

CONVENIENCE TRANSLATION INTO
ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT
ORIGINALLY ISSUED IN TURKISH

QNB FAKTORİNG A.Ş.

CONDENSED INTERIM FINANCIAL STATEMENTS
AS OF 30 JUNE 2025 TOGETHER WITH
INDEPENDENT AUDITOR'S REVIEW REPORT



**Shape the future
with confidence**

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(Convenience Translation of the Auditor's Review Report Originally Issued in Turkish)

REVIEW REPORT ON INTERIM CONDENSED FINANCIAL INFORMATION

To the Board of Directors of QNB Faktoring A.Ş.

Introduction

We have reviewed the accompanying condensed balance sheet of QNB Faktoring A.Ş. (“the Company”) as of 30 June 2025 and the condensed statement of profit or loss, condensed statement of profit or loss and other comprehensive income, condensed statement of changes in shareholders’ equity, condensed statement of cash flows and a summary of significant accounting policies and other explanatory notes to the condensed financial information for the six-month period then ended. The Company Management is responsible for the preparation and fair presentation of these interim condensed financial information in accordance with the “Communique on Financial Leasing, Factoring and Uniform chart of Accounts which shall be applied by Finance Companies published in Official Gazette dated 24 December 2013 and numbered 28861 and Regulation, Communique and Circular on Accounting Policies of Financial Leasing, Factoring and Finance Companies and their financial statements and announcements published by the Banking Regulation and Supervision Authority (“BRSA”) together referred as “BRSA Accounting and Financial Reporting Legislation” and Turkish Accounting Standard 34 “Interim Financial Reporting” principles for those matters not regulated by afore-mentioned legislations. Our responsibility is to express a conclusion on these interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matter

The financial statements of the Company as at 31 December 2024 were audited and the financial statements of the Company as at 30 June 2024 were reviewed by another independent audit firm and this independent audit firm expressed an unqualified opinion and an unqualified conclusion in the audit report issued on 29 January 2025 and in the limited review report issued on 24 July 2024, respectively.



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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information do not presented fairly in all material respects, the financial position of the Company at 30 June 2025, and its financial performance and its cash flows for the six-month period then ended in all aspects in accordance with the BRSA Accounting and Financial Reporting Legislation.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Aykut Üşenti, SMMM
Partner

24 July 2025
Istanbul, Türkiye

QNB FAKTORİNG A.Ş.

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QNB FAKTORİNG A.Ş.

CONDENSED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

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

	ASSETS	Note	Reviewed Current Period 30 June 2025			Audited Prior Period 31 December 2024		
			TRY	FC	TOTAL	TRY	FC	TOTAL
I.	CASH, CASH EQUIVALENTS AND BALANCES AT CENTRAL BANK		619.068	543.424	1.162.492	455.373	86.496	541.869
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL ASSETS		-	-	-	-	-	-
IV.	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Net)		-	-	-	-	-	-
V.	FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		20.817.710	6.288.106	27.105.816	22.677.742	4.171.131	26.848.873
5.1	Factoring Receivables	3	20.817.710	6.288.106	27.105.816	22.677.742	4.171.131	26.848.873
5.1.1	Discounted Factoring Receivables (Net)		7.654.344	1.596.267	9.250.611	6.421.997	1.236.335	7.658.332
5.1.2	Other Factoring Receivables		13.163.366	4.691.839	17.855.205	16.255.745	2.934.796	19.190.541
5.2	Financial Saving Receivables		-	-	-	-	-	-
5.2.1	From Savings Fund Pool		-	-	-	-	-	-
5.2.2	Equity		-	-	-	-	-	-
5.3	Financial Loans		-	-	-	-	-	-
5.3.1	Consumer Loans		-	-	-	-	-	-
5.3.2	Credit Cards		-	-	-	-	-	-
5.3.3	Commercial Installment Loans		-	-	-	-	-	-
5.4	Leasing Transactions (Net)		-	-	-	-	-	-
5.4.1	Financial Lease Receivables		-	-	-	-	-	-
5.4.2	Operational Lease Receivables		-	-	-	-	-	-
5.4.3	Unearned Income (-)		-	-	-	-	-	-
5.5	Other Financial Assets Measured at Amortised Cost		-	-	-	-	-	-
5.6	Non Performing Receivables	3	267.165	-	267.165	269.428	-	269.428
5.7	Allowance For Expected Credit Losses / Specific Provisions (-)	3	(267.165)	-	(267.165)	(269.428)	-	(269.428)
VI.	INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		2	-	2	2	-	2
6.1	Investments in Associates (Net)		2	-	2	2	-	2
6.2	Investments in Subsidiaries (Net)		-	-	-	-	-	-
6.3	Jointly Controlled Partnerships (Joint Ventures) (Net)		-	-	-	-	-	-
VII.	TANGIBLE ASSETS (Net)		38.388	-	38.388	33.078	-	33.078
VIII.	INTANGIBLE ASSETS (Net)		4.820	-	4.820	4.821	-	4.821
IX.	INVESTMENT PROPERTY (Net)		-	-	-	-	-	-
X.	CURRENT TAX ASSETS		-	-	-	-	-	-
XI.	DEFERRED TAX ASSET		24.085	-	24.085	21.548	-	21.548
XII.	OTHER ASSETS		111.764	4.147	115.911	91.977	3.135	95.112
	SUBTOTAL		21.615.837	6.835.677	28.451.514	23.284.541	4.260.762	27.545.303
XIII.	ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	4	-	-	-	-	-	-
13.1	Held for Sale		-	-	-	-	-	-
13.2	Non-Current Assets From Discontinued Operations		-	-	-	-	-	-
	TOTAL ASSETS		21.615.837	6.835.677	28.451.514	23.284.541	4.260.762	27.545.303

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

QNB FAKTORİNG A.Ş.

