

İş Faktoring Anonim Şirketi

**Financial Statements as at and
for the year ended 31 December 2025
with Independent Auditors' Report
(Convenience translation of publicly announced unconsolidated
financial statements, related disclosures and auditor's Audit
report at 31 December 2025, See Note I. of Section Three)**



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

To the General Assembly of İş Faktoring A.Ş.

A. Audit of the Financial Statements

1. Opinion

We have audited the accompanying financial statements of İş Faktoring A.Ş. (the "Company"), which comprise the statement of financial position as at 31 December 2025, the statement of profit and loss, statement of profit or loss and other comprehensive income, statement of changes in shareholders' equity, statement of cash flows for the year then ended and the notes to the financial statements and a summary of significant accounting policies and financial statement notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with the "Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring, Financing, and Savings Finance Companies" published in the Official Gazette dated 24 December 2013 and numbered 28861, as well as the regulations, communiqués, circulars, and announcements issued by the Banking Regulation and Supervision Agency ("BRSA"); and to the extent not regulated by them, the "BRSA Accounting and Financial Reporting Regulations", which incorporate the provisions of the Turkish Financial Reporting Standards.

2. Basis for Opinion

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

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matters	How the key audit matter was addressed in the audit
<p>Expected credit losses for factoring receivables</p> <p>The Company has total gross factoring receivables of 36,982,790 thousand TL, which represents a significant portion of the Company’s total assets in its financial statements as of 31 December 2025, and total impairment provisions of 558,255 thousand TL related to these receivables. Explanations and footnotes regarding the impairment provisions for factoring receivables are presented in notes 3-f and 8 of the financial statements issued as of 31 December 2025.</p> <p>According to the "Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring, Financing, and Savings Finance Companies" published in the Official Gazette dated 24 December 2013, and numbered 28861, the Company recognizes provision for impairment of factoring receivables in accordance with the “IFRS 9 Financial Instruments Standard” (“IFRS 9”). IFRS 9 is a complex accounting standard that requires a significant degree of judgment and interpretation in practice. These judgments and interpretations are key in developing financial models used to measure expected credit losses on factoring receivables measured at amortized cost. Additionally, the operation of the models requires large data inputs that are generated through more than one system and the accuracy and completeness of the data are key in the determination of expected credit losses on loans.</p>	<p>Within the scope of our audit procedures, we evaluated the Company's policies, procedures, and management principles regarding the classification of factoring receivables by their characteristics and the determination of impairment calculations in accordance with relevant legislation.</p> <p>We evaluated and tested, together with our financial risk experts, the methods used in the Company's models for determining provisions for significant factoring receivables to ensure compliance with the policies, procedures, and principles established by the Company and in accordance with IFRS 9 principles. We also assessed the calculations contained in these models with our financial risk experts. The approaches used in the models, including segmentation, lifetime expected default probabilities, default loss rates, and the reflection of macroeconomic expectations, were independently reviewed by our relevant experts.</p> <p>We conducted loan review procedures for a sample of selected credits to determine whether the classification of factoring receivables according to current regulations is reasonable, to ascertain whether they are impaired, and to verify whether impairment provisions for these receivables have been established in a timely manner and in accordance with legislative provisions.</p>



Key Audit Matters	How the key audit matter was addressed in the audit
<p>Expected credit losses for factoring receivables (Continued)</p> <p>Provisions for expected losses on factoring receivables are allocated collectively for similar factoring receivables as of the balance sheet date, incorporating management's best estimates and past loss experience. For significant factoring receivables, the provisions are evaluated on an individual basis.</p> <p>The reason for our focus on this area during our audit is the complexity involved in determining provisions for expected credit losses, including past loss experience, current conditions, and the creation and weighting of forward-looking macroeconomic scenarios; the size of the existing factoring receivables; and the importance of correctly classifying these receivables based on their characteristics (stages) under current regulations and determining the provision for these receivables. The accurate and timely identification of default in factoring receivables and other judgments and estimates made by management significantly impact the amount of provision for impairment recognized in the balance sheet, and therefore, this area has been considered a key audit matter.</p>	<p>Furthermore, we verified the consistency and reasonableness of provisions established for individually assessed factoring receivables impaired according to the Company's practice using supportable data. We also assessed whether the key assumptions and other judgments underlying impairment calculations, which are based on discussions with the Company's management, are reasonable.</p> <p>We checked the consistency and adequacy of the notes to the financial statements relating to factoring receivables and their impairment in the Company's financial statements.</p>

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

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



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

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

5. Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

B. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code (“TCC”) No. 6102 and that causes us to believe that the Company’s bookkeeping activities concerning the period from 1 January to 31 December 2025 period are not in compliance with the TCC and provisions of the Company’s articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.



Additional Paragraph for Convenience Translation

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Two differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 31 December 2025. Accordingly, the accompanying financial statements are not intended to present fairly the financial position, results of operations, changes in equity and cash flows of the Company in accordance with IFRS.

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

Gökçe Yaşar Temel, SMMM
Independent Auditor

Istanbul, 27 January 2026

CONTENTS	PAGE
Statement of Financial Position (Balance Sheet).....	1 - 2
Off-Balance Sheet Items	3
Statement of Profit or Loss	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Changes in Shareholder's Equity	6
Statement of Cash Flows	7
Statement of Profit Distribution	8
Notes to the Financial Statements	9 - 60
Note 1 Organization and Operations of the Company	9
Note 2 Basis of Preparation of Financial Statements	10 - 15
Note 3 Significant Accounting Policies.....	16 - 24
Note 4 Cash and Cash Equivalents	25
Note 5 Financial Assets With Fair Value Difference Reflected In Profit/Loss	25
Note 6 Derivative Financial Assets and Liabilities.....	25 - 26
Note 7 Financial Assets at Fair Value Through Other Comprehensive Income	26
Note 8 Factoring Receivables and Payables	27 - 30
Note 9 Related Parties	30 - 34
Note 10 Tangible Assets	34 - 35
Note 11 Intangible Assets	35
Note 12 Deferred Tax Assets and Liabilities	36 - 37
Note 13 Other Assets	37
Note 14 Funds Borrowed	37
Note 15 Payables From Leasing Transactions	38
Note 16 Debt Securities Issued	38 - 40
Note 17 Other Liability	40
Note 18 Employee Benefits	40 - 41
Note 19 Current Tax Liability	42
Note 20 Shareholders Equity.....	42 - 43
Note 21 Commitments and Contingencies	43 - 44
Note 22 Segment Reporting	44
Note 23 Operating Income	45
Note 24 Financial Expenses	45
Note 25 Operating Expenses	45
Note 26 Other Operating Income	46
Note 27 Expected Credit Loss	46
Note 28 Other Operating Expenses	46
Note 29 Taxation	47 - 48
Note 30 Earnings Per Share	48 - 49
Note 31 Other Issues That Significantly Affect the Financial Statements or Other Issues Required for to be Explained Understanding of the Financial Statements	49
Note 32 Fees For Services Received From Independent Auditor	49
Note 33 Explanations On The Matters After The Balance Sheet Period.....	49
Note 34 Additional Information On Financial Instruments	50 - 60

İŞ FAKTORİNG ANONİM ŞİRKETİ

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) AS AT 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

	ASSETS	Notes	Audited Current Period 31 December 2025			Audited Prior Period 31 December 2024		
			TRY	FC	TOTAL	TRY	FC	TOTAL
I.	CASH,CASH EQUIVALENTS AND CENTRAL BANK	4	67,501	659,302	726,803	825,383	47,485	872,868
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	5	12,396	-	12,396	-	-	-
III.	DERIVATIVE FINANCIAL ASSETS	6	1,202	1,686	2,888	-	-	-
IV.	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Net)	7	1,470,653	-	1,470,653	1,734,303	-	1,734,303
V.	FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)	8	27,947,009	8,477,526	36,424,535	25,872,707	9,159,659	35,032,366
5.1	Factoring Receivables		28,009,294	8,446,168	36,455,462	25,976,932	9,147,468	35,124,400
5.1.1	Discounted Factoring Receivables (Net)		12,544,487	1,074,117	13,618,604	12,651,698	303,308	12,955,006
5.1.2	Other Factoring Receivables		15,464,807	7,372,051	22,836,858	13,325,234	8,844,160	22,169,394
5.2	Savings Finance Receivables		-	-	-	-	-	-
5.2.1	Savings Funds		-	-	-	-	-	-
5.2.2	Equity		-	-	-	-	-	-
5.3	Finance Loans		-	-	-	-	-	-
5.3.1	Financial Lease Receivables		-	-	-	-	-	-
5.3.2	Operating Lease Receivables		-	-	-	-	-	-
5.3.3	Unearned Income (-)		-	-	-	-	-	-
5.4	Lease Receivables(Net)		-	-	-	-	-	-
5.4.1	Financial 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 factoring receivables	8	326,454	200,874	527,328	239,657	146,560	386,217
5.7	Expected Loss Provisions/Special Provisions (-)	8	(388,739)	(169,516)	(558,255)	(343,882)	(134,369)	(478,251)
VI.	INVESTMENTS		-	-	-	-	-	-
6.1	Investments in Associates (Net)		-	-	-	-	-	-
6.2	Subsidiaries (Net)		-	-	-	-	-	-
6.3	Joint Ventures (Net)		-	-	-	-	-	-
VII.	TANGIBLE ASSETS (Net)	10	20,643	-	20,643	9,714	-	9,714
VIII.	INTANGIBLE ASSETS (Net)	11	30,535	-	30,535	27,211	-	27,211
IX.	INVESTMENT PROPERTY (Net)		-	-	-	-	-	-
X.	CURRENT TAX ASSETS		-	-	-	-	-	-
XI.	DEFERRED TAX ASSETS	12	-	-	-	28,492	-	28,492
XII.	OTHER ASSETS	13	131,543	2,426	133,969	92,196	1,170	93,366
	SUBTOTAL		29,681,482	9,140,940	38,822,422	28,590,006	9,208,314	37,798,320
XIII.	ASSETS HELD FOR SALE AND TERMINATED OPERATIONS (Net)		-	-	-	-	-	-
13.1	Held for sale purpose		-	-	-	-	-	-
13.2	Asset of Discontinued Operations		-	-	-	-	-	-
	TOTAL ASSETS		29,681,482	9,140,940	38,822,422	28,590,006	9,208,314	37,798,320

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

İŞ FAKTORİNG ANONİM ŞİRKETİ

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) AS AT 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

	LIABILITIES	Notes	Audited Current Period 31 December 2025			Audited Prior Period 31 December 2024		
			TRY	FC	TOTAL	TRY	FC	TOTAL
I.	FUNDS BORROWED	14	17,542,983	7,183,101	24,726,084	22,186,358	8,696,320	30,882,678
II.	FACTORING PAYABLES	8	2,064	36,801	38,865	1,163	9,531	10,694
III.	PAYABLES FROM SAVINGS FUND		-	-	-	-	-	-
IV.	LEASING TRANSACTIONS PAYABLES (Net)	15	13,785	-	13,785	8,669	-	8,669
V.	DEBT SECURITIES ISSUED (Net)	16	7,271,838	-	7,271,838	2,091,713	-	2,091,713
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES	6	28,834	2,299	31,133	-	-	-
VIII.	PROVISIONS		74,004	-	74,004	46,057	-	46,057
8.1	Restructuring Provision		-	-	-	-	-	-
8.2	Reserves For Employee Benefits	18	74,004	-	74,004	46,057	-	46,057
8.3	General Provision		-	-	-	-	-	-
8.4	Other Provisions		-	-	-	-	-	-
IX.	CURRENT TAX LIABILITY	19	151,681	-	151,681	128,827	-	128,827
X.	DEFERRED TAX LIABILITY	12	110,650	-	110,650	-	-	-
XI.	CAPITAL DEBT INSTRUMENTS		-	-	-	-	-	-
XII.	OTHER LIABILITIES	17	71,399	12,138	83,537	60,746	12,968	73,714
	SUBTOTAL		25,267,238	7,234,339	32,501,577	24,523,533	8,718,819	33,242,352
XIII.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND HELD FROM TERMINATED OPERATIONS (Net)		-	-	-	-	-	-
13.1	Held for sale purpose		-	-	-	-	-	-
13.2	Discontinued operations		-	-	-	-	-	-
XIV.	SHAREHOLDERS' EQUITY		6,320,845	-	6,320,845	4,555,968	-	4,555,968
14.1	Paid-in Capital	20	150,000	-	150,000	150,000	-	150,000
14.2	Capital Reserves		5,053	-	5,053	5,053	-	5,053
14.2.1	Share Premiums		-	-	-	-	-	-
14.2.2	Share Cancellation Profits		-	-	-	-	-	-
14.2.3	Other Capital Reserves		5,053	-	5,053	5,053	-	5,053
14.3	Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		1,273,935	-	1,273,935	1,499,717	-	1,499,717
14.4	Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		-	-	-	-	-	-
14.5	Profit Reserves	20	2,901,198	-	2,901,198	1,893,748	-	1,893,748
14.5.1	Legal Reserves		30,183	-	30,183	30,183	-	30,183
14.5.2	Status Reserves		-	-	-	-	-	-
14.5.3	Extraordinary Reserves		2,871,015	-	2,871,015	1,863,565	-	1,863,565
14.5.4	Other Profit Reserves		-	-	-	-	-	-
14.6	Profit or Loss		1,990,659	-	1,990,659	1,007,450	-	1,007,450
14.6.1	Previous Years Profit or Loss		-	-	-	-	-	-
14.6.2	Period Net Profit or Loss		1,990,659	-	1,990,659	1,007,450	-	1,007,450
	TOTAL LIABILITIES		31,588,083	7,234,339	38,822,422	29,079,501	8,718,819	37,798,320

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

İŞ FAKTORİNG ANONİM ŞİRKETİ

OFF-BALANCE SHEET ITEMS AS AT 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

	OFF-BALANCE SHEET ITEMS	Notes	Audited Current Period 31 December 2025			Audited Prior Period 31 December 2024		
			TRY	FC	TOTAL	TRY	FC	TOTAL
			I.	RECOURSE FACTORING TRANSACTIONS		961,788	2,112,897	3,074,685
II.	NON-RECOURSE FACTORING TRANSACTIONS		2,659,895	447,258	3,107,153	3,173,559	627,910	3,801,469
III.	SAVING FINANCE AGREEMENTS TRANACTIONS		-	-	-	-	-	-
IV.	GUARANTEES RECEIVED	21	193,189,370	214,389,268	407,578,638	124,271,145	150,629,585	274,900,730
V.	GUARANTEES GIVEN	21	15,702,953	-	15,702,953	12,022,972	-	12,022,972
VI.	COMMITMENTS		-	-	-	-	-	-
6.1	Irrevocable Commitments		-	-	-	-	-	-
6.2	Revocable Commitments		-	-	-	-	-	-
6.2.1	Lease Commitments		-	-	-	-	-	-
6.2.1.1	Financial Lease Commitments		-	-	-	-	-	-
6.2.1.2	Operating Lease Commitment		-	-	-	-	-	-
6.2.2	Other revocable commitments		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL INSTRUMENTS	21	2,500,027	3,496,918	5,996,945	-	-	-
7.1	Hedging Derivative Financial Instruments		-	-	-	-	-	-
7.1.1	Transactions for Fair Value Hedge		-	-	-	-	-	-
7.1.2	Transactions for Cash Flow Hedge		-	-	-	-	-	-
7.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
7.2	Trading Transactions		2,500,027	3,496,918	5,996,945	-	-	-
7.2.1	Forward buy/sell transactions		-	27,984	27,984	-	-	-
7.2.2	Swap buy/sell transactions		2,500,027	3,468,934	5,968,961	-	-	-
7.2.3	Optional buy/sell transactions		-	-	-	-	-	-
7.2.4	Futures buy/sell transactions		-	-	-	-	-	-
7.2.5	Other		-	-	-	-	-	-
VII.	ITEMS HELD IN CUSTODY	21	9,970,216	935,507	10,905,723	7,009,906	553,131	7,563,037
	TOTAL OFF-BALANCE SHEET COMMITMENTS		224,984,249	221,381,848	446,366,097	146,693,923	153,880,435	300,574,358

