

**DENİZ FAKTORİNG A.Ş.**

**CONDENSED FINANCIAL STATEMENTS AND  
LIMITED AUDIT REPORT FOR THE ACCOUNTING  
PERIOD ENDED 30 JUNE 2024**

## **LIMITED AUDIT REPORT REGARDING THE INTERIM PERIOD CONDENSED FINANCIAL INFORMATION**

To the General Assembly of DENİZ FAKTORİNG A.Ş.

### *Introduction*

We have carried out the limited auditing of the condensed consolidated financial statement dated 30 June 2024 and the loss or profit statement for the six-monthly period then-ended, and other comprehensive income statement, statement of changes in equity, cash flow statements as well as summaries of important accounting policies and other explanatory footnotes ("interim period financial information") of Deniz Faktoring A.Ş. The Company management is responsible for the preparation and presentation of the respective interim period financial information in accordance with the Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring, Financing and Savings Financing Companies, published on the Official Gazette no. 28861 of December 24, 2013, and other regulations, communiqués, circulars published and announcements made by the Banking Regulation and Supervision Agency ("BRSA") and in accordance with "BRSA Accounting and Financial Reporting Regulation" containing "Interim Financial Reporting Standard" provisions of Turkish Accounting Standard 34 for the matters not regulated by the aforesaid regulations and standards. Our responsibility is to report a conclusion on the respective interim financial information, based on the limited auditing we have carried out.

### *Scope of the Limited Audit*

The limited audit that we have conducted has been carried out in accordance with Limited Independent Audit Standard ("LIAS") 2410 "Limited Independent Audit of the Interim Period Financial Information by the Auditor who Performed Independent Audit of the Annual Financial Statements of the Enterprise". The limited audit relating to the interim summary period financial information is composed of questioning relevant persons, persons in charge of finance and accounting in particular, and implementing analytic procedures and other limited audit procedures. The scope of the Limited audit of the interim summary financial information is significantly narrow in comparison to the scope of the independent audit that is carried out in accordance with standards of the Independent Audit Standards and aims to provide opinion regarding consolidated financial statements. As a result, the limited auditing of the interim condensed financial information does not provide an assurance with regards to the audit company having control over all the significant matters that may be identified in an independent audit. Therefore, no independent audit opinion has been reported.

### *Conclusion*

Based on our limited audit, nothing has drawn our attention that could cause us to believe that the enclosed interim consolidated financial information, financial statement of Deniz Faktoring A.Ş. as of 30 June 2024 and its financial performance and cash flows regarding the six monthly fiscal period then-ended are not presented in a true manner form all material aspects in accordance with BRSA Accounting and Financial Reporting Legislation.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.  
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Mehmet Erol, CPA  
Responsible Auditor

Istanbul, 22 July 2024

<b>Table of Contents</b>	<b>Page</b>
Interim condensed financial standing statement (Balance sheet).....	1-2
Interim condensed off-balance sheet items .....	3
Interim period condensed profit or loss statement (Income statement) 4 .....	
Interim period condensed profit or loss and other comprehensive income statement .....	5
Interim period condensed statement of changes in equity .....	6
Interim period condensed cash flow statement .....	7
Explanatory footnotes related to financial statements 8-41 .....	

## Deniz Faktoring A.Ş.

### Condensed Financial Statement as of 30 June 2024 (Balance Sheet)

(Unless otherwise specified, amounts have been expressed in one thousand Turkish Liras ("TRY").)

ASSETS	Footnote	Current Period that underwent limited independent audit 30 June 2024			Previous period that underwent independent audit 31 December 2023		
		TR Y	FX	Total	TR Y	FX	Total
<b>I. CASH, CASH EQUIVALENTS AND CENTRAL BANK</b>	<b>3</b>	<b>41,027</b>	<b>200,978</b>	<b>242,005</b>	<b>138,324</b>	<b>75,337</b>	<b>213,661</b>
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)</b>		<b>1.121.152</b>	<b>-</b>	<b>1.121.152</b>	<b>889.244</b>	<b>-</b>	<b>889.244</b>
<b>III. DERIVATIVE FINANCIAL ASSETS</b>	<b>6</b>	<b>60,143</b>	<b>-</b>	<b>60,143</b>	<b>20.443</b>	<b>-</b>	<b>20.443</b>
<b>IV. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>V. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)</b>	<b>4</b>	<b>14,243,168</b>	<b>5,327,665</b>	<b>19,570,833</b>	<b>13,046,016</b>	<b>2,261,262</b>	<b>15,307,278</b>
<b>5.1 Factoring Receivables</b>	<b>4</b>	<b>14,316,551</b>	<b>5,483,156</b>	<b>19,799,707</b>	<b>13,173,739</b>	<b>2,433,715</b>	<b>15,607,454</b>
5.1.1 Discounted Factoring Receivables (Net)		5,392,927	479,399	5,872,326	6,587,956	312,789	6,900,745
5.1.2 Other Factoring Receivables		8,923,624	5,003,757	13,927,381	6,585,783	2,120,926	8,706,709
5.2 Savings Finance Companies		-	-	-	-	-	-
5.2.1 From Savings Fund Pool		-	-	-	-	-	-
5.2.2 From Equity		-	-	-	-	-	-
<b>5.3 Financing Loans</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
5.3.1 Consumer Loans		-	-	-	-	-	-
5.3.2 Credit Cards		-	-	-	-	-	-
5.3.3 Commercial Installment Loans		-	-	-	-	-	-
<b>5.4 Leasing Transactions (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
5.4.1 Financial Leasing Receivables		-	-	-	-	-	-
5.4.2 Operating Lease Receivables		-	-	-	-	-	-
5.4.3 Unearned Income (-)		-	-	-	-	-	-
<b>5.5 Other Financial Assets Measured at Amortized Cost</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5.6 Non-performing Loans</b>	<b>4</b>	<b>275,367</b>	<b>15,648</b>	<b>291,015</b>	<b>164,849</b>	<b>15,943</b>	<b>180,792</b>
<b>5.7 Provisions for Losses Expected/Special Provisions (-)</b>		<b>(348,750)</b>	<b>(171,139)</b>	<b>(519,889)</b>	<b>(292,572)</b>	<b>(188,396)</b>	<b>(480,968)</b>
<b>VI. PARTNERSHIP INVESTMENTS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
6.1 Affiliates (Net)		-	-	-	-	-	-
6.2 Subsidiaries (Net)		-	-	-	-	-	-
6.3 Jointly Controlled Partnerships (Business Partnerships) (Net)		-	-	-	-	-	-
<b>VII. TANGIBLE FIXED ASSETS (Net)</b>		<b>7,737</b>	<b>-</b>	<b>7,737</b>	<b>5,525</b>	<b>-</b>	<b>5,525</b>
<b>VIII. INTANGIBLE FIXED ASSETS (Net)</b>		<b>32,244</b>	<b>-</b>	<b>32,244</b>	<b>29,632</b>	<b>-</b>	<b>29,632</b>
<b>IX. IMMOVABLE PROPERTIES HELD FOR INVESTMENT (NET)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. TAX ASSET FOR THE CURRENT PERIOD</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XI. DEFERRED TAX ASSET</b>	<b>10</b>	<b>215,191</b>	<b>-</b>	<b>215,191</b>	<b>141,465</b>	<b>-</b>	<b>141,465</b>
<b>XII. OTHER ASSETS</b>	<b>12</b>	<b>48,594</b>	<b>581</b>	<b>49,175</b>	<b>45,221</b>	<b>374</b>	<b>45,595</b>
<b>SUBTOTAL</b>		<b>15,769,256</b>	<b>5,529,224</b>	<b>21,298,480</b>	<b>14,315,870</b>	<b>2,336,973</b>	<b>16,652,843</b>
<b>XIII. ASSETS HELD-FOR-SALE AND DISCONTINUED OPERATIONS (NET)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13.1 Held-for-Sale		-	-	-	-	-	-
13.2 For Discontinued Operations		-	-	-	-	-	-
<b>TOTAL ASSETS</b>		<b>15,769,256</b>	<b>5,529,224</b>	<b>21,298,480</b>	<b>14,315,870</b>	<b>2,336,973</b>	<b>16,652,843</b>

The following footnotes constitute an integral part of these financial

# Deniz Faktoring A.Ş.

## Condensed Financial Statement as of 30 June 2024 (Balance Sheet)

(Unless otherwise specified, amounts have been expressed in one thousand Turkish Liras ("TRY").)

LIABILITIES		Footnote	Current Period that underwent limited independent audit			Previous period that underwent independent audit		
			30 June 2024			31 December 2023		
			TR Y	FX	Total	TR Y	FX	Total
I.	LOANS TAKEN	5	2,009,450	11,264,835	13,274,285	6,213,405	4,167,303	10,380,708
II.	FACTORING PAYABLES		21,492	450	21,942	39,161	213	39,374
III.	PAYABLES DUE FROM SAVINGS FUND POOL		-	-	-	-	-	-
IV.	PAYABLES DUE FROM LEASING TRANSACTIONS		7,273	-	7,273	6,262	-	6,262
V.	SECURITIES ISSUED (Net)	11	3,032,929	-	3,032,929	2,482,444	-	2,482,444
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT/LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES		244,708	-	244,708	5,522	-	5,522
VIII.	PROVISIONS	9	75,543	-	75,543	66,983	-	66,983
8.1	Provision for Restructuring		-	-	-	-	-	-
8.2	Provision for Employee Benefits Obligation		5,447	-	5,447	15,567	-	15,567
8.3	General Provisions		-	-	-	-	-	-
8.4	Other Provisions		70,096	-	70,096	51,416	-	51,416
IX.	CURRENT TAX LIABILITY		197,785	-	197,785	97,730	-	97,730
X.	DEFERRED TAX LIABILITY		-	-	-	-	-	-
XI.	SUBORDINATED DEBT INSTRUMENTS		-	-	-	-	-	-
XII.	OTHER OBLIGATIONS	7	47,268	2,034	49,302	44,476	1,866	46,342
	SUBTOTAL		5,636,448	11,267,319	16,903,767	8,955,983	4,169,382	13,125,365
XIII.	DEBTS OF NON-CURRENT ASSETS HELD-FOR-SALE AND DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
13.1	Held-for-Sale		-	-	-	-	-	-
13.2	For Discontinued Operations		-	-	-	-	-	-
XIV.	EQUITY	13	4,394,713	-	4,394,713	3,527,478	-	3,527,478
14.1	Paid-up Capital		2,490,000	-	2,490,000	2,490,000	-	2,490,000
14.2	Capital Reserves		-	-	-	-	-	-
14.2.1	Share Certificate Issuance Premiums		-	-	-	-	-	-
14.2.2	Share Cancellation Profits		-	-	-	-	-	-
14.2.3	Other Capital Reserves		-	-	-	-	-	-
14.3	Other Accumulated Comprehensive Income or Expenses Not Reclassified under Profit or Loss		(1,227)	-	(1,227)	(1,227)	-	(1,227)
14.4	Other Accumulated Comprehensive Income or Expenses Reclassified under Profit or Loss		-	-	-	-	-	-
14.5	Profit Reserves		1,038,705	-	1,038,705	65,280	-	65,280
14.5.1	Legal Reserves		112,940	-	112,940	64,269	-	64,269
14.5.2	Statutory Reserves		-	-	-	-	-	-
14.5.3	Extraordinary Reserves		925,765	-	925,765	1,011	-	1,011
14.5.4	Other Profit Reserves		-	-	-	-	-	-
14.6	Profit or Loss		867,235	-	867,235	973,425	-	973,425
14.6.1	Profit or Loss for the Previous Years		-	-	-	-	-	-
14.6.2	Net Profit or Loss for the Period		867,235	-	867,235	973,425	-	973,425
			-	-	-	-	-	-
TOTAL LIABILITIES			10,031,161	11,267,319	21,298,480	12,483,461	4,169,382	16,652,843