CONDENSED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

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

	LIABILITIES	Note	Reviewed Current Period 30 June 2025			Audited Prior Period 31 December 2024		
			TRY	FC	TOTAL	TRY	FC	TOTAL
I.	BORROWINGS	5	12.123.628	6.766.536	18.890.164	15.703.712	4.283.644	19.987.356
II.	FACTORING PAYABLES		22.082	6.583	28.665	6.436	2.549	8.985
III.	LIABILITIES FROM THE SAVING FUND POOL		-	-	-	-	-	-
IV.	LEASE PAYABLES (Net)		24.226	-	24.226	15.136	-	15.136
V.	SECURITIES ISSUED (Net)	6	4.194.989	-	4.194.989	3.378.077	-	3.378.077
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES		-	-	-	-	-	-
VIII.	PROVISIONS		66.071	-	66.071	74.325	-	74.325
8.1	Provision for Restructuring		-	-	-	-	-	-
8.2	Reserves For Employee Benefits		66.071	-	66.071	74.325	-	74.325
8.3	General Loan Loss Provisions		-	-	-	-	-	-
8.4	Other provisions		-	-	-	-	-	-
IX.	CURRENT TAX LIABILITIES		230.218	-	230.218	137.030	-	137.030
X.	DEFERRED TAX LIABILITY		-	-	-	-	-	-
XI.	SUBORDINATED DEBT		-	-	-	-	-	-
XII.	OTHER LIABILITIES		127.050	2.849	129.899	70.902	1.607	72.509
	SUBTOTAL		16.788.264	6.775.968	23.564.232	19.385.618	4.287.800	23.673.418
XIII.	LIABILITIES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
13.1	Held For Sale		-	-	-	-	-	-
13.2	Related to Discontinued Operations		-	-	-	-	-	-
XIV.	EQUITY	7	4.887.282	-	4.887.282	3.871.885	-	3.871.885
14.1	Issued capital		1.065.000	-	1.065.000	1.065.000	-	1.065.000
14.2	Capital Reserves		-	-	-	-	-	-
14.2.1	Equity Share Premiums		-	-	-	-	-	-
14.2.2	Share Cancellation Profits		-	-	-	-	-	-
14.2.3	Other Capital Reserves		-	-	-	-	-	-
14.3	Other Accumulated Comprehensive Income That Will Not Be Reclassified In Profit Or Loss		(3.664)	-	(3.664)	(3.664)	-	(3.664)
14.4	Other Accumulated Comprehensive Income That Will Be Reclassified In Profit Or Loss		-	-	-	-	-	-
14.5	Profit Reserves		2.810.549	-	2.810.549	1.464.664	-	1.464.664
14.5.1	Legal Reserves		94.199	-	94.199	26.905	-	26.905
14.5.2	Statutory Reserves		-	-	-	-	-	-
14.5.3	Extraordinary Reserves		2.716.350	-	2.716.350	1.437.759	-	1.437.759
14.5.4	Other Profit Reserves		-	-	-	-	-	-
14.6	Profit or Loss		1.015.397	-	1.015.397	1.345.885	-	1.345.885
14.6.1	Prior Years' Profit or Loss		-	-	-	-	-	-
14.6.2	Current Period Net Profit Or Loss		1.015.397	-	1.015.397	1.345.885	-	1.345.885
	TOTAL EQUITY AND LIABILITIES		21.675.546	6.775.968	28.451.514	23.257.503	4.287.800	27.545.303

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

QNB FAKTORİNG A.Ş.

CONDENSED STATEMENTS OFF-BALANCE SHEET ITEMS AS OF 30 JUNE 2025

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

	OFF-BALANCE SHEET ITEMS	Note	Reviewed Current Period 30 June 2025			Audited Prior Period 31 December 2024		
			TRY	FC	TOTAL	TRY	FC	TOTAL
I.	RECOURSE FACTORING TRANSACTIONS		1.250.150	390.454	1.640.604	390.828	343.062	733.890
II.	NON-RECOURSE FACTORING TRANSACTIONS		2.150.544	2.539.910	4.690.454	1.592.047	875.017	2.467.064
III.	FINANCIAL SAVING AGREEMENT TRANSACTIONS		-	-	-	-	-	-
IV.	GUARANTEES RECEIVED	9	327.494.210	15.900.498	343.394.708	255.426.654	12.924.779	268.351.433
V.	GUARANTEES GIVEN	9	8.327.569	-	8.327.569	6.742.719	-	6.742.719
VI.	COMMITMENTS		-	-	-	-	-	-
6.1	Irrevocable Commitments		-	-	-	-	-	-
6.2	Revocable Commitments		-	-	-	-	-	-
6.2.1	Lease Commitments		-	-	-	-	-	-
6.2.1.1	Financial Lease Commitments		-	-	-	-	-	-
6.2.1.2	Operational Lease Commitments		-	-	-	-	-	-
6.2.2	Other Revocable Commitments		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL INSTRUMENTS	9	-	-	-	-	-	-
7.1	Hedging Derivative Financial Instruments		-	-	-	-	-	-
7.1.1	Transactions for Fair Value Hedge		-	-	-	-	-	-
7.1.2	Transactions for Cash Flow Hedge		-	-	-	-	-	-
7.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
7.2	Trading Transactions		-	-	-	-	-	-
7.2.1	Forward Buy/Sell Transactions		-	-	-	-	-	-
7.2.2	Swap Buy/Sell Transactions		-	-	-	-	-	-
7.2.3	Options Buy/Sell Transactions		-	-	-	-	-	-
7.2.4	Futures Buy/Sell Transactions		-	-	-	-	-	-
7.2.5	Other		-	-	-	-	-	-
VIII.	ITEMS HELD IN CUSTODY	9	13.135.505	1.044.368	14.179.873	9.542.164	878.335	10.420.499
	TOTAL OFF-BALANCE SHEET ITEMS		352.357.978	19.875.230	372.233.208	273.694.412	15.021.193	288.715.605

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

QNB FAKTORİNG A.Ş.

CONDENSED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD 1 JANUARY - 30 JUNE 2025

