

FİBA FAKTORİNG ANONİM ŞİRKETİ

Financial Statements
As at and for the Year Ended
31 December 2024
With Independent Auditors' Report

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

Independent Auditors' Report**To the Board of Directors of Fiba Faktoring Anonim Şirketi,****Eren Bağımsız Denetim A.Ş.**

Maslak, Eski Büyükdere Cad.

No.14 Kat :10

34396 Sarıyer / İstanbul, Turkey

A) Report On the Audit of the Financial Statements**1. Opinion**

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We have audited the accompanying financial statements of Fiba Faktoring Anonim Şirketi ("the Company") which comprise the statement of financial position as at 31 December 2024 and the statement of profit or 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 notes, comprising a summary of significant accounting policies and other explanatory information.

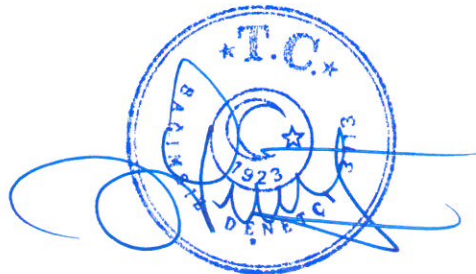
In our opinion, the financial statements present fairly, in all material respects, the financial position of Fiba Faktoring A.Ş. as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring and Financing Companies and Communiqué on Uniform Chart of Accounts and Prospectus to be implemented by Financial Leasing, Factoring and Financing Companies published in the Official Gazette dated 24 December 2013 and numbered 28861, other regulations, communiqués and circulars published by the Banking Regulation and Supervision Board ("BRSA") and the pronouncements made by the Banking Regulation and Supervision Agency and requirements of Turkish Financial Reporting Standards (TFRS) for the matters not regulated by the aforementioned legislations together "the BRSA Accounting and Financial Reporting Legislation".

2. Basis for Opinion

We conducted our audit in accordance with Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We declare that we are independent of the Company in accordance with the Code of Ethics for Auditors issued by POA ("POA's Code of Ethics") and the ethical requirements in the regulations issued by POA that are relevant to audit of financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA's Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Other Matters

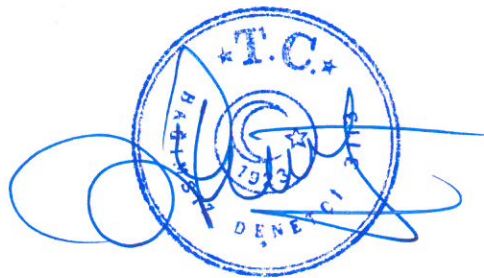
The financial statements of the Company for the financial year ended 31 December 2023 were audited by another independent auditor, and an 'Unqualified Opinion' was issued in the independent auditor's report dated 29 February 2024.



4. 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. These matters were addressed in the context of our 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 Matter	How the matter is addressed in our audit
<p>Identification, Classification, Measurement and Recognition of Losses on Factoring Receivables</p> <p>As of December 31, 2024, the Company's factoring receivables constitute 82% of its total assets. The company accounts for its factoring receivables and provisions for impairment in accordance with the BRSA Accounting and Financial Reporting Legislation. Classification of receivables is made by taking into account the criteria specified in the Regulation. Within the scope of the Regulation, determination of the impairment of factoring receivables depends primarily on whether the classification of these receivables is made correctly. Among the criteria used for classification are non-judgmental determinations, as well as criteria that require determinations based on management judgment.</p> <p>In this context, the calculation of impairment for factoring receivables has been identified as a key audit matter due to its inclusion of management's judgments, estimates, and assumptions.</p> <p>The Company's accounting policies regarding impairment of factoring receivables and the significant accounting estimates and assumptions used are disclosed in Note 2.5 (a).</p>	<p>During our audit, the following audit procedures were applied regarding the identification, classification, measurement, and accounting of impairments related to factoring receivables.</p> <ul style="list-style-type: none"> - Understanding, evaluating, and testing the design and operational effectiveness of the controls established for the credit allocation, disbursement, collection, follow-up, and impairment processes, - Identification of factoring receivables that are impaired, compliance of the allocated impairment provisions with the BRSA Accounting and Financial Reporting Legislation, the value of collaterals, and the Company's collection capability, through substantive verification procedures on factoring transactions selected using sampling, - Evaluation of the completeness and accuracy of the disclosures made in the financial statement notes regarding the impairment provisions for factoring receivables, <p>As a result of the procedures we performed regarding the audit of the identification, classification, measurement, and accounting of impairments related to factoring receivables, we have not identified any significant findings.</p>



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

Management is responsible for the preparation and fair presentation of these 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.

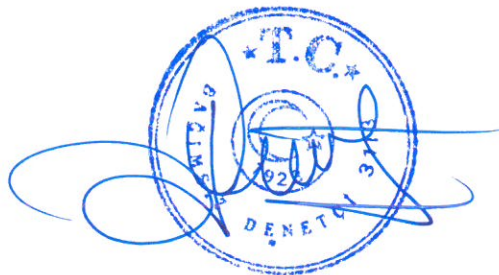
6. Auditors’ Responsibilities for the Audit of the Financial Statements

In an independent audit, we, the independent auditors, have the following responsibilities:

Our objective 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 is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”) and standards on auditing issued by the Capital Markets Board (“CMB”) will always detect a material misstatement when it exists. 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 audit in accordance with Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”) and standards on auditing issued by the Capital Markets Board of Turkey (“CMB”), we exercise professional judgment and maintain professional skepticism throughout the audit. We also considered:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ 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 auditors’ 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.

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 auditors' 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.

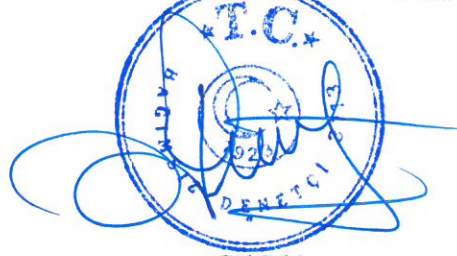
Report on Other Legal and Regulatory Requirements

1. Pursuant to the fourth paragraph of Article 402 of the Turkish Commercial Code numbered 6102 ("TCC"); no significant matter has come to our attention that causes us to believe that the Company's bookkeeping order for the period 1 January- 31 December 2024 are not in compliance with TCC and provisions of the Company's articles of association in relation to financial reporting.
2. Pursuant to the fourth paragraph of Article 402 of the TCC; The Board of Directors provided us the required explanations and requested documents within the scope of the audit.

The responsible auditor who conducted and concluded this independent audit is Gül Şahin.

İstanbul, 19 February 2025

Eren Bağımsız Denetim A.Ş.
Member Firm of Grant Thornton International



Gül Şahin
Partner

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FİBA FAKTORİNG ANONİM ŞİRKETİ
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024
(Amounts expressed in thousands of Turkish Lira (“Thousands of TL”) unless otherwise indicated.)

ASSETS	Notes	Audited 31 December 2024			Audited 31 December 2023		
		TL	FC	Total	TL	FC	Total
I. CASH AND CASH EQUIVALENTS and CENTRAL BANK	3	366,854	18,463	385,317	87,332	172,568	259,900
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT/LOSS (Net)		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL ASSETS	4	2,022	-	2,022	-	-	-
IV. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Net)	6	130,111	325,476	455,587	42,853	275,974	318,827
V. FINANCIAL ASSETS AT AMORTIZED COST (Net)		6,352,961	49,596	6,402,557	4,308,838	14,715	4,323,553
5.1 Factoring Receivables	7.1	6,325,199	46,315	6,371,514	4,304,446	14,715	4,319,161
5.1.1 Discounted Factoring Receivables (Net)		6,047,147	37,298	6,084,445	4,022,302	8,530	4,030,832
5.1.2 Other Factoring Receivables		278,052	9,017	287,069	282,144	6,185	288,329
5.2 Saving Financing Receivables		-	-	-	-	-	-
5.2.1 From the Savings Fund Pool		-	-	-	-	-	-
5.2.2 From Equity		-	-	-	-	-	-
5.3 Financing Loans		-	-	-	-	-	-
5.3.1 Consumer Loans		-	-	-	-	-	-
5.3.2 Credit Cards		-	-	-	-	-	-
5.3.3 Installment Based Commercial Loans		-	-	-	-	-	-
5.4 Leasing Activities (Net)		-	-	-	-	-	-
5.4.1 Financial Lease Receivables		-	-	-	-	-	-
5.4.2 Operating Lease Receivables		-	-	-	-	-	-
5.4.3 Unearned Revenue (-)		-	-	-	-	-	-
5.5 Financial Assets Measured at Amortized Cost		-	-	-	-	-	-
5.6 Non-performing Receivables	7.2	92,739	7,637	100,376	76,831	-	76,831
5.7 Provision for Expected Loss/Special Provisions (-)	7.2	(64,977)	(4,356)	(69,333)	(72,439)	-	(72,439)
VI. INVESTMENTS		-	-	-	-	-	-
6.1 Associates (Net)		-	-	-	-	-	-
6.2 Subsidiaries (Net)		-	-	-	-	-	-
6.3 Joint Ventures (Net)		-	-	-	-	-	-
VII. TANGIBLE ASSETS (Net)	8	214,880	-	214,880	25,366	-	25,366
VIII. INTANGIBLE ASSETS (Net)	9	2,333	-	2,333	1,831	-	1,831
IX. INVESTMENT PROPERTIES (Net)	10	166,300	-	166,300	16,459	-	16,459
X. CURRENT TAX ASSETS	11	-	-	-	-	-	-
XI. DEFERRED TAX ASSETS	11	-	-	-	34,264	-	34,264
XII. OTHER ASSETS	12	122,609	101	122,710	66,338	18	66,356
SUBTOTAL		7,358,070	393,636	7,751,706	4,583,281	463,275	5,046,556
XIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
13.1 Assets Held For Sale		-	-	-	-	-	-
13.2 Assets of Discontinued Operations		-	-	-	-	-	-
TOTAL ASSETS		7,358,070	393,636	7,751,706	4,583,281	463,275	5,046,556

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

FİBA FAKTORİNG ANONİM ŞİRKETİ
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024
(Amounts expressed in thousands of Turkish Lira (“Thousands of TL”) unless otherwise indicated.)

LIABILITIES		Audited 31 December 2024			Audited 31 December 2023		
		TL	FC	Total	TL	FC	Total
I. FUNDS BORROWED	13	4,497,816	581,708	5,079,524	3,079,635	277,988	3,357,623
II. FACTORING PAYABLES	7.1	1,181	911	2,092	595	-	595
III. LIABILITIES FROM THE SAVING FUND POOL		-	-	-	-	-	-
IV. FINANCIAL LEASE PAYMENT	14	26,558	-	26,558	17,549	-	17,549
V. MARKETABLE SECURITIES (Net)	15	-	-	-	341,814	-	341,814
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	5	-	-	-	-	-	-
VIII. PROVISIONS		145,984	-	145,984	69,723	-	69,723
8.1 Provision for Restructuring		-	-	-	-	-	-
8.2 Reserve for Employee Benefits	16	100,782	-	100,782	69,723	-	69,723
8.3 General Provisions	16	45,202	-	45,202	-	-	-
8.4 Other Provisions		-	-	-	-	-	-
IX. CURRENT TAX LIABILITY	11	104,850	-	104,850	33,772	-	33,772
X. DEFERRED TAX LIABILITY		14,222	-	14,222	-	-	-
XI. SUBORDINATED LOANS		-	-	-	-	-	-
XII. OTHER LIABILITIES	17	58,910	413	59,323	97,311	374	97,685
SUBTOTAL		4,849,521	583,032	5,432,553	3,640,399	278,362	3,918,761
XIII. PAYABLES RELATED TO NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
12.1 Held For Sale		-	-	-	-	-	-
12.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SHAREHOLDERS' EQUITY		2,255,051	64,102	2,319,153	1,127,795	-	1,127,795
14.1 Paid-in Capital	18.1	228,000	-	228,000	228,000	-	228,000
14.2 Capital Reserves	18.2	30	-	30	30	-	30
14.2.1 Share Premiums		-	-	-	-	-	-
14.2.2 Share Cancellation Profits		-	-	-	-	-	-
14.2.3 Other Capital Reserves		30	-	30	30	-	30
Accumulated Other Comprehensive Income that will not be Reclassified to Profit or Loss		492,428	64,102	556,530	222,385	-	222,385
Accumulated Other Comprehensive Income that may be Reclassified subsequently to Profit or Loss		35,300	-	35,300	20,049	-	20,049
14.5 Profit Reserves		177,583	-	177,583	113,885	-	113,885
14.5.1 Legal Reserves	18.3	80,064	-	80,064	53,314	-	53,314
14.5.2 Statutory Reserves		-	-	-	-	-	-
14.5.3 Extraordinary Reserves		-	-	-	-	-	-
14.5.4 Other Profit Reserves	18.3	97,519	-	97,519	60,571	-	60,571
14.6 Profit or Loss		1,321,710	-	1,321,710	543,446	-	543,446
14.6.1 Prior Periods' Profit or Loss	18.4	409,574	-	409,574	75,616	-	75,616
14.6.2 Net Profit or Loss for the Period		912,136	-	912,136	467,830	-	467,830
TOTAL LIABILITIES AND EQUITY		7,104,572	647,134	7,751,706	4,768,194	278,362	5,046,556

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

FİBA FAKTORİNG ANONİM ŞİRKETİ
STATEMENT OF OFF BALANCE ITEMS AS AT 31 DECEMBER 2024
(Amounts expressed in thousands of Turkish Lira (“Thousands of TL”) unless otherwise indicated.)

OFF-BALANCE SHEET ITEMS	Notes	Audited 31 December 2024			Audited 31 December 2023		
		TL	FC	Total	TL	FC	Total
I. RECOURSE FACTORING TRANSACTIONS		737,865	5,012	742,877	300,534	3,446	303,980
II. NON-RECOURSE FACTORING TRANSACTIONS		1,552,053	49,845	1,601,898	1,071,990	42,035	1,114,025
III. SAVING FINANCE AGREEMENTS TRANSACTIONS		-	-	-	-	-	-
IV. COLLATERALS RECEIVED	27.1	88,522,587	2,624,126	91,146,713	49,545,340	2,005,593	51,550,933
V. COLLATERALS GIVEN	27.2	4,144,610	-	4,144,610	2,584,881	-	2,584,881
VI. COMMITMENTS		-	-	-	-	-	-
5.1 Irrevocable Commitments		-	-	-	-	-	-
5.2 Revocable Commitments		-	-	-	-	-	-
5.2.1 Lease Commitments		-	-	-	-	-	-
5.2.1.1 Financial Lease Commitments		-	-	-	-	-	-
5.2.1.2 Operating Lease Commitments		-	-	-	-	-	-
5.2.2 Other Revocable Commitments		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL INSTRUMENTS	27.3	69,560	70,447	140,007	-	-	-
6.1 Hedging Derivative Financial Instruments		-	-	-	-	-	-
6.1.1 Transactions for Fair Value Hedge		-	-	-	-	-	-
6.1.2 Transactions for Cash Flow Hedge		-	-	-	-	-	-
6.1.3 Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
6.2 Trading Transactions		69,560	70,447	140,007	-	-	-
6.2.1 Forward Buy/Sell Transactions		-	-	-	-	-	-
6.2.2 Swap Buy/Sell Transactions		69,560	70,447	140,007	-	-	-
6.2.3 Options Buy/Sell Transactions		-	-	-	-	-	-
6.2.4 Futures Buy/Sell Transactions		-	-	-	-	-	-
6.2.5 Others		-	-	-	-	-	-
VIII. ITEMS HELD IN CUSTODY	27.4	7,131,597	135,336	7,266,933	4,575,803	137,438	4,713,241
TOTAL OFF-BALANCE SHEET ITEMS		102,158,272	2,884,766	105,043,038	58,078,548	2,188,512	60,267,060

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

FİBA FAKTORİNG ANONİM ŞİRKETİ
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 DECEMBER 2024
(Amounts expressed in thousands of Turkish Lira (“Thousands of TL”) unless otherwise indicated.)