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

İŞ FAKTORİNG ANONİM ŞİRKETİ

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 1 JANUARY-31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

		Notes	Audited Current Period 1 January- 31 December 2025	Audited Prior Period 1 January - 31 December 2024
	PROFIT OR LOSS ITEMS			
I.	OPERATING INCOME	23	11,199,128	7,321,243
	FACTORING INCOME		11,199,128	7,321,243
1.1	Interest Received from Factoring Receivables		10,849,701	7,026,458
1.1.1	Discounted		4,764,432	3,868,339
1.1.2	Other		6,085,269	3,158,119
1.2	Fees and Commissions Received from Factoring Receivables		349,427	294,785
1.2.1	Discounted		178,399	142,429
1.2.2	Other		171,028	152,356
	FINANCE LOAN INCOME		-	-
1.3	Interest Received from Finance Loans		-	-
1.4	Fees and Commissions Received from Finance Loans		-	-
	LEASING INCOME		-	-
1.5	Financial Leasing Income		-	-
1.6	Operational Leasing Income		-	-
1.7	Fees and Commissions from Rental Transactions		-	-
	SAVINGS FINANCE INCOME		-	-
1.8	Profit Shares from Savings Finance Receivables		-	-
1.9	Fees and Commissions from Savings Finance Activities		-	-
II.	FINANCIAL EXPENSES (-)	24	(9,123,373)	(5,882,575)
2.1	Profit Shares Given to the Savings Fund Pool		-	-
2.2	Interest Paid for Borrowings		(7,054,805)	(5,315,848)
2.3	Interest Paid for Factoring Transactions		-	-
2.4	Financial Lease Expense		(7,770)	(4,717)
2.5	Interest Paid for Securities		(1,847,831)	(383,509)
2.6	Other Interest Expenses		-	-
2.7	Fees and Commissions		(212,967)	(178,501)
III.	GROSS PROFIT/LOSS (I+II)		2,075,755	1,438,668
IV.	OPERATING EXPENSE (-)	25	(480,582)	(339,593)
4.1	Personnel Expenses		(381,209)	(273,157)
4.2	Provision Expense for Employment Termination Benefits	18	(5,919)	(3,286)
4.3	Research and Development Expenses		-	-
4.4	General Administration Expenses		(93,454)	(63,150)
4.5	Other		-	-
V.	GROSS OPERATING PROFIT/LOSS (III+IV)		1,595,173	1,099,075
VI.	OTHER OPERATING INCOME	26	2,795,939	1,618,300
6.1	Interest Received from Banks		300,217	239,237
6.2	Interest Received from Securities		-	-
6.3	Dividend Income		206,770	38,930
6.4	Trading Account Gain/Losses		4,287	3,404
6.5	Gain/losses from Derivative Transactions		24,676	12,692
6.6	Foreign Exchange Gain/Losses		1,834,011	1,057,150
6.7	Other		425,978	266,887
VII.	PROVISIONS	27	(421,516)	(293,228)
7.1	Specific Provision		-	-
7.2	Expected Loss Provision		(421,516)	(293,228)
7.3	General Provision		-	-
7.4	Other		-	-
VIII.	OTHER OPERATING EXPENSES (-)	28	(1,214,391)	(1,003,706)
8.1	Impairment of Marketable Securities		-	-
8.2	Impairment of Fixed Assets		-	-
8.3	Trading Account Loss		-	-
8.4	Loss from Derivative Financial Transaction		(48,356)	-
8.5	Foreign Exchange Loss		(1,166,007)	(1,003,577)
8.6	Other		(28)	(129)
IX.	NET OPERATING INCOME/EXPENSE (V+...+VIII)		2,755,205	1,420,441
X.	MERGER PROFIT		-	-
XI.	SURPLUS WRITTEN AS GAIN AFTER MERGER PROFIT / LOSS FROM INVESTMENTS ACCOUNTED FOR UNDER EQUITY		-	-
XII.	NET MONETARY POSITION GAIN/LOSS		-	-
XIII.	PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (IX+...+XII)		2,755,205	1,420,441
XIV.	PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	29	764,546	412,991
14.1	Current Tax Provision		585,136	364,107
14.2	Deferred Tax Expense Effect (+)		179,410	48,884
14.3	Deferred Tax Income Effect (-)		-	-
XV.	NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XIII±XIV)		1,990,659	1,007,450
XVI.	INCOMES FROM TERMINATED OPERATIONS (-)		-	-
16.1	Expenses from Assets Held for Resale		-	-
16.2	Loss on Investment and Associates, Subsidiaries and Joint Ventures		-	-
16.3	Other Expenses		-	-
XVII.	EXPENSES FROM TERMINATED OPERATIONS (-)		-	-
17.1	Expenses from Assets Held for Resale		-	-
17.2	Loss on Investment and Associates, Subsidiaries and Joint Ventures		-	-
17.3	Other Expenses		-	-
XVIII.	PROFIT/LOSS BEFORE TAX FROM TERMINATED OPERATIONS (XVI-XVII)		-	-
XIX.	TAXATION ON INCOME FROM TERMINATED OPERATIONS (±)		-	-
19.1	Current Tax Provision		-	-
19.2	Deferred Tax Expense Effect (+)		-	-
19.3	Deferred Tax Income Effect (-)		-	-
XX.	NET PROFIT/LOSS FROM TERMINATED OPERATIONS (XVII±XVIII)		-	-
XXI.	NET PROFIT/LOSSES (XIV±XIX)		1,990,659	1,007,450
	EARNINGS PER SHARE	30	13.27106	6.71633

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

İŞ FAKTORİNG ANONİM ŞİRKETİ

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 1 JANUARY-31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

	PROFIT/LOSS AND OTHER COMPREHENSIVE INCOME	Notes	Audited Current Period 1 January- 31 December 2025	Audited Prior Period 1 January- 31 December 2024
I.	PERIOD INCOME/LOSS		1,990,659	1,007,450
II.	OTHER COMPREHENSIVE INCOME		(225,782)	464,591
2.1	Items that will not be reclassified to profit or loss		(225,782)	464,591
2.1.1	Gains/(losses) on revaluation of tangible assets		-	-
2.1.2	Gains/(losses) on revaluation of intangible assets		-	-
2.1.3	Gains/(losses) on remeasurement of defined benefit pension plans	18	(2,400)	(4,753)
2.1.4	Other items that will not be reclassified to profit or loss	7	(263,650)	617,240
2.1.5	Taxation on comprehensive income that will not be reclassified to profit or loss	12	40,268	(147,896)
2.2	ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS		-	-
2.2.1	Translation differences for transactions in foreign currencies		-	-
2.2.2	Valuation and / or Reclassification Income / Expense of the Financial Assets at Fair Value Through Other Comprehensive Income		-	-
2.2.3	Gains/(losses) from cash flow hedges		-	-
2.2.4	Gains/(losses) from net investment hedges		-	-
2.2.5	Other items that will be reclassified to profit or loss		-	-
2.2.6	Taxation on comprehensive income that will be reclassified to profit or loss		-	-
III.	TOTAL COMPREHENSIVE INCOME (I+II)		1,764,877	1,472,041

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

İŞ FAKTORİNG ANONİM ŞİRKETİ

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira ("TRY") unless otherwise stated.)

CHANGES IN SHAREHOLDER'S EQUITY	Notes					Other Accumulated Comprehensive Income that will be not reclassified to Profit/Loss			Other Accumulated Comprehensive Income that may be reclassified subsequently to Profit/Loss			Profit Reserves	Prior Period Profit/(Loss)	Net Current Period Profit/Loss	Total Equity
		Paid-in Capital	Share Premium	Share Cancellation Profit	Other Capital Reserves	1	2	3	4	5	6				
Prior Period (01.01 – 31.12,2024) (Audited)															
I. Balance at the Beginning of the Period	20	150,000	-	-	5,053	-	(1,738)	1,036,864	-	-	-	733,824	-	1,159,924	3,083,927
II. Correction Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Correction of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)		150,000	-	-	5,053	-	(1,738)	1,036,864	-	-	-	733,824	-	1,159,924	3,083,927
IV. Total Comprehensive Income		-	-	-	-	-	(3,327)	467,918	-	-	-	-	-	1,007,450	1,472,041
V. Cash Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase from internal reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid-in-Capital Inflation Adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increases / Decreases due to other changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	1,159,924	-	(1,159,924)	-
11.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfer to Reserves		-	-	-	-	-	-	-	-	-	-	1,159,924	-	(1,159,924)	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the End of the Period (31.12,2024)		150,000	-	-	5,053	-	(5,065)	1,504,782	-	-	-	1,893,748	-	1,007,450	4,555,968
Current Period (01.01 – 31.12,2025) (Audited)															
I. Balance at the Beginning of the Period	20	150,000	-	-	5,053	-	(5,065)	1,504,782	-	-	-	1,893,748	-	1,007,450	4,555,968
II. Correction Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Correction of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)		150,000	-	-	5,053	-	(5,065)	1,504,782	-	-	-	1,893,748	-	1,007,450	4,555,968
IV. Total Comprehensive Income		-	-	-	-	-	(1,680)	(224,102)	-	-	-	-	-	1,990,659	1,764,877
V. Cash Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase from internal reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid-in-Capital Inflation Adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increases / Decreases due to other changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	1,007,450	-	(1,007,450)	-
11.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfer to Reserves		-	-	-	-	-	-	-	-	-	-	1,007,450	-	(1,007,450)	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the End of the Period (31.12,2025)		150,000	-	-	5,053	-	(6,745)	1,280,680	-	-	-	2,901,198	-	1,990,659	6,320,845

1) Accumulated revaluation surplus / impairment of fixed assets,

2) Accumulated repeat measurement gains / losses of defined benefit plans,

3) Accumulated amounts of investments accounted for by the equity method that are not reclassified from income to profit or loss to others, and other items that are not reclassified to impair others or others.

4) Foreign currency translation differences,

5) Accumulated revaluation and / or classification gains / losses on available for sale financial assets,

6) Other (Cash flow hedging gains / investments accounted for by the equity method cumulative gains / (losses) to be classified as profit / loss to others and accumulated amounts of other comprehensive income to be reclassified to others or others).

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

İŞ FAKTORİNG ANONİM ŞİRKETİ

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

			Audited Current Period 1 January – 31 December 2025	Audited Prior Period 1 January – 31 December 2024
	CASH FLOW	Notes		
A.	CASH FLOWS FROM OPERATING ACTIVITIES			
1.1.	Operating Profit Before Changes in Operating Assets and Liabilities		3,549,035	1,120,826
1.1.1.	Interests received/Dividends received/Lease income		11,275,601	7,302,761
1.1.2.	Interests paid/Dividends paid/Lease expense		(7,315,909)	(5,710,502)
1.1.3.	Dividends Received		206,770	38,930
1.1.4.	Fee and Commissions Received		349,427	294,785
1.1.5.	Other Income		205,026	69,669
1.1.6.	Collections From Previously Written-Off Receivables		391,618	231,070
1.1.7.	Payments to Personnel and Service Suppliers		(361,581)	(259,255)
1.1.8.	Taxes Paid		(562,282)	(433,580)
1.1.9.	Others		(639,635)	(413,052)
1.2.	Changes in Operating Assets and Liabilities		(6,970,659)	(121,272)
1.2.1	Net (Increase) Decrease in Factoring Receivables		800,308	(12,190,199)
1.2.2	Net (Increase) decrease in finance loans		-	-
1.2.3	Net (Increase) decrease in lease receivables		-	-
1.2.4	Net (Increase) Decrease in Savings Financing Receivables		-	-
1.2.5	Net (Increase) Decrease in Other Assets		(166,537)	17,639
1.2.6	Net (Increase) Decrease in Factoring Payables		28,171	(2,067)
1.2.7	Net Increase (Decrease) in the Savings Fund Pool		-	-
1.2.8	Net Increase (Decrease) in Lease Payables		6,475	4,716
1.2.9	Net Increase (Decrease) in Funds Borrowed		(7,762,437)	12,064,891
1.2.10	Net Increase (Decrease) in Matured Payables		-	-
1.2.11	Net Increase (Decrease) in Other Liabilities		123,361	(16,252)
I.	Net Cash From Operating activities		(3,421,624)	999,554
B.	CASH FLOWS FROM INVESTING ACTIVITIES			
2.1.	Cash Paid for Purchase of Associates, Subsidiaries and Joint-Ventures		-	-
2.2.	Cash Obtained From Sale of Associates, Subsidiaries and Joint-Ventures		-	-
2.3.	Purchases of Tangible and Intangible Assets		(21,207)	(14,340)
2.4.	Sales of Tangible and Intangible Assets		-	-
2.5.	Cash Paid for Purchase of Financial Assets Available-for-Sale		-	-
2.6.	Cash Obtained From Sale of Financial Assets Available-for-Sale		-	-
2.7.	Cash Paid for Purchase of Held-to-Maturity Investment Securities		-	-
2.8.	Cash obtained from Sale of Held-to-Maturity Investment Securities		-	-
2.9.	Other		-	(2,857)
II.	Net Cash Used in Investing Activities		(21,207)	(17,197)
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
3.1.	Cash Obtained from Funds Borrowed and Debt Securities Issued		9,000,000	3,659,089
3.2.	Cash Used for Repayment of Funds Borrowed and Debt Securities Issued		(5,667,706)	(4,181,000)
3.3.	Equity Instruments Issued		-	-
3.4.	Dividends Paid		-	-
3.5.	Payments for Finance Leases		(22,491)	(13,748)
3.6.	Others		-	-
III.	Net Cash Generated from in Financing Activities		3,309,803	(535,659)
IV.	Effect of Change in Foreign Exchange Rates on Cash and Cash Equivalents		(13,037)	(12,319)
V.	Net Increase/(Decrease) in Cash and Cash Equivalents		(146,065)	434,379
VI.	Cash and Cash Equivalents at the Beginning of the Year		872,868	438,489
VII.	Cash and Cash Equivalents at the End of the Year	4	726,803	872,868

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

İŞ FAKTORİNG ANONİM ŞİRKETİ

STATEMENT OF PROFIT DISTRIBUTION FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

PROFIT DISTRIBUTION		Audited Current Year 31 December 2025	Audited Prior Year 31 December 2024
I.	DISTRIBUTION OF CURRENT YEAR PROFIT (*)		
1.1	PROFIT FOR THE YEAR	2,755,205	1,420,441
1.2	TAXES AND LEGAL DUTIES PAYABLE (-)	764,546	412,991
1.2.1	Corporate Tax (Income Tax)	585,136	364,107
1.2.2	Withholding Tax	-	-
1.2.3	Other Taxes and Duties (**)	179,410	48,884
A.	NET PROFIT FOR THE YEAR (1.1-1.2)	1,990,659	1,007,450
1.3	ACCUMULATED LOSSES (-)	-	-
1.4	FIRST LEGAL RESERVES (-)	-	-
1.5	OTHER STATUTORY RESERVES (-)	-	-
B	NET PROFIT AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	-	1,007,450
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1	To Owners of Ordinary Shares	-	-
1.6.2	To Owners of Privileged Shares	-	-
1.6.3	To Owners of Redeemed Shares	-	-
1.6.4	To Profit Sharing Bonds	-	-
1.6.5	To Holders of Profit and Loss Sharing Certificates	-	-
1.7	DIVIDENDS TO PERSONNEL (-)	-	-
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1	To Owners of Ordinary Shares	-	-
1.9.2	To Owners of Privileged Shares	-	-
1.9.3	To Owners of Redeemed Shares	-	-
1.9.4	To Profit Sharing Bonds	-	-
1.9.5	To Holders of Profit and Loss Sharing Certificates	-	-
1.10	STATUS RESERVES (-)	-	-
1.11	EXTRAORDINARY RESERVES	-	(1,007,450)
1.12	OTHER RESERVES	-	-
1.13	SPECIAL FUNDS	-	-
II.	DISTRIBUTION FROM RESERVES	-	-
2.1	DISTRIBUTION OF RESERVES	-	-
2.2	DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.2.1	To Owners of Ordinary Shares	-	-
2.2.2	To Owners of Privileged Shares	-	-
2.2.3	To Owners of Redeemed Shares	-	-
2.2.4	To Profit Sharing Bonds	-	-
2.2.5	To Holders of Profit and Loss Sharing Certificates	-	-
2.4	DIVIDENDS TO PERSONNEL (-)	-	-
2.5	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III.	EARNINGS PER SHARE	13.27106	6.7163
3.1	TO OWNERS OF ORDINARY SHARES (full TRY)	13.27106	6.7163
3.2	TO OWNERS OF ORDINARY SHARES (%)	13.27%	6.72%
3.3	TO OWNERS OF PRIVILEGED SHARES (full TRY)	-	-
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV.	DIVIDEND PER SHARE	-	-
4.1	TO OWNERS OF ORDINARY SHARES (TRY)	-	-
4.2	TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3	TO OWNERS OF PRIVILEGED SHARES (TRY)	-	-
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) As at the report date, the General Assembly Meeting has not been held; therefore, only net profit is presented in the profit distribution table above for 2024.