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

	INCOME AND EXPENSE ITEMS	Note	Reviewed 1 January - 30 June 2025	Unaudited 1 April - 30 June 2025	Reviewed 1 January - 30 June 2024	Unaudited 1 April - 30 June 2024
I.	OPERATING INCOME		5.153.159	2.692.033	3.455.183	2.015.353
	FACTORING INCOME		5.153.159	2.692.033	3.455.183	2.015.353
1.1	Interest Income on Factoring Receivables		5.082.262	2.655.690	3.241.528	1.911.711
1.1.1	Discounted		2.205.870	1.176.529	1.498.684	881.432
1.1.2	Other		2.876.392	1.479.161	1.742.844	1.030.279
1.2	Fees and Commissions Received from Factoring Receivables		70.897	36.343	213.655	103.642
1.2.1	Discounted		13.233	4.579	180.766	86.177
1.2.2	Other		57.664	31.764	32.889	17.465
	FINANCE LOAN INCOME		-	-	-	-
1.3	Interest Income from Finance Loans		-	-	-	-
1.4	Fees and Commissions from Finance Loans		-	-	-	-
	FINANCE LEASE INCOME		-	-	-	-
1.5	Financial Lease Income		-	-	-	-
1.6	Operating Lease Income		-	-	-	-
1.7	Fees and Commissions Received from Leasing Transactions		-	-	-	-
	SAVING FINANCE INCOME		-	-	-	-
1.8	Dividends Received from Saving Finance Receivables		-	-	-	-
1.9	Fees and Commissions Received from Saving Finance Activities		-	-	-	-
II.	FINANCIAL EXPENSES (-)		(3.589.388)	(1.817.378)	(2.508.040)	(1.433.166)
2.1	Dividends Given to the Saving Fund Pool		-	-	-	-
2.2	Interest Expense from Funds Borrowed		(2.623.270)	(1.286.930)	(2.214.406)	(1.332.168)
2.3	Interest Expense from Factoring Payables		-	-	-	-
2.4	Interest Expense of Finance Lease Expenses		(4.215)	(2.246)	(1.347)	(742)
2.5	Interest Expense from Securities Issued		(865.879)	(481.485)	(220.870)	(62.925)
2.6	Other Interest Expenses		-	-	-	-
2.7	Fees and Commissions		(96.024)	(46.717)	(71.417)	(37.331)
III.	GROSS PROFIT/LOSS (I+II)		1.563.771	874.655	947.143	582.187
IV.	OPERATING EXPENSES (-)		(267.139)	(145.092)	(170.467)	(75.009)
4.1	Personnel Expenses		(196.662)	(110.592)	(118.606)	(49.973)
4.2	Employee Severance Indemnity Expense		(1.951)	(975)	(1.949)	(1.949)
4.3	Research and Development Expenses		-	-	-	-
4.4	General Administration Expenses		(64.857)	(33.512)	(46.740)	(23.721)
4.5	Other		(3.669)	(13)	(3.172)	634
V.	GROSS OPERATING PROFIT/LOSS (III+ IV)		1.296.632	729.563	776.676	507.178
VI.	OTHER OPERATING INCOME		277.984	114.609	220.945	118.399
6.1	Interest Income from Bank Deposits		145.839	82.044	108.672	65.679
6.2	Interest Income from Securities Portfolio		-	-	-	-
6.3	Dividend Income		-	-	-	-
6.4	Capital Market Transactions Profit		-	-	-	-
6.5	Interest From Derivative Financial Transactions		-	-	-	-
6.6	Foreign Exchange Gains		25.985	14.676	19.674	7.509
6.7	Other		106.160	17.889	92.599	45.211
VII.	PROVISIONS		(93.376)	(56.387)	(79.184)	(52.459)
7.1	Specific Provisions		(93.376)	(56.387)	(79.184)	(52.459)
7.2	Expected Credit Loss		-	-	-	-
7.3	General Provisions		-	-	-	-
7.4	Other		-	-	-	-
VIII.	OTHER OPERATING EXPENSES (-)		(18.624)	(7.060)	(17.208)	(8.345)
8.1	Impairment of Marketable Securities		-	-	-	-
8.2	Impairment Losses from Non-Current Assets		-	-	-	-
8.3	Trading Account Loss		-	-	-	-
8.4	Loss from Derivative Financial Transaction		-	-	-	-
8.5	Foreign Exchange Loss		(18.610)	(7.060)	(17.208)	(8.345)
8.6	Other		(14)	-	-	-
IX.	NET OPERATING PROFIT/LOSS (V+.....+VIII)		1.462.616	780.725	901.229	564.773
X.	SURPLUS WRITTEN AS GAIN AFTER MERGER		-	-	-	-
XI.	INCOME/(LOSS) FROM INVESTMENTS CONSOLIDATED BASED ON EQUITY METHOD		-	-	-	-
XII.	NET MONETARY POSITION GAIN/LOSS		-	-	-	-
XIII.	PROFIT/LOSS BEFORE TAX FROM CONTINUING OPERATIONS (IX+X+XI+XII)		1.462.616	780.725	901.229	564.773
XIV.	TAXATION ON INCOME FROM CONTINUING OPERATIONS (±)		(447.219)	(242.065)	(277.267)	(175.572)
14.1	Current Tax Provision		(449.756)	(253.114)	(268.224)	(162.681)
14.2	Deferred Tax Expense Effect (-)		(10.350)	(1.838)	(9.043)	(9.043)
14.3	Deferred Tax Income Effect (+)		12.887	12.887	-	(3.848)
XV.	NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XIII+XIV)		1.015.397	538.660	623.962	389.201
XVI.	INCOME FROM DISCONTINUING OPERATIONS		-	-	-	-
16.1	Income from Assets Held for Resale		-	-	-	-
16.2	Income from Investment and Associates, Subsidiaries and Joint Ventures		-	-	-	-
16.3	Other income		-	-	-	-
XVII.	EXPENSES FROM DISCONTINUING OPERATIONS (-)		-	-	-	-
17.1	Expenses from Assets Held for Resale		-	-	-	-
17.2	Income from Investment and Associates, Subsidiaries and Joint Ventures		-	-	-	-
17.3	Other Expenses		-	-	-	-
XVIII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUING OPERATIONS (XVI-XVII)		-	-	-	-
XIX.	TAXATION ON INCOME FROM DISCONTINUING OPERATIONS (±)		-	-	-	-
19.1	Current Tax Provision		-	-	-	-
19.2	Deferred Tax Expense Effect (+)		-	-	-	-
19.3	Deferred Tax Income Effect (-)		-	-	-	-
XX.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XVIII±XVIII)		-	-	-	-
XXI.	NET PROFIT/LOSSES (XIV+XIX)		1.015.397	538.660	623.962	389.201
	Earnings Per Share		0,9534	0,5058	0,7479	0,3654

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

QNB FAKTORİNG A.Ş.**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE PERIOD 1 JANUARY - 30 JUNE 2025**

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

	Reviewed 1 January - 30 June 2025	Unaudited 1 April - 30 June 2025	Reviewed 1 January - 30 June 2024	Unaudited 1 April - 30 June 2024
I. CURRENT PROFIT/LOSS	1.015.397	538.660	623.962	389.201
II. OTHER COMPREHENSIVE INCOME	-	-	-	-
2.1 Items not to be reclassified under profit and loss	-	-	-	-
2.1.1 Revaluation differences of property and equipment	-	-	-	-
2.1.2 Revaluation differences of intangible assets	-	-	-	-
2.1.3 Defined benefit plans remeasurement gains / losses	-	-	-	-
2.1.4 Other comprehensive income items not to be reclassified under profit and loss	-	-	-	-
2.1.5 Taxes on other comprehensive income not to be reclassified under profit or loss	-	-	-	-
2.2 Items to be reclassified under profit and loss	-	-	-	-
2.2.1 Foreign exchange differences from foreign currency transactions	-	-	-	-
2.2.2 Income/expenses on revaluation or reclassification of available for sale financial assets	-	-	-	-
2.2.3 Income/loss on cash flow hedge derivative financial assets	-	-	-	-
2.2.4 Income/loss from foreign investment hedge derivative financial assets	-	-	-	-
2.2.5 Other comprehensive income items to be reclassified under profit and loss	-	-	-	-
2.2.6 Taxes on other comprehensive income to be reclassified under profit or loss	-	-	-	-
III. TOTAL COMPREHENSIVE INCOME (I+II)	1.015.397	538.660	623.962	389.201

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

QNB FAKTORİNG A.Ş.