INCOME AND EXPENSE ITEMS		Audited 1 January - 31 December 2024	Audited 1 January - 31 December 2023
I. OPERATING INCOME		3,559,723	1,854,999
 FACTORING INCOME	19	3,559,723	1,854,999
1.1 Interest from Factoring Receivables		3,426,894	1,133,826
1.1.1 Discounted		3,227,937	1,068,042
1.1.2 Other		198,957	65,784
1.2 Fees and Commissions from Factoring Receivables		132,829	721,173
1.2.1 Discounted		73,101	659,491
1.2.2 Other		59,728	61,682
 INCOME FROM FINANCING LOANS		-	-
1.3 Interest Received from Financing Loans		-	-
1.4 Fees and Commissions Received from Financing Loans		-	-
 LEASE INCOME		-	-
1.5 Finance Lease Income		-	-
1.6 Operating Lease Income		-	-
1.7 Fees and Commission Income on Lease Operations		-	-
 SAVING FINANCE INCOME		-	-
1.8 Dividends Received from Savings Financing Receivables		-	-
1.9 Fees and Commissions Received from Savings Financing Receivables		-	-
II. FINANCIAL EXPENSES (-)	20	(1,633,784)	(915,564)
2.1 Dividends Given to the Savings Fund Pool		-	-
2.2 Interest on Funds Borrowed		(1,477,740)	(701,404)
2.3 Interest on Factoring Payables		-	-
2.4 Financial Lease Expenses		(5,310)	(3,189)
2.5 Interest on Securities Issued		(60,648)	(70,905)
2.6 Other Interest Expenses		-	-
2.7 Fees and Commissions Paid		(90,086)	(140,066)
III. GROSS PROFIT / LOSS (I-II)		1,925,939	939,435
IV. OPERATING EXPENSES (-)	21	(404,883)	(218,407)
4.1 Personnel Expenses		(279,142)	(170,333)
4.2 Employee Severance Indemnity Expense		(4,353)	1,046
4.3 Research and Development Expenses		-	-
4.4 General Administrative Expenses		(121,388)	(49,120)
4.5 Other		-	-
V. GROSS OPERATING PROFIT / LOSS (III+IV)		1,521,056	721,028
VI. OTHER OPERATING INCOME	22	159,479	148,302
6.1 Interest on Bank Deposits		98,542	81,165
6.2 Interest on Securities Portfolio		-	-
6.3 Dividend Income		19,069	21,397
6.4 Profit from Capital Market Operations		-	-
6.5 Derivative Financial Transactions Gains		2,224	38
6.6 Foreign Exchange Gains		8,786	23,919
6.7 Other		30,858	21,783
VII. PROVISION EXPENSES	23	(207,909)	(41,525)
7.1 Specific Provisions		(162,707)	(41,525)
7.2 Expected Loss Provisions		-	-
7.3 General Provisions		(45,202)	-
7.4 Other		-	-
VIII. OTHER OPERATING EXPENSES (-)	24	(168,002)	(162,327)
8.1 Impairment Losses on Securities Portfolio		-	-
8.2 Impairment Losses on Non-Current Assets		-	-
8.3 Loss from Capital Market Operations		-	-
8.4 Losses From Derivative Financial Instruments		(37)	(54)
8.5 Foreign Exchange Losses		(44,009)	(4,698)
8.6 Other		(123,956)	(157,575)
IX. NET OPERATING PROFIT / LOSS (V+.....+VIII)		1,304,624	665,478
X. MERGER PROFIT		-	-
XI. PROFIT/LOSS FROM ASSOCIATES RECOGNIZED USING THE EQUITY METHOD		-	-
XII. GAIN/LOSS ON NET MONETARY POSITION		-	-
XIII. PROFIT/LOSS FROM CONTINUING OPERATIONS BEFORE TAX (IX+X+XI+XII)		1,304,624	665,478
XIV. TAX PROVISION FOR CONTINUING OPERATIONS (±)	11	(392,488)	(197,648)
14.1 Current Tax Provision		(410,554)	(233,169)
14.2 Deferred Tax Charge (+)		-	-
14.3 Deferred Tax Benefit (-)		18,066	35,521
XV. NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XIII±XIV)		912,136	467,830
XVI. INCOME FROM DISCONTINUED OPERATIONS		-	-
16.1 Income from Assets Held for Sale		-	-
16.2 Gain on Sale of Associates, Subsidiaries and Joint Ventures		-	-
16.3 Other Income from Discontinued Operations		-	-
XVII. EXPENSES FROM DISCONTINUED OPERATIONS BEFORE TAX (-)		-	-
17.1 Expense on Assets Held for Sale		-	-
17.2 Loss on Sale of Associates, Subsidiaries and Joint Ventures		-	-
17.3 Other Expenses from Discontinued Operations		-	-
XVIII. CURRENT PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XVI-XVII)		-	-
XIX. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
19.1 Current Tax Provision		-	-
19.2 Deferred Tax Charge (+)		-	-
19.3 Deferred Tax Benefit (-)		-	-
XX. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XVIII±XIX)		-	-
XXI. NET PROFIT/LOSS FOR THE PERIOD (XV+XX))		912,136	467,830
Earnings/Loss Per Share		-	-

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

FİBA FAKTORİNG ANONİM ŞİRKETİ**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024**

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

		Audited 1 January-31 December 2024	Audited 1 January-31 December 2023
I.	CURRENT PERIOD PROFIT/LOSS	912,136	467,830
II.	OTHER COMPREHENSIVE INCOME	349,396	139,144
2.1	Items that will not be Reclassified to Profit or Loss	334,145	151,247
2.1.1	Tangible Assets Revaluation Increases/Decreases	313,086	-
2.1.2	Intangible Assets Revaluation Increases/Decreases	-	-
2.1.3	Defined Benefit Plans Remeasurement Gains / Losses	-	-
2.1.4	Other Comprehensive Income Items that will not be Reclassified to Profit or Loss	49,502	151,212
2.1.5	Taxes Related to Other Comprehensive Income that will not be Reclassified to Profit or Loss	(28,443)	35
2.2	Items that may be Reclassified subsequently to Profit or Loss	15,251	(12,103)
2.2.1	Foreign Exchange Differences for Foreign Currency Transactions	-	-
2.2.2	Revaluation and/or Reclassification Income/Expenses of Available-for-Sale Financial Assets	15,259	(13,865)
2.2.3	Cash Flow Hedge Income/Expenses	-	-
2.2.4	Investment Hedge Income/Losses Related to Foreign Entity	-	-
2.2.5	Other Comprehensive Income that may be Reclassified subsequently to Profit or Loss	-	-
2.2.6	Taxes related to Other Comprehensive Income that may be Reclassified subsequently to Profit or Loss	(8)	1,762
III.	TOTAL COMPREHENSIVE INCOME (I+II)	1,261,532	606,974

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

FİBA FAKTORİNG ANONİM ŞİRKETİ

STATEMENT OF CHANGES IN SHAREHOLDER’S EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

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

CHANGES IN EQUITY						Accumulated Other Comprehensive Income and Expenses That will not be Subsequently Reclassified to Profit or Loss			Accumulated Other Comprehensive Income and Expenses That will be Subsequently Reclassified to Profit or Loss						
	Notes	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Periods' Profit / (Loss)	Net Profit/Loss for the Period	Total Equity
AUDITED PRIOR PERIOD (01/01/2023-31/12/2023)															
I. Balance at the Beginning of the Period		228,000	-	-	30	-	(528)	71,666	-	32,152	-	54,400	-	158,901	544,621
II. Changes in Accounting Policies according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Correction of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)		228,000	-	-	30	-	(528)	71,666	-	32,152	-	54,400	-	158,901	544,621
IV. Total Comprehensive Income		-	-	-	-	-	35	151,212	-	(12,103)	-	-	-	467,830	606,974
V. Cash Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase from Internal Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital Reserves From Inflation Adjustments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Bonds Convertible to Shares		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increases / Decreases due to Other Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	59,485	75,616	(158,901)	(23,800)
11.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	(23,800)	-	(23,800)
11.2 Transfer to Reserves		-	-	-	-	-	-	-	-	-	-	59,485	99,416	(158,901)	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance of the End of the Period (III+IV+.....+X+XI)	18	228,000	-	-	30	-	(493)	222,878	-	20,049	-	113,885	75,616	467,830	1,127,795
AUDITED CURRENT PERIOD (01/01/2024-31/12/2024)															
I. Balance at the Beginning of the Period		228,000	-	-	30	-	(493)	222,878	-	20,049	-	113,885	75,616	467,830	1,127,795
II. Changes in Accounting Policies according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Correction of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)		228,000	-	-	30	-	(493)	222,878	-	20,049	-	113,885	75,616	467,830	1,127,795
IV. Total Comprehensive Income		-	-	-	-	284,643	-	49,502	-	15,251	-	-	-	912,136	1,261,532
V. Cash Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase from Internal Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital Reserves From Inflation Adjustments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Bonds Convertible to Shares		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increases / Decreases due to Other Changes		-	-	-	-	-	-	-	-	-	-	(35,050)	35,050	-	-
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	98,748	298,908	(467,830)	(70,174)
11.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	(70,174)	-	(70,174)
11.2 Transfer to Reserves		-	-	-	-	-	-	-	-	-	-	98,748	369,082	(467,830)	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance of the End of the Period (III+IV+.....+X+XI)	18	228,000	-	-	30	284,643	(493)	272,380	-	35,300	-	177,583	409,574	912,136	2,319,153

- Fixed assets accumulated revaluation increases / decreases,
- Accumulated remeasurement gains / losses of defined benefit plans,
- Other (Other comprehensive income and expenses from equity method investments not to be reclassified on profit/loss, and other accumulated comprehensive income and expenses not to be reclassified on profit/loss),
- Foreign exchange conversion differences,
- Revaluation and/or reclassification differences of available-for-sale financial assets,
- Other (Profit/loss from cash flow hedges, other comprehensive income and expenses from equity method investments to be reclassified on profit/loss, and other accumulated comprehensive income and expenses to be reclassified on profit/loss).

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

FİBA FAKTORİNG ANONİM ŞİRKETİ
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Amounts are expressed in Turkish Lira (“Thousands of TL”) unless otherwise indicated.)

	Notes	Audited 1 January - 31 December 2024	Audited 1 January - 31 December 2023
A. CASH FLOWS FROM OPERATING ACTIVITIES			
1.1 Operating Profit Before Changes in Operating Assets And Liabilities		1,458,096	685,058
1.1.1 Interests Received/Lease Income		3,436,598	1,141,190
1.1.2 Interest Paid / Lease Expenses		(1,429,904)	(784,652)
1.1.3 Dividends Received		19,069	21,397
1.1.4 Fees and Commissions Received		132,829	721,173
1.1.5 Other Income		-	-
1.1.6 Collections from Non-Performing Receivables Recognized as Loss	7.2	21,407	10,498
1.1.7 Payments to Personnel and Service Suppliers		(353,709)	(145,141)
1.1.8 Taxes Paid	11	(305,704)	(217,594)
1.1.9 Other		(62,490)	(61,813)
1.2 Changes in Operating Assets and Liabilities		(774,067)	(854,385)
1.2.1 Net (Increase) Decrease in Factoring Receivables		(2,318,413)	(2,046,819)
1.2.2 Net (Increase) Decrease in Financing 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		(4,020)	(25,675)
1.2.6 Net Increase (Decrease) in Factoring Payables		1,497	240
1.2.7 Net Increase (Decrease) in Lease Payables		-	-
1.2.8 Net (Increase) Decrease in Savings and Financing Debts		-	-
1.2.9 Net Increase (Decrease) in Loans Borrowed		1,578,669	1,229,324
1.2.10 Net Increase (Decrease) in Matured Payables		-	-
1.2.11 Net Increase (Decrease) in Other Liabilities		(31,800)	(11,455)
I. Net Cash Flow Provided from Operating Activities		684,029	(169,327)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
2.1 Acquisition of Subsidiaries, Associates and Joint Ventures		-	-
2.2 Disposal of Subsidiaries, Associates and Joint-Ventures		-	-
2.3 Purchases of Property and Equipment	8	(25,295)	(4,954)
2.4 Sale of Property and Equipment		10,416	55
2.5 Cash Paid for Purchase of Financial Assets at FVTPL		(71,999)	(14,998)
2.6 Proceeds From Sale of Financial Assets at FVTOCI		-	121,962
2.7 Cash Paid for Purchase of Financial Assets at Amortized Cost		-	-
2.8 Cash Obtained from Sale of Financial Assets at Amortized Cost		-	-
2.9 Other	9	(1,691)	(1,133)
II. Net Cash Flows Provided from Investing Activities		(88,569)	100,932
C. CASH FLOWS FROM FINANCING ACTIVITIES			
3.1 Cash Obtained From Funds Borrowed and Securities Issued		281,538	885,180
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		(684,000)	(651,752)
3.3 Equity Instruments Issued		-	-
3.4 Dividends Paid		(70,174)	(23,800)
3.5 Payments for Finance Leases		-	-
3.6 Other		-	-
III. Net Cash Flow Provided from Financing Activities		(472,636)	209,628
IV. Effect of Change in Foreign Exchange Rates on Cash and Cash Equivalents		2,406	6,811
V. Net Increase in Cash and Cash Equivalents		125,230	148,044
VI. Cash and Cash Equivalents at the Beginning of the Period	2.5 (o)	259,638	111,594
VII. Cash and Cash Equivalents at the End of the Period	2.5 (o)	384,868	259,638

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

FİBA FAKTORİNG ANONİM ŞİRKETİ
PROFIT DISTRIBUTION STATEMENT
FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2024
(Amounts are expressed in Turkish Lira (“Thousands of TL”) unless otherwise indicated.)

	Notes	Audited	Audited
		1 January - 31 December 2024	1 January - 31 December 2023
I. DISTRIBUTION OF CURRENT YEAR PROFIT (*)			
1.1 CURRENT PERIOD PROFIT		1,304,624	665,478
1.2 TAXES AND LEGAL DUTIES PAYABLE (-)		392,488	197,648
1.2.1 Corporate Tax (Income Tax)		410,554	233,169
1.2.2 Withholding Tax		-	-
1.2.3 Other Taxes and Duties (**)	11	(18,066)	(35,521)
A. NET PROFIT FOR THE PERIOD (1.1-1.2)		912,136	467,830
1.3 ACCUMULATED LOSSES (-)		-	-
1.4 FIRST LEGAL RESERVES (-)		-	19,732
1.5 OTHER STATUTORY RESERVES (-)		-	-
B. NET PROFIT AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]		912,136	448,098
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)		-	70,174
1.6.1 To Owners of Ordinary Shares (***)		-	70,174
1.6.2 To Owners of Privileged Shares		-	-
1.6.3 To Owners of Redeemed Shares		-	-
1.6.4 To Profit Sharing Bonds		-	-
1.6.5 To Holders of Profit and Loss Sharing Certificates		-	-
1.7 DIVIDENDS TO PERSONNEL (-)		-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)		-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)		-	-
1.9.1 To Owners of Ordinary Shares		-	-
1.9.2 To Owners of Privileged Shares		-	-
1.9.3 To Owners of Redeemed Shares		-	-
1.9.4 To Profit Sharing Bonds		-	-
1.9.5 To Holders of Profit and Loss Sharing Certificates		-	-
1.10 SECOND LEGAL RESERVES (-)		-	7,017
1.11 STATUS RESERVES (-)		-	-
1.12 EXTRAORDINARY RESERVES		-	-
1.13 OTHER RESERVES		-	71,999
1.14 SPECIAL FUNDS		-	-
II. DISTRIBUTION FROM RESERVES			
2.1 APPROPRIATED RESERVES		-	-
2.2 SECOND LEGAL RESERVES (-)		-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)		-	-
2.3.1 To Owners of Ordinary Shares		-	-
2.3.2 To Owners of Privileged Shares		-	-
2.3.3 To Owners of Redeemed Shares		-	-
2.3.4 To Profit Sharing Bonds		-	-
2.3.5 To Holders of Profit and Loss Sharing Certificates		-	-
2.4 DIVIDENDS TO PERSONNEL (-)		-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)		-	-
III. EARNINGS PER SHARE			
3.1 TO OWNERS OF ORDINARY SHARES		-	-
3.2 TO OWNERS OF ORDINARY SHARES (%)		-	-
3.3 TO OWNERS OF PRIVILEGED SHARES		-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)		-	-
IV. DIVIDEND PER SHARE			
4.1 TO OWNERS OF ORDINARY SHARES		-	0.31
4.2 TO OWNERS OF ORDINARY SHARES (%)		-	31%
4.3 TO OWNERS OF PRIVILEGED SHARES		-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)		-	-

(*) The decision regarding profit distribution will be made at the General Assembly meeting.

