages)	40.525	14.269
Provisions for litigation and expense discounts	33.134	33.249
Factoring receivables interest discount valuation differences	29.427	12.808
Leave provisions	20.698	16.569
Premium provisions	20.573	26.640
Severance pay provision	13.193	8.823
Severance pay provision-actuarial loss/gain	11.628	11.629
Expense discounts	7.387	31.980
Right of use interest and depreciation expense (net)	1.414	187
Credits received bitt discount	877	2.255
Time/demand deposit provisions	215	152
Vehicle valuation differences	206	-
Term deposit interest discount valuation differences	9	-
Fc exchange rate valuation	-	671
Temporary differences related to deferred tax assets	179.286	159.232
Prepaid loans and letter of guarantee commissions	21.017	7.800
Loans received valuation differences	9.455	7.925
Commission discounts for other factoring receivables	7.120	5.341
Bond valuation differences	6.174	-
Temporary differences on tangible and intangible assets	2.081	309
Fc exchange rate valuation	133	-
Temporary differences related to deferred tax liabilities	45.980	21.375

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8 TAX ASSETS AND LIABILITIES (continued)**Deferred tax asset and liability (continued)**

	30 June 2025	31 December 2024
Temporary Differences		
Factoring provisions for receivables (1st and 2nd stages)	12.158	4.281
Provisions for litigation and expense discounts	9.940	9.975
Factoring receivables interest discount valuation differences	8.827	3.842
Leave provisions	6.209	4.970
Premium provisions	6.172	7.992
Severance pay provision	3.958	2.647
Severance pay provision-actuarial loss/gain	3.489	3.489
Expense discounts	2.216	9.593
Right of use interest and depreciation expense (net)	424	56
Credits received bitt discount	263	677
Time/demand deposit provisions	64	46
Vehicle valuation differences	62	-
Term deposit interest discount valuation differences	3	-
Fc exchange rate valuation	-	201
Temporary differences related to deferred tax assets	53.785	47.769
Prepaid loans and letter of guarantee commissions	(6.305)	(2.340)
Loans received valuation differences	(2.837)	(2.378)
Commission discounts for other factoring receivables	(2.136)	(1.602)
Bond valuation differences	(1.852)	-
Temporary differences on tangible and intangible assets	(624)	(93)
Fc exchange rate valuation	(40)	-
Temporary differences related to deferred tax liabilities	(13.794)	(6.413)
Deferred tax assets (net)	39.991	41.356

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8 TAX ASSETS AND LIABILITIES (continued)**Deferred tax asset and liability (continued)**

Movements of deferred tax assets are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024
1 January	41.356	21.808
Deferred tax loss	(18.652)	0
Deferred tax income	17.287	4.888
Balance at the end of the period	39.991	26.696

The Company calculates deferred income tax assets and liabilities by taking into account the effects of temporary differences arising as a result of different evaluations between BRSA Accounting and Financial Reporting Legislation and Tax Procedure Law.

9 OTHER ASSETS

Details of other assets as at 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025		31 December 2024	
	TL	FC	TL	FC
Receivables from BITT accruals	118.356	864	53.772	277
Prepaid expenses	26.187	512	8.050	-
Other	733	-	326	43
	145.276	1.376	62.148	320

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10 FUNDS BORROWED

Details of funds borrowed as at 30 June 2025 2024 and 31 December 2024 are as follows:

	30 June 2025		31 December 2024	
	TL	FC	TL	FC
Funds borrowed	17.507.197	2.468.879	7.488.005	2.247.848
	17.507.197	2.468.879	7.488.005	2.247.848

Interest rates are the higher and lower rate interval for the variable and fixed rate loans as at 30 June 2025 and 31 December 2024.

	30 June 2025			31 December 2024		
	Original amount	Interest rate (%)	Up to 1 year	Original amount	Interest rate (%)	Up to 1 year
TL	17.507.197	46,47	17.507.197	7.488.005	48,23	7.488.005
USD	46.689	8,18	1.855.834	53.419	6,86	1.845.536
EUR	9.363	4,99	436.860	9.329	5,52	334.397
GBP	3.233	7,04	176.185	1.569	7,47	67.915
Toplam			19.976.076			9.735.853

TL 10.149.527 of the funds borrowed as at 30 June 2025 is borrowed from Takasbank Money Market (31 December 2024: TL 1.999.298). For the loans obtained from Takasbank Money Market, 525.300 TL cash collateral and 13.968.000 TL letter of guarantee were given (31 December 2024: 110.895 TL cash collateral and 4.493.000 TL letter of guarantee).

As at 30 June 2025 and 31 December 2024, the remaining funds borrowed are uncollateralized.