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY - 30 JUNE 2025

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

STATEMENT OF CHANGES IN EQUITY					Accumulated other comprehensive income or losses not to be reclassified under profit or loss statement			Accumulated other comprehensive income or losses to be reclassified under profit or loss statement			Profit Reserves	Prior Period Net Income /(Loss)	Net Profit / Loss	Total Equity
	Paid in Capital	Capital Reserves	Share Premium	Share Cancellation Profits	1	2	3	4	5	6				
Prior Period (1 January - 30 June 2024) (Reviewed)														
I. Period Opening Balance (1 January 2024)	65.000	-	-	-	-	(6.830)	-	-	-	-	525.264	-	939.400	1.522.834
II. Changes in Accounting Policies according to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Correction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I-II)	65.000	-	-	-	-	(6.830)	-	-	-	-	525.264	-	939.400	1.522.834
IV. Total Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	623.962	623.962
V. Increase in Paid-in Capital	1.000.000	-	-	-	-	-	-	-	-	-	-	-	-	1.000.000
VI. Capital Increase From Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Inflation Adjustments to Paid in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	939.400	-	(939.400)	-
11.1 Dividend Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	939.400	-	(939.400)	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (30 June 2024)	1.065.000	-	-	-	-	(6.830)	-	-	-	-	1.464.664	-	623.962	3.146.796
Current Period (1 January - 30 June 2025) (Reviewed)														
I. Period Opening Balance (1 January 2025)	1.065.000	-	-	-	-	(3.664)	-	-	-	-	1.464.664	-	1.345.885	3.871.885
II. Changes in Accounting Policies according to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Correction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I-II)	1.065.000	-	-	-	-	(3.664)	-	-	-	-	1.464.664	-	1.345.885	3.871.885
IV. Total Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	1.015.397	1.015.397
V. Increase in Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase From Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Inflation Adjustments to Paid in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	1.345.885	-	(1.345.885)	-
11.1 Dividend Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	1.345.885	-	(1.345.885)	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (30 June 2025)	1.065.000	-	-	-	-	(3.664)	-	-	-	-	2.810.549	-	1.015.397	4.887.282

1. The accumulated revaluation increases/losses on property and equipment,
2. The accumulated remeasurement gains/losses on defined benefit plans,
3. Other (Accumulated other comprehensive income or losses not to be reclassified under profit or loss statement),
4. Foreign currency translation differences,
5. The accumulated revaluation increases/losses on available for sale asset,
6. Other (Cash flow hedge gains/losses, accumulated other comprehensive income or losses to be reclassified under profit or loss statement).

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

QNB FAKTORİNG A.Ş.

CONDENSED STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JANUARY - 30 JUNE 2025

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

	Reviewed 1 January - 30 June 2025	Reviewed 1 January - 30 June 2024
A. CASH FLOWS FROM OPERATING ACTIVITIES		
1.1 Operating Profit before Changes in Operating Assets and Liabilities	1.207.898	744.773
1.1.1 Interest Received/Dividends Received /Leasing income	5.384.293	3.272.334
1.1.2 Interest Paid / Dividends Paid/Leasing expense	(3.651.883)	(2.426.332)
1.1.3 Dividend Received	-	-
1.1.4 Fees and Commissions Received	70.897	213.655
1.1.5 Other Income	17.882	11.234
1.1.6 Collections from Previously Written-off Doubtful Receivables	95.639	83.830
1.1.7 Payments to Personnel and Service Suppliers	(196.662)	(118.606)
1.1.8 Taxes Paid	(356.568)	(174.208)
1.1.9 Other	(155.700)	(117.134)
1.2 Changes in Operating Assets and Liabilities	(1.390.030)	325.758
1.2.1 Net (Increase)/Decrease in Factoring Receivables	(506.511)	(1.909.767)
1.2.2 Net (Increase)/Decrease in Finance Loans	-	-
1.2.3 Net (Increase)/Decrease in Lease Receivables	-	-
1.2.4 Net (Increase)/Decrease in Other Assets	(15.927)	4.250
1.2.5 Net (Increase)/Decrease in Savings Finance Receivables	-	-
1.2.6 Net Increase/(Decrease) in Factoring Payables	19.680	(6.956)
1.2.7 Net Increase/(Decrease) in the Savings Fund Pool	-	-
1.2.8 Net Increase/(Decrease) in Lease Payables	9.090	27
1.2.9 Net Increase/(Decrease) in Funds Borrowed	(934.457)	2.242.210
1.2.10 Net Increase/(Decrease) in Due Payables	-	-
1.2.11 Net Increase/(Decrease) in Other Liabilities	38.095	(4.006)
I. Net Cash Used in Operating Activities	(182.132)	1.070.531
B. CASH FLOWS FROM INVESTING ACTIVITIES	-	-
2.1 Acquisition of Investments, Associates and Subsidiaries	-	-
2.2 Disposal of Investments, Associates and Subsidiaries	-	-
2.3 Purchases of Property and Equipment	(1.038)	(8.495)
2.4 Disposals of Property and Equipment	-	-
2.5 Financial Assets Reflected in Revenue	-	-
2.6 Disposals of Fair Value Differences of Other Comprehensive Financial Assets Reflected in Revenue	-	-
2.7 Purchase of Investment Securities Held to Maturity	-	-
2.8 Sale of Investment Securities Held to Maturity	-	-
2.9 Other	-	-
II. Net Cash (Used in)/Provided from Investing Activities	(1.038)	(8.495)
C. CASH FLOWS FROM FINANCING ACTIVITIES	-	-
3.1 Cash Obtained from Funds Borrowed and Securities Issued	4.194.989	-
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued	(3.378.077)	(1.982.883)
3.3 Issued Capital Instruments	-	-
3.4 Dividends Paid	-	-
3.5 Payments for Finance Leases	(14.812)	(8.177)
3.6 Other	-	1.000.000
III. Net Cash Provided from Financing Activities	802.100	(991.060)
IV. Effect of change in foreign exchange rate on cash and cash equivalents	1.693	603
V. Net Increase in Cash and Cash Equivalents	620.623	71.579
VI. Cash and Cash Equivalents at Beginning of the Period	541.869	584.388
VII. Cash and Cash Equivalents at End of the Period	1.162.492	655.967

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

QNB FAKTORİNG A.Ş.

CONDENSED EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

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

1 - ORGANIZATION AND FIELD OF ACTIVITY OF THE COMPANY

QNB Finans Factoring A.Ş. (“The Company”) was established in Turkey on 8 June 2009 and started its operations in October 2009. The Company's field of activity is domestic and international factoring transactions. The main shareholder of the Company is QNB Bank A.Ş. with a 99.99% share.

The Company has 162 employees as of 30 June 2025 (31 December 2024: 160).