(**) Deferred tax expense is presented in the line of other tax and legal obligations.

(***) As a result of the Extraordinary General Assembly meeting held on August 7, 2024, the distribution of the amount of TL 70,174 thousand, which was held in the 2023 profit account, has been realized.

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

FİBA FAKTORİNG ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2024

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

1 ORGANIZATION AND OPERATIONS OF THE COMPANY

Fiba Faktoring Anonim Şirketi ("the Company") was established on November 23, 1992 to provide factoring services to industrial and commercial companies. The Company executing in accordance with 28496 dated December 13, 2012. Financial Leasing, Factoring, Financing and Savings Finance published in the Official Gazette no. Companies Law" and the BRSA's Law No. 28627 dated April 24, 2013 and published in the Official Gazette No. 28627."Establishment and Activities of Financial Leasing, Factoring, Financing and Savings Finance Companies Regulation on the Principles".

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

	31 December 2024		31 December 2023	
(Total TL)	Amount of Shares	Share(%)	Amount of Shares	Share(%)
Fiba Holding A.Ş.	205,200,000	90.00	129,862,000	56.96
Fina Holding A.Ş.	-	0.00	75,338,000	33.04
Other	22,800,000	10.00	22,800,000	10.00
	228,000,000	100.00	228,000,000	100.00

As of 31 December 2024, the number of employees is 109 (31 December 2023: 93).

The Company is registered in Turkey and operates at the following address:

Büyükdere Caddesi, 1. Levent Plaza A Blok No: 173, İç Kapı No:2 34394 Şişli/İstanbul. The company provides factoring operations in one geographic area (Turkey).

Approval of Financial Statements:

The financial statements were approved by the Board of Directors on 19 February 2025. The General Assembly has the authority to change the financial statements.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Statement of Compliance

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

Financial statements are prepared on the basis of historical cost, except for the derivative financial assets/liabilities and financial assets at fair value through other comprehensive income. In determining the historical cost, generally the fair value of the amount paid for the assets is taken as basis.

2.1.2 Functional Currency

The Company's functional currency and financial statement currency is Turkish Lira (TL).

2.1.3 Going concern

The Company has prepared its financial statements by the going concern principle.

FİBA FAKTORİNG ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2024

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

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS *(continued)*

2.1 Basis of Presentation

2.1.4 *Preparation of Financial Statements in Hyperinflationary Periods*

Restatement adjustments have been made to compensate for the effect of changes in the general purchasing power of the Turkish Lira, in accordance with Turkish Accounting Standards on "Preparation of Financial Statements in Hyperinflationary Periods" ("TAS 29") for the financial statements prepared until 31 December 2004. BRSA issued a circular on 28 April 2005 stating that the indicators requiring the application of inflation accounting ceased to exist; consequently, inflation accounting was not applied in the financial statements after 1 January 2005.

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period.

According to the announcement made by the Public Oversight, Accounting and Auditing Standards Authority (KGK) on November 23, 2023, entities applying the Turkish Financial Reporting Standards (TFRS) are required to present their financial statements for the annual reporting period ending on or after December 31, 2023, in accordance with the accounting principles outlined in "TAS 29 Financial Reporting in Hyperinflationary Economies," adjusted for inflation effects.

The same announcement stated that regulatory bodies authorized to regulate and supervise within their respective fields may determine different transition dates for the application of inflation accounting. In this context, the Banking Regulation and Supervision Agency (BDDK) declared, in accordance with the decision of the Board dated December 12, 2023, that the financial statements of banks, as well as financial leasing, factoring, financing, savings financing, and asset management companies as of December 31, 2023, will not be subject to inflation adjustment.

In accordance with the BRSA decision dated January 11, 2024 and numbered 10825, banks and financial leasing, factoring, financing, savings financing and asset management companies will be subject to inflation accounting as of January 1, 2025.

In accordance with the BRSA decision dated December 5, 2024 and numbered 11021, banks and financial leasing, factoring, financing, savings financing and asset management companies will not be subject to the inflation accounting in 2025.

In this framework, TAS 29 has not been applied and inflation adjustment has not been made in the financial statements dated December 31, 2024 and December 31, 2023.

2.1.5 *Offsetting*

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.2 Changes in Accounting Policies

Significant changes in accounting policies are applied retrospectively and the financial statements of the previous period are rearranged.

Except for the policy change explained below, all other accounting policies adopted in preparation of the Company's financial statements for the year ended December 31, 2024 have been applied consistently with the financial statements as at December 31, 2023.

FİBA FAKTORİNG ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2024

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

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

2.2 Changes in Accounting Policies

The Company has changed its accounting policy prospectively for the first time starting from 2024 and started to present lands, which are included in the investment property account within the scope of TAS 40, with their "fair value". As of December 31, 2024, the financial statements are based on the valuation report dated December 2024 prepared by a valuation company authorized by the Capital Markets Board for the determination of fair value. The revaluation increase amounting to TL 149,841 thousand arising from the difference between the calculated fair value and the cost value is included in the revaluation increases/(decreases) of property, plant and equipment in the account of "other comprehensive income items that will not be reclassified to profit or loss" in the other comprehensive income statement in the 2024, which is the first implementation period.

Likewise, the Company has changed its accounting policy prospectively for the first time starting from the 2024 and has chosen the "revaluation method" from the methods specified in TAS 16 as the accounting policy for the measurement of buildings included in the tangible assets. As of December 31, 2024, the revaluation increase amounting to TL 163,246 thousand calculated on the basis of the valuation report dated December 2024 prepared by a valuation company authorized by the Capital Markets Board for the determination of fair value in the accompanying financial statements is included in the valuation increases/(decreases) in the "other comprehensive income that will not be reclassified to profit or loss" in the other comprehensive income statement in the 2024, which is the first implementation period.

2.3 Changes in Accounting Estimates and Errors

If the changes in accounting estimates relate to only one period, changes are applied in the current period but if changes in estimates relate to future periods, changes are applied both in the current and following periods prospectively. Material prior period errors are corrected retrospectively, and prior period financial statements are restated. There is no significant change in the accounting estimates of the company in the current period.

Preparation of financial statements in accordance with Reporting Standards requires the management to implement policies and to make decisions, estimates and assumptions that affect the reported asset, liability, income and expense amounts. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed constantly. The effect of a change in accounting estimates is recognized prospectively in the current and future periods. The main notes for the items including estimates are as follows:

- Note 4 – Derivative financial assets
- Note 5 – Derivative financial liabilities
- Note 6 – Financial assets at fair value through other comprehensive income
- Note 8 – Tangible assets
- Note 9 – Intangible assets
- Note 11 – Tax assets and liabilities
- Note 16 – Provisions

FİBA FAKTORİNG ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed in Turkish Lira (“Thousands of TL”) unless otherwise indicated.)

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

2.4 New and Revised Accounting Standards Turkey

The accounting policies adopted in preparation of the financial statements as of December 31, 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2024 and thereafter. The effects of these standards and interpretations on the Company’s financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as of January 1, 2024 are as follows:

Amendments to TAS 1 - Classification of Liabilities as Current or Non-current

These amendments are effective for annual reporting periods beginning on or after January 1, 2024. The amendments clarify how the classification of liabilities is affected by the conditions that the entity must meet within twelve months after the reporting period. The changes also aim to improve the information provided about such liabilities. The amendments are applied retrospectively in accordance with TAS 8. These changes have not had a significant impact on the Company’s financial position or performance.

Amendments to TFRS 16 – Lease Liabilities in Sale and Leaseback Transactions

These amendments are effective for annual reporting periods beginning on or after January 1, 2024. These amendments related to how an entity accounts for a sale and leaseback transaction under TFRS 16 after the transaction date. They include provisions on how lease payments that are not linked to an index or rate, or that involve variable lease payments, are accounted for in sale and leaseback transactions. The changes are applied retrospectively to sale and leaseback transactions entered into after the initial application date of TFRS 16, in accordance with TAS 8. These changes are not applicable to the Company and have not had any impact on its financial position or performance.

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

These amendments are effective for annual reporting periods beginning on or after January 1, 2024. The amendments require disclosures about supplier finance arrangements and their impact on an entity’s liabilities, cash flows, and liquidity risks in order to enhance transparency. The disclosure requirements respond to concerns raised by the International Accounting Standards Board (IASB), indicating that supplier finance arrangements of some companies are not sufficiently transparent, which hinders the analysis of the investors. These amendments are not applicable to the Company and have not had any impact on its financial position or performance.

TSRS 1 General Requirements for Disclosures of Financial Information Related to Sustainability

TSRS 1 sets out general requirements for disclosures regarding financial information related to sustainability. The standard requires an entity to disclose information that would be useful for the primary users of general-purpose financial reports in making decisions about providing resources to the entity, including risks and opportunities related to sustainability.

FİBA FAKTORİNG ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2024

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

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS *(continued)*

2.4 New and Revised Accounting Standards Turkey *(continued)*

i) The new standards, amendments and interpretations which are effective as of January 1, 2024 are as follows: *(continued)*

TSRS 2 Disclosures Related to Climate

TSRS 2 establishes requirements for identifying, measuring, and disclosing climate-related risks and opportunities that would be useful for the primary users of general-purpose financial reports in making decisions regarding resource allocation to the entity. The application of this standard follows the decision published in the Official Gazette by the Public Oversight Authority (KGK) on December 29, 2023, which announced that certain entities will be subject to mandatory sustainability reporting starting January 1, 2024. In the "Decision on the Scope of Application of the Turkey Sustainability Reporting Standards (TSRS)" dated January 5, 2024, companies subject to sustainability reporting have been identified. Furthermore, according to the "Decision on the Scope of Application of the Turkey Sustainability Reporting Standards (TSRS)" dated December 16, 2024, changes have been made to the list of companies subject to sustainability reporting. Other entities may voluntarily comply with TSRS standards for reporting.

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

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

TFRS 17 – Insurance Contracts Standard

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more consistent approach to measurement and presentation for all insurance contracts. These requirements are designed to achieve consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred by one more year for insurance, reinsurance, and pension companies and will replace TFRS 4 Insurance Contracts as of January 1, 2025. This standard is not applicable to the Company and will not have an impact on the Company's financial position or performance.

Amendments to TAS 21 – Non-convertibility of Currency

In May 2024, the Public Oversight Authority (KGK) published amendments to TAS 21. The amendments determine how to assess whether a currency is convertible and how to establish the applicable exchange rate in the event of non-convertibility. According to the amendment, when assessing the applicable exchange rate for a non-convertible currency, the entity is required to disclose how the non-convertibility of the currency with another currency affects or is expected to affect the entity's performance, financial position, and cash flows. The amendments will be effective for annual reporting periods starting on or after January 1, 2025. Early adoption is permitted, and in such cases, disclosures will be made in the notes. The comparative information will not be restated when the amendments are applied. The impact of these amendments on the Company's financial position and performance is being assessed.

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2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS *(continued)*

2.4 New and Revised Accounting Standards Turkey *(continued)*

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

Amendments to TFRS 9 and TFRS 7 – Classification and Measurement of Financial Instruments

These amendments will be effective for annual reporting periods beginning on or after January 1, 2026 (early adoption is permitted). The amendments include:

- Clarification of the timing requirements related to the recognition and derecognition of certain financial assets and liabilities, along with a new exception for financial debts paid via electronic cash transfer systems;
- Further guidance and clarification on how to assess whether a financial asset meets the principal and interest payment criteria;
- New disclosures for certain instruments with contractual features that could change cash flows (such as instruments linked to environmental, social, and governance (ESG) targets);
- Updates to disclosures for equity instruments where fair value differences are reflected in other comprehensive income.

iii) Amendments issued by the International Accounting Standards Board (IASB) but not issued by POA

The following amendments to IFRS 9 and IFRS 7, along with the IFRS 18 and IFRS 19 Standards, have been published by the IASB but have not yet been adapted or published by the KGK for TFRS. Therefore, they do not form part of TFRS. The Company will make the necessary changes to its financial statements and notes once these standards and amendments become effective in TFRS.

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

In May 2024, the IASB published amendments to IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments. The amendment clarifies that financial liabilities will be derecognized at the "settlement date." Additionally, the amendment introduces an accounting policy choice that allows financial liabilities settled via electronic payment systems to be derecognized before the settlement date, provided certain conditions are met. The amendment also introduces explanatory provisions on how to evaluate the contractual cash flow features of financial assets containing environmental, social, and governance (ESG)-linked or similar conditional features. Moreover, the amendment provides guidance on derecognizable financial assets and contracts linked to each other, as well as on financial instruments measured at fair value through other comprehensive income. Overall, this amendment is not expected to have a significant impact on the Company's financial statements.

Annual Improvements to IFRS Standards – 11th Amendment

In July 2024, the IASB published the "Annual Improvements to IFRS Standards / 11th Amendment," which includes the following changes:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by an Entity Applying IFRS for the First Time: This amendment was made to eliminate potential confusion arising from the inconsistency between the provisions in IFRS 1 and IFRS 9 regarding hedge accounting.
- IFRS 7 Financial Instruments: Disclosures – Gains or Losses on Derecognition: Changes were made to the expression of unobservable inputs in IFRS 7, and a reference to IFRS 13 was added.

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2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS *(continued)*

2.4 New and Revised Accounting Standards Turkey *(continued)*

iii) Amendments issued by the International Accounting Standards Board (IASB) but not issued by POA*(continued)*

Annual Improvements to IFRS Standards – 11th Amendment*(continued)*

- IFRS 9 Financial Instruments – Derecognition of Lease Liabilities by the Lessee and Transaction Price: This amendment clarifies that when a lessee derecognizes a lease liability, any resulting gain or loss should be recognized in profit or loss, in accordance with IFRS 9. Additionally, the reference to "transaction price" was removed.
- IFRS 10 Consolidated Financial Statements – Identifying the "De facto Agent": An amendment was made to address inconsistencies in the paragraphs of IFRS 10 regarding the identification of the "de facto agent."
- IAS 7 Statement of Cash Flows – Cost Method: Following previous amendments, the expression "cost method" has been removed from the standard.

These changes are not expected to have a significant impact on the Company's financial statements.

Amendments to IFRS 9 and IFRS 7 – Contracts Related to Electricity Generated from Natural Resources

In December 2024, the IASB published the amendment "Contracts Related to Electricity Generated from Natural Resources" (pertaining to IFRS 9 and IFRS 7). The amendment clarifies the application of the "own use" exception and allows for hedge accounting if such contracts are used as hedging instruments. Additionally, the amendment introduces new disclosure requirements to ensure that the impact of these contracts on the company's financial performance and cash flows is understood by investors. This amendment is not expected to have a significant impact on the Company's financial statements.