The following footnotes constitute an integral part of these financial

## Deniz Faktoring A.Ş.

### Off-balance sheet items as of 30 June 2024

(Unless otherwise specified, amounts have been expressed in one thousand Turkish Liras ("TRY").)

			Current Period that underwent limited independent audit			Previous period that underwent independent audit		
OFF-BALANCE SHEET ITEMS			30 June 2024			31 December 2023		
		Footnote	TRY	FX	TOTAL	TRY	FX	TOTAL
<b>I</b>	<b>Factoring Transactions for which Risk is Assumed</b>	4	144,156	548,245	692,401	232,953	354,107	587,060
<b>II</b>	<b>Factoring Transactions for which no Risk is Assumed</b>	4	6,926,884	44,879	6,971,763	8,236,302	67,977	8,304,279
<b>III</b>	<b>Saving Finance Contracts Transactions</b>		-	-	-	-	-	-
<b>IV</b>	<b>Guarantees received</b>		202,563,362	48,723,941	251,287,303	152,499,580	42,586,141	195,085,721
<b>V</b>	<b>Guarantees given</b>	21	4,602,605	-	4,602,605	2,586,290	-	2,586,290
<b>VI</b>	<b>Commitments</b>		-	-	-	-	-	-
6.1	Irrevocable commitments		-	-	-	-	-	-
6.2	Revocable commitments		-	-	-	-	-	-
6.2.1	Leasing commitments		-	-	-	-	-	-
6.2.1.1	Financial lease commitments		-	-	-	-	-	-
6.2.1.2	Operating lease commitments		-	-	-	-	-	-
6.2.2	Other revocable commitments		-	-	-	-	-	-
<b>VII</b>	<b>Derivative financial instruments</b>		7,147,151	6,904,184	14,051,335	1,903,831	1,820,881	3,724,712
7.1	Hedging derivative financial instruments		-	-	-	-	-	-
7.1.1.	Fair value hedges		-	-	-	-	-	-
7.1.2.	Cash flow hedges		-	-	-	-	-	-
7.1.3.	Net investment hedge in foreign operations		-	-	-	-	-	-
7.2	Trading transactions		7,147,151	6,904,184	14,051,335	1,903,831	1,820,881	3,724,712
7.2.1	Forward trading transactions		-	-	-	-	-	-
7.2.2	Swap trading transactions		7,147,151	6,904,184	14,051,335	1,903,831	1,820,881	3,724,712
7.2.3	Trading option transactions		-	-	-	-	-	-
7.2.4	Futures trading transactions		-	-	-	-	-	-
7.2.5	Other		-	-	-	-	-	-
<b>VIII</b>	<b>Securities in custody</b>	4	7,900,108	1,050,319	8,950,427	7,891,106	893,321	8,784,427
<b>TOTAL OFF-BALANCE SHEET ITEMS</b>			<b>229,284,266</b>	<b>57,271,568</b>	<b>286,555,834</b>	<b>173,350,062</b>	<b>45,722,427</b>	<b>219,072,489</b>

The following footnotes constitute an integral part of these financial

## Deniz Faktoring A.Ş.

### Condensed profit or loss statement for the accounting period ended on 30 June 2024

(Unless otherwise specified, amounts have been expressed in one thousand Turkish Liras ("TRY").)

		Current period that underwent limited independent audit 01/01/2024- 30/06/2024	Previous period that underwent limited independent audit 01/01/2023- 30/06/2023	Current Period that did not undergo limited independent audit 01/04/2024- 30/06/2024	Previous period that did not undergo limited independent audit 01/04/2023- 30/06/2023
<b>I. MAIN OPERATING INCOME</b>					
<b>FACTORING INCOME</b>	14	<b>3,622,472</b>	<b>1,210,419</b>	<b>1,943,174</b>	<b>787,054</b>
1.1 Interests Charged for Factoring Receivables		3,613,543	1,051,546	1,938,106	639,707
1.1.1 Discounted		1,730,354	559,211	891,865	341,441
1.1.2 Other		1,883,189	492,335	1,046,241	298,266
1.2 Fees and Commissions Charged for Factoring Receivables		8,929	158,873	5,068	147,347
1.2.1 Discounted		4,136	123,727	2,748	115,114
1.2.2 Other		4,793	35,146	2,320	32,233
<b>INCOME FROM FINANCING LOANS</b>		-	-	-	-
1.3 Interests Charged for Finance Loans		-	-	-	-
1.4 Fees and Commissions Charged for Finance Loans		-	-	-	-
<b>LEASING INCOME</b>		-	-	-	-
1.5 Financial Lease Income		-	-	-	-
1.6 Operating Lease Income		-	-	-	-
1.7 Fees and Commissions Charged for Leasing Transactions		-	-	-	-
<b>SAVINGS FINANCE REVENUES</b>		-	-	-	-
1.8 Dividends Received from Savings Finance Receivables		-	-	-	-
1.9 Fees and Commissions Received from Saving Financing Operations		-	-	-	-
<b>II. FINANCING EXPENSES (-)</b>		<b>1,724,334</b>	<b>699,131</b>	<b>800,647</b>	<b>420,272</b>
2.1 Dividends Given To Savings Fund Pool		-	-	-	-
2.2 Interests Payable to Loans Used		1,188,527	631,586	529,819	376,365
2.3 Interests Payable for Debts of Factoring Transactions		-	-	-	-
2.4 Interest Expenses Related To Leasing Transactions		1,251	1,220	824	570
2.5 Interests Payable to Securities Issued		511,727	45,699	256,741	28,901
2.6 Other Interest Expenses		-	-	-	-
2.7 Fees and Commissions Paid		22,829	20,626	13,263	14,436
<b>III. GROSS PROFIT/LOSS (I+II)</b>		<b>1,898,138</b>	<b>511,288</b>	<b>1,142,527</b>	<b>366,782</b>
<b>IV. MAIN ACTIVITY EXPENSES (-)</b>	15	<b>108,352</b>	<b>49,049</b>	<b>58,323</b>	<b>25,842</b>
4.1 Personnel Expenses		58,219	25,278	26,899	12,289
4.2 Expense of Provisions for Severance Pay		-	-	-	-
4.3 Research and Development Expenses		-	-	-	-
4.4 General Operating Expenses		50,133	23,771	31,424	13,553
4.5 Other		-	-	-	-
<b>V. GROSS OPERATING P/L (III+IV)</b>		<b>1,789,786</b>	<b>462,239</b>	<b>1,084,204</b>	<b>340,940</b>
<b>VI. OTHER OPERATING INCOME</b>	17	<b>11,010,822</b>	<b>17,523,729</b>	<b>2,938,001</b>	<b>15,197,105</b>
6.1 Interests Received from Banks		29,305	-	14,709	-
6.2 Interests from Securities		-	-	-	-
6.3 Dividend Income		-	-	-	-
6.4 Profit from Capital Market Transactions		239,684	24,510	130,309	3,992
6.5 Derivative Financial Transactions Profit		96,648	-	96,648	-
6.6 Profit from Exchange Transactions		10,624,071	17,420,740	2,738,133	15,183,050
6.7 Other		21,113	78,479	(41,799)	10,063
<b>VII. PROVISION EXPENSES</b>		<b>48,717</b>	<b>39,695</b>	<b>(16,896)</b>	<b>19,532</b>
7.1 Special Provisions		-	-	-	-
7.2 Provisions for Losses Expected		38,921	38,308	(21,397)	18,691
7.3 General Provisions		-	-	-	-
7.4 Other		9,796	1,387	4,501	841
<b>VIII. OTHER OPERATING EXPENSES (-)</b>	17	<b>11,618,795</b>	<b>17,375,848</b>	<b>3,485,874</b>	<b>15,147,350</b>
8.1 Securities Impairment Expense		-	-	-	-
8.2 Fixed Assets Impairment Expenses		-	-	-	-
8.3 Loss from Capital Market Transactions		-	-	-	-
8.4 Loss from Derivative Financial Transactions		669,578	21,730	659,512	6,550
8.5 Loss due from Exchange Transactions		10,907,677	17,340,898	2,804,632	15,134,424
8.6 Other		41,540	13,220	21,730	6,376
<b>IX. NET OPERATING P/L (V+...+VIII)</b>		<b>1,133,096</b>	<b>570,425</b>	<b>553,227</b>	<b>371,163</b>
<b>X. AMOUNT OF SURPLUS RECORDED AS INCOME AFTER MERGER</b>		-	-	-	-
<b>XI. PROFIT/LOSS FROM PARTNERSHIPS TO WHICH EQUITY METHOD IS APPLIED</b>		-	-	-	-
<b>XII. NET MONETARY POSITION PROFIT/LOSS</b>		-	-	-	-
<b>XIII. OPERATIONS-IN-PROGRESS PRE-TAX P/L (IX+X+XI+XII)</b>		<b>1,133,096</b>	<b>570,425</b>	<b>553,227</b>	<b>371,163</b>
<b>XIV. PROVISION FOR TAXES OF OPERATIONS-IN-PROGRESS (±)</b>	16	<b>265,861</b>	<b>137,218</b>	<b>123,951</b>	<b>92,516</b>
14.1 Provision for Current Taxes		339,587	175,676	198,738	127,405
14.2 Deferred Tax Expense Effect (+)		-	-	(1,061)	-
14.3 Deferred Tax Income Effect (-)		-	-	-	-
<b>XV. OPERATIONS IN PROGRESS NET P/L FOR THE PERIOD (XIII±XIV)</b>	16	<b>867,235</b>	<b>433,207</b>	<b>429,276</b>	<b>278,647</b>
<b>XVI. EXPENSES FROM DISCONTINUED OPERATIONS</b>		-	-	-	-
16.1 Income from Fixed Assets Held-for-Sale		-	-	-	-
16.2 Affiliates, Subsidiaries and Jointly Controlled Partnerships (Business Partnerships) Sale Profits		-	-	-	-
16.3 Other Discontinued Operations Income		-	-	-	-
<b>XVII. EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		-	-	-	-
17.1 Expenses of Fixed Assets Held-for-Sale		-	-	-	-
17.2 Affiliates, Subsidiaries and Jointly Controlled Partnerships (Business Partnerships) Sale Losses		-	-	-	-
17.3 Other Discontinued Operations Expenses		-	-	-	-
<b>XVIII. PROFIT/LOSS BEFORE TAX FROM DISCONTINUING OPERATIONS (XV-XVII)</b>		-	-	-	-
<b>XIX. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)</b>		-	-	-	-
19.1 Provision for Current Taxes		-	-	-	-
19.2 Deferred Tax Expense Effect (+)		-	-	-	-
19.3 Deferred Tax Income Effect (-)		-	-	-	-
<b>XX. DISCONTINUED OPERATIONS NET P/L FOR THE PERIOD (XVIII±XIX)</b>		-	-	-	-
<b>XXI. NET PROFIT /LOSS OF THE PERIOD (XV+XX)</b>		<b>867,235</b>	<b>433,207</b>	<b>429,276</b>	<b>278,647</b>
Profit/Loss per share		-	-	-	-