11 LEASE OBLIGATIONS (Net)

Details of lease obligations as at 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025		31 December 2024	
	TL	FC	TL	FC
Nominal	65.930	-	4.394	-
Cost	(29.070)	-	(1.670)	-
Carrying Value	36.860	-	2.724	-

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12 MARKETABLE SECURITIES ISSUED

Details of marketable securities issued as at 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025		31 December 2024	
	TL	FC	TL	FC
<i>Bonds</i>				
Nominal	1.341.498	-	-	-
Cost	1.086.568	-	-	-
Carrying Value	1.190.598	-	-	-

The Company has issued the following discounted bonds for sale only to qualified investors.

30 June 2025			
Date of issue	Nominal value	Maturity	Interest rates (%)
26.02.2025	200.000	27.08.2025	42,00
28.03.2025	150.001	26.09.2025	47,50
09.04.2025	200.000	08.10.2025	47,00
15.04.2025	200.000	14.10.2025	47,00
29.04.2025	299.998	27.10.2025	49,00
06.05.2025	291.499	03.11.2025	49,00
Total	1.341.498		

13 PROVISIONS

Details of provisions as at 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025		31 December 2024	
	TL	FC	TL	FC
Provision for employee benefits	66.092	-	63.660	-
Other provisions and expense discounts	39.688	20.925	70.459	16.182
Provision for lawsuits	10.202	-	17.068	-
Resource utilization support fund expense discount	3.334	-	3.304	-
Provision for correspondent commissions	-	2.634	-	2.085
	119.316	23.559	154.491	18.267

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13 PROVISIONS (continued)**13.1 Provisions for employee benefits**

Provision for employee benefits as at 30 June 2025 includes retirement pay provision amounting to TL 24.821 (31 December 2024: TL 20.451), unused vacation accrual amounting to TL 20.698 (31 December 2024: TL 16.569) and personnel bonus accrual amounting to TL 20.573 (31 December 2024: TL 26.640).

Under the Turkish Labor Law, the Company is required to pay employment termination benefits to each employee whose contract is terminated after one service year or who is entitled to a retirement at the age of 60 (58 for women) after 25 service years (20 for women) or who is called for military service or who is dead. Some transitional provisions related to the pre-retirement service term were excluded from the scope of the Law since the related law was amended as of 23 May 2002. The amount of compensation to be paid is equal to one month’s salary and this amount for the period 1 July – 31 December 2025 is TL 53.919,68 (full), (31 December 2024: TL 41.828,42 (full)). The amount of compensation to be paid is equal to one month’s salary for every and each year of employment.

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation.

Consequently, in the accompanying financial statements as at 30 June 2025, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 26,30 % and a discount rate of 31,02% (31 December 2024: inflation rate of 26,30 %, discount rate of 31,02%).

Movement of retirement pay provision as at 30 June 2025 and 30 June 2024 are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024
Net liability at the beginning of the period	20.451	15.503
Recognized under income statement	6.343	3.604
Severance indemnity paid in the period	(1.973)	(721)
Net liability at the end of period	24.821	18.386

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13 PROVISIONS (continued)**13.1 Provision for Employee Benefits (continued)****Personnel Bonus Accrual**

Movement of the personnel bonus provision as at 30 June 2025 and 30 June 2024 are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024
Balance at 1 January	26.640	23.911
Accrual for the period	24.098	18.186
Paid in the period	(27.465)	(10.376)
Reversal	(2.700)	(13.180)
Balance at the end of the period	20.573	18.541

Unused Vacation Accrual

The movement of unused vacation provisions as at 30 June 2025 and 30 June 2024 are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024
Balance at 1 January	16.569	9.334
Accrual for the period	7.473	2.013
Paid in the period	(2.466)	(22)
Reversal	(878)	-
Balance at the end of the period	20.698	11.325

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13 PROVISIONS (Continued)**13.2 Other Provisions**

As at 30 June 2025, the Company has TL 60.613 other expense discounts and provisions, TL 2.634 correspondent allowance provision, TL 10.202 continuing legal proceedings, TL 3.334 expense discount for loans received. (30 June 2024: TL 60.765 other expense discounts and provisions, TL 5.813 continuing legal proceedings, TL 1.660 correspondent allowance provision.)

The movement of other provision for the periods ended 30 June 2025 and 30 June 2024 are as follows:

	30 June 2025		30 June 2024	
	TL	FC	TL	FC
Balance at 1 January	90.831	18.267	70.267	15.929
Paid in the period	(41.699)	(2.086)	(22.791)	(1.466)
Accrual for the period	4.092	7.378	3.677	2.621
Balance at the end of the period	53.224	23.559	51.153	17.084

14 OTHER LIABILITIES

Details of other liabilities as at 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025		31 December 2024	
	TL	FC	TL	FC
Taxes payable	66.413	-	36.714	-
Lenders to vendors	15.239	206	1.318	894
Unearned income	967	-	102	-
Remittances payable	-	1.260	-	-
Temporary accounts payable	38	498	37	397
Other creditors	13	-	6	-
Other liabilities	82.670	1.964	38.177	1.291

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15 SHAREHOLDERS’ EQUITY**15.1 Paid-in Capital**

As at 30 June 2025, the Company’s share capital amounts to TL 397.500 (31 December 2024: TL 397.500). The Company has 39.750.000.000 (31 December 2024: 39.750.000.000) total registered shares consisting of 20.021.214.900 preferred shares and 19.728.785.100 ordinary shares with a par value of Kr 1 each (31 December 2024: Kr 1).