IFRS 18 – New Presentation and Disclosure Standard for Financial Statements

Effective for annual reporting periods beginning on or after January 1, 2027, this new standard focuses on updates to the income statement and provides guidance on the presentation and disclosure of financial statements. The key new concepts introduced in IFRS 18 include:

- The structure of the income statement;
- Disclosures in the financial statements for specific profit or loss performance metrics reported outside the financial statements (i.e., performance metrics defined by management);
- Improved principles for aggregation and disaggregation generally applicable to the primary financial statements and notes.

This amendment is not expected to have a significant impact on the Company's financial statements.

IFRS 19 – New Standard for Non-Publicly Accountable Subsidiaries

In May 2024, the IASB published IFRS 19, which offers certain companies the option to provide reduced disclosures when applying the recognition, measurement, and presentation requirements of IFRS in their financial statements. Unless otherwise specified, companies that choose to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS standards. A company with a subsidiary that is not publicly accountable and prepares consolidated financial statements compliant with IFRS for public use may elect to apply IFRS 19. This standard is not applicable to the Company.

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2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS *(continued)*

2.5 Summary of Significant Accounting Policies

(a) Financial Instruments

(i) Financial Assets

A financial asset is an asset that is cash, an equity instrument of another entity, a contractual right to receive cash or another financial asset from another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity. Financial assets are classified into three categories; financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and financial assets at amortized cost. Classification of the financial asset depending on the purpose and nature of the asset, it is determined at initial recognition.

1) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss, financial assets managed with a business model other than a business model aimed at holding contractual cash flows to collect and selling contractual cash flows, and contractual terms related to financial assets, does not result in cash flows that only include principal and interest payments on the principal balance on specified dates; are financial assets that are acquired to profit from fluctuations in prices and similar factors in the short-term in the market, or that are part of a portfolio aimed at making a profit in the short-term, regardless of the reason for their acquisition. Financial assets at fair value through profit or loss are recorded with their fair values and are then valued with their fair values. Gains and losses resulting from the valuation are included in the profit/loss accounts. Financial assets that constitute derivative products that have not been determined as an effective hedging instrument against financial risk are also classified as financial assets at fair value through profit or loss. Related financial assets are shown with their fair values, and the gains and losses resulting from the valuation are accounted for in the profit or loss statement.

2) Financial assets at fair value through other comprehensive income

Equity instruments and some debt securities held by the Company are classified as financial assets which are presented fair value through other comprehensive income. Gains and losses arising from changes in fair value are accounted for in other comprehensive income and financial assets which are recognized in the revaluation fund, excluding impairments recorded in the profit or loss statement of debt securities classified in this category that calculated using the effective interest method, and foreign exchange gains and losses on monetary assets is accumulated. If the investment is disposed of or impaired, the total profit/loss accumulated in the revaluation fund is classified into the profit or loss statement. At initial recognition entity may irrevocably choose to present subsequent changes in an equity instrument of the fair value of an investment that is not held for trading in other comprehensive income. If this preference is made, dividends from the investment are recognized as profit or loss. The relevant fair value differences recognized in the other comprehensive income statement are not transferred to profit or loss in the following periods but transferred to previous years' profit/loss. Dividends from such investments are recognized as profit or loss unless they clearly constitute a recovery of part of the cost of the investment. Equity instruments at fair value through other comprehensive income are not subject to impairment calculation.

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2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS *(continued)*

2.5 Summary of Significant Accounting Policies *(continued)*

(a) Financial Instruments *(continued)*

(i) Financial assets *(continued)*

2) Financial assets at fair value through other comprehensive income *(continued)*

Within the scope of TFRS 9, all investments in equity instruments and contracts related to these financial instruments should be measured at their fair values. However, in some exceptional circumstances, the cost may be an appropriate estimation method for determining fair value.

3) Financial assets at amortized cost

In addition to financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial asset with contractual terms that lead to cash flows are solely payments of principal and interest at certain dates, they are classified as financial assets at amortized cost. Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using internal rate of return. Interest income obtained from financial assets measured at amortized cost is accounted in statement of profit or loss.

(ii) Cash and cash equivalents

Cash and cash equivalents are comprised of cash, bank deposits with maturity periods of less than three-months. Cash equivalents are convertible to cash and correspond short-term highly liquid investments with maturities less than three-months and which have no risk of impairment.

(iii) Factoring receivables

Factoring receivables and payables are recorded at their fair values with netting of transaction costs. In the periods of registration, they are shown with the costs discounted using the effective interest rate method.

The total factoring receivables provision determined as a result of the evaluation of factoring receivables is determined in a way to cover the doubtful receivables in the Company's factoring receivables portfolio. The Company reserves the relevant provision in accordance with the provisions of "Financial Leasing, Factoring and Financing Companies' Accounting Practices and Financial Tables ("Regulation") published in the Official Gazette dated December 24, 2013 and numbered 28861 by the BRSA. According to the relevant regulation, at least 20% after taking into account the collaterals of factoring receivables delayed between 90-180 days from the due date, at least 50% after the collaterals of factoring receivables delayed between 180-360 days from the due date of collection and After taking into account the guarantees of factoring receivables delayed more than 1 year from the date of maturity, 100% specific provision is provided.

According to the relevant regulation, even if the delay in the collection of the receivables has not exceeded the above periods or there is no delay in the collection of the receivables, the company can reserve specific provisions at the rates it determines, taking into account the reliability and prudence principles of all available data on the credit worthiness of the debtor, without including the collateral amount in the calculation.

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2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS *(continued)*

2.5 Summary of Significant Accounting Policies *(continued)*

(a) Financial Instruments *(continued)*

In the Regulation, it is stated that companies can make provision in general and without being directly related to any transaction, in order to cover the losses expected to arise from the receivables with no delay in the collection of the principal, interest or both or with a delay of less than ninety days, but not directly related to any transaction, but it is not considered as a requirement. The company can set aside general provisions within this scope for factoring receivables that do not become doubtful.

According to the "Regulation On Amendments Related To Regulations On Establishment and Operation Principles Of Financial Leasing, Factoring and Financing Companies" that was issued on 2 May 2018 by BRSA, factoring, leasing and finance companies have not applied TFRS 9. In this context, the Company continues to apply the current legislation. The Company provides specific and general provisions in accordance with Article 6 of the "Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring, Financing and Savings Financing Companies" published by the BRSA in the Official Gazette dated June 29, 2021 and numbered 31526.

Written off some receivables by loss of qualified

By the provisions of the "Regulation on the Accounting Practices and Financial Statements of Financial Leasing, Factoring, Financing and Savings Financing Companies" published in the Official Gazette No. 30961 dated 27 November 2019, reasonable rates for the recovery of factoring receivables classified as "Receivables as Loss Qualified" It has been possible to write off the part that has no expectations from the record and to is taken out of the balance sheet in this way.

The company makes an objective and subjective evaluation while determining whether there are reasonable expectations.

Factoring receivables, which are considered to have no reasonable expectation for their recovery and are currently classified as "Fifth Group-Loss Receivables" by the Company, can be written off the provision amounts.

In addition, factoring receivables that meet the following conditions may be considered by the Company as having completely lost their ability to valuation and may be written off in this context.

- The receivable that is planned to be written off must have been classified in the category of loss receivables for at least 1 year.
- Cannot be decided to write off the receivable without starting legal proceedings against the customer.
- No collection should have been made within a 1-year retrospective period, directly or through legal proceedings regarding the customer. However, in case the bankruptcy of the customer has been decided or there is no reasonable expectation for the recovery of the receivable, or the collection has been made within the last 1 year, it may be decided to deduct the receivable from the record.
- The customer's account should not have a guarantee that is likely to be collected when it is subject to follow-up. However, if there is collateral in the customer's account but the convertibility of the collateral is considered weak, it may be determined to write off the receivable from the record.

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2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS *(continued)*

2.5 Summary of Significant Accounting Policies *(continued)*

(a) Financial Instruments *(continued)*

Written off some receivables by loss of qualified (continued)

As of 31 December 2024, the Company has TL 144,406 thousand of factoring receivables in the form of write-offs (31 December 2023: None).

(iv) Other Assets and Other Liabilities

Other assets and other liabilities are shown over their cost values due to their short-term nature.

(v) Loan Received and Marketable Securities

When the loans and securities issued are recorded for the first time, they are recorded at their fair values netting of transaction costs. In the periods following their recording, the repayment amounts are reflected to the financial statements with their current values calculated by the effective interest method, and the differences between the first recorded amount are transferred to the income statement during the maturity of the debts.

(vi) Derivative Financial Instruments

Exchange differences arising from fair value changes of all derivative financial instruments are recognized in the capital market transactions profit / loss accounts. Fair value is derived from quoted market prices and, where appropriate, discounted cash flow models. The fair values of off-exchange foreign currency forward contracts are determined by comparing the initial maturity rate with the calculated maturity rate of the related currency for the remaining period of the contract and by capitalizing in closing balance. All derivative financial instruments are recognized as assets at derivative financial assets if the fair value is positive and as liabilities at derivative financial liabilities if the fair value is negative.

The fair value of derivative financial instruments that are not traded in the market are estimated by taking into consideration the counterparty's reliability, Company's receivables and liabilities contracts that expires at the end of the reporting period and current market conditions.

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2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

(b) Tangible assets and depreciation

(i) Tangible assets

Property, plant and equipment are recognized by deducting accumulated depreciation and permanent value loss from inflation adjusted cost value as of 31 December 2004 for items purchased before 1 January 2005, and from cost values of acquisition for items purchased after 31 December 2004. (see Note2.5 (f))

The Company has changed its accounting policy prospectively for the first time starting from the 2024 and measures the value of the buildings according to the revaluation model within the framework of TAS 16 "Accounting Standard for Property, Plant and Equipment". For this purpose, the fair value of the buildings has been determined by an independent valuation company. As of December 31, 2024, the increase in the book value of the buildings as a result of the revaluation is reflected in the "Other Comprehensive Income that will not be Reclassified to Profit or Loss" in the equity.

(ii) Subsequent costs

The cost of replacing any part of an item of property, plant and equipment is capitalized. Subsequent costs can be capitalized if they increase the future economic benefit of the asset. All other expense items are recognized in the statement of income as incurred.

(iii) Depreciation

Depreciation of property, plant and equipment is recognized in the statement of income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives of property, plant and equipment are as follows:

<u>Definition</u>	<u>Year</u>
Buildings	50 years
Furniture and fixtures	5 years
Vehicles	5 years

Leasehold improvements are amortized with the shorter of the periods of the respective leases or useful lives on a straight-line depreciation basis.

Gains and losses on disposals of property, plant and equipment are included in other income and expenses from operating activities.

(c) Intangible assets

Intangible assets consist of computer software licenses. Computer software licenses are recognized by deducting accumulated amortization and permanent value loss from inflation adjusted cost value as of 31 December 2004 for items purchased before 1 January 2005, and from cost values of acquisition for items purchased after 31 December 2004. Amortization for intangible assets is calculated using the straight-line method over their estimated useful lives (3 years) starting from the acquisition date.

d) TFRS 16 Leasings

The company has started to apply the TFRS 16 Leases standard as of January 1, 2019. TFRS 16 introduced a single lease accounting model for lessees. As a result, the Company as a lessee recognized the right-of-use asset representing the right to use the underlying asset and the lease liabilities representing the lease payments that it is obligated to pay rent in its financial statements.

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2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

(d) TFRS 16 Leasings (continued)

Definition of leasing

Previously, the Company decided whether a contract includes a lease at the beginning of the contract, according to TFRS Interpretation 4 "Determining whether an Agreement includes a lease", but the Company now evaluates whether a contract includes a lease based on the new definition of a lease. By TFRS 16, if the right to control the use of the asset defined in a contract is transferred for a specified period, that contract is or includes a lease.

In the transition to TFRS 16, the Company has chosen to apply the old form to be defined as a lease, using the facilitating application regarding which transactions are classified as leases.

Therefore, it has applied TFRS 16 only to contracts previously defined as lease contracts. According to TAS 17 and TFRS Interpretation 4, contracts that do not contain a lease have not been reassessed whether they contain a lease. Therefore, the definition of a lease under TFRS 16 is only applied to contracts entered into or modified on or after 1 January 2019.

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

As a Tenant

The company leases real estate and vehicle assets. By TFRS 16, right-of-use assets and lease liabilities for leases are included in the financial statements, in other words, these lease transactions are presented in the financial statement.

The Company has chosen not to reflect right-of-use assets and lease liabilities in its financial statements for real estate and vehicle rentals with a lease term of 12 months or less. The Company has reflected these leases as expenses on a straight-line basis over the lease term.

The Company has presented its lease obligations under the heading of "Leasing Payables (net)" in the financial statement.

The company records the right-of-use asset and the lease liability on the financial statements at the actual commencement date of the lease. The right-of-use asset is measured initially at cost and subsequently at cost less accumulated depreciation and accumulated impairment losses and adjusted for remeasurement of the lease liability. The right-of-use asset is initially measured at cost and after the lease commences, it is measured at fair value by the Company's accounting policies.

At the commencement date of the lease, the lease liability is measured at the present value of the lease payments which not paid at that date. Lease payments are discounted using the Company's alternative borrowing interest rate if the implied interest rate in the lease can be easily determined. Generally, the Company used the alternative borrowing interest rate as the discount rate.

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2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS *(continued)*

2.5 Summary of Significant Accounting Policies *(continued)*

(d) TFRS 16 Leasings *(continued)*

After the commencement date of the lease, the lessee increases the carrying amount of the lease liability to reflect the interest on the lease liability and decreases the carrying amount to reflect the lease payments made. It is remeasured in the event of a change in the lease term and in the assessment of the option to purchase the asset, and in the event of a change in the amounts expected to be paid under the residual value commitment, and in the event of a change in these payments as a result of a change in the index or rate.

The company has used its judgment to determine the lease term for some leases that include renewal options. Evaluating whether the Company is reasonably confident to exercise such options affects the lease term; therefore, this matter significantly affects the amounts of lease liabilities and right-of-use assets recognized.

(e) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation, including property under construction for such purposes. Until December 31, 2024, investment properties are measured initially at cost less accumulated depreciation and accumulated impairment if any.

The Company has changed its accounting policy prospectively for the first time starting from the 2024 and started to present its lands, which are included in the investment property account within the scope of TAS 40, with their "fair value". As of December 31, 2024, the revaluation increase arising from the difference between the cost value and the fair value calculated on the basis of the valuation reports dated December 2024 prepared by a valuation company authorized by the Capital Markets Board for the determination of fair value in the accompanying financial statements as of December 31, 2024 is included in the revaluation increases/(decreases) of property, plant and equipment in the "other comprehensive income that will not be reclassified to profit or loss" in the other comprehensive income statement in the 2024, which is the first implementation period.

Gains or losses arising from changes in the fair value of investment properties in subsequent accounting periods will be included in the statement of profit or loss in the period in which they occur.

When the use of property changes such that it is reclassified as machinery, plant, and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

If the property becomes an investment property, the Company accounts for such property up to the date of change in use by the policy specified under tangible assets.

Investment properties are derecognized if they are sold or become unusable and it is determined that no future economic benefits will be derived from their sale. Profit/loss arising from the completion of the useful life or sale of the investment property is included in the profit or loss statement in the period it occurs.

Transfers are made when there is a change in the use of investment property. For a transfer from an investment property followed on a fair value basis to an owner-occupied property, the estimated cost in post-transfer recognition is the fair value of the property at the date of the use change. If an owner occupied property converts to an investment property to be presented on a fair value basis, the entity applies the accounting policy applied to Tangible Assets up to the date of the use change.