The Company has 20 branches in total, namely Adana, Ankara, Antakya, Antalya, Anadolu Ticari Merkez, Avrasya Ticari Merkez, Bursa, Denizli, Diyarbakır, Eskişehir, Gaziantep, Gebze, Halkalı, İzmir, İvedik, Kayseri, Konya, Mersin, Samsun and Trabzon (31 December 2024: 20). The company's commercial title was changed to QNB Faktoring A.Ş. at the Extraordinary General Assembly Meeting held on 25 September 2024.

As of 22 December 2015, National Bank of Greece SA (“NBG”) has sold its 99.81% shares in Finansbank Anonim Şirketi (“Finansbank”) to Qatar National Bank (“QNB”) for 2 billion 750 million Euros. The share transfers were completed on 15 June 2016 after obtaining the necessary permits in the relevant countries, and Finansbank, the main shareholder of the Company, and QNB, the ultimate main shareholder of the Company.

The company moved its office address, where it carries out its activities, to the following address on 25 May 2015:

Esentepe District Büyükdere Street Kristal Kule Building No:215 Floor: 21 ŞİŞLİ - İSTANBUL

The Company carries its operations mainly in one geographical region (Turkey).

Approval of Financial Statements

Financial statements prepared as of 30 June 2025 were approved by the Board of Directors on 24 July 2025. The General Assembly has the authority to amend the financial statements.

2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of Preparation

2.1.1 Basis of Preparation of Financial Statements

The Company prepared the accompanying financial statements in thousands of Turkish Lira (“TRY”) according to the ‘Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring and Financing Companies’ and the ‘Communiqué on Uniform Chart of Accounts and Prospectus to be implemented by Financial Leasing, Factoring and Financing’ published in the Official Gazette dated 24 December 2013 and numbered 28861 by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority (together referred as BRSA Accounting and Reporting Legislation) and in case where a specific regulation is not made by BRSA, preparations made according to the Turkish Financial Reporting Standards (“TFRS 34”), Interim Financial Reporting Standart (“TAS 34”) regulations included in; “BRSA Accounting and Financial Reporting Regulations”.

The companies are free to prepare their interim period statements in full set or condensed versions in accordance with TAS 34. The Group preferred to prepare full set consolidated financial statement for the interim period in this context.

**CONDENSED EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 30 JUNE 2025**

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

2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation (Continued)

Preparation of financial statements requires the amounts of the reported assets and liabilities or disclosed conditional assets and liabilities and income and estimation and assumption which affects the expense amounts which are reported in the relevant period. These estimations are based on the management’s best opinion and knowledge and real consequences may be different than these estimations.

The financial statements have been prepared on the historical cost basis.

2.1.2 Adjustment of financial statements during periods of high inflation

The financial statements have been adjusted for inflation in accordance with the “Turkish Accounting Standard for Financial Reporting in Hyperinflationary Economies” (“TAS 29”) until 31 December 2004. With the Circular dated 28 April 2005 published by the BRSA, it was announced that it was decided to terminate the inflation accounting practice applied in the banking system, and the application of inflation accounting was terminated as of 1 January 2005 in the preparation of the financial statements.

On 20 November 2023, the Public Oversight Authority made a statement regarding whether the Financial Reporting in High Inflation Economies (“TAS 29”) Standard should be applied within the scope of the Turkish Financial Reporting Standards and the Financial Reporting Standard for Large and Medium-Sized Enterprises. Accordingly, an announcement was published stating that the financial statements of the enterprises applying TFRS for the annual reporting period ending on or after 31 December 2023 should be presented by adjusting them according to the inflation effect in accordance with the relevant accounting principles in TAS 29; however, institutions or organizations authorized to regulate and audit in their fields may determine different transition dates than those foreseen above for the application of the provisions in TAS 29 or BOBİ FRS. Following this announcement, the BRSA decided, in accordance with its decision numbered 10744 dated 12 December 2023, that the financial statements of banks and financial leasing, factoring, financing, savings financing and asset management companies dated 31 December 2023 would not be subject to the inflation adjustment required to be made within the scope of TAS 29, and subsequently, with its decision numbered 10825 dated 11 January 2024, it decided that the above-mentioned institutions would switch to inflation accounting as of 1 January 2025. Within the framework of these decisions, inflation accounting was not applied in accordance with TAS 29 while preparing the financial statements dated 30 June 2025.

**CONDENSED EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 30 JUNE 2025**

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

2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

2.2 Changes in Accounting Policies

2.2.1 Comparatives and changes in presentation of prior periods’ financial statements

The Company's financial statements are prepared in comparison with the previous period in order to allow the determination of financial status and performance trends. The Company prepared its condensed balance sheet as of 30 June 2025 and as of 31 December 2024 and the condensed statement of comprehensive income, condensed equity movement and condensed cash flow statement for the interim period between 1 January - 30 June 2024.

2.2.2 Changes in accounting policies

Changes in accounting policies are applied retrospectively and the prior period financial statements are restated accordingly. There are no major changes in the accounting policies of the Company in the current period.

2.2.3 Change in accounting estimates and errors

The effect of a change in an accounting estimate is recognized prospectively in the period of the change, if the change affects that period only; or the period of the change and future periods, if the change affects both. There has not been any significant change in the accounting estimates of the Company in the current year. Material prior year errors are corrected retrospectively by restating the comparative amounts for the prior periods.

**CONDENSED EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 30 JUNE 2025**

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

2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

2.2 Changes in Accounting Policies (Continued)

2.2.4 Amendments in standards and interpretations

New and revised standards and comments

The accounting policies adopted in preparation of the financial statements as of 30 June 2025 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRS interpretations effective as of 1 January 2025 and thereafter. The effects of these standards and interpretations on the Company’s financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as of 1 January 2025 are as follows:

Amendments to TAS 21 - Lack of exchangeability

In May 2024, POA issued amendments to TAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows. When applying the amendments, an entity cannot restate comparative information.

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

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 financial statements and disclosures, when the new standards and interpretations become effective.

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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

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

**CONDENSED EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 30 JUNE 2025**

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

2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

2.2 Changes in Accounting Policies (Continued)

2.2.4 Amendments in standards and interpretations (Continued)

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

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after 1 January 2026 with the announcement made by the POA.

The standard is not applicable for the Company and will not have an impact on the financial position or performance of the Company.

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

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

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

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

The following two amendments to IFRS 9 and IFRS 7 and Annual Improvements to IFRS Accounting Standards as well as IFRS 19 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Company will make the necessary changes to its financial statements after the amendments and new Standard are issued and become effective under TFRS.

**CONDENSED EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 30 JUNE 2025**

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

2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

2.2 Changes in Accounting Policies (Continued)

2.2.4 Amendments in standards and interpretations (Continued)

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

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

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

The Company expects no significant impact on its balance sheet and equity. The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company. The amendments are not applicable for the Company and will not have an impact on the financial position or performance of the Company.