(**) The related amounts represent deferred tax expense / income items.

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

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

1. ORGANIZATION AND OPERATIONS OF THE COMPANY

İş Faktoring Finansman Hizmetleri A.Ş., was incorporated on 6 July 1993 in Turkey and started its operations in October 1993. Company’s trade name was amended as İş Faktoring A.Ş. (“the Company”) at the Ordinary General Assembly on 27 March 2013. The change in title has been registered in the Trade Registry Gazette dated 16 April 2013 and numbered 1353. The core business of the Company is factoring operations, both domestic and abroad

The Company maintains its operations in accordance with 6361 dated “Finance Lease, Factoring and Financing Companies Law” published on Official Gazette no. 28496 dated 13 December 2012 and 28627 dated 24 April 2013 “Regulation on Principles for Establishment and Operations of Finance Lease, Factoring and Savings-based Financing Companies of Banking Regulation and Supervision Agency (“BRSA”).

The ultimate parent of the Company is Türkiye İş Bankası A.Ş. The main shareholder of the Company is İş Finansal Kiralama A.Ş. with 78.23% shareholding. Türkiye Sınai Kalkınma Bankası A.Ş. is also shareholder of the Company with 21.75% shareholding.

As of 31 December 2025, the number of employees of the Company is 128. (31 December 2024: 119)

The head office of the Company is located at:

İş Kuleleri, Kule 1 Kat: 10 34330 4. Levent / İstanbul Türkiye

Dividend payable:

None.

Approval of the financial statements:

The financial statements as of 31 December 2025 have been approved by the Board of Directors of the Company and authorized for issue on 27 January 2026. The General Assembly and/or regulatory authorities have the discretion of making changes in the financial statements after their issuance.

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Basis of the Presentation

The accompanying financial statements are prepared in accordance with “Communiqué Uniform Chart of Accounts to be implemented by Financial Leasing, Factoring and Financing Companies and its Explanation as well as the Form and Scope of Financial Statements to be announced to Public” published on the Official Gazette no,28861 dated 24 December 2013 promulgated by Banking Regulation and Supervision Agency (“BRSA”), Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards (“TFRS”) and the appendices and interpretations promulgated by the Public Oversight Accounting and Auditing Standards Authority (“POA”) and the regulations, communiqués, statements and circulars published by BRSA on accounting and financial reporting principles (together referred to as “BRSA Accounting and Financial Reporting Principles”).

The financial statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

In accordance with TAS 29 “Financial Reporting in Hyperinflationary Economies”, the financial statements of entities whose functional currency is the currency of a hyperinflationary economy have been restated and presented in terms of the purchasing power of the currency at the end of the reporting period. In its announcement dated November 23, 2023, the Public Oversight, Accounting, and Auditing Standards Authority (KGK) mandated that entities applying Turkish Financial Reporting Standards (TFRS) implement Turkish Accounting Standard 29 (TMS 29) – Financial Reporting in Hyperinflationary Economies in their financial statements, effective from the reporting period ending 31 December 2023. Furthermore, regulatory bodies and institutions authorized to oversee specific industries were granted discretion in determining different transition dates for the implementation of TMS 29. In this regard, pursuant to the decision of the Banking Regulation and Supervision Agency (BDDK) dated 12 December 2023 (Decision No. 10744), banks, financial leasing companies, factoring companies, financing companies, savings financing companies, and asset management companies were exempted from applying inflation adjustments under TMS 29 in their financial statements as of 31 December 2023. Additionally, per BDDK’s decision dated January 11, 2024 (Decision No. 10825), these entities were required to adopt inflation accounting as of January 1, 2025. Consequently, TMS 29 was not applied in the financial statements for the period ending 31 December 2024, and no inflation adjustments were made. Subsequently, based on BDDK’s decision dated 5 December 2024 (Decision No. 11021), it was determined that banks, financial leasing companies, factoring companies, financing companies, savings financing companies, and asset management companies would not be required to implement inflation accounting in 2025.

In this context, the Company has not applied TAS 29 “Financial Reporting in Hyperinflationary Economies” in its financial statements as of 31 December 2025.

2.1.1 Reporting Currency

The Company’s financial statements have been presented in the currency of the primary economic environment in which it operates (functional currency). The Company’s financial position and results of operations have been expressed in thousands of TRY, which is the presentation currency of the financial statements.

2.1.2 Clarification/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 to realize the asset and settle the liability simultaneously.

2.1.3 Going Concern

The financial statements have been prepared based on the going concern assumption.

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.1 Basis of the Presentation (Continued)

2.1.4 Comparative information and correction of prior periods’ financial statements

The financial statements of the Company are prepared comparatively with the previous period in order to enable the determination of the financial position and performance trends. When the presentation or classification of the items of the financial statements’ changes, the prior period financial statements are reclassified accordingly in order to ensure comparability.

2.1.5 Accounting Estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. In particular, information about significant accounting estimates used are described in the following notes:

Note 8 – Factoring receivables, non-performing receivables

Note 18 – Employee benefits

Note 22 – Commitments and contingencies

2.2 Change in Accounting Estimates and Errors

The changes in accounting estimates relate to a specific period, they are applied in the period they relate to whereas if the changes are related to future periods, they are applied both in the period the change is made and prospectively in the future periods.

2.3. The New Standards, Amendments and Interpretations

The New Standards, Amendments and Interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of 31 December 2025, are consistent with those of the previous fiscal year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of 31 December, 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.

2.3.1 Standards, amendments, and interpretations applicable as of 31 December 2025

Amendments to IAS 21 – Lack of Exchangeability

Effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.3. The New Standards, Amendments and Interpretations (Continued)

2.3.2 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.

IFRS 17 – Insurance Contracts

IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which previously allowed a wide range of practices. TFRS 17 fundamentally changes the accounting for all entities issuing insurance contracts and investment contracts with discretionary participation features.

Pursuant to the Communiqué on the Presentation of Financial Statements of Insurance, Reinsurance, and Pension Companies, as amended by the SEDDK and published in the Official Gazette on 15 December 2025, the effective date of TFRS 17 has been deferred to 1 January 2027. Accordingly, in its letter dated 7 January 2026 (Ref: E-64088382-045.01-39032) sent by the Public Oversight, Accounting and Auditing Standards Authority (KGK) to the Turkish Insurance, Reinsurance and Pension Companies Association, it was stated that the application date of TFRS 17 for banks and holding companies with insurance, reinsurance, or pension subsidiaries/associates has been deferred to 1 January 2027 for both individual and consolidated financial statements.

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments; effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.3. The New Standards, Amendments and Interpretations (Continued)

2.3.2 Standards issued but not yet effective and not early adopted (continued)

Annual improvements to IFRS – Volume 11; effective from annual periods beginning on or after 1 January 2026 (earlier application permitted). Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

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

effective from annual periods beginning on or after 1 January 2026 but can be early adopted subject to local endorsement where required. These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as 'contracts referencing nature-dependent electricity'.

Amendments to IAS 21 - Translation to a Hyperinflationary Presentation Currency

Effective from annual periods beginning on or after 1 January 2027. These narrow-scope amendments specify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if:

- its functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy; or
- it is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy.

The amendments aim to improve the usefulness of the resulting information in a cost-effective manner. Developed in response to stakeholder feedback, these amendments are expected to reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary currency.

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.3. The New Standards, Amendments and Interpretations (Continued)

2.3.2 Standards issued but not yet effective and not early adopted (continued)

Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37- Disclosures about Uncertainties in the Financial Statements

These amendments include Examples illustrating how an entity applies the requirements in IFRS Accounting Standards to disclose the effects of uncertainties in its financial statements. The Examples demonstrate how to disclose the impacts of uncertainties within climate-related scenarios, but the principles and requirements are also applicable to disclosure of other uncertainties. The Examples do not add to or change requirements in IFRS Accounting Standards and therefore there are no transition requirements. Instead, these Examples will accompany the respective IFRS Accounting Standards to which they relate. The Examples do not have an effective date, but entities might consider the application for December 2025 year-ends.

IFRS 18 Presentation and Disclosure in Financial Statements;

Effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

For the year ending December 2025, disclosures should include:

- the nature of the changes,
- the fact that IFRS 18 application is required for annual periods beginning on or after 1 January 2027,
- the planned adoption date, and
- either:
 - o known or reasonably estimable information relevant to assessing the possible impact that application of IFRS 18 will have on the entity's financial statements in the period of initial application; or
 - o if that impact is not known or reasonably estimable, a statement to that effect.

In order to comply with Paragraphs 30-31 of IAS 8, entities should consider the following principles when preparing disclosures related to the adoption of IFRS 18:

- a) Disclosures are expected to become increasingly detailed as entities implementation process progresses toward 2027.**

The level of detail that an entity includes in its disclosures will depend on the progress of its implementation activities, including those related to internal controls. For the year ending December 2025, entities that have yet to make significant progress in implementation might only disclose that they are actively assessing the impact of IFRS 18 and that more comprehensive disclosures cannot reasonably be provided.

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.3. The New Standards, Amendments and Interpretations (Continued)

2.3.2 Standards that have been published but not yet implemented and not put into effect early (continued)

IFRS 18 Presentation and Disclosure in Financial Statements

b) Where appropriate and reliable, consider including quantitative information.

It may be appropriate to disclose preliminary figures, when the company has an appropriate and reliable basis for making such disclosures and provides clear explanations regarding their provisional nature. For example, an entity might quantify the effects on profit and loss subtotals. If the quantitative impact is not reasonably estimable, a statement to that effect should be included. An entity may disclose known and reasonably quantifiable impacts, but it is not expected to early provide IFRS 18 disclosures, such as an MPM reconciliation, before the application date.

c) Consider alignment with other public communications.

If management has publicly detailed anticipated impacts, such as in an investor presentation, the IAS 8 financial statement disclosures should be consistent with these communications.

not only the end of the reporting period.

d) Disclosures should be based on the information available through the date of issuance of the financial statements,

IFRS 19 Subsidiaries without Public Accountability: Disclosures’ and amendment

Effective from annual periods beginning on or after 1 January 2027. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19’s reduced disclosure requirements balance the information needs of the users of eligible subsidiaries’ financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 Subsidiaries without Public Accountability: Disclosures’

With these amendments, IFRS 19 reflects the changes to IFRS Accounting Standards that take effect up to 1 January 2027, when IFRS 19 will be applicable. These amendments help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024, specifically:

- IFRS 18 Presentation and Disclosure in Financial Statements;
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7);
- International Tax Reform-Pillar Two Model Rules (Amendments to IAS 12);
- Lack of Exchangeability (Amendments to IAS 21); and
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

2.4. Segment Reporting

None.

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and valuation principles used to prepare the accompanying financial statements are as follows:

a. Revenue

Factoring revenue consists of factoring interest and commission income collected or accrued on advances given to the customers. Commission income is a certain percentage of the total amount of invoices subject to factoring. Factoring interest and commission income is recognised on accruals basis using effective interest methods.

Other interest income is accrued based on the effective interest which equals the estimated cash flows to net carrying value of the related asset. Dividend income from equity share investments is recognized when the shareholders have the right to receive the payment. All income and expenses are accounted for on accrual basis.

b. Tangible Assets

Tangible assets are depreciated over the estimated useful lives of the related assets on a straight-line basis over the cost. The estimated useful lives, residual values and depreciation method are reviewed at each reporting date.

Leasehold improvements are depreciated in straight-line method, over shorter of their useful lives or tenancy.

Leased assets are subject to depreciation over their respective lease terms.

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

Gains and losses on disposal of an item of tangible assets are determined by comparing the proceeds from disposal with the carrying amount of tangible assets and are recognized net within other operating income/expense in the statement of profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

<i>Descriptions</i>	<i>Years</i>
Furniture and fixtures	5 years
Leasehold improvements	5 years

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Intangible Assets

Intangible assets are reported at their acquisition cost, less accumulated amortization and any permanent impairment losses. The estimated useful lives, residual values, and amortization methods of these assets are reviewed at each reporting period. These assets are amortized using the straight-line method over their estimated useful lives. The company's computer software and licenses have an estimated useful life of 5 years.

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 assets. Computer software development costs recognized as assets are amortized over their estimated useful lives not exceeding five years.

d. Impairment of Non-Financial Assets

The carrying amounts of the Company’s non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”). Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

e. Borrowing Costs

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

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Financial Instruments

Financial assets

As of 1 January 2018, the Company within the scope of “IFRS 9 Financial Instruments”, classifies and accounts its financial assets as “Financial Assets at Fair Value Through Profit or Loss”, “Financial Assets at Fair Value Through Other Comprehensive Income” or “Financial Assets at Measured at Amortised Cost” by taking into account their business model and contractual cash flow characteristics. Financial assets are recognized or derecognized according to IFRS 9 “Recognition and Derecognition in the financial statements” requirements. The Company recognizes a financial asset in its statement of financial position when it becomes a party to the contractual provisions of the financial instrument. Financial assets are measured at their fair value on initial recognition in the financial statements.

Financial Assets at Fair Value Through Profit or Loss

Financial assets that are measured at amortized cost or at fair value through other comprehensive income, are measured at fair value through profit or loss. Financial assets at fair value through profit or loss are financial assets held for the purpose of generating profit from short-term fluctuations in price or similar factors in the market or being part of a portfolio for profitability in the short term, regardless of the acquisition reason. Financial assets which are derivative instruments not acting as a hedging instrument against financial risk is also classified under Financial assets at fair value through profit or loss. Upon initial recognition, the Company may make an irrevocable election to present subsequent changes in the fair value of an equity instrument that is not held for trading in other comprehensive income. If such an election is made, dividends received from the investment are recognized in the financial statements in profit or loss.