15.2 Capital Reserves

None (31 December 2024: None).

15.3 Other Comprehensive Income or Expense

As at 30 June 2025, TL (8.140) includes actuarial gain/ losses of employee termination benefits and its deferred tax effect that will not be reclassified subsequently to profit or loss (31 December 2024: TL (8.140) includes actuarial gain/ losses of employee termination benefits and its deferred tax effect that will not be reclassified subsequently to profit or loss).

15.4 Profit Reserves

As at 30 June 2025, the Company’s profit reserves comprise of the legal reserves amounting to TL 79.500 (31 December 2024: TL 15.900) and extraordinary reserves amounting to TL 2.703.610 (31 December 2024: TL 1.329.122).

15.5 Profit Distribution

The profit distribution table approved at the 2024 Ordinary General Assembly Meeting held on May 22, 2025 is as follows:

Profit distribution table	31 December 2024
Net Profit for the year	1.438.088
Legal reserves (-)	63.600
Distributable net profit of the period	1.374.488
Donations (+)	500
Distributable net profit of the period (with donations)	1.374.988
Extraordinary reserves	1.374.488

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16 OPERATING INCOME

The details of operating income for the periods ended 30 June 2025 and 30 June 2024 are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2025	1 April- 30 June 2024
Factoring interest income	4.219.655	2.717.822	2.587.208	1.442.862
Factoring fee and commission income	61.831	87.991	39.544	23.319
	4.281.486	2.805.813	2.626.752	1.466.181

17 FINANCE EXPENSES

The details of finance expenses for the periods ended 30 June 2025 and 30 June 2024 are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2025	1 April- 30 June 2024
Interest expenses on funds borrowed	2.566.380	1.165.862	1.629.118	608.088
Interest expenses on marketable securities issued	104.030	525.405	97.484	255.297
Fees and commissions given (net)	16.109	26.968	15.134	12.262
Leasing expenses	4.537	626	4.537	315
Other interest expense	1	16	1	13
	2.691.057	1.718.877	1.746.274	875.975

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(Amounts expressed in thousands of Turkish lira (“Thousands of TL”) unless otherwise indicated.)

18 OPERATING EXPENSES

The details of operating expenses for the periods ended 30 June 2025 and 30 June 2024 are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2025	1 April- 30 June 2024
Personel expenses	178.958	110.320	87.895	54.426
IT maintenance and contract expenses	26.615	24.179	8.959	11.676
Depreciation and amortization charges	17.650	7.246	10.669	4.051
Expenses paid for loans taken from abroad	12.625	-	6.446	-
Provision for retirement pays	6.343	3.604	2.479	2.163
Consultancy expenses	3.328	2.436	1.867	1.253
Vehicle expenses	2.563	1.611	1.315	805
Maintenance and repair expenses	1.950	1.231	1.048	718
Institution membership dues	1.829	625	1.083	289
Litigation expenses	1.620	671	889	237
Communication expenses	1.093	739	938	262
Other	5.486	6.968	3.004	4.368
	260.060	159.630	126.592	80.248

The details of operating expenses for the periods ended 30 June 2025 and 30 June 2024 are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2025	1 April- 30 June 2024
Salaries and wages	103.849	65.660	55.302	32.664
Bonuses	24.098	18.186	7.049	8.093
Social security premium employer's share	18.895	10.573	10.094	5.302
Personnel assistance and contributions	12.629	4.288	6.361	2.166
Personnel food expenses	7.056	4.165	3.509	2.272
Insurance expenses	5.028	3.710	2.566	1.845
Employer's share of unemployment insurance	1.724	998	928	512
Personnel transportation service expenses	1.157	1.192	683	691
Attendance fee	1.045	360	505	180
Other	3.477	1.188	898	701
	178.958	110.320	87.895	54.426

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19 OTHER OPERATING INCOME

The details of other operating income for the periods ended 30 June 2025 and 30 June 2024 are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2025	1 April- 30 June 2024
Expected losses provision cancellations and collections from loss receivables	37.397	51.291	10.120	17.708
Interests received from banks	66.691	68.575	51.447	50.054
Foreign exchange profits	18.326	68.015	11.261	35.555
Cancellation of personnel premium provision	2.700	-	1.950	-
Other	12.813	37.409	8.101	23.824
	137.927	225.290	82.879	127.141

20 PROVISIONS

The details of expected credit loss for the periods ended as at 30 June 2025 and 30 June 2024 are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2025	1 April- 30 June 2024
Stage 1 (*)	26.160	15.433	12.594	356
Stage 2	8.052	110	8.004	(9)
Stage 3 (**)	49.715	54.136	25.991	26.344
	83.927	69.679	46.589	26.691

(*) TL 111 expected loss provision is included for assets classified under Cash, Cash Equivalents and Central Bank (30 June 2024: TL 118 expected loss provision is included for assets classified under Cash, Cash Equivalents and Central Bank).