The following footnotes constitute an integral part of these financial



**Deniz Faktoring A.Ş.****Profit or loss and other comprehensive income statement for the fiscal period ending on 30 June 2024**  
(Unless otherwise specified, amounts have been expressed in one thousand Turkish Liras ("TRY").)

		Current period that underwent limited independent audit 01/01/2024-30/06/2024	Previous period that underwent limited independent audit 01/01/2023- 30/06/2023
<b>I.</b>	<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>867,235</b>	<b>433,207</b>
<b>II.</b>	<b>OTHER COMPREHENSIVE INCOME</b>	-	-
2.1	<b>Items not to be Reclassified in Profit or Loss</b>	-	<b>(1,010)</b>
2.1.1	Tangible Asset Revaluation Increases/Decreases	-	-
2.1.2	Revaluation Differences of Intangible Fixed Assets	-	-
2.1.3	Defined Benefit Plans Re-measurement Revenues/Losses	-	(1,010)
42.1.4	Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss	-	-
2.1.5	Taxes Regarding Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss	-	-
2.2	<b>Items To Be Reclassified in Profit or Loss</b>	-	-
2.2.1	Foreign Currency Conversion Differences	-	-
2.2.2	Valuation and/or Reclassification Income/Expenses from Financial Assets at Fair Value through Other Comprehensive Income	-	-
2.2.3	Cash Flow Hedge Income/Expenses	-	-
2.2.4	Income/Expenses of Investment Hedge in Foreign Operations	-	-
2.2.5	Other Components of Other Comprehensive Income that will be Reclassified to Other Profit or Loss	-	-
2.2.6	Taxes Regarding Other Comprehensive Income Reclassified under Profit or Loss	-	-
<b>III.</b>	<b>TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>867,235</b>	<b>432,197</b>

The following footnotes constitute an integral part of these financial

## Deniz Faktoring A.Ş.

### Detailed statement of changes in equity for the accounting period ended on 30 June 2024

(Unless otherwise specified, amounts have been expressed in one thousand Turkish Liras ("TRY").)

CHANGES IN EQUITY ITEMS					Other Comprehensive Accumulated Income or Expenses that will not be reclassified in Profit or Loss			Other Accumulated Comprehensive Income and Expense Reclassified under Profit or Loss						
	Paid-in Capital	Share Certificate Issuance Premiums	Share Certificate Cancellation Profits	Other capital Reserves	1	2	3	4	5	6	Profit Reserves	Profit/(Loss) for the Previous Period	Net Profit or Loss for the Period	Total Equity
<b>PREVIOUS PERIOD</b> (30 June 2023)														
<b>I. Balance at the end of the Previous Period</b>	137,600	-	-	230	-	(2,185)	-	-	-	-	166,952	(3,092)	253,590	553,095
<b>II. Adjustments made as per TAS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Correction of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. New Balance (I+II)</b>	137,600	-	-	230	-	(2,185)	-	-	-	-	166,952	(3,092)	253,590	553,095
<b>IV. Total Comprehensive Income</b>	-	-	-	-	-	(1,010)	-	-	-	-	-	-	433,207	432,197
<b>V. Capital Increase Realized in Cash</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Capital Increase Realized from Own Sources</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Paid-up Capital Inflation Adjustment Difference</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Bonds Convertible to Stocks</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Subordinated Debt Instruments</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Increase / Decrease due to Other Changes</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. Profit Distribution</b>	-	-	-	-	-	-	-	-	-	-	250,498	3,092	(253,590)	-
11.1 Dividend Distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Amounts Transferred to Reserves	-	-	-	-	-	-	-	-	-	-	250,498	3,092	(253,590)	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at the end of the Period (III+IV++XI+XII)</b>	137,600	-	-	230	-	(3,195)	-	-	-	-	417,450	-	433,207	985,292
<b>CURRENT PERIOD</b> (30 June 2024)														
<b>I. Balance at the end of the Previous Period</b>	2,490,000	-	-	-	-	(1,227)	-	-	-	-	65,280	-	973,425	3,527,478
<b>II. Adjustments made as per TAS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Correction of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. New Balance (I+II)</b>	2,490,000	-	-	-	-	(1,227)	-	-	-	-	65,280	-	973,425	3,527,478
<b>IV. Total Comprehensive Income</b>	-	-	-	-	-	-	-	-	-	-	-	-	867,235	867,235
<b>V. Capital Increase Realized in Cash</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Capital Increase Realized from Own Sources</b>	-	-	-	-	-	-	-	-	-	-	973,425	-	(973,425)	-
<b>VII. Paid-up Capital Inflation Adjustment Difference</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Bonds Convertible to Stocks</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Subordinated Debt Instruments</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Increase / Decrease due to Other Changes</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. Profit Distribution</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.1 Dividend Distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Amounts Transferred to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at the end of the Period (III+IV++X+XI)</b>	2,490,000	-	-	-	-	(1,227)	-	-	-	-	1,038,705	-	867,235	4,394,713

(1) Non-current assets accumulated revaluation increases/decreases

(2) Accumulated Re-Measurement Revenues/Losses of Defined Benefit Plans.

(3) Other (Portions of other comprehensive income on investments valued by equity method that are not classified under profit / loss, and accumulated amounts of other comprehensive income items not to be reclassified as other profit or loss).

(4) Foreign currency conversion differences.

(5) Accumulated revaluation and/or classification earnings / losses of available for sale financial assets.

(6) Other (means cash flow hedge revenues / losses Portions of other comprehensive income on investments valued by equity method that are classified under profit/loss, and accumulated agreement of other comprehensive income items to be reclassified as other profit or loss).

The following footnotes constitute an integral part of these financial statements.

## Deniz Faktoring A.Ş.

### Cash flow statement for the accounting period ended on 30 June 2024

(Unless otherwise specified, amounts have been expressed in one thousand Turkish Liras ("TRY").)