Financial Assets Measured at Amortised Cost

Financial assets measured at amortized cost are those financial assets where the company has the intention and ability to held to the maturity, fixed or determinable payment plan, fixed-term debt instruments. Financial assets measured at amortized cost are recorded at amortized cost using the effective interest method less impairment, with revenue recognized using effective interest method.

Financial Assets at Fair Value Through Other Comprehensive Income

The Company has equity investments and debt securities quoted on an active market and investments in fair values are classified as financial assets carried at fair value through other comprehensive income.

Gains and losses arising from changes in the fair value impairment loss recognized in the income statement, interest and monetary assets and interest and monetary assets calculated using the effective interest method are recognized in other comprehensive income and the financial assets are accumulated in the fund of revaluation. In the event that the investment is disposed of or is impaired, the total profit / loss accumulated in the revaluation fund of financial assets is classified in the income statement. Dividends on equity instruments recognized at fair value through other comprehensive income are recognized in income statement when the Company's right to receive payment is established.

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Factoring Receivables and Other Receivables

Loans and receivables include factoring receivables and other receivables. Factoring receivables and other receivables are carried at fair value at initial recognition, and they are carried at amortized cost subsequent to initial recognition, using the effective interest method.

Factoring transactions are accounted for at carrying amounts in subsequent reporting periods. The Company management believes that carrying amounts of factoring receivables approximate to their fair values since amortization is taken into account at initial recognition.

In accordance with the “IFRS 9-Financial Instruments, the Company recognizes expected credit loss allowance on financial assets at fair value through other comprehensive income or financial assets measured at amortized cost.

Under IFRS 9, the expected credit loss and specific provision is calculated according to the “three-stage” impairment model based on the change in the loan quality of financial assets after initial recognition and detailed in the following headings:

Stage 1:

An important determinant for calculating the expected credit loss in accordance with IFRS 9 is to assess whether there is a significant increase in the credit risk of the financial asset. Financial assets that have not experienced a significant increase in credit risk since the initial recognition are monitored in the first stage. Impairment for credit risk for the financial assets is equal to the 12-month expected credit losses.

Stage 2:

Financial assets that experienced a significant increase in the credit risk since initial recognition, are transferred to Stage 2. The expected credit loss of these financial assets are measured at an amount equal to the instrument’s lifetime expected credit loss. In order to classify a financial asset in the second stage, the following criteria is considered:

- Overdue between 30-90 days
- Restructuring of the loan
- Significant deterioration in the probability

In the event of a significant deterioration in the probability of default, the credit risk is considered to be increased significantly, and the financial asset is reclassified as stage 2.

Stage 3:

Financial assets with sufficient and fair information for impairment at the reporting date, are classified in the third stage. Expected credit loss of these financial assets is measured at an amount equal to the lifetime expected credit loss. The following basic factors are considered for the classification of a financial asset in the third stage:

- More than 90 days past due
- Whether the credit rating is weakened, has suffered a significant weakness or cannot be collected or there is a certain opinion on this matter

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

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

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

Financial liabilities at fair value through profit or loss are initially measured at fair value on the balance sheet and are subsequently re-measured at fair value. The change in fair value is accounted under the statement of profit or loss. The net gain or loss recognized in profit or loss includes any interest paid on the financial liability.

Other Financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

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

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

g. 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 and currency swap contracts) to hedge its financial risks associated with foreign currency and interest rate fluctuations in relation to forecasted currency and loan transactions

Derivative financial instruments are initially measured at fair value on the contract date and are remeasured at fair value at subsequent reporting dates. Although some of the derivative transactions provide economic hedging, since all necessary conditions for hedge accounting have not been met, the Company classifies these transactions as held for trading and therefore, changes in the fair value of derivative financial instruments are recognized in profit or loss as they arise.

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. 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 (its functional currency). For the purpose of the financial statements, the results and financial position of the Company are expressed in TRY, which is the functional currency of the Company, and the presentation currency for the financial statements.

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

	<u>31 December</u> <u>2025</u>	<u>31 December 2024</u>
USD	42.8457	35.2803
EUR	50.2859	36.7362
GBP	57.5123	44.2073
AUD	28.5725	21.8769
CNY	6.0940	4.8063

In preparation of the financial statements of the Company, transactions in currencies other than TRY (foreign currencies) are recorded at the prevailing exchange rates at the transaction date. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting 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.

i. Earnings per Share

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

j. Events after the Reporting Period

Events after the reporting period means the events occurred between the reporting date and the authorization date for the announcement of the financial statements. In accordance with TAS 10 “Events After the Reporting Date”; post-balance sheet events that provide additional information about the Company’s position at the reporting dates (adjusting events) are reflected in the financial statements. Post-balance sheet events that are not adjusting events are disclosed in the notes when material.

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Provisions, Contingent Liabilities and Contingent Assets

In accordance with the TAS 37 “Provisions, Contingent Liabilities and Contingent Assets”, a provision is recognized when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the specified criteria are not met, the Company discloses the related issues in the accompanying notes. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability if the time value of the money is significant to the provision. Contingent assets are disclosed in the notes and not recognized unless they are realized.

l. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

The company operates leases within the scope of TFRS 16 “Leases” standard. Within the framework of the standard, operating leases are subordinated to financial leases. Financial statements for contracts within the scope of TFRS 16. Right-of-use assets and lease liabilities are reflected, respectively, as “Tangible Fixed Intangibles Assets” and “Liabilities from Lease Transactions” followed by a similar method. Rental liability, the alternative on the date of initial application or contract of future lease payments. It is calculated by discounting using borrowing interest rates. Fixed assets accounted for as assets are depreciated over the contract period are subject to interest expenses and foreign exchange differences on lease liabilities, profit or loss associated with the table.

m. Segment Reporting

The Company provides factoring services only in Turkey. Furthermore, there are no business segments whose financial performance are reviewed by the Company’s management separately. Hence, the Company has not disclosed segment reporting.

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Taxes on Income

Current Tax

The tax liability for the current year is calculated on the taxable portion of the profit for the period. Taxable profit differs from the profit or loss stated in the profit or loss statement because it excludes items of income or expenses that are taxable or deductible in other years and items that cannot be taxed or deducted. The Company's current tax liability is calculated using the legalized or substantially legalized tax rate as of the balance sheet date.

Deferred Tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, investment incentives, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Company calculates and accounts for deferred tax in accordance with TAS 12 “Income Taxes” for the temporary differences between the applied accounting policies and valuation principles and the tax base value determined in accordance with the tax legislation.

Deferred taxes on assets related to equity are associated with the equity account group and netted off with the related accounts in this group.

o. Employee Benefits / Reserve for Employee Termination Benefits

In accordance with the existing social legislation in Turkey, the Company is required to make certain lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are recognized in the accompanying financial statements as accrued. The computation of the liability is based upon the retirement pay ceiling announced by the government.

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

In accordance with TAS 19 “Employee Benefits”, the Company calculated the employee severance indemnities incurred due to retirement of its employees by discounting the future liabilities to their present values, by using actuarial method and reflected to the financial statements. The main estimates used are as follows:

	31 December 2025	31 December 2024
Discount Rate	3.92%	3.98%
Expected rate of salary/limit increase	22.00%	21.85%
Probability of retirement	92.37%	91.67%

The key assumption is the annual increase of the cap liability, starting from January 1, 2006, in proportion to inflation. This adjustment ensures that the applied discount rate reflects the real rate, free from the expected effects of inflation. The severance pay cap is revised semi-annually, and as of 31 December 2025, the severance pay cap used for calculating the Company’s severance provision is 64,948.77 Turkish Lira (TRY), effective from 1 January 2026 (compared to the severance pay cap of 46,655.43 TRY, effective from 1 January 2025, as of 31 December 2024).

p. Statement of Cash Flows

In the statement of cash flows, cash flows are reported as classifying according to operating, investing and financing activities.

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

Cash flows from investing activities express cash used in investing activities (direct investments and financial investments) and cash flows generated from investing activities of the Company.

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

r. Share Capital and Dividends

Common shares are classified as equity. Dividends on common shares are reclassified as dividend payables by netting off from the retained earnings in the period in which they are approved and disclosed.

s. Related Parties

In accordance with TAS 24 “Related Party Disclosures” shareholders, key management and board members, in each case together with companies controlled by or affiliated with them, and associated companies are considered and referred to as related parties. Related party transactions consist of the transfer of the assets and liabilities between related parties by a price or free of charge.

For the purpose of the accompanying financial statements, shareholders of the Company, the companies controlled by/associated with them, key management and the Board members of the Company are referred to as related parties (Note 9).

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

4. CASH AND CASH EQUIVALENTS

	31 December 2025		31 December 2024	
	TRY	FC	TRY	FC
Demand deposit	67,501	659,302	825,383	47,485
	67,501	659,302	825,383	47,485

As of 31 December 2025, GBP 609, USD 284, EUR 12,172, AUD 1, total TRY 659.302 portion of total foreign currency deposits (31 December 2024: EUR 378, USD 105, GBP 675, CNY 5, AUD 2, total TRY 47,485) and TRY 67,501 portion of total TRY deposits (31 December 2024: TRY 825,383) consist of accounts at the banks.

The reconciliation of carrying value of cash and cash equivalents in the accompanying financial statements and the statement of cash flows is as follows:

	31 December 2025	31 December 2024
Demand deposits	726,803	872,868
Cash and cash equivalents	726,803	872,868

As of 31 December 2025, and 31 December 2024, there is no blockage on cash and cash equivalent.

5. FINANCIAL ASSETS WITH FAIR VALUE DIFFERENCE REFLECTED IN PROFIT/LOSS

As of 31 December 2025, and 31 December 2024, the details of the Company's financial assets at fair value through profit/loss are as follows:

	31 December 2025		31 December 2024	
	TRY	FC	TRY	FC
Other Financial Assets for Trading Purposes	12,396	-	-	-
	12,396	-	-	-

6. DERIVATIVE FINANCIAL ASSETS

Derivative financial instruments are measured at their fair values. Favorable fair value changes of derivative financial instruments are recognized under derivative financial assets held for trading and unfavorable fair value changes of derivative financial instruments are recognized under derivative financial liabilities held for trading.

As of 31 December 2025, and 31 December 2024, the Company's derivative financial assets or liabilities are as follows

	31 December 2025		31 December 2024	
	TRY	FC	TRY	FC
Assets from Swap Trading Transactions	1,202	1,686	-	-
	1,202	1,686	-	-

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

6. DERIVATIVE FINANCIAL ASSETS (Continued)

	31 December 2025		31 December 2024	
	TRY	FC	TRY	FC
Liabilities from Swap Trading Transactions	28,834	2,236	-	-
	28,834	2,236	-	-

	31 December 2025		31 December 2024	
	TRY	FC	TRY	FC
Liabilities from Forward Trading Transactions	-	63	-	-
	-	63	-	-

7. FINANCIAL ASSETS at FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

As of 31 December 2025, and 31 December 2024, details of financial assets at fair value through other comprehensive income (Formerly known as ‘Financial assets available for sale’):

Title of the investment	Core business	Foundatio n and Operating Location	Ownership rate (%)		Carrying Amount	
			31 December 2025	31 December 2024	31 December 2025	31 December 2024
<u>Quoted Investments:</u>						
İş Yatırım Menkul Değerler A.Ş.	Investment and Securities Services	İstanbul	2.43	2.43	1,464,053	1,727,703
<u>Unquoted investments:</u>						
Yatırım Finansman Menkul Değerler A.Ş.	Investment and Securities Services	İstanbul	0.06	0.06	29	29
Efes Varlık Yönetim A.Ş.	Asset Management	İstanbul	2.86	2.86	6,571	6,571
Total					1,470,653	1,734,303

Movement table of financial assets at fair value through other comprehensive income is as follows:

	31 December 2025	31 December 2024
Opening balance on 1 January 2024	1,734,303	1,114,206
Free shares	-	-
Purchases	-	2,857
Sales	-	-
Revaluation increase	(263,650)	617,240
Correction for past years	1,470,653	1,734,303

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

8. FACTORING RECEIVABLES AND PAYABLES

8.1. Factoring Receivables

As of 31 December 2025, and 31 December 2024, the rating of factoring receivables is as follows:

	31 December 2025	31 December 2024
Import and domestic factoring receivables	33,622,780	30,071,843
Export factoring receivables	3,097,210	5,302,748
Factoring interest income accruals	445,406	325,347
Unearned interest income (-)	(709,934)	(575,538)
Expected Credit Loss - Stage 1 (*)	(109,246)	(101,883)
Expected Credit Loss - Stage 2	(10,597)	(82,514)
Total factoring receivables	36,335,619	34,940,003
Non-performing factoring receivables	527,328	386,217
Expected Credit Loss- Stage 3	(438,412)	(293,854)
Factoring receivables, net	36,424,535	35,032,366

(*) It also includes the expected loss provisions of TRY 2,324 (31 December 2024: TRY 2,257) allocated for financial assets.

As of 31 December 2025, the rating of factoring receivables is as follows:

Ratings	Stage 1	Stage 2	Stage 3	Total
Total portfolio	36,319,947	135,515	527,328	36,982,790
Very Good (**)	20,515,729	-	-	20,515,729
Standard	15,804,218	-	-	15,804,218
Substandard	-	135,515	527,328	662,843
Expected credit losses (*)	(109,246)	(10,597)	(438,412)	(558,255)
Factoring receivables, net	36,210,701	124,918	88,916	36,424,535

(*) It also includes the expected loss provisions of TRY 2,324 allocated for financial assets.

(**) The corporate portfolio includes firms that possess an external credit rating of "investment grade" or those with high creditworthiness as determined by the internal rating set by the Credit Monitoring Committee.

31 December 2025	Carried value		Expected credit loss			
	Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2
Financial assets	726,803	-	-	(2,324)	-	-
Factoring receivables	36,319,947	135,515	527,328	(106,922)	(10,597)	(438,412)

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

8. FACTORING RECEIVABLES AND PAYABLES (Continued)

8.1. Factoring Receivables (Continued)As of 31 December 2024, the rating of factoring receivables is as follows:

Ratings	Stage 1	Stage 2	Stage 3	Total
Total portfolio	34,824,258	300,142	386,217	35,510,617
Very good (**)	23,309,089	-	-	23,309,089
Standard	11,515,169	-	-	11,515,169
Substandard	-	300,142	386,217	686,359
Expected credit losses (*)	(101,883)	(82,514)	(293,854)	(478,251)
Factoring receivables, net	34,722,375	217,628	92,363	35,032,366

(*) It also includes the expected loss provisions of TRY 2,257 allocated for financial assets.

(**) The corporate portfolio includes firms that possess an external credit rating of "investment grade" or those with high creditworthiness as determined by the internal rating set by the Credit Monitoring Committee..

31 December 2024	Carried value			Expected credit loss		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Financial assets	872,868	-	-	(2,257)	-	-
Factoring receivables	34,824,258	300,142	386,217	(99,626)	(82,514)	(293,854)

As of 31 December 2025 TRY 1,897,198, EUR 52,740, USD 15,433 and GBP 3,538 of factoring receivables have variable rates (31 December 2024: TRY 3,589,262, EUR 77,213, USD 57,944 and GBP 5,287) while TRY 26,050,031, EUR 30,285, USD 80,285, GBP 1 of factoring receivables have fixed rates (31 December 2024: TRY 22,285,602, EUR 44,848, USD 72,123, GBP 3).

The Company has contractual sureties as collateral for factoring receivables.