(**) Includes TL 1.171 default interest provision (30 June 2024: TL 890 default interest provision).

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21 OTHER OPERATING EXPENSES

The details of other operating expenses for the periods ended 30 June 2025 and 30 June 2024 are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2025	1 April- 30 June 2024
Foreign exchange losses	4.739	63.925	2.678	18.436
Losses from swap transactions	-	35.195	-	35.195
Other	-	11	-	11
	4.739	99.131	2.678	53.642

22 EARNINGS SHARE

Calculation of earnings per share for the periods ended 30 June 2025 and 30 June 2024 are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2025	1 April- 30 June 2024
Net profit for the period	962.189	693.057	552.727	414.064
Weighted average number of shares with 1 KR of nominal value (thousand)	39.750.000.000	39.750.000.000	39.750.000.000	39.750.000.000
Earnings per thousand shares (KR)	2,420601	1,743540	1,390508	1,041670

23 RELATED PARTY TRANSACTIONS

The details of receivables and payables due from and due to related parties as at 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025		31 December 2024	
	TL	FC	TL	FC
Bank balances				
Türkiye Garanti Bankası A.Ş.	21.337	37.956	23.448	24.911
Demand deposits	21.337	37.956	17.741	24.911
Time deposit	-	-	5.707	-
Garantibank International NV	-	-	-	2.008
Demand deposits	-	-	-	2.008
	21.337	37.956	23.448	26.919

The amount of cheques and notes at custody of Türkiye Garanti Bankası A.Ş. related with factoring receivables as at 30 June 2025 is TL 13.838.840 (31 December 2024: TL 6.838.676).

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23 RELATED PARTY TRANSACTIONS (continued)

	30 June 2025		31 December 2024	
	TL	FC	TL	FC
Factoring receivables				
Garanti Filo Yönetim Hizmetleri A.Ş.	2.231	-	8.981	-
	2.231	-	8.981	-

	30 June 2025		31 December 2024	
	TL	FC	TL	FC
Indemnity bond				
Türkiye Garanti Bankası A.Ş.	24.969	-	20.203	-
	24.969	-	20.203	-

	30 June 2025		31 December 2024	
	TL	FC	TL	FC
Funds borrowed				
Türkiye Garanti Bankası A.Ş.	64.819	1.012.401	8.971	1.507.854
Garantibank International NV	2.604.063	595.077	1.671.048	188.819
	2.668.882	1.607.478	1.680.019	1.696.673

	30 June 2025		31 December 2024	
	TL	FC	TL	FC
Miscellaneous Payables				
Türkiye Garanti Bankası A.Ş.	7.986	-	642	-
Garanti Finansal Kiralama AŞ	564	-	-	-
	8.550	-	642	-

	30 June 2025		31 December 2024	
	TL	FC	TL	FC
Miscellaneous receivables				
Garanti Filo Yönetim Hizmetleri A.Ş.	-	-	219	-
	-	-	219	-

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23**RELATED PARTY TRANSACTIONS (continued)**

Income and expenses from related parties for the periods ended 30 June 2025 and 30 June 2024 are as follow :

	1 January- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2025	1 April- 30 June 2024
Interest income from factoring receivables and commissions				
Garanti Filo Yönetim Hizmetleri A.Ş.	1.964	38.063	706	6.355
	1.964	38.063	706	6.355

	1 January- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2025	1 April- 30 June 2024
Interest income on bank deposits				
Türkiye Garanti Bankası A.Ş.	2.511	20.003	1.686	18.552
	2.511	20.003	1.686	18.552

	1 January- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2025	1 April- 30 June 2024
Interest expenses on funds borrowed				
Türkiye Garanti Bankası A.Ş.	46.839	157.924	23.275	35.189
Garanti Bank International NV	415.422	226.269	224.019	142.368
	462.261	384.193	247.294	177.557

	1 January- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2025	1 April- 30 June 2024
Fees and commissions given				
Türkiye Garanti Bankası A.Ş.	514	893	310	79
Garanti Bank International NV	343	298	193	172
Garanti Yatırım Menkul Kıymetler A.Ş.	982	237	982	114
	1.839	1.428	1.485	365

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23 RELATED PARTY TRANSACTIONS (continued)

	1 January- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2025	1 April- 30 June 2024
General Administrative Expenses (*)				
Türkiye Garanti Bankası AŞ	26.763	24.666	12.467	12.930
Garanti Filo Yönetim Hizmetler AŞ	6.779	955	5.552	453
Garanti Emeklilik ve Hayat AŞ	563	451	283	225
	34.105	26.072	18.302	13.608

(*)General Administrative Expenses comprises of rent expense, IT maintenance and contract expenses, transaction commissions, car rental expenses, travelling expenses and insurance expenses.