CASH FLOW STATEMENT			Current Period that underwent limited independent audit 1 January 2024-30 June 2024	Previous period that underwent limited independent audit 1 January 2023-30 June 2023
		Footnote		
<b>A.</b>	<b>Cash flows regarding main operations</b>			
<b>1.1</b>	<b>Operating Profit before Changes in Assets and Liabilities Subject-matter of the Main Operation</b>		<b>1,075,300</b>	<b>492,625</b>
1.1.1	Interests/Leasing Income Received		3,609,352	1,047,424
1.1.2	Interests/ Leasing Expenses Paid		(1,830,295)	(692,570)
1.1.3	Leasing Expenses		(1,251)	-
1.1.4	Dividends Received		-	-
1.1.5	Fees and Commissions Received	14	8,929	158,873
1.1.6	Other Revenues Gained		-	-
1.1.7	Collections out of Non-Performing Loans Written-off		2,863	88,337
1.1.8	Cash Payments to Personnel and Service Providers		(58,219)	(25,278)
1.1.9	Taxes Paid		(239,532)	(84,703)
1.1.10	Other		(416,547)	542
<b>1.2</b>	<b>Changes in Assets and Liabilities Subject-matter of the Main Operation</b>		<b>(973,697)</b>	<b>(32,934)</b>
1.2.1	Net (Increase) Decrease in Factoring Receivables		(4,338,279)	(4,157,109)
1.2.1	Net (Increase) Decrease in Finance Loans		-	-
1.2.1	Net (Increase) Decrease in Receivables Due From Leasing Transactions		-	-
1.2.2	Net (Increase) Decrease in Other Assets		(306,790)	275,815
1.2.3	Net Increase (Decrease) in Factoring Debts		(17,432)	13,153
1.2.3	Net Increase (Decrease) in Payables From Leasing Transactions		3,735	2,850
1.2.4	Net Increase (Decrease) in Loans Received		3,000,789	1,639,386
1.2.5	Net Increase (Decrease) in Debts Due		-	-
1.2.6	Net Increase (Decrease) in Other Debts		684,280	2,192,971
<b>I.</b>	<b>Net Cash Flow from Main Operations</b>		<b>101,603</b>	<b>459,691</b>
<b>B.</b>	<b>Cash flows regarding investment operations</b>			
2.1	Subsidiaries, Affiliates and Joint Ventures Acquired		-	-
2.2	Subsidiaries, Affiliates and Joint Ventures Disposed Of		-	-
2.3	Cash Paid For Tangible and Intangible Asset Purchases		-	(16,626)
2.4	Securities and Real Estates Disposed Of		-	-
2.5	Available-for-sale financial assets acquired		-	-
2.6	Available-for-sale financial assets disposed of		-	-
2.7	Held-to-maturity investments purchased		-	-
2.8	Held-to-maturity investments sold		-	-
2.9	Other		(9,878)	-
<b>II.</b>	<b>Net Cash Flow From Investment Operations</b>		<b>(9,878)</b>	<b>(16,626)</b>
<b>C.</b>	<b>Cash flows regarding Financing operations</b>			
3.1	Cash Inflow from Loans and Issued Securities		2,871	198,998
3.2	Cash Outflow due to Loans and Issued Securities		(77,627)	(472,000)
3.3	Issued Capital Instruments		-	-
3.4	Dividend Payments		-	-
3.5	Payments Relating to Financial Leasing		(2,724)	-
3.6	Other		-	-
<b>III.</b>	<b>Net Cash Secured from Finance Operations</b>		<b>(77,480)</b>	<b>(273,002)</b>
<b>IV.</b>	<b>Effect of Changes in Exchange Rate on Cash and Cash Equivalents</b>		<b>14,099</b>	<b>83,282</b>
<b>V.</b>	<b>Net Increase in Cash and Cash Equivalents</b>		<b>28,344</b>	<b>253,345</b>
<b>VI.</b>	<b>Cash and Cash Equivalents at the beginning of the Period</b>		<b>213,661</b>	<b>19,922</b>
<b>VII.</b>	<b>Cash and Cash Equivalents at the end of the Period</b>	3	<b>242,005</b>	<b>273,267</b>

The following footnotes constitute an integral part of these financial statements.

## **Deniz Faktoring A.Ş.**

### **Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)**

*(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)*

---

#### **1. The Company's organization and scope of activities**

Deniz Faktoring A.Ş. ("the Company") was incorporated on July 2, 1998 and commenced its operations in the same year. The Company renders factoring services for industrial and commercial organizations based in Turkey. The company's head office is located at Büyükdere Caddesi No: 141 Kat: 16 Esentepe Şişli/İstanbul.

On 22 May 2018, Emirates NBD Bank PJSC (Emirates NBD) and Sberbank of Russia (Sberbank) have announced that they have executed a final agreement for transfer of 99.85% of shares held by Sberbank in Denizbank to Emirates NBD. The share transfer was completed on 31 July 2019 upon approval by regulatory authorities of Turkey, Russia, The United Arab Emirates and other countries where Denizbank has operations.

Number of employees is, as of 30 June 2024, 63 (31 December 2023: 61).

Company has been predominantly conducting its factoring operations at a single geographical region (Turkey).

#### **2. Principles regarding the presentation of financial statements**

##### **2.1 Basic principles regarding presentation**

###### **2.1.1 Applicable accounting standards**

The Company has prepared its financial statements in One Thousand Turkish Liras (TRY) in accordance with Turkish Accounting Standards/Financial Reporting Standards ("TAS/IFRS") enacted by the Public Oversight, Accounting and Audit Standards Authority ("KGK") within framework of "Regulation on Accounting Practices of Financial Leasing, Factoring, Financing and Savings Financing Companies as well as Their Financial Statements and Communiqué on Format and Content of Financial Statements to be Disclosed to the Public" ("Communiqué on Financial Statements") issued by Banking Regulation and Supervision Agency (BRSA) on the issue dated 24 December 2013 and no. 28861 of the Official Gazette, and annexes and interpretations related to the same as well as provisions of Capital Markets Board's (CMB) Communiqué on "Principles Governing Financial Reporting in the Capital Market" Serial II No. 14.1 published on the Issue No. 28676 of Official Gazette, dated 13 June 2013. Financial statements of financial leasing, factoring and financing companies are prepared in compliance with formats set by BRSA for the said companies and announced to the public.

The financial statements are prepared based on historical costs, except for derivative financial instruments and financial assets reflected at fair value.

###### **Approval of financial statements:**

Financial statements have been approved by the Board of Directors, and the Board of Directors has authorized publication of financial statements on 22 July 2024. The General Assembly and regulatory bodies are authorized to amend the financial statements.

###### **2.1.2 Currency Used**

The Company's financial statements are presented in the currency applicable in the basic economic environment where the Company is operating (functional currency). The financial condition and operating results of the Company are expressed in TRY which is the presentation currency for the financial statements.

###### **2.1.3 Netting / offsetting**

Financial assets and liabilities are shown in net terms when necessary legal rights exist, there is an intention to assess such assets and obligations in net terms, or acquisition of assets and fulfillment of obligations take place in succession.

**Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)**

*(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)*

---

**2. Principles regarding presentation of financial statements (continued)**

**2.1.4 Going concern**

The Company has drawn up its financial statements as per the Business Continuity principle.

**2.2. Changes in accounting policies**

**2.2.1 Changes in Accounting Policies**

Accounting policy changes arising from the first application of a new TAS/TFRS, if the relevant TAS/TFRS, if there is no transition provision in accordance with the transition provisions, or if there is an optional significant change in the accounting policy, it is applied retrospectively and the financial statements of the previous period are rearranged.

KGK has published an announcement on 23 November 2023, stating that entities implementing Turkish Financial Reporting Standards and Financial Reporting Standard for Large and Medium Size Enterprises (LME FRS) must present their financial statements pertaining to annual accounting periods ended 31 December 2023 or thereafter after revising them according to inflation effect in accordance with relevant accounting principles set forth in "Turkish Accounting Standard 29 Financial Reporting in Hyperinflationary Economies" and "LME FRS Part 25 Financial Reporting in Hyperinflationary Economies", yet institutions or organizations authorized to conduct regulation and audit in their respective fields may determine dates for shifting other than those already set forth above for implementing provisions of TAS 29 or LME FRS. Pursuant to such announcement, as per a resolution of BRSA dated 12 January 2023 and numbered 10744, BRSA resolved that financial statements of banks, financial leasing, factoring, financing, saving financing and asset management companies dated 31 December 2023 be not subjected to inflation adjustment required as per TAS 29.

In this framework, adjustments according to TAS 29 have not been made while preparing the financial statements dated 31 December 2023. Pursuant to a resolution of BRSA dated 11 January 2024 and numbered 10825, it was resolved that banks and financial leasing, factoring, financing, saving financing and asset management companies shift to inflation accounting practice starting from 01 January 2025.

In this framework, adjustments according to TAS 29 have not been made while preparing the financial statements of 30 June 2024.

**2.2.2 Amendments and errors in accounting estimates**

If the changes in the accounting estimates are related only to a particular period, they are applied in the current period when the change has taken place, if they are related to future periods, they are applied both in the period of change and in future periods. There has been no significant change in the Company's accounting estimates in the current year. Any significant accounting errors determined are applied retrospectively and the financial statements of the previous period are drawn up again.

**2.2.3 Comparative Information and Revision of Financial Statements of Previous Periods**

Relevant financial statements have been explained in a comparative fashion as per "the Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring, Financing and Saving Financing Companies", as published in the volume of the Official Gazette dated 1 February 2019 and numbered 30673. However, for purposes of consistency with the presentation of financial statements of the current period, comparative information is reclassified, where necessary.

**2.2.4 Significant Accounting Assessments, Estimations and Assumptions**

In preparing the financial statements, the Company's management, as of the balance sheet date, is required to make estimations and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the balance sheet date and the reported amounts of income and expenses during the reporting period. Such estimates and assumptions are based on the best knowledge of the management of the Company regarding the current events and transactions, but the actual results may differ from the assumptions. Estimations are regularly reviewed, corrected where necessary, and reflected to the income statement in the period in which they arise.

**Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)**

*(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)*

---

**2. Principles regarding presentation of financial statements (continued)**

**2.2.5 New and Revised Turkish Financial Reporting Standards**

Amendments and interpretations that are applicable as from 2024

TAS 1 (Amendments) *Classification of Liabilities as Short or Long Term*

TFRS 16 (Amendments) – *Lease Liabilities on Sale and Lease Back Transactions*

TAS 1 (Amendments) *Long-Term Liabilities Containing Conditions of Loan Agreement*

Amendments to TAS 7 and TFRS 7 (Amendments) *Supplier Financing Agreements*

TSRS 1 *General Requirements on Disclosure of Sustainability-Related Financial Information*

TSRS 2 *Climate-Related Disclosures*

**TAS 1 (Amendments) *Classification of Liabilities as Short or Long Term***

The amendments aim to promote consistency in applying the requirements of the standard by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as short term (expected to be settled within one year) or long term.

Amendments to TAS 1 apply to fiscal periods beginning on or after January 1, 2024, after a one year delay, however, early application is permitted.

**TFRS 16 (Amendments) – *Lease Liabilities on Sale and Lease Back Transactions***

Such amendments to TFRS 16 describe how a seller-tenant subsequently measures transactions of sales and lease back meeting requirements of TFRS 15 for recognition as sale.

Such amendments to TFRS 16 apply to fiscal periods beginning on or after January 1, 2024, however, earlier application is permitted.

**TAS 1 (Amendments) *Long-Term Liabilities Containing Conditions of Loan Agreement***

Amendments to TAS 1 explain how conditions that an entity must comply with within twelve months after the reporting period affect the classification of a liability.

Such amendments to TAS 1 apply to fiscal periods beginning on or after January 1, 2024, however, earlier application is permissible.

The potential impact of the aforementioned standards, amendments and improvements on the consolidated financial position and performance of the Group is assessed.