The details of the factoring receivables based on types of factoring transactions are as follows:

	31 December 2025	31 December 2024
Domestic Non-Recourse	16,295,239	16,100,592
Domestic Recourse	16,976,263	13,566,631
Foreign Recourse	2,308,849	2,911,039
Foreign Non-Recourse	844,184	2,454,104
	36,424,535	35,032,366

The Company has a past-due factoring receivable of 5,372 TRY (as of 31 December 2024: 1,209 TRY).

The aging of non-performing factoring receivables is as follows:

	31 December 2025	31 December 2024
Between 0-90 days	20,738	8,689
Between 90-180 days	42,527	25,598
Between 180-360 days	64,375	19,779
Over 360 days	399,688	332,151
	527,328	386,217

The Company has contract bail, collateral bonds, securities and real estate retort as collateral for the factoring receivables in the follow-up above.

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

8. FACTORING RECEIVABLES AND PAYABLES (Continued)

8.1. Factoring Receivables (Continued)

The details of the factoring receivables based on types of factoring transactions are as follows:

	31 December 2025	31 December 2024
Allowance at the beginning of the period	(478,251)	(401,918)
Provision reversed during the period	(421,516)	(293,228)
Collections	391,618	231,070
Write-Off	-	-
Exchange Difference Income/Expense	(50,106)	(14,175)
Allowance at the end of the period (*)	(558,255)	(478,251)

(*) It also includes the expected loss provisions of TRY 2,324 (31 December 2024: TRY 2,257) allocated for financial assets.

As of 31 December 2025, factoring receivables of standard quality and under close monitoring, as well as the payment schedule regarding the factoring receivables under close monitoring, for which the contract for the extension of the contract has been changed information:

	Standard Qualifying Loans	Close Monitoring Loans
12-Month Expected Loss Provision	106,922	-
Significant Increase in Credit Risk	-	10,597
	Standard Qualifying Loans	Close Monitoring Loans
For Extension of Payment Plan Number of Contract Changes	155,359	3,420
Extended 1 or 2 Times	-	3,420
Extended 3, 4 or 5 Times	155,359	-
Extended Over 5 Times	-	-
	Standard Qualifying Loans	Close Monitoring Loans
Extended Period with Payment Plan Change	155,359	3,420
0-6 Month	-	75
6-12 Month	-	3,345
1-2 Year	-	-
2-5 Year	155,359	-
5 Year and Over	-	-

As of 31 December 2024, factoring receivables of standard quality and under close monitoring and payment schedule information on factoring receivables under close monitoring, for which contract modifications have been made for the extension of the contract:

	Standard Qualifying Loans	Close Monitoring Loans
12-Month Expected Loss Provision	99,626	-
Significant Increase in Credit Risk	-	82,514
	Standard Qualifying Loans	Close Monitoring Loans
For Extension of Payment Plan Number of Contract Changes	-	143,117
Extended 1 or 2 Times	-	1,012
Extended 3, 4 or 5 Times	-	142,105
Extended Over 5 Times	-	-

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

8. FACTORING RECEIVABLES AND PAYABLES (Continued)

8.1. Factoring Receivables (Continued)

	Standard Qualifying Loans	Close Monitoring Loans
Extended Period with Payment Plan Change	-	143,117
0-6 Months	-	-
6-12 Months	-	1,012
1-2 Years	-	-
2-5 Years	-	142,105
5 Years and Over	-	-

8.2. Factoring Payables:

As of 31 December 2025, and 31 December 2024, details of factoring payables are as follows:

	31 December 2025		31 December 2024	
	TRY	FC	TRY	FC
Factoring Payables	2,064	36,801	1,163	9,531
	2,064	36,801	1,163	9,531

9. RELATED PARTIES

As of 31 December 2025, and 31 December 2024, the details of assets related to related parties are as follows:

	31 December 2025	31 December 2024
<u>Banks</u>		
Türkiye İş Bankası A.Ş. Demand Deposit	48,212	32,831
İş Bankası AG Demand Deposit	649	109
	48,861	32,940
	31 December 2025	31 December 2024
<u>Factoring Receivables</u>		
Sportive Spor Malzemeleri Tic. A. Ş.	38,489	-
Türkiye Şişe ve Cam Fabrikaları A.Ş. (*)	-	6,098,153
İş Enerji Yatırımları A.Ş.	-	37,854
Enaş Enerji Yatırımları A.Ş.	-	10,886
Ortopro Tıbbi Aletler Sanayi ve Ticaret A.Ş.	-	7,274
	38,489	6,154,167

(*) These transactions relate to non-recourse factoring receivables, whereby the Company assumes the credit risk of the receivables.

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

9. RELATED PARTIES (Continued)

	31 December 2025	31 December 2024
<u>Other Payables</u>		
İş Net Elektronik Bilgi Üretim Dağ Tic.ve İlet.Hiz. A.Ş.	3,615	929
SoftTech Yazılım Teknolojileri Ar.Gel.ve Paz.Tic. A.Ş.	1,765	841
İş Merkezleri Yönetim ve İşletim A.Ş.	419	1
Topkapı Danışmanlık Elek.Hiz.Paz.Tic. A.Ş.	74	81
Türkiye İş Bankası A.Ş.	72	150
Anadolu Anonim Türk Sigorta A.Ş.	28	-
Ortopro Tıbbi Aletler Sanayi ve Ticaret A.Ş.	-	7
	5,973	2,009

Borrowings

31 As of 31 December 2025 and 31 December 2024, details of borrowings from related parties are as follows:

Türkiye İş Bankası A.Ş.

Currency	Interest Rate (%)	Maturity	31 December 2025
USD	6.50-7.50	31/03/2026-19/06/2026	1,193,130
EUR	5.25-5.75	31/03/2026	950,560
			2,143,690

Türkiye Sınai Kalkınma Bankası A.Ş.

Currency	Interest Rate (%)	Maturity	31 December 2025
USD	7.40-7.43	03/06/2026-17/06/2026	647,183
			647,183

İş Bankası AG

Currency	Interest Rate (%)	Maturity	31 December 2025
EUR	4.25-4.75	05/01/2026-23/02/2026	233,726
			233,726

Türkiye İş Bankası A.Ş.

Currency	Interest Rate (%)	Maturity	31 December 2024
TRY	49.00	02/01/2025-06/01/2025	2,047,025
USD	6.90	31/03/2025	721,627
EUR	5.10-6.10	03/02/2025-31/03/2025	2,308,426
			5,077,078

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

9. RELATED PARTIES (Continued)

Türkiye Sınai Kalkınma Bankası A.Ş.

Currency	Interest Rate (%)	Maturity	31 December 2024
USD	7.90	28/05/2025-13/06/2025	533,513
			<u>533,513</u>

İş Bankası AG

Currency	Interest Rate (%)	Maturity	31 December 2024
TRY	47,00	02/01/2025	212,395
EUR	5.30-5.55	13/01/2025-28/01/2025	285,647
			<u>498,042</u>

For the periods ended 31 December 2025 and 31 December 2024, leasing transactions with related parties are as follows:

	31 December 2025	31 December 2024
<u>Leasing Payables</u>		
Türkiye İş Bankası A.Ş.	1,002	409
	<u>1,002</u>	<u>409</u>

As of 31 December 2025, and 31 December 2024, the details of the securities purchased by related parties are as follows:

	31 December 2025	31 December 2024
<u>Securities Purchased</u>		
Milli Reasürans Türk A.Ş.	200,000	216,342
Anadolu Hayat Emeklilik A.Ş.	-	250,000
Anadolu Sigorta A.Ş.	-	14,400
	<u>200,000</u>	<u>480,742</u>

The details of income and expenses from related parties for the accounting periods ending on 31 December 2025 and 31 December 2024 are as follows:

	31 December 2025	31 December 2024
<u>Factoring Interest Income</u>		
Türkiye Şişe ve Cam Fabrikaları A.Ş.	380,075	70,275
Bayek Tedavi Sağlık Hizmetleri ve İşletmeciliği A.Ş.	6,416	23,810
Ortopro Tıbbi Aletler San. ve Tic. A.Ş.	1,011	3,224
Sportive Spor Malzemeleri Tic. A. Ş.	122	-
	<u>387,624</u>	<u>97,309</u>

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

9. RELATED PARTIES (Continued)

<u>Factoring Commission & Cost Income</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Ortopro Tıbbi Aletler San. ve Tic. A.Ş.	168	517
Sportive Spor Malzemeleri Tic. A. Ş.	120	-
Bayek Tedavi Sağlık Hizmetleri ve İşletmeciliği A.Ş.	-	430
	288	947

<u>Interest Income on Securities</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Türkiye İş Bankası A.Ş. (Investment Fund Income)	4,287	3,404
	4,287	3,404

<u>Derivative Income</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Türkiye İş Bankası A.Ş.	7,948	2,908
Türkiye Sınai Kalkınma Bankası A.Ş.	4,876	9,785
	12,824	12,693

<u>Dividend Income</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
İş Yatırım Menkul Değerler A.Ş.	206,756	38,919
Yatırım Finansman Menkul Değerler A.Ş.	14	11
	206,770	38,930

<u>Factoring Commission & Cost Expenses</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
İş Yatırım Menkul Değerler A.Ş.	14,073	5,069
Türkiye İş Bankası A.Ş.	8,522	18,387
İşbank AG	40	10
	22,635	23,466

<u>Financial Expenses</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Türkiye İş Bankası A.Ş.	177,981	790,796
Türkiye Sınai Kalkınma Bankası A.Ş.	49,276	25,760
İşbank AG	14,680	16,941
	241,937	833,497

<u>Paid Interest for Securities Purchased</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Milli Reasürans Türk A.Ş.	87,981	-
Anadolu Hayat Emeklilik A.Ş.	52,290	-
Anadolu Sigorta A.Ş.	3,254	-
	143,525	-

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

9. RELATED PARTIES (Continued)

<u>Administrative Expenses</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Anadolu Anonim Türk Sigorta A.Ş.	14,152	8,875
İş Net Elektronik Bilgi Üret.Dağ.Tic. ve İlet. Hiz. A.Ş.	9,542	5,964
İş Merkezleri Yönetim ve İşletim A.Ş.	7,634	6,512
Türkiye İş Bankası A.Ş.	934	658
Topkapı Danışmanlık Elek.Hiz.Paz.Tic. A.Ş.	895	278
Softtech Yazılım Tekn.Araştırma Gel.ve Paz. Tic.A.Ş.	863	3,276
Paşabahçe Mağazaları A.Ş.	615	338
Anadolu Hayat Emeklilik A.Ş.	357	148
	34,992	26,049
	<u>31 December 2025</u>	<u>31 December 2024</u>
<u>Rent Expenses (*)</u>		
Türkiye İş Bankası A.Ş.	11,807	7,484
	11,807	7,484

(*) It is given as the total amount of depreciation and financing expenses allocated for rent within the scope of TFRS 16 standard.

Benefits for Board Members

In the period ending on 31 December 2025, the sum of the wages and other benefits (including monetary rights such as wages as well as car rental and other expense items) obtained by the senior vacancies of the general manager, assistant general managers and members of the board of directors is 64,146 TRY (31 December 2024: 53,734 TRY).

10. TANGIBLE ASSETS

	<u>Vehicles</u>	<u>Furniture and Fixtures</u>	<u>Right-of-use assets</u>	<u>Special Costs</u>	<u>Total</u>
<u>Cost</u>					
Opening balance on 1 January 2025	-	5,737	19,084	1,299	26,120
Additions	-	7,487	22,839	1,098	31,424
Disposals	-	(32)	(13,052)	-	(13,084)
Closing balance on 31 December 2025	-	13,192	28,871	2,397	44,460
<u>Accumulated depreciation</u>					
Opening balance on 1 January 2025	-	(3,542)	(11,876)	(988)	(16,406)
Depreciation for the year	-	(1,192)	(17,346)	(245)	(18,783)
Disposals	-	27	11,345	-	11,372
Closing balance on 31 December 2025	-	(4,707)	(17,877)	(1,233)	(23,817)
Net Carrying amount on 31 December 2025	-	8,485	10,994	1,164	20,643

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

10. TANGIBLE ASSETS (Continued)

	Vehicle s	Furniture and Fixtures	Right-of-use assets	Special Costs	Total
<u>Cost</u>					
Opening balance on 1 January 2024	-	4,474	10,835	1,299	16,608
Additions	-	1,287	13,926	-	15,213
Disposals	-	(24)	(5,677)	-	(5,701)
Closing balance on 31 December 2024	-	5,737	19,084	1,299	26,120
<u>Accumulated depreciation</u>					
Opening balance on 1 January 2024	-	(2,922)	(7,408)	(817)	(11,147)
Depreciation for the year	-	(644)	(10,145)	(171)	(10,960)
Disposals	-	24	5,677	-	5,701
Closing balance on 31 December 2024	-	(3,542)	(11,876)	(988)	(16,406)
Net Carrying amount on 31 December 2024	-	2,195	7,208	311	9,714

11. INTANGIBLE ASSETS

	31 December 2025	31 December 2024
<u>Cost</u>		
Opening balance on 1 January	41,293	28,240
Additions	12,622	13,053
Disposals	-	-
Closing balance at the end of the period	53,915	41,293
<u>Accumulated depreciation</u>		
Opening balance on 1 January	(14,082)	(7,462)
Depreciation for the year	(9,298)	(6,620)
Disposals	-	-
Closing balance at the end of the period	(23,380)	(14,082)
Net Carrying amount	30,535	27,211

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

12. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax is calculated using the liability method on the basis of the temporary differences between the recorded values of assets and liabilities in the financial statements and their tax values. In the calculation of deferred tax, the tax rates valid as of the date of the statement of financial position in accordance with the current tax legislation are used.

As of 31 December 2025, and 31 December 2024, the breakdown of deferred tax assets and liabilities calculated on temporary differences using the applicable tax rates is as follows: (31 December 2025 and 31 December 2024:30%)

<u>Temporary time differences subject to deferred tax:</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Expected loss provision- Stage 1 and 2	119,843	184,397
Employee bonus accrual	38,351	25,755
Derivative transaction discount	28,245	-
Reserve for employee benefits	18,727	10,589
Unused vacation provision	16,926	9,713
Payables from Rental Transactions	13,785	8,669
Cash collected commission income and expense	12,030	13,580
Financial Instruments Valuation Difference	6,880	12,297
Foreign Exchange Difference	6,191	(368)
Unearned interest income	-	575,538
Differences in Loans Taken/Prepaid Commission Expenses Issued	(9,780)	(5,650)
Tax base differences in tangible and intangible assets	(32,509)	(20,202)
Valuation differences of monetary items in foreign currency	(1,175,039)	(1,438,689)
	<u>(956,350)</u>	<u>(624,371)</u>
	<u>31 December 2025</u>	<u>31 December 2024</u>
<u>Deferred tax assets / (liabilities)</u>		
Expected loss provision- Stage 1 and 2	35,953	55,319
Employee bonus accrual	11,505	7,726
Derivative transaction discount	8,474	-
Reserve for employee benefits	5,618	3,177
Unused vacation provision	5,078	2,914
Payables from Rental Transactions	4,135	2,601
Cash collected commission income and expense	3,609	4,074
Financial Instruments Valuation Difference	2,064	3,690
Foreign Exchange Difference	1,857	(110)
Unearned interest income	-	172,662
Differences in Loans Taken/Prepaid Commission Expenses Issued	(2,934)	(1,695)
Tax base differences in tangible and intangible assets	(9,753)	(6,061)
Valuation differences of monetary items in foreign currency	(176,256)	(215,805)
Deferred tax assets (net)	<u>(110,650)</u>	<u>28,492</u>

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

12. DEFERRED TAX ASSETS AND LIABILITIES (Continued)

Movements of deferred tax assets movement for the years ended 31 December 2025 and 31 December 2024 are as follows:

	1 January – 31 December 2025	1 January – 31 December 2024
Opening balance on 1 January	28,492	225,272
Deferred tax benefit / (expense)	(179,410)	(48,884)
Classified under other comprehensive income	40,268	(147,896)
Closing balance	(110,650)	28,492

13. OTHER ASSETS

As of 31 December 2025, and 31 December 2024, details of prepaid expenses are as follows:

	31 December 2025		31 December 2024	
	TRY	FC	TRY	FC
BITT Amount to be Collected from Customers	89,060	2,426	61,144	260
Prepaid expenses	40,592	-	28,863	-
Other Receivables	1,891	-	2,189	910
	131,543	2,426	92,196	1,170

14. FUNDS BORROWED

As of 31 December 2025, and 31 December 2024, details of funds borrowed are as presented:

	31 December 2025		31 December 2024	
	TRY	FC	TRY	FC
Short-term borrowings	17,542,983	6,540,415	22,186,358	8,162,807
Total short-term borrowings	17,542,983	6,540,415	22,186,358	8,162,807
Long-term borrowings	-	642,686	-	533,513
Total long-term borrowings	-	642,686	-	533,513
Total	17,542,983	7,183,101	22,186,358	8,696,320

As of 31 December 2025, and 31 December 2024, details of borrowings based on types of currency are as follows:

Currency	Interest rate (%)	Original currency amount(thousands)	31 December 2025
TRY	37.00-42.00		17,149,000
USD	4.75-8.90	93,121	3,989,822
EUR	3.02-6.00	57,577	2,895,290
GBP	5.51-7.35	3,796	218,301
Loan interest accrual			473,671
Total			24,726,084

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

14. FUNDS BORROWED (Continued)

Currency	Interest rate (%)	Original currency amount(thousands)	31 December 2024
TRY	47.00-50.15		21,781,475
USD	6.15-8.30	121,197	4,275,870
EUR	4.20-6.60	110,593	4,062,760
GBP	7.20	5,618	248,376
Loan interest accrual			514,197
Total			30,882,678

As of 31 December 2025, and 31 December 2024, interest rates of funds borrowed are expressed in simple rates.