Salary and other benefits provided to board members and executives:

The net amount of salary and other benefits provided to board members and executives by the Company for the period ended 30 June 2025 is TL 18.927 (30 June 2024: TL 11.214).

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24 CONTINGENT ASSETS AND LIABILITIES**24.1 Guarantees Received**

Guarantees received for the Company's factoring receivables as at 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025		31 December 2024	
	TL	FC	TL	FC
Mortgage	17.780	-	42.780	-
Finance notes	1.500	60.282.618	1.700	41.660.829
Guarantees received (*)	-	145.302.880	-	99.224.724
Insurance coverage	-	-	509.307	138.728
Correspondent guarantees	-	578.849	-	420.709
Other	237	-	237	-
	19.517	206.164.347	554.024	141.444.990

(*)Sureties received consist of the sum of amounts signed by each guarantor for every contract within the context of the factoring contracts.

24.2 Guarantees Given

Guarantees given as at 30 June 2025 and 31 December 2024 consist of letters of guarantee given to the institutions below:

	30 June 2025		31 December 2024	
	TL	FC	TL	FC
Takasbank (Note 10)	13.968.000	-	4.493.000	-
Guarantees given to correspondents	-	122.703	-	69.746
Courts	25.960	-	21.301	-
Other	10	-	10	-
	13.993.970	122.703	4.514.311	69.746

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24 CONTINGENT ASSETS AND LIABILITIES (continued)**24.3 Safety Securities**

The details of cheques and notes in collection as at 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025		31 December 2024	
	TL	FC	TL	FC
Cheques in collection	14.801.847	591.655	6.849.620	411.909
Notes in collection	80.386	33.549	19.784	28.479
	14.882.233	625.204	6.869.404	440.388

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25 NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS

25.1 Financial Risk Management Purposes and Policies

The Company’s risk management strategy aims to measure the risks in the framework of the Company’s activities by considering the risk-return balance for the optimum allocation of the capital and growth.

In this context, for the purposes of establishing a companywide risk culture, the basic principles of risk management implementation are defined by analyzing risks according to the volume, nature and complexity of the Company's activities; ensuring compliance with international and local regulations; controlling risks for protection of financial strength for limiting any potential adverse effects of market conditions on capital and income; creating risk transparency and risk awareness.

25.1.1 Credit Risk

The Company is exposed to credit risk through its factoring transactions. The allocation and monitoring of credit risk management activities can be summarized as follows.

Under the credit allocation;

Credit committee of Garanti Faktoring A.Ş. assesses loan applications from customers on a weekly basis. Apart from this, authorized sub - committees can also grant loans by using their defined limits. Within the scope of the assessment, quality of receivables, borrower’s credibility and the content of the trade are given particular importance. With the credit limit allocation, “limit validity time” application is applied, maximum limit is granted only for one year, but with the decision of the management the time limit can be reduced to shorter periods for control purposes.

During the assessment of credit allocations, determination of the credit risk and its management is carried out basically in two ways:

Criteria based limit allocation; a limit allocation is made to the appropriate buyer / seller side borrower company that complies with the criteria which are determined by the Credit Committee. These criteria would be revised if necessary, depending on the market conditions, sectoral developments and the results obtained from the current allocation process. If these criteria are no longer valid for a customer after the loan allocation, any other loan disbursements are stopped, and the risk liquidation process starts.

Standard analysis process; Credit allocations are made through the analysis made by the Credit Department within the scope of their limits.

Credit monitoring phase;

In order to monitor the allocated credits an early warning system has been developed. Periodically, customer credibility assessments are performed. In this context, overdraft checks, overdue factoring receivables and invoices are monitored on a daily basis and, if deemed necessary, additional intelligence investigations about customers are made.

For the due date checks, investigation department performs monthly risk controls and also assess concentration level by selecting certain customers from the total risk exposure. Then loan department reviews the work performed and re-assesses the loan limits for those selected customers.

In order to follow the customers with significant exposures, the top 20 borrowers with the highest risks, or the exposure to the related parties are reported to the Asset-Liability Committee on a weekly basis.

25 NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)

25.1 Financial Risk Management Purposes and Policies (continued)

25.1.2 Market Risk

The Company takes necessary precautions to safeguard itself according to the changing market conditions. The market risk is managed by taking the hedging positions and undertaking derivative transactions within the limits approved by the Board of Directors. The major cost element of the Company is the interest expenses from borrowings and it may be affected by the fluctuations in the market.

In this context, under the monitoring of the senior management, debt maturities are managed with respect to the interest expectations in the market. In addition, to manage the cash flow and liquidity risk, the maturity of factoring receivables, bank loans and deposit accounts is monitored. Daily status reports are prepared and end of day open treasury operations are reported to senior management.

Foreign exchange risk is monitored by the end of day open position limits under the Treasury Transaction Limits and end of day open positions are reported to the Company's management.

25.1.3 Liquidity Risk

Liquidity Risk is managed by the Treasury and Asset Liability Committee within the framework of the risk management policies, in order to take the necessary measures timely and accurately to avoid the liquidity shortage due to the market conditions and the balance sheet structure.