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2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS *(continued)*

2.5 Summary of Significant Accounting Policies *(continued)*

(f) 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 recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement. The impairment loss recognized in the context of cash generating units is initially deducted from the carrying value of goodwill allocated to the units and then from the carrying value of other assets in the unit (unit group).

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.

Impairment losses recognised in prior years 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.

(g) Capital increase

Share capital increases from the shareholders are recognized at nominal value as approved at the annual general assembly meetings of shareholders.

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2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS *(continued)*

2.5 Summary of Significant Accounting Policies *(continued)*

(h) Retirement pay provision

Provision for retirement pay is made according to the present value amount of possible liabilities from retirement of the Company's employees and this amount is calculated under Turkish Labor Law. It is calculated on accrual basis when it is earned by the employees and recognized on financial statements. It is calculated on accrual basis when it is earned by the employees and recognized on financial statements. The amount of liability is calculated based on the retirement pay liability ceiling that is announced by the government.

TAS 19, "Employee benefits", provides the calculation of the present value of the Company's possible liabilities using actuarial valuation methods.

The Company management has evaluated the effect of actuarial gains/losses on current financial statements concerning the calculation of retirement pay liability and has recognized the after-tax amount in profit or loss as it is below the materiality level.

The principal assumption is that the maximum liability of employment termination benefits for each year of service will increase in line with inflation. As of 31 December 2024, the provision for retirement pay provision is calculated with TL 46.655,43 (full) which is effective as if 1 January 2025 since the maximum liability is revised semi-annually (31 December 2023: TL 35.058,58 (full) as of 1 January 2024).

(i) Provisions, contingent asset and liabilities.

In accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets" a provision is recognized when the Company has a legal or constructive liability 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 liability, and a reliable estimate can be made of the amount of the liability. If the specified criteria are not met, the Company discloses the related issues in the accompanying notes. In case of a material effect of time value of money, the provision amount is determined as the present value of the cash outflows required to meet the liability. In order to determine the discount rate that is used to reduce the provision to present values, interest rate in the related markets and risk related to the liability is taken into consideration.

Contingent assets are not recognized unless they are realized, and they are only disclosed in the notes.

(j) Income and expense recognition

(i) Factoring income

Factoring interest and commission income is recognized on an accrual basis using the effective interest method. The effective interest method is the method of valuing the financial instrument at amortized cost and allocating the relevant interest income to the related period. Effective interest rate; It is the rate that discounts the estimated total cash to be collected during the expected life of the financial instrument or, if appropriate, a shorter period, to the net present value of the relevant financial asset. Income-related to financial assets classified other than financial assets at fair value through profit or loss is calculated using the effective interest method.

(ii) Other operating income and expense

Other income and expenses are recognized on accrual basis.

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2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS *(continued)*

2.5 Summary of Significant Accounting Policies *(continued)*

(j) Income and expense recognition *(continued)*

(iii) Finance income and expenses

Finance income and expenses recognized on accrual basis using effective interest method.

(k) Taxation on income

Income tax includes current year tax (corporate tax) and deferred tax. Current year tax liability includes the tax liability calculated based on taxable profit for the year and by using the tax rates effective in the reporting period and adjustments related to tax liabilities in previous years.

Deferred tax is calculated by determining tax effects of temporary differences between the recognized values of assets and liabilities and the amounts of assets and liabilities used in the statutory tax assessment account. Based on the tax laws enacted at the end of the reporting period, deferred tax is calculated at the tax rates expected to be applied when temporary differences are reversed and recognized as an expense or income in profit or loss.

According to TAS 12, "Income Taxes" deferred tax assets and liabilities are recognized in the accompanying financial statements, using the balance sheet method, on all taxable temporary differences to the extent that they are expected to increase or decrease on the income tax payable in the period when they will reverse. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

If differences from the valuation of the financial assets are recognized under the income statement, related current corporate tax or deferred tax income or expense is recognized under income statement. If differences from the valuation of the related assets are recognized in equity, related deferred tax effect is recognized under equity.

Deferred tax assets and liabilities are set off when there is a legally enforceable right to set off current tax assets against current tax liabilities and when taxes are subject to the same fiscal authority.

(l) 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 or considered and referred to as related parties. Related parties also include investors and the Company management. 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".

(m) Earnings per share

The balance of the earnings per share is calculated by dividing period net profit by weighted average number of the shares. Weighted average number of shares is number of ordinary shares at the beginning of the period and the number of shares issued during the period or taken back to a time-weight factor multiplied by the number of shares. The time weight factor is the ratio of the number of days where a certain number of shares issued and total number of days in the period.

In accordance with TAS 33 "Earnings per Share", companies of which shares are not traded on the stock exchange are not obliged to disclose earnings per share. Since the Company's shares are not traded on the stock Exchange, earnings per share is not calculated in the accompanying financial statements.

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2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS *(continued)*

2.5 Summary of Significant Accounting Policies *(continued)*

(n) Events after the reporting period

Events after the reporting date are those events occur between the balance sheet date and the date when the financial statements are authorized for issue. In accordance with TAS 10, "Events after the Balance Sheet Date"; events after the reporting date that provide additional information about the Company's position at the reporting balance sheet dates are reflected in the financial statements. If the events do not require adjusting financial statements, the Company discloses the related matters in the notes.

(o) Statement of cash flow

The Company prepares cash flow statements to inform the users of the financial statements about the changes in its net assets, its financial structure and its ability to affect the amount and timing of its cash flows with respect to changing external conditions.

In the statement of cash flows, cash flows of the period are reported with a classification based on operating, investing and financing activities. Cash flows from operating activities represent cash flows from activities within the scope of the Company's area of activity. Cash flows relating to investment activities represent cash flows used and generated from investment activities (fixed investments and financial investments). Cash flows related to financing activities represent the sources of financing the Company used and the repayments of these sources.

As at and for the year ended 31 December 2024 and 31 December 2023, the cash and cash equivalents in the statement of cash flows are as follows:

	31 December 2024	31 December 2023
Cash on hand / Effective	-	4
Banks (Note 3)	385,317	259,896
Less:		
- Interest income accrual	(449)	(262)
Cash and cash equivalents in the statement of cash flow	384,868	259,638

(p) Reporting financial information according to operating segments

Since the Company does not have separate segments of which financial performances are followed separately, no reporting has been made according to the operating segments.

(r) The effect of changes in foreign exchange rates

Transactions in foreign currencies have been translated into TL at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into TL at the exchange rates prevailing at the reporting date. Foreign exchange differences arising from these transactions are stated in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies, which are carried at fair value, are expressed in TL at the exchange rates ruling at the date at which their fair value is determined.

The foreign exchange rates used by the Company as of 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
USD	35,2233	29,4382
EUR	36,7429	32,5739
GBP	44,2458	37,4417

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3 CASH, CASH EQUIVALENTS and CENTRAL BANK

As of 31 December 2024 and 31 December 2023, the details of banks are as follows:

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
- Demand deposits	17,741	18,463	7,731	172,568
- Time deposits	349,113	-	79,597	-
Total	366,854	18,463	87,328	172,568

Time deposits consist of TL denominated bank balances with average interest rate of less than one month applied to time deposits amounting to TL 349,113 Thousand is 46.53% (31 December 2023: The average interest rate applied to time deposits amounting to TL 79,597 Thousand is 39,76%).

As of 31 December 2024, there are no blocked deposits (31 December 2023: None).

As of 31 December 2024, total amount of banks with original maturity of less than three months and which are not blocked, excluding the income accruals which form a basis for cash flow statement, is TL 384,868 Thousand (31 December 2023: TL 259,638 Thousand).

Foreign currency risk and sensitivity analysis of the Company as of 31 December 2024 and 31 December 2023 have been disclosed in Note 28.

4 DERIVATIVE FINANCIAL ASSETS

Derivative financial instruments are carried at fair value, and positive fair values are presented in derivative financial assets, negative fair values are presented in derivative financial liabilities.

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Derivative financial assets				
Currency swaps	2,022	-	-	-
Total	2,022	-	-	-

5 DERIVATIVE FINANCIAL LIABILITIES

Derivative financial instruments are presented at fair value, with positive fair value changes recorded in the derivative financial assets account and negative fair value changes recorded in the derivative financial liabilities account.

As of 31 December 2024 and 31 December 2023, there are no derivative financial liabilities.

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6 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Net)

As of 31 December 2024 and 31 December 2023, the details of shares classified as financial assets at fair value through other comprehensive income are as follows:

	31 December 2024		31 December 2023	
	Amount	Share (%)	Amount	Share (%)
Credit Europe Group N.V. ("Credit Europe")	325,476	1.29	275,974	1.29
RE-PIE Portföy Yönetimi A.Ş. Fiba Fırsat Girişim	96,863	-	42,785	-
FBM - Fiba Portföy Yönetimi A.Ş. Fiba Büyüme G	33,156	-	-	-
Gelecek Varlık A.Ş.	92	0.001	68	0.001
Total	455,587		318,827	

As of 31 December 2024 and 31 December 2023, the details of financial assets classified as financial assets at fair value through other comprehensive income are as follows:

	31 December 2024	31 December 2023
<u>Equity Securities</u>		
Not traded on the stock exchange(*)	325,476	275,974
Listed on the stock exchange	92	68
<u>Venture Capital Investment Fund</u>		
RE-PIE Portföy Yönetimi A.Ş. Fiba Fırsat Girişim Sermayesi Yatırım Fonu	96,863	42,785
FBM - Fiba Portföy Yönetimi A.Ş. Fiba Büyüme Girişim Sermayesi Yatırım Fonu	33,156	-
	455,587	318,827

(*) Credit Europe Group N.V. ("Credit Europe") share is recognized in other comprehensive income at its fair value, taking into account 5-year discounted cash flows.

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

	31 December 2024	31 December 2023
Opening balance 1 January	318,827	284,351
Purchases	71,999	14,998
Sales	-	(113,092)
Appraisal surplus	64,761	132,570
Closing balance	455,587	318,827

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7 FINANCIAL ASSETS AT AMORTIZED COST (Net)

7.1 Factoring Receivables and Payables

As of 31 December 2024 and 31 December 2023 the details of factoring receivables are as follows:

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Discounted Factoring Receivables (Net)	6,047,147	37,298	4,022,302	8,530
Other Factoring Receivables	278,052	9,017	282,144	6,185
Factoring receivables, net	6,325,199	46,315	4,304,446	14,715

As of 31 December 2024, factoring receivables longer than one year amount is TL 6,220 Thousand. (31 December 2023:None).

The amount of Company's factoring receivables overdue but not impaired is TL 40,366 Thousand (31 December 2023: 6,845 Thousand TL) and their aging as follows:

	31 December 2024	31 December 2023
Overdue 1 month	19,304	6,845
Overdue 1-3 months	21,062	-
Total	40,366	6,845

As of 31 December 2024, the Company has also provided a general provision amounting to TL 45,202 thousand for factoring receivables in order to cover the losses expected to arise from receivables that are not impaired, not overdue or less than ninety days overdue but whose amount is not certain (31 December 2023: None) (Note 16).

Factoring Payables

As of 31 December 2024 and 31 December 2023, details of short-term factoring payables are as follows:

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Factoring payables	1,181	911	595	-
Total	1,181	911	595	-

Factoring payables are collected for factoring customers and represent the amounts which have not been deposited in the accounts of the related factoring customers.

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7 FINANCIAL ASSETS AT AMORTIZED COST (Net) (continued)

7.2 Non-Performing Receivables

As of 31 December 2024 and 31 December 2023, details of the Company's non-performing factoring receivables as follows:

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Non-performing factoring receivables	92,739	7,637	76,831	-
Special provision	(64,977)	(4,356)	(72,439)	-
Non-performing loans, net	27,762	3,281	4,392	-

As of 31 December 2024 and 31 December 2023, aging and specific provision distribution of non performing factoring receivables are as follows:

	31 December 2024		31 December 2023	
	Total factoring receivables under follow up	Provision	Total factoring receivables under follow up	Provision
Not overdue	8,473	8,473	18,141	16,858
1-3 months past due	191	95	28,814	25,916
3-6 months past due	41,215	21,548	11,686	11,686
6-12 months past due	45,308	34,634	3,413	3,413
Past due over a year	5,189	4,583	14,777	14,566
Total	100,376	69,333	76,831	72,439

Movement of specific provision during the period as follows:

	31 December 2024	31 December 2023
Balance, 1 January	72,439	41,412
Written off	(144,406)	-
Provision allocated during the period (Note 23)	162,707	41,525
Provision released during the period (Note 22)	(21,407)	(10,498)
Closing balances, 31 December	69,333	72,439

Details of the written off factoring receivables as follows:

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Written off	144,034	372	-	-
	144,034	372	-	-

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8 TANGIBLE ASSETS

Movements of tangible assets for periods ended at 31 December 2024 and 31 December 2023 are as follows:

	Buildings	Furniture and fixtures	Vehicles	Leasehold improvements	Other property, plant and equipment (*)	Right-of-use buildings	Right-of-use vehicles	Total
Cost								
Opening balance, 1 January 2023	2,790	2,882	332	1,593	1,531	2,618	9,516	21,262
Additions	-	2,861	-	2,093	-	6,969	8,532	20,455
Disposals	-	(57)	(332)	(191)	-	-	(1,418)	(1,998)
Closing balances, 31 December 2023	2,790	5,686	-	3,495	1,531	9,587	16,630	39,719
Opening balance, 1 January 2024	2,790	5,686	-	3,495	1,531	9,587	16,630	39,719
Additions	-	4,449	16,150	4,696	-	10,736	9,049	45,080
Disposals	-	(82)	-	-	(1,531)	-	(2,123)	(3,736)
Valuation	163,246	-	-	-	-	-	-	163,246
Closing balances, 31 December 2024	166,036	10,053	16,150	8,191	-	20,323	23,556	244,309
Accumulated depreciation								
Opening balance, 1 January 2023	1,099	1,268	279	1,574	-	299	3,580	8,099
Current year depreciation expense	68	634	33	109	-	2,082	5,271	8,197
Disposals	-	(22)	(312)	(191)	-	-	(1,418)	(1,943)
Closing balances, 31 December 2023	1,167	1,880	-	1,492	-	2,381	7,433	14,353
Opening balance, 1 January 2024	1,167	1,880	-	1,492	-	2,381	7,433	14,353
Current year depreciation expense	4,097	1,295	353	432	-	3,522	7,560	17,259
Disposals	-	(73)	-	-	-	-	(2,110)	(2,183)
Closing balances, 31 December 2024	5,264	3,102	353	1,924	-	5,903	12,883	29,429
Net book value								
1 January 2023	1,691	1,614	53	19	1,531	2,319	5,936	13,163
31 December 2023	1,623	3,806	-	2,003	1,531	7,206	9,197	25,366
1 January 2024	1,623	3,806	-	2,003	1,531	7,206	9,197	25,366
31 December 2024	160,772	6,951	15,797	6,267	-	14,420	10,673	214,880

As of 31 December 2024, insurance coverage on tangible assets amount to TL 241,392 Thousand (31 December 2023: TL 177,539 Thousand) insurance premium amounts to TL 581 Thousand (31 December 2023: TL 334 Thousand). There is no lien on tangible assets such as pledge, mortgage and etc.

(*) Other tangible assets consist of pictures with artistic values that are not subject to depreciation.

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8 TANGIBLE ASSETS

The Company has changed its accounting policy prospectively for the first time starting from 2024 and has chosen the "revaluation method" from the methods specified in TAS 16 as the accounting policy for the measurement of buildings included in the tangible assets. As of December 31, 2024, the revaluation increase amounting to TL 163,246 thousand calculated on the basis of the valuation report dated December 2024 prepared by a valuation company authorized by the Capital Markets Board for the determination of fair value in the accompanying financial statements is included in the valuation increases/(decreases) in the "other comprehensive income that will not be reclassified to profit or loss" in the other comprehensive income statement in the 2024, which is the first implementation period.