As of 31 December 2025, fixed interest funds borrowed are TRY 20,572,299 and floating interest funds borrowed are TRY 4,153,785. (As of 31 December 2024, fixed interest funds borrowed are TRY 24,897,257 and floating interest funds borrowed are TRY 5,985,421).

As of 31 December 2025, letters of guarantee amounting to TRY 8,079,797 for the funds borrowed amounting to TRY 15,700,000. (As of 31 December 2024, letters of guarantee amounting to TRY 11,743,507 for the funds borrowed amounting to TRY 12,020,000).

Fair values of the funds borrowed are presented in Note 34.

15. PAYABLES FROM LEASING TRANSACTIONS

	31 December 2025		31 December 2024	
	TRY	FC	TRY	FC
Payables from leasing transactions	19,467	-	13,424	-
Deferred leasing expenses	(5,682)	-	(4,755)	-
	13,785	-	8,669	-

16. DEBT SECURITIES ISSUED

As of 31 December 2025, and 31 December 2024, the details of debt securities issued are as followed:

	31 December 2025		31 December 2024	
	TRY	FC	TRY	FC
Debt securities issued (Net)	7,271,838	-	2,091,713	-
	7,271,838	-	2,091,713	-

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

16. DEBT SECURITIES ISSUED (Continued)

The features of the financial bills issued by the Company as of 1 January – 31 December 2025, are as follows:

31 December 2025

<u>ISIN CODE</u>	<u>Date Issued</u>	<u>Nominal Value</u>	<u>Maturity Date</u>	<u>Sales Method</u>	<u>Coupon Period</u>	<u>Simple Interest Rate%</u>
TRFISFA12617	04/02/2025	750,000	29/01/2026	Qualified Investor	Bullet Payment	40.50%
TRFISFA32615	12/03/2025	300,000	06/03/2026	Qualified Investor	Bullet Payment	39.50%
TRFISFAA2515	11/06/2025	1,550,000	10/12/2025	Qualified Investor	Bullet Payment	48.00%
TRFISFAA2523	18/06/2025	500,000	17/12/2025	Qualified Investor	Bullet Payment	47.00%
TRFISFAA2531	24/06/2025	500,000	23/12/2025	Qualified Investor	Bullet Payment	46.00%
TRFISFA22616	13/08/2025	1,500,000	09/02/2026	Qualified Investor	Bullet Payment	43.18%
TRFISFA22624	20/08/2025	800,000	16/02/2026	Qualified Investor	Bullet Payment	43.09%
TRFISFA62612	10/12/2025	2,000,000	08/06/2026	Qualified Investor	Bullet Payment	39.67%
TRFISFA62620	23/12/2025	1,100,000	22/06/2026	Qualified Investor	Bullet Payment	38.17%

The features of the financial bills issued by the Company as of 1 January – 31 December 2025, are as follows:

31 December 2025

<u>ISIN CODE</u>	<u>Date Issued</u>	<u>Nominal Value</u>	<u>Maturity Date</u>	<u>Sales Method</u>	<u>Coupon Period</u>	<u>Simple Interest Rate%</u>
TRFISFA32516	11/09/2024	115,000	10/03/2025	Qualified Investor	Bullet Payment	49.50%
TRFISFA32524	13/09/2024	100,000	12/03/2025	Qualified Investor	Bullet Payment	49.50%
TRFISFA42515	07/10/2024	150,000	07/04/2025	Qualified Investor	Bullet Payment	46.00%
TRFISFA62513	13/12/2024	1,000,000	11/06/2025	Qualified Investor	Bullet Payment	47.50%
TRFISFA62521	26/12/2024	500,000	24/06/2025	Qualified Investor	Bullet Payment	47.00%
TRFISFA92510	17/09/2024	200,000	16/09/2025	Qualified Investor	Bullet Payment	50.00%
TRFISFAA2515	11/06/2025	1,550,000	10/12/2025	Qualified Investor	Bullet Payment	48.00%
TRFISFAA2523	18/06/2025	500,000	17/12/2025	Qualified Investor	Bullet Payment	47.00%
TRFISFAA2531	24/06/2025	500,000	23/12/2025	Qualified Investor	Bullet Payment	46.00%

The features of the financial bills issued by the Company as of 1 January – 31 December 2024, are as follows:

31 December 2024

<u>ISIN CODE</u>	<u>Date Issued</u>	<u>Nominal Value</u>	<u>Maturity Date</u>	<u>Sales Method</u>	<u>Coupon Period</u>	<u>Simple Interest Rate%</u>
TRFISFA42416	05/01/2024	700,000	04/04/2024	Qualified Investor	Bullet Payment	43.75%
TRFISFA52415	09/01/2024	175,000	08/05/2024	Qualified Investor	Bullet Payment	43.50%
TRFISFA92411	14/06/2024	161,500	12/09/2024	Qualified Investor	Bullet Payment	50.50%
TRFISFAE2412	26/06/2024	838,500	04/10/2024	Qualified Investor	Bullet Payment	51.00%
TRFISFA32516	11/09/2024	115,000	10/03/2025	Qualified Investor	Bullet Payment	49.50%
TRFISFA32524	13/09/2024	100,000	12/03/2025	Qualified Investor	Bullet Payment	49.50%
TRFISFA92510	17/09/2024	200,000	16/09/2025	Qualified Investor	Bullet Payment	50.00%
TRFISFA42515	07/10/2024	150,000	07/04/2025	Qualified Investor	Bullet Payment	46.00%
TRFISFA62513	13/12/2024	1,000,000	11/06/2025	Qualified Investor	Bullet Payment	47.50%
TRFISFA62521	26/12/2024	500,000	24/06/2025	Qualified Investor	Bullet Payment	47.00%

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

16. DEBT SECURITIES ISSUED (Continued)

The features of the financial bills redeemed by the Company as of 1 January – 31 December 2024, are as follows:

31 December 2024

<u>ISIN CODE</u>	<u>Date Issued</u>	<u>Nominal Value</u>	<u>Maturity Date</u>	<u>Sales Method</u>	<u>Coupon Period</u>	<u>Simple Interest Rate%</u>
TRFISFA12419	11/09/2023	150,000	09/01/2024	Qualified Investor	Bullet Payment	35.25%
TRFISFA12427	14/09/2023	120,000	04/01/2024	Qualified Investor	Bullet Payment	37.00%
TRFISFA12435	15/09/2023	300,000	03/01/2024	Qualified Investor	Bullet Payment	38.00%
TRFISFA12443	26/09/2023	700,000	05/01/2024	Qualified Investor	Bullet Payment	39.50%
TRFISFA32425	28/09/2023	100,000	26/03/2024	Qualified Investor	Bullet Payment	41.00%
TRFISFA32433	19/10/2023	350,000	18/03/2024	Qualified Investor	Bullet Payment	40.00%
TRFISFA22418	29/12/2023	586,000	27/02/2024	Qualified Investor	Bullet Payment	44.50%
TRFISFA42416	05/01/2024	700,000	04/04/2024	Qualified Investor	Bullet Payment	43.75%
TRFISFA52415	09/01/2024	175,000	08/05/2024	Qualified Investor	Bullet Payment	43.50%
TRFISFA92411	14/06/2024	161,500	12/09/2024	Qualified Investor	Bullet Payment	50.50%
TRFISFAE2412	26/06/2024	838,500	04/10/2024	Qualified Investor	Bullet Payment	51.00%

17. OTHER LIABILITIES

As of 31 December 2025, and 31 December 2024, the details of other liabilities are as follows:

	<u>31 December 2025</u>		<u>31 December 2024</u>	
	<u>TRY</u>	<u>FC</u>	<u>TRY</u>	<u>FC</u>
BSMV to be paid	42,467	-	40,955	-
Debts to Vendors	11,519	5,275	6,636	4,052
Income Tax Payable	6,495	-	3,912	-
SSI Premiums to be paid	6,408	-	4,484	-
Interest Fees and Commissions Collected in Advance	4,194	6,818	4,470	8,837
Other Taxes and Obligations to be Paid	167	-	141	-
VAT payable	110	-	31	-
Other Foreign Sources	39	45	117	79
	71,399	12,138	60,746	12,968

18. EMPLOYEE BENEFITS

As of 31 December 2025, and 31 December 2024, the provision for employee rights obligations is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Employee bonus provision	38,351	25,755
Reserve for employee severance indemnity	18,727	10,589
Vacation pay liability	16,926	9,713
	74,004	46,057

Under the Turkish Labor Law, the companies are required to pay termination benefits to each employee who has qualified for such amount at the end of its employment contract. Also, employees who are entitled to retirement are required to be paid retirement pay in accordance with the requirements of Act no. 2422 dated 6 March 1981, Act no. 4447 dated 25 August 1999 and the amended Article 60 of the existing Social Insurance Code no. 506. Some transitional provisions related to the pre-retirement service term were excluded from the scope of the Law since the related law was amended on 23 May 2002.

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

18. EMPLOYEE BENEFITS (Continued)

As the retirement pay ceiling is revised semi-annually, from 31 December 2025 the ceiling amount of TRY full 64,948.77 effective from 1 January 2026 has been taken into consideration in calculation of provision for employee termination benefits (31 December 2024: TRY 46,655.43 full).

For the accounting periods ending 31 December 2025, and 31 December 2024, the movement for severance pay is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at the beginning of the period	10,589	5,871
Actuarial difference	2,400	4,753
Service Cost	3,083	1,718
Interest Cost	2,836	1,568
Severance payment made	(181)	(3,321)
Balance at the end of the period	<u>18,727</u>	<u>10,589</u>

Actuarial gains or losses are recognized in other comprehensive income.

The movements of the vacation pay liability during the periods ended 31 December 2025 and 31 December 2024 are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at the beginning of the period	9,713	4,852
Provision set during the period (net)	7,213	4,861
Balance at the end of the period	<u>16,926</u>	<u>9,713</u>

The movements of the employee bonus provision during the periods ended 31 December 2025 and 31 December 2024 are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at the beginning of the period	25,755	13,393
Increase during the period	38,351	25,755
Provision for Canceled Premiums	(1,890)	-
Paid employee bonus during during the period	(23,865)	(13,393)
Balance at the end of the period	<u>38,351</u>	<u>25,755</u>

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

19. CURRENT TAX LIABILITY

As of 31 December 2025, and 31 December 2024, details of current tax liability are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Provision for corporate taxes	586,324	364,107
Prepaid Taxes	(434,643)	(235,280)
Current tax liability	<u>151,681</u>	<u>128,827</u>

20. SHAREHOLDERS EQUITY

The nominal capital of the Company as of 31 December 2025 is TRY 150,000 and consists of 15,000,000,000 shares of 1 fully paid in kurus.

In the General Assembly decision made on March 28, 2025, it was resolved that the total amount of 1,007,450 TRY, which consists of the net profit for the year 2024 will be allocated as extraordinary reserves.

As of 31 December 2025, and 31 December 2024, shareholders and their ownership percentages are as follows:

<u>Shareholders</u>	<u>(%)</u>	<u>31 December 2025</u>	<u>(%)</u>	<u>31 December 2024</u>
İş Finansal Kiralama A.Ş.	78,2320	117,348	78.2320	117,348
Türkiye Sınai Kalkınma Bankası A.Ş.	21,7500	32,625	21.7500	32,625
Trakya Yatırım Holding A.Ş.	0,0060	9	0.0060	9
TSKB Gayrimenkul Değerleme A.Ş.	0,0060	9	0.0060	9
İş Merkezleri Yönetim ve İşletim A.Ş.	0,0060	9	0.0060	9
Total	<u>100,0000</u>	<u>150,000</u>	<u>100.0000</u>	<u>150,000</u>

The company does not have privileged shares representing the capital.

Capital Reserves

As of 31 December 2025, and 31 December 2024, details of capital reserves are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Share capital inflation restatement differences	4,064	4,064
Bonus shares obtained from associates, subsidiaries and Jointly controlled entities	989	989
Total	<u>5,053</u>	<u>5,053</u>

Gain/(Loss) on Remeasurement of Defined Benefit Plans

After the accumulated actuarial loss calculated as of 31 December 2025, regarding the severance pay obligation was netted with the relevant deferred tax, the defined benefit plans were reported as TRY (6,745) under the remeasurement loss (31 December 2024: (5,065) TRY).

As of 31 December 2025, the difference between the fair value difference of financial assets reflected in other comprehensive income and the cost of acquisition for capital instruments is netted with the deferred tax effect of TRY 1,280,680, and the difference is shown as a separate item in the equity (31 December 2024: TRY 1,504,782).

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

20. SHAREHOLDERS EQUITY (Continued)

Profit Reserves

	<u>31 December 2025</u>	<u>31 December 2024</u>
Legal reserves	30,183	30,183
Extraordinary reserves	2,871,015	1,863,565
Total	<u>2,901,198</u>	<u>1,893,748</u>

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 20% per annum, until the total reserve reaches 5% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions. Legal reserves, if less than 50% of the paid-in capital, can only be used to net-off the losses.

21. COMMITMENTS AND CONTINGENCIES

As of 31 December 2025, and 31 December 2024, the details of guarantees taken by the Company are as follows:

	<u>31 December 2025</u>		<u>31 December 2024</u>	
	TRY	FC	TRY	FC
Guarantee and Sureties	150,863,482	160,846,107	89,940,678	112,559,348
Finance Note	42,228,631	31,010,630	34,267,226	23,338,324
Guarantees Given by Reporters	-	22,320,823	-	14,649,417
Other Guarantees	35,132	98,784	-	-
Real estate pledge	60,180	26,458	60,180	19,328
Real estate pledge	1,448	86,466	2,571	63,168
Letters of Guarantee	497	-	490	-
	<u>193,189,370</u>	<u>214,389,268</u>	<u>124,271,145</u>	<u>150,629,585</u>

As of 31 December 2025, there is a letter of guarantee of 2,953 TRY given to the courts by the Company and a letter of guarantee of TRY 15,700,000 for loans received (As of 31 December 2024, the Company has legal claims amounting to 2,972 TRY filed with the courts, and guarantee letters totaling 12,020,000 TRY issued for the loans received.)