**Amendments to TAS 7 and TFRS 7 (Amendments) *Supplier Financing Agreements***

Amendments to TAS 7 and TFRS 7 add road signs requiring entities to provide qualitative and quantitative information to existing description requirements about supplier financing agreements and description requirements of entities. The amendments apply to annual accounting periods beginning on or after 1 January 2024.

**Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)**

*(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)*

---

**2. Principles regarding presentation of financial statements (continued)**

**2.2.5 New and Revised Turkish Financial Reporting Standards (Continued)**

a) Amendments and interpretations that are applicable as from 2024

**TSRS 1 General Requirements on Disclosure of Sustainability-Related Financial Information**

TSRS 1 sets general requirements related to financial disclosures on sustainability in order to make it imperative for an entity to disclose information about its sustainability-related risks and opportunities that would be useful to primary users of general purpose financial reports in making decisions about funding the entity. Implementation of this standard is mandatory as of 1 January 2024 for those entities listed in the announcement of KGK dated 5 January 2024 and numbered 2024-5 which meets relevant criteria and for banks regardless of criteria or annual reporting periods starting thereafter. Other entities are allowed to carry out reporting in compliance with TSRS standards.

**TSRS 2 Climate-Related Disclosures**

TFRS 2 reveals requirements associated with definition, measurement and description of risks and opportunities which may be useful for primary users of general purpose financial reports in respect of their decisions relating to decisions on providing resources to the entity. Implementation of this standard is mandatory as of 1 January 2024 for those entities listed in the announcement of KGK dated 5 January 2024 and numbered 2024-5 which meets relevant criteria and for banks regardless of criteria or annual reporting periods starting thereafter. Other entities are allowed to carry out reporting in compliance with TSRS standards.

b) Standards not yet effective, changes and comments to existing standards

The Company has not applied the following standards which are not effective yet and following amendments and comments brought to existing previous standards:

TFRS 17	<i>Insurance Contracts</i>
TFRS 17	(Amendments) <i>Insurance Contracts</i> and First Implementation of <i>TFRS 17 and TFRS 9 – Comparative Information</i>
TAS 21	(Amendments) <i>Unavailability of Exchangeability</i>

**TFRS 17 Insurance Contracts**

TFRS 17 requires insurance obligations to be measured at a certain coverage value and provides a more regular measurement and presentation approach. These requirements were designed to achieve a consistent, principle-based recognition for insurance contracts. TFRS 17 has been postponed for 1 more year for insurance and reinsurance as well as pension companies, and TFRS 4 will replace Insurance Contracts as of January 1, 2025.

**TFRS 17 (Amendments) Insurance Contracts and First Implementation of TFRS 17 and TFRS 9 – Comparative Information**

Amendments have been introduced into TFRS 17 in order to reduce costs of implementation, and facilitate description of results and shift.

Moreover, the amendment related to comparative information allows those companies implementing TFRS 7 and TFRS 9 at the same time for the first time to present their comparative information regarding their financial assets as if classification and measurement requirements of TFRS 9 were previously applied to that financial asset.

Amendments will come into force when TFRS 17 is put into effect for the first time.

**Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)**

*(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)*

---

**2. Principles regarding presentation of financial statements (continued)**

**2.2.5 New and Revised Turkish Financial Reporting Standards (Continued)**

**TAS 21 (Amendments) Unavailability of Exchangeability**

Such amendments include guidance on how to determine when a currency is exchangeable and how exchange rate can be determined when it is not exchangeable. Amendments apply as of annual reporting periods beginning on or after 1 January 2025.

The potential impact of the aforementioned standards, amendments and improvements on the consolidated financial position and performance of the Company is assessed.

**2.6 Significant accounting policies**

The major accounting policies, which are pursued in the drawing up of the consolidated financial statements, are summarized as follows:

**Cash and cash equivalents**

Cash and cash equivalents are reflected in the balance sheet based on their cost values. Cash and cash equivalents, include cash in hand and bank deposits as well as the investments with a maturity period of 3 months or shorter that could be converted into cash easily with high liquidity and whose risk of change of value is negligible (Footnote 3).

**Related parties**

In terms of these financial statements, the Company's shareholders and group companies which have indirect capital relations with the Company and members of the board of directors and executive directors are described as "related parties" (Footnote 18).

A related party is a person or entity that is related to the entity that is preparing its financial statements ("reporting entity").

- (a) A person, or a close member of that person's family is related to a reporting entity:  
If that person:
  - (i) has control or joint control over the reporting entity,
  - (ii) has significant influence over the reporting entity,
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is deemed related to a reporting entity if any one of the following conditions applies:
  - (i) The entity and the reporting entity are members of the same group (which means that namely each parent, subsidiary, and fellow subsidiary is related to the others).
  - (ii) The entity is an associate or joint venture of the other entity (or a member of a group of which the other entity is also a member).
  - (iii) Both entities are joint ventures of same third party,
  - (iv) One entity is a joint venture of a third entity and the entity is an associate of the third entity.
  - (v) If there is such a plan of the reporting entity itself, in the case of the utility plan provided after the departure of the reporting entity or an employee of the reporting entity, the sponsoring employers are also associated with the reporting entity.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a);



**Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)**

*(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)*

---

**2. Principles regarding presentation of financial statements (continued)**

**2.6 Significant accounting policies (Continued)**

**Related parties (continued)**

- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent company of the entity).

A related party transaction is a transfer of resources, services, or obligations between the reporting entity and related party, regardless of whether a price is charged.

**Factoring Receivables and Impairment**

Factoring receivables are financial assets generated by providing financing to the debtor. Those factoring receivables are initially recognized at cost and subsequently evaluated at their amortized cost values using the effective interest rate method.

The Company, in compliance with "TFRS 9-Financial Instruments" standard, sets aside expected credit losses for financial assets monitored at amortized cost or fair value through other comprehensive income.

As part of TFRS 9, provision for expected credit loss as determined based on "three phase" impairment model, detailed out below in headings, which takes as basis change in credit quality of financial assets following the initial recognition.

Within scope of TFRS 9, it is evaluated whether or not there has been a significant increase in credit risk of financial instrument within scope of impairment since their inclusion in financial statements for the first time. Change emerging from default risk of the financial instrument is taken into account when carrying out such evaluation.

Estimation of expected credit losses includes supportable information about estimations regarding impartial, past incidents weighted based on possibilities and future economic conditions. One of important determinants in calculation of expected loss provisions within scope of TFRS 9 is assessing whether or not there is a significant increase in credit risk of the financial asset. These financial asset will be divided into three categories depending on the rise in credit risks as observed after they are first included in financial statements.

**Phase 1:**

Financial assets of which credit risk has not increased significantly when they are first included in financial statements or after they are first included in financial statements. For such assets, provision for credit risk impairment is recognized in the amount of expected credit losses over 12 months of default risk. 12-month expected credit loss is calculated based on a default expectation that realizes within 12 months following the reporting date.

**Phase 2:**

In the event of a significant rise, as of the reporting date of the financial asset, in the credit risk after it was first included in financial statements, the relevant financial asset will be transferred to Phase 2. Provision for credit risk impairment is determined based on expected credit loss of the relevant financial asset over lifetime default risk.

Following basic criteria are taken into account in respect of classification of a financial asset in the second phase:

- overdue for less than 90 days, more than 30 days
- Being subjected to restructuring due to payment difficulty of loan

**Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024  
(continued)**

*(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)*

---

**2. Principles regarding presentation of financial statements (continued)**

**2.6 Significant accounting policies (Continued)**

**Factoring Receivables and impairment (continued)**

**Phase 3:**

Financial assets about which there exists sufficient and impartial information regarding impairment are classified at phase 3. Probability of default is taken as 100% when calculating provision for impairment and provision is calculated based on lifetime expected credit loss of the financial asset. In order for a financial asset to be classified at phase three, it must be overdue by more than 90 days.

*Other Financial Assets*

Financial assets are recognized after deducting expenditures that can be directly related to the purchase from the fair market value except for those classified as assets reflected at fair value through profit or loss and financial assets that are recorded at fair value. Investments are recognized or derecognized at the date of commercial transaction which is subject to a contract that stipulates delivery of investment instruments in the time period set by the relevant market. Financial assets are classified as "financial assets measured at fair value through profit or loss", "financial assets measured at fair value through other comprehensive income", and "other financial assets measured at amortized cost." Classification is made based on the nature and purpose of the financial assets and is determined during initial recognition.

*Financial Assets Reflected At Fair Value Through Profit or Loss*

Financial assets the fair value of which are reflected to the income statement are assets held for purchase and sale, and financial assets that are recognized under this category at the first recognition although not having been acquired for purchase and sale purposes. When a financial asset is acquired with the intention of disposing it of in the short term, or when it is believed that a more accurate accounting indication will be obtained during the first recognition, then it is classified under this category. Such financial assets that constitute derivative instruments that are not designated as effective hedging instruments against financial risk are also classified as financial assets reflected at fair value through profit or loss.

*Effective interest method:*

Effective interest method is a method whereby a financial asset is assessed at amortized cost and the relevant interest income is spread to the relevant period. Effective interest rate is the rate that reduces the estimated future cash payments throughout the expected life of a financial instrument, or where appropriate, in a shorter period of time, exactly to the net present value of the relevant financial asset.

Income associated with financial assets classified as debt instruments and loan and receivables to be held to maturity and available for sale is calculated according to effective interest method.

*Assets measured at amortized cost:*

Fixed term debt instruments with a fixed or certain payment plan which the Company has the capability and intention to hold up to maturity are classified as assets measured at amortized cost (investments). Assets measured at amortized cost (investments) are recorded after impairment amount is deducted from the amortized cost according to the effective interest method, and the relevant income is calculated using the effective interest method.

**Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)**

*(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)*

---

**2. Principles regarding presentation of financial statements (continued)**

**2.6 Significant accounting policies (Continued)**

**Factoring receivables and impairment (continued)**

*Assets reflected at fair value through other comprehensive income:*

Exchange-listed equities held by the Company that are traded on an active market and certain debt instruments are classified as Assets measured at fair value through other comprehensive income, and are carried at fair value. The Company has equity instruments which are not traded on an active market and are not listed on the stock exchange, but are equity instruments classified as assets reflected at fair value through other comprehensive income, which are carried at cost because their fair value cannot be reliably measured. Impairments recorded in the income statement, exchange rate gain/loss amount related to interest and monetary assets calculated using effective interest method

The receivable is written off when it is foreseen that all or part of the receivable fails to be collected or a certificate of insolvency is issued by the customer. Once the receivable is written off, the provision is reversed and the entire receivable is deleted off the assets. If a previously written-off receivable is recovered, the relevant amounts are recorded as income.

Those loans and other receivables which are concluded to be uncollectible are collected through encashment of guarantees and through other legal proceedings or are written off as per the resolution of the Bank's Board of Directors, fulfilling requirements of Tax Procedure Law.

**Financial Assets of which fair value difference is reflected upon other Comprehensive Income**

Financial assets that are held for investment for an indefinite period of time and that can be disposed in accordance with changes in liquidity requirement, interest rate, exchange rate or share prices are classified as financial assets at Fair Value through Other Comprehensive Income. The management of the company classifies such financial assets at the date of acquisition.

All financial assets are initially recognized at cost which is the fair value of the asset including the purchase costs related to the investment. After being reflected to the financial statements, the financial instruments classified as Financial Assets at Fair Value through Other Comprehensive Income are evaluated at their fair values as far as their fair value can be reliably measured. Unlisted financial assets, for which the Company has a share of less than 20%, are valued at the cost of the financial asset, where the fair value can not be estimated reasonably and can not be calculated reliably since other methods used to determine the fair value are not applicable or not operative.

The effects of all changes that occur in fair value are accounted for under equity. In case a temporary impairment in the fair value of such assets is identified, the effect of that impairment is reflected in the income statement. Accumulated fair value adjustments are transferred into the income statement when these securities are disposed.

**Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024  
(continued)**

*(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)*

---

**2. Principles regarding the presentation of financial statements (continued)**

**2.6 Summary of significant accounting policies  
(continued) 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.

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.

Impairments are evaluated in each reporting period in case the impairment is reduced or there are indications that impairment is not valid. Impairment is reversed in case of a change in the estimates used in the determination of recoverable amount.

**Interest income and expenses**

Interest income and expenses are recognized in the income statement on an accrual basis using effective interest rate method.

**Foreign Currency Transactions**

Transactions expressed in foreign currency are converted into Turkish lira as per the exchange rates valid at the time of the transaction. Profits and losses resulting from these transactions and arising from the conversion of monetary assets and liabilities indexed to foreign currency are reflected in the income statement. These balances are valued over end of period exchange rates.

**Employee benefits**

The Company recognizes its obligations regarding severance payment, vacation benefits and other benefits provided to employees in accordance with Turkish Accounting Standard for Employee Benefits ("TAS 19") and classifies the same under "Provision for Employee Benefits Obligation" in the balance sheet.

In accordance with the applicable Labor Laws in Türkiye, the Company is obliged to make a certain lump sum payment to employees whose employment is terminated due to retirement or resignation, and for reasons other than the behaviors specified in the Labor Law. The liability regarding the provision for severance payment that might arise under this mentioned Law is calculated on the basis of its present value using certain actuarial estimates and reflected in the financial statements (Footnote 9).

The Company compulsorily pays social insurances premium to the Social Security Institution. The Company has no other obligation as long as it pays the aforesaid premiums. These premiums are reflected to the personnel expenses in the term they accrue.

**Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024  
(continued)**

*(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)*

---

**2.6 Significant accounting policies**

**(Continued)**

**Recognition of income and expense**

**Provisions, conditional assets and liabilities**

Any provision is recognized in financial statements if, as a result of a past event, the Company has a present legal or constructive obligation, and it is probable that an outflow of economic benefits will be required to settle the obligation and that obligation can be estimated reliably. If such criteria have not been met, the Company discloses the relevant matters in the relevant financial footnotes. In cases where the time value of the money is important, the amount of provision is determined as present value of the cash outflows that are expected to be required for fulfilling the obligation. For the purpose of determining the discount ratio to be used for reduction of the present value of provisions, the interest rate effective in the respective markets and the risk related to the said liability are taken into account.

Conditional assets are recognized when the probability of occurrence is virtually certain, otherwise they are disclosed only in footnotes.

**(i) Fee and commission income**

Fees and commissions arising from factoring transactions are reflected in the income statement depending on the duration of the related transaction.

**(ii) Dividend income**

Dividend income is recorded as income when the Company is entitled to a dividend payment.

**(iii) Other Income and Expenses**

Other income and expenses are recognized on an accrual basis.

**(iv) Financing income /(expenses)**

Financing income includes interest incomes and exchange rate differences. Financing expenses include interest expense on loans, foreign exchange losses and other financing costs.

**Taxes calculated at the corporate income**

**Corporate tax**

Corporate tax is calculated in accordance with the provisions of the Tax Procedure Law and tax expenses other than this respective one are accounted for under operating expenses.

They are deducted when there is a legal right to apply current tax assets to current tax liabilities, or where such assets and liabilities are related to the income tax collected by the same tax authority.

**Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024  
(continued)**

*(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)*

---

**2.6 Significant accounting policies (Continued)**

*Deferred taxes*

Deferred taxes are calculated by means of the liability method, and over the temporary differences between the values of the assets and liabilities registered in the financial statements and the tax values and reflected in the income statement as expense or income. If they are related to the assets that are directly associated with equity, then the tax effects are directly correlated to the equity account group. In the calculation of the deferred tax, the tax rates in use are those being currently applicable in accordance with the effective tax regulations.

While deferred tax liabilities are calculated for any and all taxable temporary differences, deferred tax assets which comprise deductible temporary differences are calculated taking into account that it is highly possible to benefit from such differences by obtaining taxable profit in the future.

The deferred tax assets and deferred tax liabilities are offset against one another in case there is a legal right on offsetting the current tax liabilities against the current tax assets. (Footnote 10)

Deferred tax is calculated over the tax rates expected to be valid during the period the assets arise or the liabilities are fulfilled.

**Derivative financial instruments**

Derivative financial instruments are initially recognized at their fair values, including the cost of acquisition, and are evaluated at their fair values as well in the periods subsequent to their acquisition. Although derivative financial instruments are used within the framework of the risk management of the Company, they are reflected in the financial statements as derivative financial instruments held for trading since they do not bear the necessary conditions for hedge accounting. The gains and losses arising from the changes in the fair values of such instruments are recognized in the income statement as other operating income/expenses.

**Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)**

*(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)*

**2.6 Significant accounting policies****(Continued)**

Leasing transactions where a significant part of the risks and gains relating to the property are borne by the lessee are classified as financial leasing, whereas other leases are classified as operating leases.

Assets acquired through financial leasing are capitalized using the lesser of the fair value of the asset at the leasing date or the present value of the minimum lease payments. The liability against the lessor is shown as the financial leasing liability on the balance sheet. Financial leasing payments are divided as financial expense and principal expense that enables decrease of the financial leasing liability, and thereby interest is calculated at a fixed rate over the principal balance of the debt.

Financial expenses are recorded in the profit and loss statement within scope of the Company's general borrowing policy as detailed out above. The Company has no outstanding financial lease payables.

Payments made for operating leases are recorded on the profit or loss statement using the straight line method throughout the lease term.

**Capital and dividends**

The common shares are classified as capital. The dividends distributed over the common shares are recognized at their date of declaration. Indispensable and inevitable direct costs incurred for capital increase are classified in total paid-in capital.

**Post balance sheet events**

Events occurred after the balance sheet which provide information about the condition of the Company at the balance-sheet date (events requiring adjustment) are reflected in the financial statements. Events that do not require adjustment are explained in footnotes if they are of any significance.

**3. Cash Equivalents and Banks**

	<b>30 June 2024</b>	<b>31 December 2023</b>
Cash		
Banks	242,005	213,661
- Demand deposits	242,005	213,661
	<b>242,005</b>	<b>213,661</b>

The Company has no time deposits as of 30 June 2024. (31 December 2023: None), and its demand deposit is TRY 242,005 (31 December 2023: TRY 213,661). There is no blockage on bank deposits.

**Deniz Faktoring A.Ş.****Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)***(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)***4. Factoring Receivables**

	<b>30 June 2024</b>	<b>31 December 2023</b>
Domestic factoring receivables	15,898,914	13,982,647
Export and Import Factoring Receivables	4,321,477	2,135,113
Non-performing factoring receivables	291,015	180,792
<b>Gross Factoring Receivables</b>	<b>20,511,406</b>	<b>16,298,552</b>
Provisions for Losses Expected	(519,889)	(480,968)
<i>Phase 1</i>	(193,557)	(211,114)
<i>Phase 2</i>	(108,942)	(160,729)
<i>Phase 3</i>	(217,390)	(109,125)
Unearned interest income	(420,684)	(510,306)
<b>Factoring Receivables, Net</b>	<b>19,570,833</b>	<b>15,307,278</b>

Unearned interest income represents prepaid income calculated using the maturity values of factoring receivables.

The sum of the Company's future maturity checks and promissory notes against its factoring receivables is TRY 8,950,427 as of 30 June 2024 (31 December 2023: TRY 8,784,427).

These checks and promissory notes are recognized in off-balance sheet items.

As of 30 June 2024, Domestic factoring receivables amounting to TRY 144,156 (31 December 2023: TRY 232,953) and foreign factoring receivables amounting to TRY 548,245 (31 December 2023: TRY 354,107) are composed of irrevocable transactions (of which risk is undertaken). Additionally, as of 30 June 2024, revocable transactions at the amount of TRY 6,971,763 (December 31, 2023: TRY 8,304,279) are being followed up at off-balance sheet items.

Factoring Receivables are analyzed as follows:

	<b>30 June 2024</b>	<b>31 December 2023</b>
Not overdue and not impaired	19,799,707	15,607,454
Overdue but not impaired		
Impaired	291,015	180,792
(Minus): Provision for expected loss	(519,889)	(480,968)
<b>Net factoring receivables</b>	<b>19,570,833</b>	<b>15,307,278</b>



**Deniz Faktoring A.Ş.****Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)***(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)***4. Factoring receivables (continued)**

The Company calculates and accounts for the incurred or expected to be incurred future losses regarding factoring receivables, in accordance with the related communiqués and regulations issued by BRSA.