Daily liquidity management is carried out by the Treasury Department. Treasury, while performing this task, considers early warning signals for possible liquidity shortages. Medium and long-term liquidity management is carried out by the Treasury in accordance with the Asset Liability Committee decisions.

The company policy for the liquidity management is designed to have the sufficient liquidity in order to, maintain funding, utilizing any investment opportunities, fulfilment of any credit demand and any possible liquidity shortage. The Company's funding is based on bank loans and bond issues. While constituting the asset structure to ensure efficient management of liquidity, following points are taken into consideration:

- Ease of liquidity,
- Ease of liquidity of collaterals received

The necessary diversification of assets and liabilities is provided in order to fulfil the payment obligations considering the related currencies. The Company monitors cash flows from assets and liabilities and predicts future liquidity needs in TL and FX liquidity management.

Early warning systems are established and monitored by taking into consideration of both the Company's own financial indicators as well as the Turkish capital market, macroeconomic data and global market indicators. The weight of the funding sources like borrowings and bonds in the liabilities, the counterparty transaction volume concentration and the maturity structure is monitored.

25 NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)

25.1 Financial Risk Management Purposes and Policies (continued)

25.1.4 Operational Risk

All operational risks are managed under the supervision of the Board of Directors and the Audit Committee in accordance with the framework that covers; risk identification, risk assessment, risk monitoring and risk control/mitigation. Each unit of the Company is responsible from their own operational risk monitoring, controlling and mitigating their operational risk by taking the necessary actions. The ultimate responsibility is on the relevant senior management.

In order to create an effective “internal control system”, the Company makes necessary organizational arrangements, establishes the appropriate communication and information systems and constitutes monitoring function.

Internal Audit Department is responsible from the audit of departments at headquarters and branches and investigation of any fraudulent activities performed by the staff or third parties. It is also responsible from creating a sound internal control environment and its coordination, and also carrying out of the Company’s operations within the legislation and regulations and in accordance with the Company management strategy and policy. In order to ensure compliance with national and international regulations, studies are carried out by the compliance officer in the scope of the strategy for the combat against the crime revenue and financing of terrorism.

The performance of the internal control system of the Company and the effectiveness of controlling operational risks is monitored regularly by the Internal Audit Department. In this context, system controls that constitute the internal control system, business cycle controls performed by the staff, organizational structure, segregation of duties, and basically general control environment are assessed.

This assessment can be performed centrally at the headquarters by utilizing computer-aided infrastructure or can be carried out traditionally by the “on site review”. In addition, those responsible from the emergency and contingency plans and their backups are designated.

For the purposes of legal risk management, available controls that are designed for monitoring of the compliance of the Company’s transactions with laws, internal policies and rules are monitored.

To strengthen the control environment in the operational areas, systemic or procedural limitations are applied. These limits that are set to limit the operational risks, are designed in accordance with the significance of the transactions for the Company, risk involved and probable amount of the loss and the qualifications of the staff. Limits are assessed and updated periodically depending on the needs. Operational risk limits are managed by determination of inconsistencies and approvals surrounding authorized signatures, authority over payments and transfers, accounting, purchase and sale and expense processes and loan disbursement process.

Operational risks are reported to the Audit Committee by the Internal Audit Department. In addition, the related business lines and units report their own operational risks to their respective senior management.

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25 NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)

25.1 Financial Risk Management Purposes and Policies (continued)

25.1.5 Reputation Riski

The Board of Directors and the whole staff of the Company is responsible from the protection of the reputation of the Company. Human Resources and Internal Audit Department determines the principles of the ethical rules and code of conduct of the Company and monitor the compliance of the employees to those rules.

The Company tries to avoid any kind of operation that would create a reputational risk in the eyes of regulators, its customers and other market participants and perform its maximum effort to be beneficial to the society, nature and humanity. The Company performs its all transactions and operations within the framework of compliance with the legislation, corporate governance principles, social, ethical and environmental principles.

In order to regulate the behavioural affairs of its employees and their business relationships, “Ethical Principles Procedure” and “Fraud and Unethical Behaviour Prevention Policy” documents are available as prepared by the Human Resources Department and Internal Audit Department. The Company is committed to the principles of corporate governance and shows maximum effort in the implementation of these principles. Annual report and website is regularly updated, within the framework of corporate governance principle.