Annual Improvements to IFRS Accounting Standards – Volume 11

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

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

The Company expects no significant impact on its balance sheet and equity. The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

**CONDENSED EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 30 JUNE 2025**

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

2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

2.2 Changes in Accounting Policies (Continued)

2.2.4 Amendments in standards and interpretations (Continued)

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

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

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

The Company expects no significant impact on its balance sheet and equity. The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company. The amendments are not applicable for the Company and will not have an impact on the financial position or performance of the Company.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

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

The standard is not applicable for the Company.

QNB FAKTORİNG A.Ş.

CONDENSED EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

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

3 - FACTORING RECEIVABLES AND NON PERFORMING RECEIVABLES

	30 June 2025		31 December 2024	
	TRY	FC	TRY	FC
Domestic factoring receivables	21.477.618	5.713.832	23.244.580	3.443.518
Import and Export Factoring Receivables	-	608.585	-	763.545
Unearned interest income	(659.908)	(34.311)	(566.838)	(35.932)
	20.817.710	6.288.106	22.677.742	4.171.131

Unearned interest income represents revenues collected in advance, calculated on the basis of the maturities of factoring receivables.

Factoring transactions are classified as follows:

	30 June 2025	31 December 2024
Domestic revocable	9.942.611	8.553.600
Domestic irrevocable	16.554.620	17.531.728
Foreign revocable	371.392	408.718
Foreign irrevocable	237.193	354.827
	27.105.816	26.848.873

As of 30 June 2025, the total amount of postdate cheques and bills received by the Company against its factoring receivables is TRY 14.179.873 (31 December 2024: TRY 10.420.499). These cheques and bills are classified in off-balance sheet accounts.

	30 June 2025	31 December 2025
<i>Factoring Receivables:</i>		
Fixed Rate	21.579.519	23.663.664
Floating Rate	5.526.297	3.185.209
	27.105.816	26.848.873

Breakdown of factoring receivables by average maturity:

	30 June 2025	31 December 2024
0-30 days	7.824.517	11.102.190
30-60 days	7.064.655	4.952.257
60-90 days	4.458.362	4.080.215
90-180 days	7.582.611	6.423.817
180-365 days	175.671	290.394
1 year and above	-	-
	27.105.816	26.848.873

QNB FAKTORİNG A.Ş.

CONDENSED EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

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

3 - FACTORING RECEIVABLES AND NON PERFORMING RECEIVABLES (Continued)

Factoring receivables are analysed as follows:

	30 June 2025	31 December 2024
Not overdue and not impaired	27.044.176	26.833.766
Overdue, but not impaired	61.640	15.107
Impaired	267.165	269.428
Toplam	27.372.981	27.118.301
Less: Provision for impairment	(267.165)	(269.428)
Factoring receivables, net	27.105.816	26.848.873

The Company's guarantees for factoring receivables which are as follows. To calculate the amount of guarantees, only the portion corresponding to the amount of the receivables taken into account in case of the amount of the guarantee exceeds the receivable amount:

Guarantees Received:

	30 June 2025	31 December 2024
Notes	26.168.667	26.429.675
Mortgage	937.149	419.198
	27.105.816	26.848.873

As of 30 June 2025 and 31 December 2024, the distribution of the Company's non-performing factoring receivables and provisions is as follows:

	30 June 2025	31 December 2024
Non-performing factoring receivables	267.165	269.428
Specific provisions	(267.165)	(269.428)
Non performing receivables, net	-	-

As of 30 June 2025 and 31 December 2024 the aging of the Company's non-performing factoring receivables is as follows:

	30 June 2025	31 December 2024
0 - 180 days	91.811	158.793
180 - 365 days	71.467	50.901
1 year and over	103.887	59.734
	267.165	269.428

Movements in specific provision are as follows:

	30 June 2025	30 June 2024
Balance as at 1 January	(269.428)	(160.573)
Provision booked during the period	(93.376)	(210.096)
Collections	95.639	101.241
	(267.165)	(269.428)

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CONDENSED EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

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

4 - ASSETS HELD FOR SALE AND ASSETS RELATED TO DISCONTINUED OPERATIONS

As of 30 June 2025 the company does not have any real estate held for sale (31 December 2024: None).

5 - BORROWINGS

	30 June 2025		31 December 2024	
	TRY	FC	TRY	FC
Short term borrowings	12.123.628	6.766.536	15.703.712	4.283.644
Total borrowings	12.123.628	6.766.536	15.703.712	4.283.644

Short term borrowings are as follows:

Currency Type	Interest Rate	Original Amount	30 June 2025
TRY	%41,50-%52,50	12.123.628	12.123.628
EUR	% 4,33-%6,83	63.343	2.952.260
USD	%6,74-%7,61	94.266	3.746.194
GBP	%7,12	1.252	68.082
			18.890.164

Currency Type	Interest Rate	Original Amount	31 December 2025
TRY	%44,10 -%64,58	15.703.712	15.703.712
EUR	%5,14 -%7,14	61.282	2.251.250
USD	%6,04-%7,25	55.546	1.959.673
GBP	%7,60	1.645	72.721
			19.987.356

The details of borrowings by interest type are as follows:

	30 June 2024		31 December 2023	
	TRY	FC	TRY	FC
Fixed rate	12.079.978	6.649.162	12.273.263	3.424.438
Floating rate	43.650	117.374	3.430.449	859.206
	12.123.628	6.766.536	15.703.712	4.283.644

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6- SECURITIES ISSUED

	30 June 2024	31 December 2023
Securities issued	4.194.989	3.378.077
	4.194.989	3.378.077

Features of bonds that were issued by the Company to qualified investors are as follows:

ISIN CODE	Date of issue	Nominal value	30 June 2025		
			Due date	Interest rate	Coupon type
TRFQNBFA2535	17 June 2025	1.090.470	16 December 2025	%48,50	Once at maturity
TRFQNBFA2527	11 June 2025	280.000	9 December 2025	%48,50	Once at maturity
TRFQNBFA2519	3 June 2025	927.600	2 December 2025	%49,50	Once at maturity
TRFQNBFK2558	27 May 2025	484.000	25 November 2025	%49,50	Once at maturity
TRFQNBFK2541	20 May 2025	348.800	18 November 2025	%50,00	Once at maturity
TRFQNBFK2533	13 May 2025	347.765	11 November 2025	%50,00	Once at maturity
TRFQNBFK2525	6 May 2025	385.500	4 November 2025	%50,00	Once at maturity
TRFQNBFA2538	18 March 2025	830.500	16 September 2025	%40,50	Once at maturity
TRFQNBFA2512	4 March 2025	120.000	2 September 2025	%41,50	Once at maturity
TRFQNBFA2513	18 February 2025	100.665	19 August 2025	%42,00	Once at maturity