Maturity distribution of factoring receivables is as follows:

	30 June 2024	31 December 2023
0 to 1 month	3,792,852	3,212,682
1 to 3 months	11,591,246	7,851,509
3 to 12 months	4,186,735	4,171,419
1 year and more	-	71,668
	<b>19,570,833</b>	<b>15,307,278</b>

Below is the movement statement of expected credit losses:

Details of expected credit loss as of June 30, 2024 are as follows:

30 June 2024	Factoring Receivables	Provisions for Losses Expected (-)	Unearned interest revenues (-)	Factoring Receivables, Net
Phase 1	19,463,973	(193,557)	(398,898)	18,871,518
Phase 2	756,418	(108,942)	(21,786)	625,690
Phase 3	291,015	(217,390)	-	73,625
<b>Total</b>	<b>20,511,406</b>	<b>(519,889)</b>	<b>(420,684)</b>	<b>19,570,833</b>

Below is the movement statement of provision for expected loss:

	Phase 1	Phase 2	Phase 3	Total
<b>Movement Statement of Provisions:</b>				
End of Previous Period	(203,150)	(168,693)	(109,125)	(480,968)
Provisions / collections set aside and movements throughout the period (net)	9,593	59,751	(108,265)	(38,921)
<b>Provision at the end of the period</b>	<b>(193,557)</b>	<b>(108,942)</b>	<b>(217,390)</b>	<b>(519,889)</b>

**Deniz Faktoring A.Ş.****Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)***(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)***4. Factoring Receivables (Continued)**

Details of expected credit loss as of December 31, 2023 are as follows:

<b>31 December 2023</b>	<b>Factoring Receivables</b>	<b>Provisions for Losses Expected (-)</b>	<b>Unearned interest revenues (-)</b>	<b>Factoring Receivables, Net</b>
Phase 1	15,882,433	(211,114)	(506,752)	15,164,567
Phase 2	235,327	(160,729)	(3,554)	71,044
Phase 3	180,792	(109,125)	-	71,667
<b>Total</b>	<b>16,298,552</b>	<b>(480,968)</b>	<b>(510,306)</b>	<b>15,307,278</b>

Below is the movement statement of provision for expected loss:

	<b>Phase 1</b>	<b>Phase 2</b>	<b>Phase 3</b>	<b>Total</b>
<b>Movement Statement of Provisions:</b>				
End of Previous Period	(17,968)	(173,269)	(84,203)	(275,440)
Provisions / collections set aside and movements throughout the period (net) (*)	(185,182)	4,576	(24,922)	(205,528)
<b>Provision at the end of the period</b>	<b>(203,150)</b>	<b>(168,693)</b>	<b>(109,125)</b>	<b>(480,968)</b>

(\*) The Company has deleted its receivables amounting to TRY 32,361 from phase 3 records and such amount receivable has been as a net amount in the relevant amount.

**Deniz Faktoring A.Ş.****Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)***(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)***5. Loans received**

Below are loans taken as of 30 June 2024 and 31 December 2023:

		<b>30 June 2024</b>		<b>31 December 2023</b>	
	<b>Interest rate range</b>	<b>Amount</b>		<b>Amount</b>	
		<b>Interest rate range</b>		<b>Amount</b>	
TRY	50% - 52%	13,274,285		10,380,708	
		<b>13,274,285</b>		<b>10,380,708</b>	

Loans taken by the Company as of 30 June 2024 include both flat rate loans and variable rate loans.

**6. Derivative financial assets held-for-trading**

		<b>30 June 2024</b>		<b>31 December 2023</b>	
		<b>TRY</b>	<b>FX</b>	<b>TRY</b>	<b>FX</b>
Fair value differences of Derivative financial instruments		60,143	-	20,443	-
		<b>60,143</b>	<b>-</b>	<b>20,443</b>	<b>-</b>

**7. Other Liabilities**

		<b>30 June 2024</b>		<b>31 December 2023</b>	
Payables to suppliers		2,033		3,300	
Taxes Payable and Other Liabilities		31,592		31,954	
Other		15,677		11,088	
		<b>49,302</b>		<b>46,342</b>	

**8. Derivative Financial Liabilities**

		<b>30 June 2024</b>		<b>31 December 2023</b>	
		<b>TRY</b>	<b>FX</b>	<b>TRY</b>	<b>FX</b>
Fair value differences of Derivative financial instruments		244,708	-	5,522	-

## Deniz Faktoring A.Ş.

### Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)

(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)

#### 9. Provisions

Below are provisions for liabilities regarding employee rights as of 30 June 2024 and 31 December 2023:

	30 June 2024	31 December 2023
Provisions for litigations	60,811	51,416
Severance pay obligation	3,373	3,243
Provision for accumulated leave of the personnel	2,074	327
Provisions for personnel premiums	9,285	11,997
	<b>75,543</b>	<b>66,983</b>

- The provision for severance pay is set aside within the framework of the following explanations.

In accordance with the current labor code, the Company is obliged to pay certain amounts of severance pay to employees who either quits or resigns due to retirement, or is dismissed due to reasons other than bad behavior, provided that such employees have served at least for one year.

Seniority pay liability is not legally subject to any funding.

The severance allowance is calculated by the estimation of current value of the possible liability to be required to pay in case of the retirement of the employees.

The basic assumption is that maximum amount of liability for each year of service will increase in line with inflation. Thus, applicable discount rate indicates the real rate expected after adjustment of future inflation effects. Therefore, as of June 30, 2024, provisions shown on financial statements attached are calculated by estimating current value of contingent liabilities that may stem from retirement of the employees in the future. Estimated rates of severance pays that will not be paid but kept in the Company as a result of discretionary resignations have also been considered.

The basic assumption is the increase of the ceiling liability determined for each year of service in proportion to inflation. Thus, the applicable discount rate indicates the real ratio net of expected effects of inflation. Indemnification payable is equal to one monthly salary for each year of service, and this amount was limited by TRY 35,058.58 (full) as of 30 June 2024 (31 December 2023: TRY 23,489.83 (full)).

**Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)**

*(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)*

**10. Deferred tax asset/liability**

The Company accounts for deferred tax receivables and liabilities for temporary timing and valuation method differences arising from the differences between the taxable financial statements and the financial statements drawn up in compliance with TAS/IFRS.

	<b>30 June 2024</b>	<b>31 December 2023</b>
Timing Differences Underlying Deferred Tax		
Provision for Severance Pay	3,373	3,243
Provision for unused leaves	2,074	327
Derivative transactions expense / income rediscount (net)	184,565	(14,921)
Provision for factoring receivables and Unearned Incomes	482,072	451,331
Other	45,220	31,561
	<b>717,304</b>	<b>471,541</b>

	<b>30 June 2024</b>	<b>31 December 2023</b>
<u>Deferred Tax Assets / (Liabilities)</u>		
Provision for severance pay	1,012	973
Provision for unused leaves	622	98
Derivative transactions expense income rediscount (net)	55,370	(4,476)
Provision for factoring receivables	144,622	135,399
Other	13,565	9,471
<b>Deferred Tax Asset /(Liability), (net)</b>	<b>215,191</b>	<b>141,465</b>

Below is the statement of movements of deferred tax assets.

	<b>30 June 2024</b>	<b>30 June 2023</b>
Opening balance as of 1 January	141,465	63,181
Deferred Tax Income / (Expense)	73,726	38,458
Deferred tax Income Expense shown under Other Comprehensive Income (defined benefit liabilities)	-	-
Other	-	337
<b>Closing Balance</b>	<b>215,191</b>	<b>101,976</b>

**Deniz Faktoring A.Ş.****Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)***(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)***11. Issued Securities**

As of 30 June 2024 and 31 December 2023, the company has issued bills amounting to TRY 3,032,929 and TRY 2,482,444, respectively.

The details of the issued bills are as follows (nominal):

Issue Date	Compound Interest Rate	Maturity	30 June 2024
1 March 2024	55.05	21 August 2024	180,000
3 April 2024	69.52	17 July 2024	240,000
26 April 2024	68.82	23 October 2024	100,000
3 May 2024	70.90	31 July 2024	400,000
8 May 2024	68.91	7 August 2024	200,000
3 June 2024	61.47	4 October 2024	180,000
7 June 2024	61.36	26 September 2024	275,000
12 June 2024	61.21	4 October 2024	300,000
21 June 2024	61.45	11 October 2024	616,000
28 June 2024	60.64	1 November 2024	380,000
			<b>2,871,000</b>

Issue Date	Compound Interest Rate	Maturity	31 December 2023
22 August 2023	32.34	14 February 2024	100,000
29 September 2023	45.56	5 January 2024	200,000
16 November 2023	49.47	26 April 2024	130,000
23 November 2023	49.31	8 May 2024	115,000
8 December 2023	53.26	6 March 2024	360,000
20 December 2023	53.20	29 March 2024	100,000
28 December 2023	53.31	3 April 2024	900,000
29 December 2023	54.03	21 June 2024	550,000
			<b>2,455,000</b>

**12. Other Assets**

	30 June 2024	31 December 2023
BITT receivables	44,326	42,718
Receivables from Litigation and Court Expenses	2,396	2,123
Prepaid Expenses	2,151	-
Other	302	754
	<b>49,175</b>	<b>45,595</b>

## Deniz Faktoring A.Ş.

### Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)

(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)

#### 13. Equity

The issued and paid in capital amounts as of 30 June 2024 and 31 December 2023 are as follows along with their book values:

	30 June 2024		31 December 2023	
	Share (%)	TRY	Share (%)	TRY
Denizbank A.Ş.	99.99	2,490,000	99.99	2,490,000
Other	0.01	-	0.01	-
	<b>100</b>	<b>2,490,000</b>	<b>100</b>	<b>2,490,000</b>

Accumulated Earnings other than legal reserves in the statutory financial statements are available for distribution subject to the legal reserve requirement mentioned below.

As per Turkish Commercial Code, the legal reserves are divided into two as primary reserves and secondary reserves. As per the Turkish Commercial Code, the primary legal reserves are reserved as 5% of the legal net profit until it reaches 20% of the paid-in capital of the company.