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25 NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)**25.2 Risk Management Disclosures****25.2.1 Credit Risk**

30 June 2025	Factoring Receivables		Non-performing receivables		Other Assets		Cash Equivalents	Derivative financial-Assets held for trading
	Related Party	Others	Related Party	Others	Related Party	Others		
Maximum net credit risk as at balance sheet date (A+B+C+D+E) -	2.219	24.767.061	-	16.135	-	-	691.929	47
A. Carrying value of financial assets that are not past due nor impaired	2.231	24.787.825	-	-	-	-	692.144	47
B. Net book value of financial assets whose terms are reassessed, if not accepted as past due nor impaired -	-	-	-	-	-	-	-	-
C. Financial assets that are past due but not impaired -	-	19.749	-	-	-	-	-	-
- carrying value	-	19.749	-	-	-	-	-	-
- the part under guarantee with collateral etc	-	-	-	-	-	-	-	-
D.Net book value of impaired assets	(12)	(40.513)	-	16.135	-	-	(215)	-
- Past due (gross carrying value)	-	-	-	171.621	-	-	-	-
- Impairment (-) (*)	(12)	(40.513)	-	(155.486)	-	-	(215)	-
-The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-	-
- Not past due (gross carrying value)	-	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-	-
D.Off balance sheet items that include credit risk	-	-	-	-	-	-	-	-

(*) Represents the expected loss provisions for factoring receivables in the first and second stages.

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25 NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)
25.2 Risk Management Disclosures (continued)
25.2.1 Credit Risk (continued)

31 December 2024	Factoring Receivables		Non-performing		Other Assets		Cash	Derivative financial-
	Related	Others	Related	Others	Related	Others	Equivalents	Assets held for
	Party		Party		Party			trading
Maximum net credit risk as at balance sheet date (A+B+C+D+E)	8.968	12.933.706	-	5.545	-	-	165.020	36
A. Carrying value of financial assets that are not past due nor impaired	8.981	12.945.216	-	-	-	-	165.172	36
B. Net book value of financial assets whose terms are reassessed, if not accepted as past due nor impaired	-	-	-	-	-	-	-	-
C. Financial assets that are past due but not impaired -	-	2.746	-	-	-	-	-	-
- carrying value	-	2.746	-	-	-	-	-	-
- the part under guarantee with collateral etc	-	-	-	-	-	-	-	-
D.Net book value of impaired assets	(13)	(14.256)	-	5.545	-	-	(152)	-
- Past due (gross carrying value)	-	-	-	121.767	-	-	-	-
- Impairment (-) (*)	(13)	(14.256)	-	(116.222)	-	-	(152)	-
-The part of net value under guarantee with collateral	-	-	-	-	-	-	-	-
etc.	-	-	-	-	-	-	-	-
- Not past due (gross carrying value)	-	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-	-	-
etc.	-	-	-	-	-	-	-	-
E.Off balance sheet items that include credit risk	-	-	-	-	-	-	-	-

(*) Represents the expected loss provisions for factoring receivables in the first and second stages.

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25 NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)**25.2 Risk Management Disclosures (continued)****25.2.2 Liquidity risk**

The following table provides an analysis for the Company’s financial liabilities by grouping the contractual maturities as at the balance sheet date. Amounts in the following table are the undiscounted contractual cash flows:

30 June 2025

Contractual Maturities	Carrying amount	Total expected cash inflows / outflows	Less than 3 months	3-12 months	1-5 years
Non-derivative financial liabilities	21.237.360	22.008.278	19.557.120	2.388.144	33.944
Funds borrowed	19.976.076	20.567.024	19.173.285	1.393.739	-
Factoring payable	33.826	33.826	33.826	-	-
Payable leasing transactions	36.860	65.930	8	2.908	33.944

31 December 2024

Contractual Maturities	Carrying amount	Total expected cash inflows / outflows	Less than 3 months	3-12 months	1-5 years
Non-derivative financial liabilities	9.748.819	10.136.159	8.034.834	2.097.004	4.321
Funds borrowed	9.735.853	10.121.523	8.024.592	2.096.537	394
Factoring payable	10.242	10.242	10.242	-	-
Payable leasing transactions	2.724	4.394	-	467	3.927

GARANTİ FAKTORİNG A.Ş.**BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AT 30 JUNE 2025**

(Amounts expressed in thousands of Turkish lira (“Thousands of TL”) unless otherwise indicated.)

25 NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)**25.2 Risk Management Disclosures (continued)****25.2.3 Market risk***Foreign currency risk*

Foreign currency risk is the risk arising from the value changes on financial instruments related with the change in exchange rates. The Company is exposed to currency risk due to its foreign currency borrowings. The currencies that the foreign currency risk of the Company mainly arises from are USD, Euro and GBP. As the financial statements of the Company are presented in TL, the financial statements are affected by fluctuations in these exchange rates against TL. The Company’s net short/ (long) position arises from the assets, liabilities and derivative financial instruments in foreign currencies as at 30 June 2025 and 31 December 2024.