As of the end of the reporting period, there is no guarantee given by the Company to secure the debts of third parties (31 December 2024: None).

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

21. COMMITMENTS AND CONTINGENCIES (Continued)

As of 31 December 2025, the details of guarantees given by the Company are as follows:

	31 December 2025	
	Currency	TRY
Foreign Currency Swap Purchase Transactions:		
TRY	-	1,743,681
USD	11,718	502,066
EUR	15,000	754,289
		3,000,036
Foreign Currency Swap Sale Transactions:		
TRY	-	756,345
EUR	44,000	2,212,580
		2,968,925
Forward Purchase Transactions :		
31 December 2025		
	Currency	TRY
USD	326	13,981
		13,981
Forward Sale Transactions:		
EUR	278	14,003
		14,003

As of 31 December 2024, the Company has no derivative transactions.

As of 31 December 2025, there is an unrealized loss of TRY 15,514 arising from changes in the fair value of outstanding derivative contracts, which are recognized in profit or loss (31 December 2024: None).

31 December 2025 and 31 December 2024, the details of the Company’s items held in custody are as follows:

	31 December 2025		31 December 2024	
	TRY	FC	TRY	FC
Cheques	9,716,057	374,558	6,696,420	98,641
Notes	254,159	560,949	313,486	454,490
	9,970,216	935,507	7,009,906	553,131

22. SEGMENT REPORTING

The Company provides factoring services only in Turkey. Furthermore, there are no business segments whose financial performance are reviewed by the Company’s management separately. Hence, the Company has not disclosed segment reporting.

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

23. OPERATING INCOME

For the years ended 31 December 2025 and 31 December 2024, details of operating income are as follows:

	1 January – 31 December 2025	1 January – 31 December 2024
Interest income from factoring receivables	10,849,701	7,026,458
Fee and commission from factoring receivables	349,427	294,785
	11,199,128	7,321,243

24. FINANCIAL EXPENSE

For the years ended 31 December 2025 and 31 December 2024, details of finance expenses are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Interest Expense	(7,054,805)	(5,315,848)
Interest Expense on Debt Securities Issued	(1,847,831)	(383,509)
Fees and Commission Expenses	(212,967)	(178,501)
Interest Expenses Related to Leasing Transactions	(7,770)	(4,717)
	(9,123,373)	(5,882,575)

25. OPERATING EXPENSES

For the years ended 31 December 2025 and 31 December 2024, details of operating expenses are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Personal Expenses	(373,997)	(268,296)
Depreciation and Amortization Expenses	(28,081)	(17,580)
Information Processing Expenses	(17,717)	(14,515)
Tax Duties Expenses	(15,536)	(8,062)
Office Expenses	(9,679)	(7,775)
Vacation Provision Expense	(7,212)	(4,861)
Outsourced Services	(6,566)	(4,237)
Severance Pay Expense	(5,919)	(3,286)
Consulting Expenses	(3,886)	(2,945)
Vehicle Expenses	(3,091)	(2,856)
Advertising Expenses	(2,952)	(1,182)
Other General Administrative Expenses	(5,946)	(3,998)
	(480,582)	(339,593)

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

26. OTHER OPERATING INCOME

For the years ended 31 December 2025 and 31 December 2024, details of other operating income are as follows:

	1 January – 31 December 2025	1 January – 31 December 2024
Exchange Difference Income	1,834,011	1,057,150
Cancellation of Expected Loss Provision	391,618	231,070
Interest Income Received from Banks	300,217	239,237
Dividend Income	206,770	38,930
Profit from Derivative Financial Transactions	24,676	12,692
Capital Market Transactions Profit	4,287	3,404
Other	34,360	35,817
	<u>2,795,939</u>	<u>1,618,300</u>

27. EXPECTED CREDIT LOSS

For the years ended 31 December 2025 and 31 December 2024, details of specific provision for non-performing receivables are as follows:

Expected Credit Loss Expenses:	1 January – 31 December 2025	1 January – 31 December 2024
Stage 1	(112,265)	(123,541)
Stage 2	(104,499)	(79,339)
Stage 3	(204,752)	(90,348)
	<u>(421,516)</u>	<u>(293,228)</u>

28. OTHER OPERATING EXPENSES

For the years ended 31 December 2025 and 31 December 2024, details of other operating expenses are as follows:

	1 January – 31 December 2025	1 January – 31 December 2024
Foreign exchange losses	(1,166,007)	(1,003,577)
Losses from derivative financial instruments	(48,356)	-
Other	(28)	(129)
	<u>(1,214,391)</u>	<u>(1,003,706)</u>

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

29. TAXATION

For the years ended 31 December 2025 and 31 December 2024, details of income tax expense are as follows:

	%	31 December 2025	%	31 December 2024
Reported Pre-Tax Profit/Loss		2,755,205		1,420,441
Tax Calculated on Reported Profit	30.00	(826,562)	30.00	(426,132)
Permanent Differences:				
- Expenses Not Accepted by Law		(3,417)		(1,190)
- Tax-Exempt Income		62,031		11,679
- Tax Rate Change Effect		2,215		2,652
- Corporate Tax Previous Year Provision				
Cancellation		1,187		-
Total Tax Income/Expense	27.75	<u>(764,546)</u>	29.07	<u>(412,991)</u>
<u>Corporate Income Tax</u>				

The Company is subject to the corporate income tax rate applicable in Turkey. Provisions for estimated tax liabilities related to the Company’s current period operating results have been recognized in the accompanying financial statements.

Corporate income tax is calculated on the taxable corporate profit by adding back expenses that are not deductible under the tax legislation and subtracting exemptions (such as participation exemption) and other deductions (including prior year losses and investment incentives applied, if elected) in accordance with the applicable tax laws.

As of 31 December 2025, the corporate tax rate is 30% (31 December 2024: 30%). Pursuant to the amendments made to the Corporate Tax Law No. 5520 by the law proposed to the Grand National Assembly of Turkey on 5 July 2023 and published in the Official Gazette on 15 July 2023, the corporate tax rate remains 30% for banks, companies subject to Law No. 6361, electronic payment and money institutions, authorized foreign exchange offices, asset management companies, capital market institutions, and insurance, reinsurance, and pension companies, effective from tax returns due as of 1 October 2023.

Provisional taxes are calculated and paid at the corporate tax rate to which their earnings are subject in that year. Provisional taxes paid during the year can be deducted from the corporate tax calculated on the annual corporate tax return of that year. According to the Turkish tax legislation, the financial losses shown on the declaration can be deducted from the corporate income for the period, provided that they do not exceed 5 years. However, in case of financial losses, there is no practice of refunding the taxes paid from profits up to the amount of these losses in previous years. Within the scope of the repetitive Article 298 of the Tax Procedure Law, it is stipulated that if the increase in the producer price index is more than 100% in the last 3 accounting periods, including the current period, and more than 10% in the current accounting period, the financial statements will be subject to inflation adjustment, and these conditions have been fulfilled as of 31 December 2021. However, with the "Law No. 7352 on the Amendment of the Tax Procedure Law and the Corporate Tax Law" published in the Official Gazette

dated January 29, 2022 and numbered 31734, a temporary article 33 was added to the Tax Procedure Law No. 213, and in the 2021 and 2022 accounting periods, including the temporary tax periods (as of the accounting periods ending in 2022 and 2023 for those assigned a special accounting period) and the 2023 accounting period, within the scope of the duplicate article 298 in the provisional tax periods of the 2023 accounting period. It has been enacted that the financial statements will not be subject to inflation adjustment regardless of whether the conditions for inflation adjustment are met, and the financial statements dated 31 December 2023, will be subject to inflation adjustment regardless of whether the conditions for inflation adjustment are met, and the profit/loss differences arising from the inflation adjustment to be made will be shown in the profit/loss account of previous years.

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

29. TAXATION (Continued)

In addition, the Law No. 7491 titled “Law on Amendments to Certain Laws and Decrees” was published in the Official Gazette on 28 December 2023. Article 17 of this law stipulates that banks, companies within the scope of Law No. 6361, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies shall not include profits and losses arising from inflation adjustments in their corporate tax base for the 2024 and 2025 fiscal periods (including provisional tax periods). The President of the Republic is authorized to extend the periods determined under this paragraph for one accounting period, including temporary tax periods.

There is no practice of obtaining agreement with the tax authority regarding taxes payable in Turkey. Corporate tax returns are filed with the relevant tax office by the end of the 30th day of the fourth month following the end of the reporting period. However, the authorities authorized to conduct tax audits may examine accounting records within a five-year period, and if errors are identified, the amounts of tax payable may be adjusted.

As of 31 December 2025, the Company has a corporate tax expenditure of TRY 586,326 (31 December 2024: TRY 364,107).

Transfer Pricing

In Turkey, transfer pricing regulations are set out in Article 13 of the Corporate Tax Law titled "Implicit profit distribution through transfer pricing". The communiqué of 18 November 2007 on the distribution of disguised earnings through transfer pricing regulates the details of the implementation.

If the taxpayer buys or sells goods or services with related persons at the price or price they have determined in violation of the arm's length principle, the gain is deemed to be distributed implicitly in whole or in part through transfer pricing. Implicit profit distribution through such transfer pricing is considered as an expense that is not legally recognized for corporate tax purposes. Companies are obliged to fill out the transfer pricing form to be attached to the annual corporate tax return. In this form, the amounts of all transactions made with related companies during the relevant accounting period and the transfer pricing methods related to these transactions are specified.

30. EARNINGS PER SHARE

Earnings per share are calculated by dividing profit or loss by the weighted average number of ordinary shares outstanding during the period. In Turkey, companies can raise their share capital by distributing “bonus shares” to shareholders from retained earnings and revaluation funds. In computing earnings per share, such “bonus share” distributions are assessed 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.

Earnings per share calculations were made according to distributable net profit of issued shares dividend by the weighted average number.

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

30. EARNINGS PER SHARE (Continued)

The weighted average number of shares of the Company and earnings per share for the periods ended 31 December 2025 and 31 December 2024 are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Weighted average number of outstanding shares (*)	15.000.000.000	15.000.000.000
Net profit for the period (TRY)	1.990.659	1.007.450
Earnings per share (full TRY)**)	13.27106	6.7163

(*) As of 31 December 2025, the share capital of the Company consists of 15,000,000,000 shares having Kurus 1 nominal price.

(**) Earnings per share is calculated by dividing the net profit for the period by the weighted average number of shares of the Company during the period. In Turkey, companies can increase their capital through “bonus shares” they distribute to their existing shareholders from previous year earnings and revaluation funds. Such “bonus share” distributions are treated as shares issued in all periods presented in the financial statements for earnings per share calculations.

	<u>31 December 2025</u>	<u>31 December 2024</u>
Number of shares at beginning of the period	15,000,000,000	15,000,000,000
Capital increase	-	-
Number of shares at end of the period	<u>15,000,000,000</u>	<u>15,000,000,000</u>

31. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR OTHER ISSUES REQUIRED TO BE EXPLAINED FOR UNDERSTANDING OF THE FINANCIAL STATEMENTS

None.

32. FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR’S

	<u>1 January – 31 December 2025</u>	<u>1 January – 31 December 2024</u>
Independent Audit Fee for the Reporting Period	1,397	935
Tax Consulting Fees	320	200
Other Assurance Services Fees	203	204
	<u>1,920</u>	<u>1,339</u>

33. EXPLANATIONS ON THE MATTERS AFTER THE BALANCE SHEET PERIOD

None.

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

34. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS

(a) Capital risk management

The Company manages its capital by sustaining its status as a going concern while maximizing the return to stakeholders through the optimization of the debt and the equity balance.

	31 December 2025	31 December 2024
Funds borrowed	24,726,084	30,882,678
Debt securities issued (Net)	7,271,838	2,091,713
Factoring payables	38,865	10,694
Payables from leasing	13,785	8,669
Derivative Financial Liabilities	31,133	-
Other liabilities	83,537	73,714
Total debt	32,165,242	33,067,468
Banks (-)	(726,803)	(872,868)
Net Debt	31,438,439	32,194,600
Total equity	6,320,845	4,555,968
Equity / Debt Ratio	20%	14%

In 2025, although the Company’s strategy remained unchanged, the ratio of equity to liabilities was 20% (31 December 2024: 14%).

(b) Categories of financial instruments

	31 December 2025	31 December 2024
<u>Financial assets:</u>		
Factoring receivables and non-performing factoring receivables	36,424,535	35,032,366
Financial assets at fair value through other comprehensive income	1,470,653	1,734,303
Banks	726,803	872,868
Fair value through profit or loss:	15,284	-
- Financial assets held for trading	12,396	-
- Derivative financial assets	2,888	-
<u>Financial Liabilities:</u>		
Funds borrowed	(24,726,084)	(30,882,678)
Debt securities issued (Net)	(7,271,838)	(2,091,713)
Factoring payables	(38,865)	(10,694)
Payables from leasing	(13,785)	(8,669)
Other liabilities	(83,537)	(73,714)
Fair value through in profit or loss	(31,133)	-
-Derivative financial liabilities held for trading	(31,133)	-

(c) Financial risk management objectives

The Company management is responsible for coordinating access to domestic and international markets, monitoring and managing the financial risks relating to the operations of the Company. Such risks include market risk (including currency risk, interest rate risk and price risk), liquidity risk and credit risk.

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

34. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates (refer to section e), interest rates (refer to section f) and equity prices will affect the Company’s income or the value of its holdings of financial instruments. At the Company level, market risk exposures are measured by sensitivity analysis.

The Company uses derivative instruments to minimize the effects of such risks, and it also uses such instruments for hedging. The Company does not enter into or trade any financial instruments (including derivative financial instruments) for speculative purposes.

There has been no change in the current year in the Company’s exposure to market risks or the method it uses to manage and measure such risks compared to prior year.

(e) Currency risk management

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company has exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Company manages its foreign currency risk arising from its operations and cash flows of financial contracts by monitoring in a timely manner.

As of 31 December 2025, and 31 December 2024, details of foreign currency denominated assets and liabilities are as follows:

31 December 2025	USD	EUR	GBP	CNY	AUD	TRY Equivalent
Banks	284	12,172	609	-	1	659,302
Derivative transactions	-	34	-	-	-	1,686
Factoring receivables (*)	95,718	82,984	3,539	-	-	8,477,526
Other	20	32	-	-	-	2,461
Total Assets	96,022	95,222	4,148	-	1	9,140,975
Factoring payables (**)	21	582	119	-	-	36,896
Funds borrowed	94,467	58,003	3,805	-	-	7,183,101
Derivative transactions	54	-	-	-	-	2,299
Other payables	122	128	8	-	-	12,138
Total liabilities	94,664	58,713	3,932	-	-	7,234,434
Balance sheet position	1,358	36,509	216	-	1	1,906,541
Derivative transactions, off balance sheet position	12,044	(29,278)	-	-	-	(956,237)
Net foreign currency position	13,402	7,231	216	-	1	950,304

(*) As of 31 December 2025, other foreign currency-indexed assets amounting to TRY 35 were classified as TP in the accompanying financial statements.

(**) As of 31 December 2025, FX-indexed factoring debts totaling TRY 95 are classified in the TP column in the attached financial statements.