ISIN CODE	Date of issue	Nominal value	31 December 2024		
			Due date	Interest rate	Coupon type
TRFFINF62562	26 December 2024	1.350.000	24 June 2025	%48,00	Once at maturity
TRFFINF62554	24 December 2024	181.900	24 June 2025	%47,50	Once at maturity
TRFFINF62547	17 December 2024	330.000	17 June 2025	%47,50	Once at maturity
TRFFINF62521	3 December 2024	250.000	3 June 2025	%48,50	Once at maturity
TRFFINF62513	25 November 2024	438.400	3 June 2025	%48,50	Once at maturity
TRFFINF52514	21 November 2024	223.500	27 June 2025	%48,50	Once at maturity
TRFFINF52522	26 Noember 2024	650.900	27 June 2025	%48,50	Once at maturity
TRFFINF32540	24 September 2024	156.800	25 June 2025	%50,00	Once at maturity
TRFFINF32532	17 September 2024	120.000	18 June 2025	%50,50	Once at maturity
TRFFINF32524	10 September 2024	115.600	11 June 2025	%50,00	Once at maturity
TRFFINF32516	3 September 2024	207.600	4 June 2025	%50,00	Once at maturity

7 - SHAREHOLDERS' EQUITY

As of 30 June 2025 and 31 December 2024, the shareholders' of the Company and their share capitals with historical amounts are as follows:

Capital

Shareholders	30 June 2025		31 December 2024	
	% Share	Amount	% Share	Amount
QNB Bank A.Ş.	99,99999	1.064.999	99,99999	1.064.999
İbtech Uluslararası Bilişim ve İletişim Tek. Araştırma Geliştirme Danışmanlık Destek San. Ve Tic. A.Ş.	0,00000	<1	0,00000	<1
QNB Finansal Kiralama A.Ş.	0,00000	<1	0,00000	<1
QNB Yatırım Menkul Değerler A.Ş.	0,00000	<1	0,00000	<1
QNB Portföy Yönetimi A.Ş.	0,00000	<1	0,00000	<1
	100	1.065.000	100	1.065.000

The company's registered capital consists of 1.065.000.000 shares, each with a nominal value of 1 TRY (31 December 2024: 1.065.000.000).

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

7 - SHAREHOLDERS' EQUITY (Continued)

Capital Reserves

In statutory financial statements, accumulated profits may be distributed except for legal reserves and subject to following requirements for legal reserves.

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code. The TCC stipulates that the first legal reserve is appropriated out of taxable profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves may only be used to offset losses unless they exceed 50% of paid-in share capital, and may not be used for any other purpose

According to Law No. 5228 on "Amendments to Certain Tax Laws," published in the Official Gazette No. 25539 dated 31 July 2004, it is possible to offset the inflation adjustment differences related to equity items recorded under "Retained Earnings/Losses" against the resulting past year losses or to add them to the capital by corporate tax payers. These transactions are not considered profit distributions.

All "inflation-adjustments to shareholders' equity" may only be used to increase capital through bonus issues or to offset losses, while the carrying amount of extraordinary reserves are permitted to be used to increase capital through bonus issues, payment of cash dividends or to offset losses.

Profit Reserves

	30 June 2025	31 December 2024
Legal reserves	94.199	26.905
Extraordinary reserves	2.716.350	1.437.759
Total	2.810.549	1.464.664

The company has allocated a total of 1.345.885 TRY from its accumulated profits, which includes 67.294 TRY as the first reserve under legal requirements and 1.278.591 TRY as extraordinary reserves from previous years. (As of 31 December 2024: The Company has set aside a total of 1.464.664 TRY worth of reserves, including 26.613 TRY worth of first legal reserves from its accumulated profit, TL 292 worth of second reserves, 35.857 TRY worth of extraordinary reserves from the previous year's profits, within the scope of temporary Articles 298/Ç and 32 of the Tax Procedure Law with the decision of the 2023 Ordinary General Assembly dated 15 March 2024, and 1.401.902 TRY worth of extraordinary reserves

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

Earnings per share

The weighted average number of shares of the Group and earnings per share are as follows:

	30 June 2025	30 June 2024
Number of shares, nominal value TRY0.01	1.065.000.000	1.065.000.000
Net profit for the period (Thousands of TRY)	1.015.397	623.962
Basic earnings per share (TRY1 per share)	0,9534	0,7479

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8 - RELATED PARTY TRANSACTIONS

Funds borrowed from related parties

QNB Bank A.Ş. (Shareholder)

	30 June 2025	31 December 2024
TL	558.903	4.431.958
USD	3.746.135	1.958.746
EUR	1.524.443	1.237.628
	5.829.481	7.628.332

Deposits Held on Related Parties

	30 June 2025	31 December 2024
TL	9.532	129.839
USD	189.225	27.356
EUR	307.089	12.640
GBP	43.642	30.127
	549.488	199.962

Interest Income from Related Parties

	1 January - 30 June 2025	1 January - 30 June 2024
QNB Bank A.Ş. (shareholder)	18.349	33.869
	18.349	33.869

Finance Expenses

	1 January - 30 June 2025	1 January - 30 June 2024
QNB Bank A.Ş. (shareholder)	(417.640)	(334.036)
	(417.640)	(334.036)

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

8 - RELATED PARTY TRANSACTIONS (Continued)

	1 January – 30 June 2025	1 January – 30 June 2024
General Administrative Expenses		
<i>Shareholder</i>		
QNB Bank A.Ş	(16.390)	(8.050)
QNB Yatırım Menkul Değerler A.Ş	(7.066)	(2.727)
IBTECH Uluslararası Bil.ve İlt.		
Tekn.Ar.Ge.Dan.Des.San ve Tic.A.Ş	(651)	(547)
<i>Other group companies</i>		
QNB Sağlık Hayat Sigorta ve Emeklilik A.Ş	(30)	(23)
ESolutions Elektronik Ticaret ve Bilişim Hizmetleri A.Ş	(7)	(161)
	(24.144)	(11.508)

As of 30 June 2025 the Company’s total salaries and fees that provided to the top management and the Board of Directors are TRY 32.961 (30 June 2024: TRY 22.186).

QNB FAKTORİNG A.Ş.

CONDENSED EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2025

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9 - COMMITMENTS AND CONTINGENCIES

Guarantees Received

As of 30 June 2025, the Company’s guarantees received are TRY 343.394.708 (31 December 2024: TRY 268.351.433).

Guarantee Given

As of 30 June 2025 and 31 December 2024, collaterals are comprised of notes given to the following institutions:

	30 June 2025	31 December 2024
Letters of guarantee given to Takasbank	8.265.000	6.679.000
Collaterals given to courts	61.569	62.719
DBS	1.000	1.000
	8.327.569	6.742.719

Irrevocable Commitments

None (31 December 2024: None).

Assets Held in Custody

The Company has obtained securities held in custody for its factoring receivables at 30 June 2025 and 31 December 2024 as detailed below:

	30 June 2025		31 December 2024	
	TP	YP	TP	YP
Customer checks	12.904.258	1.044.368	9.194.125	878.335
Customer notes	231.247	-	348.039	-
	13.135.505	1.044.368	9.542.164	878.335

Derivative Transactions

As of 30 June 2025, there are no such items. (31 December 2024: None).