Foreign currency assets and liabilities as at 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025	31 December 2024
	(TL equivalent)	(TL equivalent)
A. Foreign currency monetary assets	2.646.209	2.297.571
B. Foreign currency monetary liabilities	(2.504.953)	(2.259.264)
Net döviz pozisyonu (A+B+C)	141.256	38.307

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25 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)**25.2 Explanations on Risk Management (continued)****25.2.3 Market risk (continued)***Foreign currency risk (continued)*

The table below summarizes the Company’s foreign currency position in detail as at 30 June 2025 and 31 December 2024. Carrying amounts of the Company’s foreign currency monetary assets and liabilities are presented with their original currencies:

30 June 2025	USD	EURO	GBP	Total
Assets				
Cash and cash equivalents	17.521	17.544	8.473	43.538
Financial assets at fair value through profit or loss	-	47	-	47
Factoring receivables (Net)	1.934.781	488.427	178.040	2.601.248
Other Assets	1.178	198	-	1.376
Total assets	1.953.480	506.216	186.513	2.646.209
Liabilities				
Funds borrowed	1.855.834	436.860	176.185	2.468.879
Factoring payables	17.393	12.615	1.468	31.476
Sundry creditors and other liabilities	1.442	2.937	219	4.598
Total liabilities	1.874.669	452.412	177.872	2.504.953
Net foreign currency position	78.811	53.804	8.641	141.256
Net position	78.811	53.804	8.641	141.256

(*)Foreign currency provision amounting to TL 20.926 has not been taken into account in the currency risk calculation.

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25 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)**25.2 Explanations on Risk Management (continued)****25.2.3 Market risk (continued)**

31 December 2024	USD	EURO	GBP	Total
Assets				
Cash and cash equivalents	12.242	16.906	836	29.984
Financial assets at fair value through profit or loss	-	36	-	36
Factoring receivables (Net)	1.855.927	339.209	72.095	2.267.231
Other Assets (*)	67	253	-	320
Total assets	1.868.236	356.404	72.931	2.297.571
Liabilities				
Funds borrowed	1.845.536	334.397	67.915	2.247.848
Factoring payables	4.556	2.590	893	8.039
Sundry creditors and other liabilities	1.951	1.221	205	3.377
Total liabilities	1.852.043	338.208	69.013	2.259.264
Net foreign currency position	16.193	18.196	3.918	38.307
Net position	16.193	18.196	3.918	38.307

(*)Foreign currency provision amounting to TL 16.181 has not been taken into account in the currency risk calculation.

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(Amounts expressed in thousands of Turkish lira (“Thousands of TL”) unless otherwise indicated.)

25 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued))**25.2 Explanations on Risk Management (continued)****25.2.3 Market risk (continued)**

Foreign currency sensitivity risk

10% decrease in the TL against the relevant foreign currencies for the periods ended 30 June 2025 results in an increase in profit before tax for the period amounting to TL 14.125 (30 June 2024: TL 1.034 increase). This analysis is made with the assumption that the other variables were held constant for the periods ended 30 June 2025 and 30 June 2024.

TL**30 June 2025****Profit/(Loss)**

USD	7.881
EURO	5.380
GBP	864
Toplam	14.125

TL**30 June 2024****Profit/(Loss)**

USD	402
EURO	420
GBP	212
Toplam	1.034

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25 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued))

25.2 Explanations on Risk Management (continued)

25.2.3 Market risk (continued)

Interest rate risk sensitivity analysis

The Company’s financial instruments that have interest rate sensitivity as at 30 June 2025 and 31 December 2024 are as follows:

	Carrying Value	
	30 June 2025	31 December 2024
Fixed Rate		
Factoring receivables	20.310.919	10.964.125
Time deposit	525.981	116.602
Funds borrowed	19.840.718	9.400.824
Issued securities	1.190.598	-
Variable Rate		
Factoring receivables	4.498.886	1.992.818
Credits received	135.358	335.029

If interest rates of the floating rate instruments denominated in USD and EURO were 100 basis points higher/lower at the date of reissue and all other variables were constant as at 30 June 2025, net income for the period would decrease/increase by TL 43.635 (31 December 2024: TL 16.578) as a result of higher/lower interest expense from floating interest rate financial instruments

Capital Risk Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the profit through the optimisation of the debt and equity balance. The capital structure of the Company consists of debt, cash and cash equivalents and equity comprising issued capital, reserves and retained earnings disclosed in Note 15.

It is shown by the management reviews the cost of capital and the risks associated with each class of capital. As part of this review, the management considers the cost of capital and the risks associated with each class of capital and presents to the Board of Directors for approval.

The overall strategy of the Company did not differ materially from the prior period.

26 FINANCIAL INSTRUMENT

Fair Value of Financial Instruments

The Company calculates its derivative financial assets and liabilities and securities whose fair value difference is reflected in profit/loss at their fair value.

The Company management shows the receivables from banks and factoring receivables and the loans received at their cost value discounted with effective interest. Receivables from banks and factoring receivables and the loans received are carried at their amortized cost values in the balance sheet and it is anticipated that their recorded values are approximately equal to their fair values due to their short terms.

The table below presents the fair value determination method of the financial instruments at fair value as at 30 June 2025 and 31 December 2024. The method for each level is as follows:

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26 FINANCIAL INSTRUMENT (continued)

Fair Value of Financial Instruments (continued)

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

30 June 2025	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (Net)	47	-	-	47
	47	-	-	47
31 December 2024	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (Net)	36	-	-	36
	36	-	-	36

27 EVENTS AFTER THE REPORTING PERIOD

None.