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

34. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

<u>31 December 2024</u>	USD	EUR	GBP	CNY	AUD	TRY Equivalent
Banks	105	378	675	5	2	47,485
Factoring receivables (*)	130,067	118,059	5,289	-	-	9,159,659
Other	3	29	-	-	-	1,196
Total assets	130,175	118,466	5,964	5	2	9,208,340
Factoring payables (**)	43	189	26	-	-	9,612
Funds borrowed	122,610	112,210	5,620	-	-	8,696,320
Other payables	135	216	7	-	-	12,968
Total liabilities	122,788	112,615	5,653	-	-	8,718,900
Balance sheet position	7,387	5,851	311	5	2	489,440
Derivative transactions, off balance sheet position	-	-	-	-	-	-
Net foreign currency position	7,387	5,851	311	5	2	489,440

(*) As of 31 December 2024, other foreign currency-indexed assets amounting to TRY 26 were classified as TP in the accompanying financial statements.

(**) As of 31 December 2024, FX-indexed factoring debts totaling TRY 81 are classified in the TP column in the attached financial statements.

Foreign Exchange Risk Sensitivity

The Company’s sensitivity to a 15% change in USD and EUR exchange rates is presented. The amounts below represent the impact on the statement of profit or loss of a 15% increase in the value of USD and EUR against the Turkish Lira. In this analysis, all other variables, particularly interest rates, are assumed to remain constant.

	Profit/(Loss) 31 December 2025	Profit/(Loss) 31 December 2024
USD	86,132	39,092
EUR	54,543	32,242
Other	1,863	2,062

In the event of a 15% appreciation of the Turkish Lira against the relevant currencies, the amounts presented above would have an equal but opposite effect on the statement of profit or loss.

(f) Interest risk management

The Company is exposed to interest rate risk as the Company borrows funds at both fixed and variable rates. Such risk is managed by making a proper classification between fixed and variable rate liabilities.

Interest rate sensitivity

The interest rate sensitivity analysis below is based on the Company’s exposure to interest rate risk at the reporting date and estimated interest rate fluctuations at the beginning of the fiscal year, and is fixed during the reporting period. The Company management makes its sensitivity analysis based on a 100 base point interest rate fluctuation scenario. This rate is also used in reporting to the top management of the Company.

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

34. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(f) Interest risk management (Continued)

As of 31 December 2025, and 31 December 2024, the interest rate profile of the Company’s interest-bearing financial instruments is as follows:

Interest Position Table		
	31 December 2025	31 December 2024
<i>Fixed rate instruments</i>		
Financial assets:		
Banks	726,803	872,868
Derivative Financial Assets	2,888	-
Factoring receivables	31,010,544	26,328,589
Financial liabilities :		
Funds borrowed	20,572,299	24,897,257
Debt securities issued	7,271,838	2,091,713
Derivative Financial Liabilities	31,133	-
Payables from leasing	13,785	8,669
<i>Variable rate instruments</i>		
Financial assets:		
Factoring receivables	5,413,991	8,703,777
Financial liabilities:		
Funds borrowed	4,153,785	5,985,421

If interest rates were 100 base points higher at the reporting date and all other variables were fixed:

- Interest income from variable rate factoring contracts would increase by TRY 11,183 TRY (31 December 2024: TRY 15,790).
- Interest expense from variable rate loans will increase by TRY 12,069 (31 December 2024: TRY 14,553).

(g) Other price risks

The Company is exposed to equity share price risks because of equity investments. Equity securities are held especially for strategic purposes rather than trading purposes. These investments are not traded by the Company.

Equity price sensitivity

Sensitivity analysis below is determined based on the equity share price risks exposed as at the reporting date.

Equity price risk is the risk that the fair value of equities decreases as a result of changes in the levels of equity indices and the value of individual stocks.

During the reporting period, all other variables are held constant and the data in the valuation method are 15% higher/ (lower):

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

34. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(g) Other price risks (Continued)

The difference in fair value of the stocks traded in Borsa İstanbul, which are shown among other comprehensive income in the related financial statements and measured by market values, consists of an increase / decrease of TRY 219,608 in the Company's equity (excluding tax effect) due to possible fluctuations in the index (31 December 2024: TRY 259,155).

(h) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure to credit risks and credit ratings of its counterparties are monitored periodically. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Board of Directors.

Factoring receivables consist of a large number of customers, spread across diverse industries. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

As of 31 December 2025, factoring receivables amounting to TRY 10,433,031, which is approximately 29% of total factoring receivables, is granted to a single risk group (2024 factoring receivables amounting to TRY 13,570,825, which is approximately 39% of total factoring receivables, is granted to a single risk group). Due to the reduction in the share of this risk group in the Company's factoring receivables, the concentration risk has decreased.

	31 December 2025 (%)	31 December 2024 (%)
Motor vehicles	31.98	23.76
Machinery equipment	13.53	5.30
Wholesale and Retail	10.31	8.53
Build	7.50	2.86
Textile	4.65	7.81
Chemical, Plastic and Pharmaceutical Industry	4.42	6.39
Food, Soft Drink, Drink	4.33	3.99
Financial Institutions	3.74	3.95
Computer and Related Activities	3.64	3.58
Transportation	3.41	1.96
Metal industry	2.97	1.97
Glass, Tile, Cement	1.86	19.55
Energy, gas, water, and petroleum resources	1.68	6.39
Forest Products, Paper, Wood	1.62	0.74
Tourism	1.10	0.14
Other	3.26	3.08
	100.00	100.00

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

34. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(h) Credit risk management (Continued)

As of 31 December 2025, details of exposure to credit risk based on categories of financial instruments are as follows:

31 December 2025	<u>Factoring Receivables</u>		Deposits at banks	Derivative Financial Assets	<u>Other Assets</u>	
	Related party	Other party			Financial assets at fair value through profit or loss	Financial assets at fair value through OCI
Exposure to maximum credit risk as at reporting date (*)	38,401	36,386,134	726,803	2,888	12,396	1,470,653
- The portion of maximum risk covered by guarantee	38,401	14,718,215	-	-	-	-
A. Net carrying value of financial assets which are neither impaired nor overdue	38,401	36,291,846	726,803	2,888	12,396	1,470,653
- The portion covered by guarantee	38,401	14,394,022	-	-	-	-
B. Net carrying value of financial assets that are restricted, otherwise which will be regarded as overdue or impaired	-	-	-	-	-	-
C. Net carrying value of financial assets which are overdue but not impaired	-	5,372	-	-	-	-
- The portion covered by guarantee	-	5,372	-	-	-	-
D. Net carrying value of impaired assets	-	88,916	-	-	-	-
- Overdue (gross carrying value)	-	527,328	-	-	-	-
- Impairment (-)	-	(438,412)	-	-	-	-
- Covered portion of net carrying value (with letter of guarantee etc.)	-	318,821	-	-	-	-
- Not past due (gross carrying value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Covered portion of net carrying value (with letter of guarantee etc.)	-	-	-	-	-	-
E. Off balance sheet items with credit risks	-	-	-	-	-	-

(*) Credit enhancing items such as; guarantees received, are not taken into account in the calculation.

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

34. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(h) Credit risk management (Continued)

As of 31 December 2024, details of exposure to credit risk based on categories of financial instruments are as follows:

31 December 2024	Factoring Receivables		Deposits at banks	Derivative Financial Assets	Other Assets	
	Related party	Other party			Financial assets at fair value through profit or loss	Financial assets at fair value through OCI
Exposure to maximum credit risk as at reporting date (*)	6,152,567	28,879,799	872,868	-	-	1,734,303
- The portion of maximum risk covered by guarantee	7,208	14,470,312	-	-	-	-
A. Net carrying value of financial assets which are neither impaired nor overdue	6,152,567	28,786,227	872,868	-	-	1,734,303
- The portion covered by guarantee	7,208	14,230,866	-	-	-	-
B. Net carrying value of financial assets that are restricted, otherwise which will be regarded as overdue or impaired	-	-	-	-	-	-
C. Net carrying value of financial assets which are overdue but not impaired	-	1,209	-	-	-	-
- The portion covered by guarantee	-	1,209	-	-	-	-
D. Net carrying value of impaired assets	-	92,363	-	-	-	-
- Overdue (gross carrying value)	-	386,217	-	-	-	-
- Impairment (-)	-	(293,854)	-	-	-	-
- Covered portion of net carrying value (with letter of guarantee etc.)	-	238,237	-	-	-	-
- Not past due (gross carrying value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Covered portion of net carrying value (with letter of guarantee etc.)	-	-	-	-	-	-
E. Off balance sheet items with credit risks	-	-	-	-	-	-

(*) Credit enhancing items such as; guarantees received, are not taken into account in the calculation.

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

34. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(i) Liquidity risk management

The Company management has built an appropriate liquidity risk management framework for the management of the Company’s short, medium and long term funding and liquidity management requirements. The Company manages its liquidity risk by maintaining adequate reserves and reserve borrowing facilities by constantly monitoring forecasts and actual cash flows and matching the maturity profile of financial assets and liabilities.

Liquidity risk table

The following table details the Company’s expected maturity for its non-derivative financial assets and liabilities. The tables below have been prepared based on the earliest dates for collections and disbursements of the Company’s assets and liabilities. Interest amounts to be collected and disbursed on the Company’s assets and liabilities have also been included in the table below:

The Company makes payments based on contractual maturities.

31 December 2025	Contractual Cash Inflows/ (Outflows)	Less than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More than 5 Years (IV)
<u>Contractual Maturities</u>	Carrying Amount				
Non derivative financial assets	12,396	12,396	12,396	-	-
Banks	726,803	726,803	726,803	-	-
Factoring receivables	36,424,535	38,225,835	31,066,476	6,970,388	188,971
	37,163,734	38,965,034	31,805,675	6,970,388	188,971
Factoring payables	38,865	38,865	38,865	-	-
Funds borrowed	24,726,084	25,053,125	23,715,467	1,337,658	-
Debt securities issued	7,271,838	7,969,836	4,267,317	3,702,519	-
Payables from leasing	13,785	19,467	4,462	8,075	6,930
	32,050,572	33,081,293	28,026,111	5,048,252	6,930
31 December 2024	Contractual Cash Inflows/ (Outflows)	Less than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More than 5 Years (IV)
<u>Contractual Maturities</u>	Carrying Amount				
Non derivative financial assets	-	-	-	-	-
Banks	872,868	872,868	872,868	-	-
Factoring receivables	35,032,366	36,664,603	30,778,165	5,737,335	149,103
	35,905,234	37,537,471	31,651,033	5,737,335	149,103
Factoring payables	-	-	-	-	-
Funds borrowed	10,694	10,694	10,694	-	-
Debt securities issued	30,882,678	31,170,091	30,582,706	587,385	-
Payables from leasing	2,091,713	2,514,864	215,000	2,299,864	-
Non derivative financial assets	8,669	13,424	2,099	5,073	6,252
	32,993,754	33,709,073	30,810,499	2,892,322	6,252

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

34. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

As of 31 December 2025, and 31 December 2024, the Company does not have any derivative financial assets or liabilities.

31 December 2025	Contractual	Less	3-12	More
<u>Contractual Maturities</u>	Carrying	Cash Inflows/ (Outflows) (I+II+III+IV)	Months (I)	than 5 Years (IV)
	Amount		Months (II)	1-5 Years (III)
Derivative cash inflows	2,500,027	2,500,027	-	-
Derivative cash outflows	3,496,918	3,496,918	-	-

(j) Fair value of financial instruments

The Company management estimates that the carrying amount of the financial assets and liabilities approximate to their fair value.

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to develop the estimated fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realise in a current market exchange. The financial assets and liabilities, such as factoring receivables, cash at banks and short-term bank borrowings in TRY which are recognized by discounted amount of estimated future cash flows, are considered to approximate their respective carrying values due to their short-term nature. The fair value prices of debt securities issued are determined on the basis of their prices in the market they are traded. The fair value level of debt securities issued is level 1, whereas level of fair value of other financial instruments is Level 2.

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

34. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(j) Fair value of financial instruments (Continued)

The table below refers to the comparison of carrying amounts and fair values of financial instruments which are carried at other than their fair value in the financial statements.

	Financial assets and liabilities held for trading	Financial assets Measured at amortized cost	Loans and receivables	Financial liabilities Measured at amortized cost	Carrying amount	Fair Value	Notes
31 December 2025							
Cash and Cash Equivalents	-	726,803	-	-	726,803	726,803	4
Banks	-	-	-	-	-	-	4
Financial Assets at Fair Value Through Profit or Loss	15,284	-	-	-	15,284	15,284	5-6
- Financial Assets	12,396	-	-	-	12,396	12,396	5
- Derivative financial assets	2,888	-	-	-	2,888	2,888	6
Factoring receivables and non-performing factoring receivables	-	-	36,424,535	-	36,424,535	36,424,535	8
<u>Financial liabilities</u>	-	-	-	-	-	-	-
Derivative financial Liabilities	31,133	-	-	-	31,133	31,133	-
Factoring Payables	-	-	-	38,865	38,865	38,865	8
Other liabilities	-	-	-	83,537	83,537	83,537	17
Funds borrowed	-	-	-	24,726,084	24,726,084	24,726,084	14
Debt securities issued	-	-	-	7,271,838	7,271,838	7,271,838	16
	Financial assets and liabilities held for trading	Financial assets Measured at amortized cost	Loans and receivables	Financial liabilities Measured at amortized cost	Carrying amount	Fair Value	Notes
31 December 2024							
Cash and Cash Equivalents	-	872,868	-	-	872,868	872,868	4
Banks	-	-	-	-	-	-	4
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-	-	-	5-6
- Financial Assets	-	-	-	-	-	-	5
- Derivative financial assets	-	-	-	-	-	-	6
Factoring receivables and non-performing factoring receivables	-	-	35,032,366	-	35,032,366	35,032,366	8
<u>Financial liabilities</u>	-	-	-	-	-	-	-
Derivative financial Liabilities	-	-	-	-	-	-	-
Factoring Payables	-	-	-	10,694	10,694	10,694	8
Other liabilities	-	-	-	73,714	73,714	73,714	17
Funds borrowed	-	-	-	30,882,678	30,882,678	30,882,678	14
Debt securities issued	-	-	-	2,091,713	2,091,713	2,091,713	16

İŞ FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated.)

34. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(k) Fair value hierarchy of Financial Instruments

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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 asset or liability that are not based on observable market data (unobservable inputs).

31 December 2025	Level 1	Level 2	Level 3 (*)	Total
Financial Assets at Fair Value Through Profit / Loss	12,396	-	-	12,396
Derivative financial assets	-	2,888	-	2,888
Financial assets at fair value through other comprehensive income	1,464,053	-	6,600	1,470,653
Total financial assets carried at fair value	1,476,449	2,888	6,600	1,485,937
Derivative financial liabilities	-	31,133	-	31,133
Total financial liabilities carried at fair value	-	31,133	-	31,133

(*) As of 31 December 2025, shares amounting to TRY 6,600 are reflected in the financial statements with their cost values since there are no public shares.

31 December 2024	Level 1	Level 2	Level 3 (*)	Total
Financial Assets at Fair Value Through Profit / Loss	-	-	-	-
Derivative financial assets	-	-	-	-
Financial assets at fair value through other comprehensive income	1,727,703	-	6,600	1,734,303
Total financial assets carried at fair value	1,727,703	-	6,600	1,734,303
Derivative financial liabilities	-	-	-	-
Total financial liabilities carried at fair value	-	-	-	-

(*) As of 31 December 2024, shares amounting to TRY6,600 are reflected in the financial statements with their cost values since there are no public shares.

.....