9 INTANGIBLE ASSETS

Movements of intangible assets for the period ended 31 December 2024 and 31 December 2023 are as follows:

	Computer software
Cost	
Opening balance, 1 January 2023	3,211
Additions	1,133
Closing balances, 31 December 2023	4,344
Opening balance, 1 January 2024	4,344
Additions	1,691
Closing balances, 31 December 2024	6,035
Accumulated amortization	
Opening balance, 1 January 2023	1,729
Current year depreciation	784
Closing balances, 31 December 2023	2,513
Opening balance, 1 January 2024	2,513
Current year depreciation	1,189
Closing balances, 31 December 2024	3,702
Net book value	
1 January 2023	1,482
31 December 2023	1,831
1 January 2024	1,831
31 December 2024	2,333

The Company has no intangible asset created within the entity.

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10 INVESTMENT PROPERTY

The Company's investment property consists of land acquired for receivables.

The Company has changed its accounting policy prospectively for the first time starting from 2024 and present its lands, which are included in the investment property account within the scope of TAS 40, with their "fair value". As of December 31, 2024, the valuation increase amounting to TL 149,841 thousand arising from the difference between the cost value and the fair value calculated on the basis of the valuation reports dated December 2024 prepared by a valuation company authorized by the Capital Markets Board for the determination of fair value in the accompanying financial statements is included in the valuation increases/(decreases) of property, plant and equipment in the "other comprehensive income items that will not be reclassified to profit or loss" account in the other comprehensive income statement in the 2024, which is the first implementation period.

Investment properties consist of assets acquired for receivables. As of 31 December 2024, fair value of investment properties is TL 166,300 Thousand (31 December 2023: TL 128,500 Thousand). The fair value determined by an independent valuation company and the fair value hierarchy level is 3.

Fair value measurements of investment property

As of 31 December 2024 and 31 December 2023, the fair value of the investment property has been determined by an independent valuation company. The valuation company is authorized by the Capital Markets Board (CMB) and provides real estate valuation services by the capital market legislation and has sufficient experience and qualifications in the fair value measurement of real estate in the relevant regions. The fair value of the land ownership has been determined according to the market comparative approach reflecting the current transaction prices for similar properties.

	Carrying value	Fair value level as of the reporting period		
	31 December 2024	Level 1	Level 2	Level 3
Investment property	166,300	-	-	166,300

	Carrying value	Fair value level as of the reporting period		
	31 December 2023	Level 1	Level 2	Level 3
Investment property	16,459	-	-	128,500

No different valuation method used in the current period.

11 TAX ASSETS AND LIABILITIES

The Company is subject to the Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Company's results for the year.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding non-deductible expenses, and by deducting exempt income and other non-taxable income (carried forward losses if available and investment incentives if preferred).

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11 TAX ASSETS AND LIABILITIES *(continued)*

In Turkey, the legal tax base to be found by adding non-deductible expenses to the commercial income of the corporations in accordance with the tax laws and deducting the exemptions in the tax laws. The corporate tax rate applied after January 1, 2021 was 20%. However No. 7316, which entered into force upon publication in the Official Gazette dated April 22, 2021 and numbered 31462 On the Amendment of the Law on the Collection Procedure of Public Receivables and Certain Laws Provisional Article 13 added to the Corporate Tax Law No. 5520 by Article 11 of the Law the corporate tax rate will be 25% for the corporate income for the taxation period of 2021 and 25% for the taxation period of 2022. It is regulated to be applied as 23% for the corporate earnings of the taxation period. 08 Law No. 7394, which entered into force in the Official Gazette dated April 2022 and numbered 31810, and Law No. 5520 By amending Article 32 and Provisional Article 13 of the Corporate Tax Law, 6361 Operating within the scope of the Law on Financial Leasing, Factoring and Financing Companies 25% on the corporate income of companies for the taxation periods in 2022 and onwards Corporate Tax was decided to be levied at the corporate tax rate.

Law No. 7456, titled "Amendment Law on the Imposition of Additional Motor Vehicle Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurred on 6/2/2023, and Amendments to Certain Laws and Decree Laws Numbered 375," was published in the Official Gazette dated July 15, 2023, with the number 32249. According to Article 21 of Corporate Tax Law No. 5520, the corporate tax rate is determined as 25%. However, for banks, companies within the scope of the Financial Leasing, Factoring, Financing, and Savings Finance Companies Law numbered 6361, electronic payment and money institutions, authorized exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies, the rate of 30% is regulated to be applied to corporate profits.

As of 31 December 2024, the tax rate for the period tax calculations is 30% has been used (31 December 2023: 30%). Within the scope of the aforementioned law amendments, as of 31 December 2024 deferred tax assets and liabilities in the financial statements with a rate of 30% (31 December 2023: %30).

Losses can be carried forward for offset against future taxable income for up to 5 years. However, losses cannot be carried back for offset against profits from previous periods.

Dividend earnings of corporations from participation in the capital of another fully liable corporation(except for participation certificates of mutual funds and dividends obtained from shares of investment partnerships) are exempt from corporate tax. In addition, 75% of the profits arising from the sale of the participation shares in the assets of the corporations for at least two full years and the founder's shares, the usufruct shares, and the pre-emptive rights of the real estates (immovables) owned for the same period, are exempt from corporate tax as of 31 December 2017. However, with the amendment made with Law No.7061, this rate has been reduced from 75% to 50% in terms of immovables and this rate is used as 50% in tax returns to be prepared as of 2018. To benefit from the exemption, the said income must be kept in a passive fund account and not withdrawn from the business for 5 years. The sales price must be collected until the end of the second calendar year following the year of sale. In addition, the 50% exemption applied to the gains arising from the sale of immovable properties that have been in the assets of corporations for at least two full years has been abolished as of 15.07.2023. With the Provisional Article 16 added to the Law No. 5520, it has been ruled that the 50% exemption rate applied to the sales of immovable properties in the assets of the corporations before 15.07.2023 will be applied as 25% as of this date. In Turkey, there is no practice of reaching an agreement with the tax administration regarding the taxes to be paid. Corporate tax returns are submitted within four months following the end of the accounting period. The tax inspection authorities may examine the tax returns and the accounting records underlying them during the five years following the accounting period and make a reassessment as a result of their findings.

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11 TAX ASSETS AND LIABILITIES *(continued)*

In accordance with the repeated Article 298 of the Tax Procedure Law, 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 realized as of December 31, 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, the provisional article 33 was added to the Tax Procedure Law No. 213 and the 2021 and 2022 accounting periods, including the provisional tax periods (to which for the accounting periods ending in 2022 and 2023 for those who are assigned a special accounting period) and in the temporary tax periods of the 2023 accounting period, the financial statements will not be subject to inflation adjustment, regardless of whether the conditions for inflation adjustment within the scope of repeating Article 298 are met, December 31, 2023 financial statements as of December 31, 2023 will be subject to inflation adjustment regardless of whether the conditions for inflation adjustment are met or not, and the profit/loss differences arising from the inflation adjustment will be recognized in the retained earnings account.

According to Article 17 of Law No. 7491, published in the Official Gazette dated December 28, 2023, and numbered 32413, Banks, companies within the scope of Law No. 6361 on Financial Leasing, Factoring, Financing, and Savings Finance Companies dated 21/11/2012, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies are legally exempt from considering the gains/losses arising from the inflation adjustment to be made in the 2024 and 2025 accounting periods, including temporary tax periods. The President is authorized to extend the periods specified within the scope of this paragraph, including temporary tax periods, for a period equivalent to one accounting period.

According to the Amendment General Communiqué on Tax Procedure Law (numbered 547) published in the Official Gazette dated January 14, 2023, and numbered 32073, which modifies the General Communiqué (numbered 537) on Tax Procedure Law, provisions regarding the procedures and principles of revaluation of immovable properties and depreciable assets have been rearranged. Accordingly, the Company has revalued its immovable properties and depreciable assets included in its balance sheet until December 31, 2023, provided that it meets the conditions specified in Temporary Article 32 of the Tax Procedure Law and Article 298/ç of the Duplicate Article. As of December 31, 2024, immovable properties and depreciable assets have not been revalued due to the application of inflation adjustment to the financial statements as of December 31, 2024. Corporate income tax is calculated taking into account the depreciation allocated based on the revalued values of immovable properties and depreciable assets until December 31, 2023.

Income Withholding Tax:

There is a withholding tax liability on dividend distributions, and this withholding liability is accrued in the period when the dividend payment is made. Dividend payments are subject to a 15% withholding tax until 22 December 2021, except for non-resident companies that generate income through a workplace or their permanent representative in Turkey, and those made to companies residing in Turkey. However, by the President's Decision No. 4936, published in the Official Gazette dated 22 December 2021 and numbered 31697, the provisions of the Income Tax Law no. have been amended, Dividend payments are decreased from 15% to 10%.

Dividends that are not distributed and added to the capital are not subject to income tax withholding.

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11 TAX ASSETS AND LIABILITIES *(continued)*

For the periods ended 31 December 2024 and 31 December 2023, the income tax provision in the statement of profit or loss is different from the amounts calculated by applying the statutory tax rate before tax as stated below:

	1 January - 31 December 2024	1 January - 31 December 2023
Profit before tax reported	1,304,624	665,478
Tax calculated on reported profit (30%)	(391,387)	(199,643)
Non-deductible expenses (*)	(3,760)	(1,243)
Deferred tax rate differences (25% - 30%)	-	(292)
Tax exempt income amount	-	2,859
Others (**)	2,659	671
Tax (charge) / benefit	(392,488)	(197,648)

(*) Non-deductible expenses includes donations, aid, special communication tax and etc.

(**) Tax deduction for revaluation of fixed assets, tangible fixed asset sale income.

As of 31 December 2024 and 31 December 2023, the corporate tax payable and prepaid taxes are as follows:

	31 December 2024	31 December 2023
Provision for corporate tax	410,554	233,169
Advance taxes paid during the period	(305,704)	(199,397)
Total	104,850	33,772
Withholding amount paid	(7,495)	(4,048)
Corporate Tax Payable	97,355	29,724

Tax expenses in the statement of profit or loss for the period ended 31 December 2024 and 31 December 2023 are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Current tax expense	(410,554)	(233,169)
Deferred tax benefit/(charge)	18,066	35,521
Total	(392,488)	(197,648)

The Company recognizes deferred income tax assets and liabilities in the balance sheet. Temporary differences arising as a result of different assessments between Tax Procedure Law and Standards The Group recognizes deferred tax assets and liabilities based on the taxable temporary differences. Deferred tax assets and liabilities tax rate used in the calculation of the tax rate is 30% (31 December 2023: 30%).

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11 TAX ASSETS AND LIABILITIES *(continued)*

As of 31 December 2024 and 31 December 2023, details of temporary differences and deferred tax assets and liabilities prepared in accordance with the applicable tax rates are as follows:

	Temporary differences		Deferred tax assets/(liabilities)	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Provision for factoring receivables	2,107	2,263	632	679
Impairment of FVOCI	2,297	2,297	689	689
Provision for severance pay	13,440	9,087	4,032	2,726
Unused vacation accruals	12,342	5,636	3,703	1,691
General provisions	45,202	-	13,561	-
Commission discounts	1,184	68,182	355	20,455
TFRS 16 valuation difference	27,910	14,197	8,373	4,259
Other employee benefits provision	75,000	55,000	22,500	16,500
Deferred tax assets	179,482	156,662	53,845	46,999
Derivative financial instruments	2,022	-	607	-
Accruals on borrowings	6,950	2,526	2,085	758
Temporary differences on tangible and intangible assets	2,893	1,651	868	495
Securities	-	1,417	-	425
TFRS 16 lease expense	25,325	12,376	7,598	3,713
Changes of fair values in financial assets	94,842	22,816	28,453	6,845
Commissions received in advance	44	1,665	13	499
Tangible assets valuation	90,451	-	27,135	-
Intangible assets valuation	4,361	-	1,308	-
Deferred tax liabilities	226,888	42,451	68,067	12,735
Deferred tax asset, net	(47,406)	114,211	(14,222)	34,264

Movements of deferred tax asset during the period are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Balance at 1 January	34,264	(4,932)
Recognized in profit or loss	18,066	35,521
Recognized under equity	(66,552)	3,675
Closing balance 31 December	(14,222)	34,264

As of 31 December 2024 and 31 December 2023, the Company has no deductible financial loss. All of the changes occurred in deferred tax assets and liabilities for the accounting periods ended 31 December 2024 and 31 December 2023, recognized in the statement of profit or loss and there is no deferred tax asset or liability that has not recognized as of 31 December 2024 and 31 December 2023.

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12 OTHER ASSETS

As of 31 December 2024 and 31 December 2023, details of other assets are as follows:

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Receivables from transaction tax accruals	75,520	101	49,241	18
Prepaid expenses	35,838	-	10,752	-
Advances and guarantees given	3,755	-	2,297	-
Other	7,496	-	4,048	-
Total	122,609	101	66,338	18

13 FUNDS BORREWED

As of 31 December 2024 and 31 December 2023, details of funds borrowed are as follows:

	31 December 2024				31 December 2023			
	TL		FC		TL		FC	
Borrowings	4,497,816		581,708		3,079,635		277,988	
Total	4,497,816		581,708		3,079,635		277,988	

31 December 2024					31 December 2023			
	TL equivalent					TL equivalent		
	Original	Interest	Up to	More than	Original	Interest	Up to	More than
	Amount	rate	1 year	1 Year	Amount	Rate	1 year	1 Year
		(%) (*)				(%) (*)		
TL	4,497,816	46.00 - 51.98	4,497,816	-	3,079,635	35.81 - 52.50	3,079,635	-
USD	5,707	6.72 - 7.09	201,009	-	-	-	-	-
EUR	10,361	6.46 - 7.09	380,699	-	8,534	9.19	277,988	-
Total			5,079,524	-			3,357,623	-

- (*) These rates refer to the interest rate range of fixed-rate loans borrowed as of 31 December 2024 and 31 December 2023.

As of 31 December 2024, guarantee received from Fiba Holding A.Ş. for loans amounting to TL 485,000 Thousand, USD 4,400 Thousand and EUR 9,500 Thousand. (31 December 2023: Guarantee received from Fiba Holding A.Ş. for loans amounting to TL 569,000 Thousand and EUR 8,000 Thousand).

14 FINANCIAL LEASE PAYMENT

As of 31 December 2024 and 31 December 2023, details of lease obligation are as follows:

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Nominal	44,397	-	22,339	-
Cost	(17,839)	-	(4,790)	-
Value	26,558	-	17,549	-

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15 MARKETABLE SECURITIES

As of 31 December 2024 and 31 December 2023 details of provisions are as follows:

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Issued financial bonds	-	-	359,000	-
Difference of issue	-	-	(17,186)	-
Total	-	-	341,814	-

On 19 October 2023, the Company issued 119-day discounted financial bonds with a nominal amount of TL 359,000 Thousand.

31 December 2023	Currency unit	Maturity	Interest type	Interest rate (*)	Nominal amount	Carrying value
TRFFBFBK22419	TL	15 February 2024	Fixed	41.50%	359,000	341,814
Total						341,814

(*) Annual nominal interest rate.

16 PROVISIONS

As of 31 December 2024 and 31 December 2023, details of provisions are as follows:

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Provision for employee termination benefits	13,440	-	9,087	-
Provision for unused vacation	12,342	-	5,636	-
Provision for other employee benefits	75,000	-	55,000	-
General provisions	45,202	-	-	-
Provision for employee benefits	145,984	-	69,723	-

Provision for Employee Termination Benefits

Under Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years (20 for women) of service, and reaches the retirement age (58 for women, 60 for men). After the amendment of the legislation on 23 May 2002, certain transitional provisions relating to the length of service before retirement was issued. The amount payable consists of one month's salary limited to a maximum of TL 46,655.43 (full) effective from 1 January 2025 as of 31 December 2024 (31 December 2023: TL 35,058.58 (full) effective from 1 January 2024)

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16 PROVISIONS *(continued)*

The principal assumption is that the maximum liability for each year of service will parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as of 31 December 2024, provisions are calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated by using the real discount rate of approximately 3.06% according to annual inflation and discount rate assumptions (December 31, 2023: 3.06% real discount rate).