10 - FINANCIAL RISK MANAGEMENT

The Company’s activities expose it to a variety of financial risks:

- Credit Risk
- Liquidity Risk
- Market Risk

This note presents information about the Company’s exposure to each of the above risks, the Company’s objectives, policies and processes for measuring and managing risk.

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

10 - FINANCIAL RISK MANAGEMENT(Continued)

The Company’s Board of Director’s have 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 risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit Risk

The main activity of the Company is to focus on the sectors with high knowledge, and to perform factoring transactions within the limits of the credit and risk monitoring regulation for the companies operating in these sectors.

Policies related to credit risk are detailed in the “Limit Allocation and Fund Disbursement Risk Management Policies” and the procedures regulated accordingly, and the practices within the Company are carried out within the framework of this policy and related procedures. The Credit Committee regularly reviews the Company’s credit risk strategy and major credit risk policies. With this strategy, it is aimed to reflect the degree of tolerance of the Company regarding credit risk and the maximize profit expected to be received against various credit risks.

On the other hand, the Company ensures that the distribution of the portfolio is balanced. The Company’s Credit Monitoring, Legal Follow-up and Legal Departments were also established. The Credit Department continuously carries out detailed intelligence control regarding customers and debtors of assigned receivables and works to minimize the credit risk, both at the stage of limit establishment and in factoring financing. All these intelligence studies are under the supervision and supervision of the Company’s senior management (at the level of General Manager and Assistant General Managers). All operations of the Company are performed by the Central Operation Unit. It does not have the authority to make transactions and make payments at the branch level.

Liquidity Risk

Liquidity risk is the possibility that the Company will not be able to meet its net financing needs. As a precaution against this risk, the Company’s management diversifies its financing resources and the assets are managed with the liquidity priority to maintain a healthy balance of cash and cash equivalents. Company evaluates its liquidity risks consistently in order to meet its aims to monitor and to determine the change in its funds.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates interest rates and equity prices will affect the Company’s income or the value of its holdings of financial instruments. Market risk management, control the market risk exposures within acceptable parameters, while aiming to optimize the return of risk.

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

10 - FINANCIAL RISK MANAGEMENT(Continued)

Foreign Currency Risk

The Company is exposed to currency risk through transactions (such as factoring operations and borrowings) in foreign currencies. The Company monitors the balance of foreign exchange assets and foreign exchange liabilities on a daily basis to minimize the exchange rate risk. In order not to be exposed to foreign exchange risk, the active and passive foreign exchange positions are carried out in a manner that does not give a short position in terms of foreign currency, and in order to balance the foreign exchange liabilities and foreign currency liabilities, it performs swap transactions if deemed necessary.

Table below summarizes the Company's foreign currency position risk in detailed as of 30 June 2025 and 31 December 2024. The amounts of foreign currency assets and liabilities held by the Company according to their foreign currency types are as follows:

30 June 2025	USD	EUR	GBP	Total
Banks	190.674	307.815	44.935	543.424
Factoring receivables	3.557.189	2.664.863	66.054	6.288.106
Other assets	1.562	2.585	-	4.147
Total assets	3.749.425	2.975.263	110.989	6.835.677
Funds borrowed	(3.746.194)	(2.952.260)	(68.082)	(6.766.536)
Factoring payables	(2.908)	(3.675)	-	(6.583)
Other liabilities	(548)	(1.933)	(368)	(2.849)
Total liabilities	(3.749.650)	(2.957.868)	(68.450)	(6.775.968)
Net foreign currency position due to derivative financial instruments	-	-	-	-
Net foreign currency position	(225)	17.395	42.539	59.709
31 December 2024	USD	EUR	GBP	Total
Bankalar	36.089	19.671	30.736	86.496
Faktoring alacakları	1.885.196	2.210.576	75.359	4.171.131
Diğer aktifler	720	2.415	-	3.135
Toplam varlıklar	1.922.005	2.232.662	106.095	4.260.762
Alınan krediler	(1.959.673)	(2.251.250)	(72.721)	(4.283.644)
Faktoring borçları	(1.463)	(1.086)	-	(2.549)
Diğer yükümlülükler	(28)	(1.201)	(378)	(1.607)
Toplam yükümlülükler	(1.961.164)	(2.253.537)	(73.099)	(4.287.800)
Net foreign currency position due to derivative financial instruments	-	-	-	-
Net foreign currency position	(39.159)	(20.875)	32.996	(27.038)

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10 - FINANCIAL RISK MANAGEMENT(Continued)

Foreign Currency Sensitivity Analysis

The Company is exposed to currency risk mainly in USD and EUR.

The table below shows the sensitivity of the Company to the related foreign currencies of the 10% increase/decrease in the US Dollar, Euro and British Pound exchange rates. The 10% rate used is the rate used when reporting the currency risk to the senior management within the Company, and the said rate represents the possible change expected by the management in foreign exchange rates. Sensitivity analyzes regarding the exchange rate risk that the Company is exposed to at the reporting date are determined according to the change at the beginning of the financial year and are kept constant throughout the reporting period. A positive amount represents revenue growth in profit/loss.

30 June 2025	Profit/ Loss		Equity	
	Appreciation foreign currency	Depreciation foreign currency	Appreciation foreign currency	Depreciation foreign currency
ABD	(22)	22	(22)	22
ABD	(22)	22	(22)	22
EUR	1.739	(1.739)	1.739	(1.739)
GBP	4.254	(4.254)	4.254	(4.254)
Total	5.971	(5.971)	5.971	(5.971)

31 December 2024	Profit/ Loss		Equity	
	Değer Kazanması	Değer kaybetmesi	Değer kazanması	Değer kaybetmesi
ABD	(3.916)	3.916	(3.916)	3.916
EUR	(2.087)	2.087	(2.087)	2.087
GBP	3.300	(3.300)	3.300	(3.300)
Total	(2.703)	2.703	(2.703)	2.703

Banks, factoring receivables and short-term bank loans denominated in TRY, which are measured at amortized cost discounted effective interest rate approximately due to the short-term nature and negligible possible gross amount.

The fair value of financial assets and financial liabilities are determined as follows:

- First level: Financial assets and liabilities in active markets for identical assets and liabilities are valued using stock market prices.
- Second level: Financial assets and liabilities, the related asset or liability, either directly or indirectly, other than quoted prices included within Level 1 observable market prices used for valuation purposes.
- Third level: Financial assets and liabilities, determining fair value of the asset or liability, are not based on observable market data used in the valuation.

As of 30 June 2025, the Company does not have any financial assets that are stated at their fair values.

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11 - SUBSEQUENT EVENTS

None.

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