The movement of employee termination benefits are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Balance at 1 January	9,087	10,133
Interest cost (Note 21)	279	311
Service cost (Note 21)	5,741	6,977
Payments (Note 21)	(1,667)	(8,334)
Closing balance 31 December	13,440	9,087

Provision for Unused Vacation

By the existing labor law in Turkey, the Company is required to pay to the employee, whose employment is terminated due to any reasons, or to its inheritors, the wage of the deserved and unused vacation days over the prevailing wage at the date the contract is terminated.

Movements of unused vacation accruals during the period are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Balance at 1 January	5,636	3,639
Accrual / (reversal) during the period (Note 21)	6,706	1,997
Closing balance 31 December	12,342	5,636

17 OTHER LIABILITIES

As of 31 December 2024 and 31 December 2023, details of other liabilities are as follows:

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Taxes payable	35,952	-	17,198	-
Due to suppliers	19,873	408	10,245	230
Commissions received in advance	1,184	-	68,097	85
Due to Personnel	-	-	892	-
Other	1,901	5	879	59
Total	58,910	413	97,311	374

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18 SHAREHOLDER'S EQUITY

18.1 Paid-in Capital

As of 31 December 2024, share capital of the Company is TL 228,000 Thousand (31 December 2023: TL 228,000 Thousand). As of 31 December 2024, issued capital of the Company comprises of 228,000,000 (31 December 2023: 228,000,000) unprivileged shares with a nominal value of TL 1 (full) each (31 December 2023: TL 1 (full) each).

With the Extraordinary General Assembly decision dated 7 July 2021, the company's capital was increased from TL 81,110 thousand to TL 151,000 thousand by adding TL 69,890 thousand bonus-free shares of previous year profits.

With the Extraordinary General Assembly decision dated 28 December 2022, the company's capital was increased from TL 151,000 thousand to TL 228,000 thousand by adding TL 77,000 thousand bonus-free shares of other capital reserve and other profit reserve.

"Inflation adjustment to equity" for all equity items can only be used for free capital increase or loss offset, whereas the registered values of extraordinary reserves, free capital increase; It can be used in cash profit distribution or loss offsetting.

18.2 Capital Reserves

As of 31 December 2024, capital reserves amounting to TL 30 Thousand includes inflation adjustment differences regarding to the Company's paid in capital (31 December 2023: TL 30 Thousand).

18.3 Profit Reserves

According to the tax legislation, 75% of the profits arising from the sale of subsidiaries are exempt from corporate tax provided that they are kept in a special fund account in liabilities for at least five full years. The exception cannot be transferred to any other account or withdrawn from the enterprise in any way other than incorporation into the capital within five years.

As of 31 December 2024, the Company's profit reserves amounted to TL 80,064 thousand (31 December 2023: TL 53,314 thousand) from first legal reserves and TL 97,519 Thousand (31 December 2023: TL 60,571 Thousand) and second legal reserves.

18.4 Accumulated Profit/ (Losses)

At the Ordinary General Assembly Meeting held on March 28, 2023, it was decided to allocate TL 7,945 from the 2022 commercial balance sheet profit of TL 158,901 thousand to the 1st Reserve Fund. Additionally, at the Extraordinary General Assembly Meeting held on July 5, 2023, it was decided to allocate TL 2,380 from the 2022 profit to the 2nd Reserve Fund, transfer TL 49,160 legally required to be kept in a special fund account to the Other Profit Reserves account, and transfer the remaining TL 75,616 to retained earnings from previous years.

At the Ordinary General Assembly Meeting held on March 28, 2024, it was decided to allocate TL 19,732 Thousand TL First Legal Reserves and TL 71,999 Thousand Other Profit Reserves, which are legally required to be kept in the special fund account, from the commercial balance sheet profit of 2023 amounting to TL 467,830 Thousand; and pursuant to the resolution of the Extraordinary General Assembly held on August 7, 2024, the Company has allocated TL 7,017 Thousand TL Second Legal Reserves from the profit of 2023.

As of 31 December 2024, the retained earnings of the Company is TL 409,574 thousand (31 December 2023: TL 75,616 thousand).

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18 SHAREHOLDER'S EQUITY *(continued)*

18.5 Profit Distribution

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to the legal reserve requirement as explained below.

The legal reserves consist of first and second reserves, in accordance with the Turkish Commercial Code. The first legal reserve appropriated out of the statutory profit at the rate of 5% until the total reserve reaches a maximum of 20% of the Company's paid in capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's paid in capital. According to the Turkish Commercial Code, as long as the legal reserves do not exceed 50% of the paid-in capital, they can only be used to offset losses and are not available for any other use.

The company decided to distribute a dividend of TL 23,800 Thousand to the shareholders from the 2022 profit by the resolution of the Extraordinary General Assembly dated July 5, 2023, and the dividend payment was made on July 6, 2023.

The company decided to distribute a dividend of TL 70,174 Thousand to the shareholders from the 2023 profit by the resolution of the Extraordinary General Assembly dated August 7, 2024, and the dividend payment was made on August 8, 2024.

19 OPERATING INCOME

As at and for the year ended 31 December 2024 and 31 December 2023, details of operating income are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Interest received from factoring receivables	3,426,894	1,133,826
Fees and commissions received from factoring receivables, (net)	132,829	721,173
- <i>Commission income</i>	132,934	721,597
- <i>Commission expenses</i>	(105)	(424)
Total	3,559,723	1,854,999

20 FINANCE EXPENSES

As at and for the year ended 31 December 2024 and 31 December 2023, details of finance expenses as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Interest on borrowings	1,477,740	701,404
Fees and commissions paid	90,086	140,066
Interest on securities issued	60,648	70,905
Interest on lease transactions	5,310	3,189
Total	1,633,784	915,564

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21 OPERATING EXPENSES

As at and for the year ended 31 December 2024 and 31 December 2023, details of operating expenses are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Personnel expenses	279,142	170,333
Travel, vehicle rent and other transportation expenses	25,368	8,433
IT expenses	19,831	4,390
Consulting expenses	18,762	5,071
Depreciation and amortization expenses (Note 8,9)	18,448	8,981
Litigation expenses	10,581	4,950
Office expenses	10,058	5,134
Advertising expenses	7,373	6,530
Provision for employment termination benefits (Note 16)	4,353	(1,046)
Communication expenses	3,460	1,715
Taxes, duties, fees and funds	2,875	1,422
Insurance expenses	1,171	763
Notary expenses	193	91
Other	3,268	1,640
Total	404,883	218,407

As at and for the year ended 31 December 2024 and 31 December 2023, details of personnel expenses are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Wages and salary	131,226	66,742
Provision for other employee benefits	75,000	55,000
Social security employer share	23,084	10,373
Premiums	18,268	15,684
Personnel meal subsidies	7,949	3,407
Unused vacation accruals (Note 16)	6,706	1,997
Health expenses	4,657	2,089
Compensation paid and other employee rights	1,756	9,874
Other	10,496	5,167
Total	279,142	170,333

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22 OTHER OPERATING INCOME

As at and for the year ended 31 December 2024 and 31 December 2023, details of operating incomes are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Interest from banks	98,542	81,165
Provision released for factoring receivables under follow-up (Note 7)	21,407	10,498
Dividend income	19,069	21,397
Tangible asset sale income	8,876	2,280
Foreign exchange transactions income	8,786	23,919
Income from derivative financial instruments	2,224	38
Profit on sale of FVOCI Financial Assets	-	8,870
Other	575	135
Total	159,479	148,302

23 PROVISIONS

As at and for the year ended 31 December 2024 and 31 December 2023, details of non-performing receivables are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Specific provision expenses (Note 7)	162,707	41,525
General provision expenses	45,202	-
Total	207,909	41,525

24 OTHER OPERATING EXPENSES

As at and for the year ended 31 December 2024 and 31 December 2023, details of other operating expenses are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Donations	115,318	155,385
Foreign exchange losses	44,009	4,698
Bank expenses	7,764	1,499
Derivative financial transactions losses	37	54
Other	874	691
Total	168,002	162,327

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25 EARNINGS PER SHARE

According to TAS 33 "Turkish Accounting Standard Regarding Earnings Per Share", companies whose share are not traded on stock Exchange, are not required to disclose their earnings per share.

26 RELATED PARTY TRANSACTIONS

As of 31 December 2024 and 31 December 2023, details of receivables due to related parties are as follows:

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Fibabanka A.Ş.				
- Demand deposits	3,654	11,125	625	4,036
- Time deposits	54,558	-	14,285	-
Total	58,212	11,125	14,910	4,036

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Financial assets at fair value through other comprehensive income				
-Share Certificates				
Credit Europe Group N.V.	-	325,476	-	275,974
Gelecek Varlık A.Ş.	92	-	68	-
-Venture Capital Investment Fund				
RE-PIE Portföy Yönetimi A.Ş. İkinci Finberg Girişim Sermayesi Yatırım Fonu	96,863	-	42,785	-
FBM - Fiba Portföy Yönetimi A.Ş. Fiba Büyüme Girişim Sermayesi Yatırım Fonu	33,156	-	-	-
Total	130,111	325,476	42,853	275,974

As of 31 December 2024 and 31 December 2023, details of borrowings due to related parties are as follows:

	31 December 2024		31 December 2023	
	TP	YP	TP	YP
Borrowings				
Credit Europe Bank N.V.	531,976	-	-	-
Toplam	531,976	-	-	-

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26 RELATED PARTY TRANSACTIONS *(continued)*

As of 31 December 2024 and 31 December 2023, details of receivables/payables due to related parties are as follows:

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Other Assets				
Fibabanka A.Ş.	341	-	72	-
Toplam	341	-	72	-
Other liabilities				
Fiba Holding A.Ş.	12,554	-	8,936	-
Fibabanka A.Ş.	472	-	14	-
Fina Holding A.Ş.	207	-	129	-
Total	13,233	-	9,079	-

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26 RELATED PARTY TRANSACTIONS *(continued)*

As at and for the year ended 31 December 2024 and 31 December 2023, details of incomes and expenses arising from related parties are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Interest from banks		
Fibabanka - <i>Time deposit interest income</i>	4,414	1,434
Total	4,414	1,434
Dividend income		
Credit Europe Group N.V.	19,067	11,866
Gelecek Varlık Yönetimi A.Ş.	2	9,531
Total	19,069	21,397
Other operating income		
Fibabanka A.Ş. - <i>Income from derivative financial instruments</i>	81	-
Fiba Holding A.Ş. - <i>Other</i>	8,876	-
Gelecek Varlık Yönetimi A.Ş. - <i>Other</i>	274	96
Total	9,231	96
Financial Expenses		
CEB N.V.- <i>Bank interest expenses</i>	154,888	-
Fibabanka A.Ş. - <i>Bank interest expenses</i>	230	18,900
Fiba Holding A.Ş. - <i>Commission expenses</i>	35,051	27,845
Fibabanka A.Ş. - <i>Commission expenses</i>	-	21,050
Total	190,169	67,795
General operating expenses		
Fiba Holding A.Ş.	9,460	6,226
Fibabanka A.Ş.	3,957	346
Fina Holding A.Ş.	2,814	317
Marka Mağazacılık A.Ş.	196	-
Gelecek Varlık Yönetimi A.Ş.	137	25
Fiba Emeklilik ve Hayat A.Ş.	81	66
Anadolu Japon Turizm A.Ş.	45	714
Anne Çocuk Eğitim Vakfı İktisadi İşletmesi	31	-
Anne Çocuk Eğitim Vakfı	4	-
Total	16,725	7,694
Other operating expenses		
Fibabanka A.Ş. - <i>Derivative financial transactions</i>	37	-
Hüsnü Özyeğin Üniversitesi – <i>Donation</i>	61,000	116,000
Hüsnü Özyeğin Vakfı – <i>Donation</i>	52,100	26,400
Anne Çocuk Eğitim Vakfı – <i>Donation</i>	-	82
Fibabanka - <i>Other expenses</i>	289	64
Total	113,426	142,546

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26 RELATED PARTY TRANSACTIONS (continued)

Salary and other benefits provided to board members and other executives:

The total amount of wages and similar benefits provided by the company to the board of directors and senior management for the fiscal period ending on 31 December 2024 is TL 42,806 Thousand (31 December 2023: TL 28,268 Thousand).

27 CONTINGENT ASSET AND LIABILITIES

27.1 Guarantees Received

As of 31 December 2024 and 31 December 2023, guarantees received against the company's factoring receivables are as follows:

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Factoring contract guarantees	55,696,627	1,685,078	35,218,297	1,410,879
Pledged securities	30,072,461	267,697	12,969,661	223,730
Other assets	2,159,111	167,311	700,194	110,393
Suretyships	485,000	504,040	569,000	260,591
Mortgages	36,275	-	37,075	-
Securities pledge	26,000	-	26,000	-
Vehicle pledge	47,113	-	25,113	-
Total	88,522,587	2,624,126	49,545,340	2,005,593

As of 31 December 2024, the collateral bills amounting to TL 30,339,758 Thousand and the collateral checks amounting to TL 400 Thousand (31 December 2023: the collateral bills amounting to TL 13,193,391 Thousand) received by the company from its customers due to its field of activity shown in pledged securities.

As of 31 December 2024, the bonds of the company which are kept to be returned to its customer due to its field of activity are TL 2,322,102 Thousand (31 December 2023: bonds are TL 810,587 Thousand).

27.2 Guarantees Given

As of 31 December 2024 and 31 December 2023, details of guarantees given consist of letters of guarantee given to the following institutions:

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Takasbank	4,118,500	-	2,574,500	-
Courts	26,110	-	10,381	-
Total	4,144,610	-	2,584,881	-

27.3 Derivative Financial Instruments

Forward purchase-sales agreements

As of 31 December 2024 and 31 December 2023, there are no forward purchase and sale agreements.

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27 CONTINGENT ASSET AND LIABILITIES *(continued)*

27.3 Swap purchase-sale agreements

Swap Buy/Sell Transactions

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Swap purchase transactions	69,560	-	-	-
Swap sell transactions	-	70,447	-	-
Total	69,560	70,447	-	-

27.4 Safety Securities

As of 31 December 2024 and 31 December 2023, details of safety securities are as follows:

Items Held in Custody

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Checks obtained for collection	6,998,177	82,744	4,456,262	38,028
Trade bills collected	133,420	52,592	119,541	99,410
Total	7,131,597	135,336	4,575,803	137,438

28 NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS

28.1 Financial Risk Management Objectives and Policies

The Company is exposed to the following risks during the course of its operations:

Credit risk

Liquidity risk

Market risk

This note provides information about the Company's objectives, policies and processes in the management of such risks.

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risk exposed by the Company. The objective of risk management policies is to set appropriate risk limit controls, to monitor and adhere to the limits. The Company, through various training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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28 NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS *(continued)*

28.1 Financial Risk Management Objectives and Policies *(continued)*

28.1.1 Credit risk

The Company is mainly subject to credit risk through its factoring operations. The Company's Credit Monitoring and Loans departments are responsible for managing credit risk. The Company requires a certain amount of collateral in respect of its financial assets. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company does not enter into loan relations with the clients who do not meet the credit policy requirements. All loan proposals evaluated in accordance with Credit Committee approval limits. Further an early warning system is developed aiming to monitor loans, on a periodical basis related work is conducted to measure the credibility of the clients. The credit committee evaluates credit valuations routinely on a weekly basis. On the other hand, the Company uses a computer program to follow the credit risk.

As of the end of the reporting date, there is no significant concentrations of credit risk in a specific industry or region. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

28.1.2 Liquidity risk

Liquidity risk arises in the general funding of the Company's activities. It includes both risk of being unable to fund assets at appropriate maturities and rates and risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame. The Company's funding is based on bank loans. To reach the goals, the Company monitors the asset structure to ensure efficient management of liquidity risk.

28.1.3 Market risk

All trading financial instruments are exposed to market risk. The changes in the market prices can impair the value of the financial assets which is why it is classified as risky. All trading financial instruments are recorded at fair value and the price changes in the market affect commercial income.

The Company protects itself against changing market conditions by using trading instruments. Market risk is managed by buying and selling derivative instruments and taking risk preventive positions within the limits set by the Company's top management.

(i) Foreign currency risk

The Company is exposed to currency risk through transactions (such as factoring activities and bank loans) in foreign currencies. As the currency in which the Company presents its financial statements is TL, the financial statements are affected by fluctuations in the exchange rates against TL. The Company undertakes derivative transactions to hedge foreign currency risk.

(ii) Interest rate risk

The Company's activities are exposed to the risk of interest rate fluctuations when interest bearing assets and liabilities are amortized or re-priced at different times or amounts. In addition, the Company is exposed to interest rate risk through the repricing of assets and liabilities that contain Libor rate or similar variable interest rates. Considering market interest rates consistent with the Company's core strategies, risk management activities aim to optimize net interest income.

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28 NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS *(continued)*

28.2 Risk Management Disclosures

28.2.1 Interest rate risk

Interest rate sensitivity analysis

As of 31 December 2024 and 31 December 2023, the interest profile of the interest sensitive financial instruments are as follows:

	Carrying value	
	31 December 2024	31 December 2023
Fixed rate		
Factoring receivables	6,087,772	4,031,969
Banks - time deposits	349,113	79,597
Factoring payables	(2,092)	(595)
Borrowings	(5,079,524)	(3,357,623)
Securities issued	-	(341,814)
Variable rate		
Factoring receivables	283,742	287,192

The interest rate sensitivity of the statement of profit or loss is the effect of the interest rate changes given in the below ratios, and of the financial assets and liabilities with variable interest rates that are not held for trading for the periods ended 31 December 2024 and 31 December 2023 on the net interest income. During this analysis, other variables, especially exchange rates, are assumed to be constant. The effects of changes in interest rates on income statement and shareholders' equity in the ratios given below are shown without considering tax effects of related gains and losses.

	Profit or loss statement		Equity ^(*)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2024				
Financial instruments with variable interest	2,837	(2,837)	2,837	(2,837)
	2,837	(2,837)	2,837	(2,837)
31 December 2023				
Financial instruments with variable interest	2,872	(2,872)	2,872	(2,872)
	2,872	(2,872)	2,872	(2,872)

(*) Equity effect also includes the effect of changes in interest rates at the rates given above on the statement of profit or loss.

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28 NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS *(continued)*

28.2 Risk Management Disclosures *(continued)*

28.2.2 Credit risk

	Factoring receivables		Non-performing receivables		Other assets			
31 December 2024	Related party	Other party	Related party	Other party	Related party	Other party (*)	Banks	Derivative financial assets held for trading
Maximum exposure to credit risk at the end of the reporting date (A+B+C+D+E)	-	6,371,514	-	31,043	-	-	385,317	2,022
A. Net carrying value of financial assets which are neither impaired nor overdue	-	6,327,822	-	-	-	-	385,317	2,022
B. Net carrying value of financial assets that are restructred/renegotiated, otherwise which will be regarded as overdue or impaired	-	3,326	-	-	-	-	-	-
C. Net carrying value of financial assets which are overdue but not impaired	-	40,366	-	-	-	-	-	-
- Net book value	-	40,366	-	-	-	-	-	-
- Secured portion of net carrying value (with letter of guarantee etc)	-	40,366	-	-	-	-	-	-
D. Net carrying value of impaired assets	-	-	-	31,043	-	-	-	-
- Overdue (gross carrying value)	-	-	-	91,903	-	-	-	-
- Impairment (-)	-	-	-	(60,860)	-	-	-	-
-Secured portion of net carrying value (with letter of guarantee etc)	-	-	-	-	-	-	-	-
- Not due (gross carrying value)	-	-	-	8,473	-	-	-	-
- Impairment (-)	-	-	-	(8,473)	-	-	-	-
-Secured portion of net carrying value (with letter of guarantee etc)	-	-	-	-	-	-	-	-
E. Off balance sheet items with credit risks	-	-	-	-	-	-	-	-

(*)Non-financial assets such as advances given in other assets, transaction tax receivables and assets obtained against receivables are not included in this analysis.

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28 NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS *(continued)*

28.2 Risk Management Disclosures *(continued)*

28.2.2 Credit risk *(continued)*

	Factoring receivables		Non-performing receivables		Other assets			
31 December 2023	Related party	Other party	Related party	Other party	Related party	Other party (*)	Banks	Derivative financial assets held for trading
Maximum exposure to credit risk at the end of the reporting date (A+B+C+D+E)	-	4,319,161	-	4,392	-	-	259,896	-
A. Net carrying value of financial assets which are neither impaired nor overdue	-	4,301,013	-	-	-	-	259,896	-
B. Net carrying value of financial assets that are restructured/renegotiated, otherwise which will be regarded as overdue or impaired	-	11,303	-	-	-	-	-	-
C. Net carrying value of financial assets which are overdue but not impaired	-	6,845	-	-	-	-	-	-
- Net book value	-	6,845	-	-	-	-	-	-
- Secured portion of net carrying value (with letter of guarantee etc)	-	6,845	-	-	-	-	-	-
D. Net carrying value of impaired assets	-	-	-	4,392	-	-	-	-
- Overdue (gross carrying value)	-	-	-	58,690	-	-	-	-
- Impairment (-)	-	-	-	(55,581)	-	-	-	-
-Secured portion of net carrying value (with letter of guarantee etc)	-	-	-	-	-	-	-	-
- Not due (gross carrying value)	-	-	-	18,141	-	-	-	-
- Impairment (-)	-	-	-	(16,858)	-	-	-	-
-Secured portion of net carrying value (with letter of guarantee etc)	-	-	-	1,283	-	-	-	-
E. Off balance sheet items with credit risks	-	-	-	-	-	-	-	-

(*)Non-financial assets such as advances given in other assets, transaction tax receivables and assets obtained against receivables are not included in this analysis.

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28 NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS *(continued)*

28.2 Risk Management Disclosures *(continued)*

28.2.3 Foreign currency risk

Foreign currency risk is a result of changes in the value of a financial instrument based on changes in foreign currencies. The Company has a foreign currency risk due to its foreign currency denominated payables. The foreign currencies mainly creating the risk are US Dollar and Euro. The financial statements are not affected by the fluctuations of foreign currencies against TL since the Company's financial statements are prepared in TL. As of 31 December 2024 and 31 December 2023, the Company's net short position is attributable to the following assets, liabilities and derivative instruments denominated in foreign currencies:

	31 December 2024	31 December 2023
	(TL Amount)	(TL Amount)
A. Assets in foreign currency	393,636	463,275
B. Liabilities in foreign currency	(583,032)	(278,362)
C. Derivative financial instruments	(70,447)	-
Net foreign currency position (A+B+C)	(259,843)	184,913

As of 31 December 2024 and 31 December 2023, the table below summarizes the Company's foreign currency position risk in detailed. The carrying amounts of the assets and liabilities denominated in foreign currency and held by the Company are as follows according to their currency types:

31 December 2024	US Dollar	Euro	Other	Total
Assets				
Banks	6,072	12,332	59	18,463
Financial Assets at Fair Value Through Other Comprehensive Income	-	325,476	-	325,476
Factoring receivables	40,315	9,281	-	49,596
Other assets	78	23	-	101
Total assets	46,465	347,112	59	393,636
Liabilities				
Funds borrowed	201,010	380,698	-	581,708
Factoring payables	911	-	-	911
Other liabilities	2	411	-	413
Total liabilities	201,923	381,109	-	583,032
Net foreign currency position	(155,458)	(33,997)	59	(189,396)
Derivative financial instruments (net)	(70,447)	-	-	(70,447)
Net position	(225,905)	(33,997)	59	(259,843)

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28 NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS *(continued)*

28.2 Risk Management Disclosures *(continued)*

28.2.3 Foreign currency risk *(continued)*

31 December 2023	US Dollar	Euro	Other	Total
Assets				
Banks	6,349	163,442	2,777	172,568
Financial Assets at Fair Value Through Other Comprehensive Income	-	275,974	-	275,974
Factoring receivables	8,385	6,330	-	14,715
Other assets	-	18	-	18
Total assets	14,734	445,764	2,777	463,275
Liabilities				
Funds borrowed	-	277,988	-	277,988
Other liabilities	3	371	-	374
Total liabilities	3	278,359	-	278,362
Net foreign currency position	14,731	167,405	2,777	184,913
Derivative financial instruments (net)	-	-	-	-
Net position	14,731	167,405	2,777	184,913

As at and for the year ended 31 December 2024, the depreciation of TL by 10% against the following foreign currency will decrease the pre-tax period profit by TL 58,533 Thousand (31 December 2023: decrease in TL 9,106 Thousand).

As at and for the year ended 31 December 2024 and 31 December 2023, this analysis is based on the assumption that all variables remain constant. If TL gains 10% against the relevant currencies, the effect will be the same amount but in the opposite direction.

31 December 2024	Profit/(Loss)	Equity (*)
US Dollar	(22,591)	(22,591)
Euro	(35,948)	(3,400)
Other	6	6
Total	(58,533)	(25,985)
31 December 2023	Profit/(Loss)	Equity (*)
US Dollar	1,473	1,473
Euro	(10,857)	(10,857)
Other	278	278
Total	(9,106)	(9,106)

(*) The equity effect includes the effect of income statement arising from the impairment of TL against the related foreign currency by 10%.

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28 NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS *(continued)*

28.2 Risk Management Disclosures *(continued)*

28.2.4 Liquidity risk

The following table provides the analysis of the Company's financial liabilities by appropriate maturity grouping based on the remaining period of the contract until the maturity date as of the end of the reporting period. The amounts stated in the table are contractual undiscounted cash flows:

31 December 2024

Contractual maturities	Carrying amount	Total contractual cash outflows	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities	5,108,174	5,562,434	3,308,777	2,225,117	28,540	-
Funds borrowed	5,079,524	5,515,945	3,301,905	2,214,040	-	-
Factoring payables	2,092	2,092	2,092	-	-	-
Obligations under financial leases	26,558	44,397	4,780	11,077	28,540	-

31 December 2023

Contractual maturities	Carrying amount	Total contractual cash outflows	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities	3,717,581	3,865,230	3,084,132	770,581	10,517	-
Funds borrowed	3,357,623	3,483,296	2,721,760	761,536	-	-
Securities issued	341,814	359,000	359,000	-	-	-
Factoring payables	595	595	595	-	-	-
Other payables	17,549	22,339	2,777	9,045	10,517	-

Capital Management

The Company aims to balance the debt to equity ratio in the normal course of the business, in the most effective way and aims to increase its profitability. Company's capital structure consists of payables, cash and cash equivalents and equity items disclosed in Note 18 including issued capital, capital reserves and profit reserves.

The Company's cost of capital and the risks associated with each class of capital are evaluated by the Company's key management. During these evaluations, the key management evaluates the cost of capital and the risks associated with each class of capital and submits those depending on the decision of the Board of Directors to the Board of Directors.

There has been no change in the overall strategy of the Company in the current period.

As of 31 December 2024 and 31 December 2023, net debt to equity ratios are as follows:

	31 December 2024	31 December 2023
Total liabilities	5,432,553	3,918,761
Less: Cash and cash equivalents	(385,317)	(259,900)
Net debt	5,047,236	3,658,861
Total equity	2,319,153	1,127,795
Net debt / equity	2.18	3.24

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28 NATURE AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS *(continued)*

28.2 Risk Management Disclosures *(continued)*

According to Article 12 of the BRSA’s “Regulation on the Establishment and Operating Principles of Financial Leasing, Factoring, Financing and Savings and Financing Companies” published in the Official Gazette No. 28627 on 24 April 2013, the ratio of the Company’s equity should be at least three percent in total assets and is required to be sustained.

	31 December 2024	31 December 2023
Total assets	7,751,706	5,046,556
Total Equity	2,319,153	1,127,795
Equity / Assets	29.92%	22.35%

29 FINANCIAL INSTRUMENTS

The fair value of financial instruments

The estimated fair values of financial instruments determined by the Company using available market information and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to develop the estimated fair value. Accordingly, the estimates presented herein are not necessarily indicators of the amounts the Company could realize in a current market exchange. The carrying amounts of the bank receivables, other financial assets, short-term bank loans denominated in TL and securities issued which are carried at cost value discounted with effective interest rates are considered to be approximating their fair values by the Company management, due to their short-term nature (excluding long-term portions), considering probable losses to be immaterial.

	31 December 2024		31 December 2023	
	<u>Carrying</u>	<u>Fair</u>	<u>Carrying</u>	<u>Fair</u>
	<u>amount</u>	<u>value</u>	<u>amount</u>	<u>value</u>
<i>Financial assets</i>				
Banks	385,317	385,317	259,900	259,900
FVOCI financial assets	455,587	455,587	318,827	318,827
Factoring receivables	6,402,557	6,402,557	4,323,553	4,323,553
Derivative financial assets	2,022	2,022	-	-
<i>Financial liabilities</i>				
Funds received	5,079,524	5,115,601	3,357,623	3,372,202
Securities issued	-	-	341,814	341,814
Factoring payables	2,092	2,092	595	595

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29 FINANCIAL INSTRUMENTS *(continued)*

Fair value level of financial assets

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

Level 1: Financial assets and liabilities are valued at the stock exchange price (unadjusted) in an active market for exactly the same assets and liabilities

Level 2: Financial assets and liabilities are valued with the inputs used to determine a directly or indirectly observable price other than the stock market price of the relevant asset or liability mentioned in Level 1.

Level 3: Financial assets and liabilities are valued with inputs that cannot be based on data observable in the market and used to determine the fair value of the asset or liability (Non-observable data).

31 December 2024	Level 1	Level 2	Level 3	Total
FVOCI financial assets	92	130,019	325,476	455,587
Derivative financial assets	-	2,022	-	2,022
	92	132,041	325,476	457,609

31 December 2023	Level 1	Level 2	Level 3	Total
FVOCI financial assets	68	42,785	275,974	318,827
	68	42,785	275,974	318,827

30 FEES FOR SERVICES RECEIVED FROM AN INDEPENDENT AUDIT FIRM

As of 31 December 2024 and 31 December 2023, the fees for the reporting period regarding the services received from the independent audit firm are given below.

	31 December 2024	31 December 2023
Audit fee for the reporting period	1,160	350
Toplam	1,160	350

31 EVENTS AFTER THE REPORTING PERIOD

- With the decision of the Board of Directors dated February 6, 2025, the Company has decided to increase its paid-in capital from TL 228,000 thousand to TL 600,000 thousand and to amend the relevant article of its Articles of Association.
- The company issued two bonds with a nominal value of TL 359,000 Thousand and TL 325,000 Thousand on 12 February 2025, and they are to be sold to qualified investors. The maturity start date for issued bonds is 13 February 2025 and the maturity date is 12 August 2025.
- The Company has 6 branches targeted to be opened in Adana, Antalya, Bursa, Izmir, Gaziantep and Kocaeli. Branch opening permission was obtained from the BRSA on January 10, 2025 and the branches are planned to be registered and announced in the Turkish Trade Registry Gazette within three months following the permission date. Fiba Faktoring Gaziantep Branch has been opened on February 17, 2025.