The secondary legal reserves comprise 10% of the distributed profit in excess of 5% of the paid-in capital. As per Turkish Commercial Code, the legal reserves may be used for the sole purpose of netting the losses as long as they do not exceed 50% of the paid-in capital, and they may not be used for any other purpose.

In accordance with the "Law on Amendments to Certain Tax Procedures" no. 5228 published in the Official Gazette No 25539, dated July 31, 2004, inflation differences resulted due to the first financial statement offsetting corrected as per the inflation and observed in the "Previous Period Profit / Loss" may be deducted from past year losses resulting from the correction or be added to the capital by corporate taxpayers and such transactions are not considered as profit distribution.

Besides, it is been scrutinized that the amounts of income from deferred tax assets may not be described as cash or own sources by the Banking Regulation and Supervision Agency (BRSA) and thus that part of the profit for the period which stems from such assets cannot be the subject of profit distribution and capital increase.

The equity capital inflation adjustment differences regarding all the equity items may be used only in the case of free of charge capital increase or loss offsetting, while the registered values of the extraordinary reserves may be used only in the case of free of charge capital increase, cash profit distribution or loss offsetting.

**Deniz Faktoring A.Ş.****Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)***(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)***14. Main Operating Income**

	30 June 2024	30 June 2023
Factoring interest income (net)	3,613,543	1,051,546
Factoring fee and Commission Income	8,929	158,873
	<b>3,622,472</b>	<b>1,210,419</b>

**15. Main operating expenses:**

	30 June 2024	30 June 2023
Personnel expenses	58,219	25,278
Depreciation and redemption expenses	12,091	8.966
Service fee expenses	12,473	6,869
Marketing and advertising expenses	8.698	1,638
Data processing expenses	3,279	877
Vehicle and travel expenses	559	675
Intelligence expenses	1,198	650
Auditing and consultancy expenses	2,209	345
Other	9.626	3,751
	<b>108,352</b>	<b>49,049</b>

**16. Provision for Taxes of Operations-in-progress**

	30 June 2024	30 June 2023
Provision for current period corporate tax	339,587	175,676
Income Effect of Deferred Tax	(73,726)	(38,458)
<b>Total tax expense (net)</b>	<b>265,861</b>	<b>137,218</b>

The Company and its subsidiaries established in Turkey and other countries in the scope of consolidation, associates and joint ventures are subject to the tax legislation and practices in force in the countries they are operating.

The companies calculate provisional tax in 30% over the quarter period financial profits and declare following this period until the 14th day of the second month and pay until the evening of the seventh day. The provisional tax paid within the year is deducted from the corporate tax to be calculated over the corporate tax return belonging to that year, but to be submitted in the following year. If there is paid provisional tax left despite the deduction, such amount may be reimbursed in cash or may be deducted.



**Deniz Faktoring A.Ş.****Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)***(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)***16. Provision for Taxes of Operations-in-progress (continued)**

According to the Corporate Tax Law, financial losses shown on the return may be deducted from the corporate tax base of the relevant period for 5 years at most. Returns and related accounting records may be examined within five years by the tax office.

The reconciliation of the theoretical tax expense calculated by using the current year tax rate and the statutory tax rate of the Company is as follows:

<b>Profit before tax</b>	<b>1,133,096</b>	<b>570,425</b>
Income tax rate 30%	339,929	142,606
Legally non-allowable expenses and other additions, net	(74,068)	(5,388)
<b>Tax expense for the current year</b>	<b>265,861</b>	<b>137,218</b>

**17. Other operating income and expenses**

<b>Other Operating Income</b>	<b>30 June 2024</b>	<b>30 June 2023</b>
Profit from exchange transactions	10,624,071	17,420,740
Derivative transaction profit	96,648	-
Interests received from banks	29,305	-
Profit from Capital Market Transactions	239,684	24,510
Other	21,114	78,479
	<b>11,010,822</b>	<b>17,523,729</b>
<b>Other Operating Expenses</b>	<b>30 June 2024</b>	<b>30 June 2023</b>
Exchange Transaction Losses	10,907,677	17,340,898
Loss from Derivative Transactions	669,578	21,730
Other	41,540	13,220
	<b>11,618,795</b>	<b>17,375,848</b>

**Deniz Faktoring A.Ş.****Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)***(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)***18. Related party disclosures**

Loans received from Related Parties:

	Foreign Currency Type	Interest Rate %	Maturity	30 June 2024
Denizbank A.Ş.	USD	6.95	01.07.2024	5,261,974
Denizbank A.Ş.	GBP	6.20	01.07.2024	1,221,465
Denizbank A.Ş.	TRY	52.00	01.07.2024	521,000
Denizbank A.Ş.	TRY	50.00	28.03.2025	272,486
Denizbank A.Ş.	TRY	50.00	28.03.2025	150,000
Denizbank Bahrain	EUR	5.86	10.12.2029	2,676,345
Denizbank Bahrain	EUR	5.90	12.02.2031	955,191
				<b>11,058,461</b>

	Foreign Currency Type	Interest Rate %	Maturity	31 December 2023
Denizbank A.Ş.	TRY	23.00	24.01.2024	60,000
Denizbank A.Ş.	TRY	23.50	01.02.2024	26,950
Denizbank A.Ş.	TRY	23.50	20.05.2024	324,000
Denizbank A.Ş.	TRY	46.50	02.10.2024	54,996
Denizbank A.Ş.	TRY	43.00	11.10.2024	55,500
Denizbank A.Ş.	TRY	33.00	28.02.2024	280,000
Denizbank A.Ş.	TRY	38.50	30.04.2024	43,000
Denizbank A.Ş.	TRY	34.50	28.02.2024	350,000
Denizbank A.Ş.	EUR	6,25	02.01.2024	991,191
Denizbank A.Ş.	USD	7.50	02.01.2024	165,502
Denizbank A.Ş.	GBP	7.80	02.01.2024	1,681,694
				<b>4,032,833</b>

Bank deposits of Related Parties:

	30 June 2024	31 December 2023
Denizbank A.Ş.	43,017	25,122
Denizbank AG	197,304	136,043
	<b>240,321</b>	<b>161,165</b>

Payables to related parties:

	30 June 2024	31 December 2023
Intertech Bilgi İşlem ve Pazarlama Tic. A.Ş.	11,813	11,178
Credit Bureau of Turkey	123	24
Deniz Finansal Kiralama A.Ş.	1,860	833
	<b>13,796</b>	<b>12,035</b>

**Deniz Faktoring A.Ş.****Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)***(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)***18. Related party disclosures (continued)****Interest expenses paid to related parties:**

	30 June 2024	30 June 2023
Denizbank A.Ş.	300,390	418,883
Denizbank Bahrain	57,472	-
	<b>357,862</b>	<b>418,883</b>

**Costs and commissions paid to related parties:**

	30 June 2024	30 June 2023
Deniz Yatırım Menkul Kıymetler A.Ş	6,283	1,582
Denizbank A.Ş	6,196	2,404
Denizbank A.G	109	131
Denizbank Bahrain	109	131
	<b>12,587</b>	<b>4,118</b>

**Derivative Transactions carried out with related parties:**

	30 June 2024	31 December 2023
Derivative Financial Liabilities Held-For-Trading	(244,708)	(5,522)
Derivative financial assets held-for-trading	60,143	20,443
	<b>(184,565)</b>	<b>14,921</b>

**Off-Balance Sheet Assets**

	30 June 2024	30 June 2023
<u>Swap Purchase</u>		
Denizbank A.Ş.	6,322,576	-
<u>Swap Sales</u>		
Denizbank A.Ş	7,728,759	-

**Profit/Loss of Derivative Transactions carried out with related parties:**

	30 June 2024	30 June 2023
Denizbank A.Ş.	1,372	-

	30 June 2024	30 June 2023
Benefits to Senior Executives (*)(**)	18,139	11,288

(\*) Senior executives of the company include the general manager, executive vice presidents, and members of the board of directors.

(\*\*) The said amount consists of monetary rights such as salaries, bonuses, premiums, as well as vehicle rental and depreciation and other expense items.

**Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)***(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)***19. Nature and level of risks arising from financial instruments****Financial instruments and financial risk management*****Credit risk***

Credit risk arises when the counterparty of the financial tools fails to fulfill contractual obligation and causes a financial loss for the Company. The Company is mostly subject to credit risk through its factoring operations. The credit risk is controlled by setting certain limits to parties that give rise to the credit risk and following up expected collections from customers regularly and in cases of risks, receiving certain amounts of guarantees as per the framework of obligations. The credit risk is concentrated in Turkey where activities are predominantly carried out. The credit risk is distributed by rendering services to a large number of customers from different sectors.

As of June 30, 2024 and December 31, 2023, below is the geographical distribution of the liabilities and assets of the Company:

<b>30 June 2024</b>	<b>Assets</b>	<b>Liabilities</b>
Turkey	100.0%	66.96%
European countries	-	5.43%
Other	-	27.62%
	<b>100.00%</b>	<b>100.00%</b>
<b>31 December 2023</b>	<b>Assets</b>	<b>Liabilities</b>
Turkey	100.00%	99.10%
European countries	-	0.90%
Other	-	0.00%
	<b>100.00%</b>	<b>100.00%</b>

**Deniz Faktoring A.Ş.**

**Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)**

*(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)*

**19. Nature and level of risks arising from financial instruments (continued)**

**Maximum credit risk exposure table**

	30 June 2024			31 December 2023				
	Factoring Receivables	Financial Assets reflected at Fair Value Through Profit or Loss	Banks	Derivative Financial Assets	Factoring Receivables	Financial Assets reflected at Fair Value Through Profit or Loss	Banks	Derivative Financial Assets
Maximum credit risk exposure as of reporting date (*)	19,570,833	-	242,005	60,143	15,307,278	-	213,661	20,443
A. Net book value of financial assets not yet due or impaired	19,570,833	-	242,005	60,143	15,307,278	-	213,661	20,443
- Not overdue and have not impaired (gross book value)						-	-	-
- General loan provision (-) (**)						-	-	-
B. Book value of financial assets whose conditions have been re-negotiated otherwise would have been considered overdue or impaired	-	-	-	-	-	-	-	-
C. Net book value of financial assets overdue, but not impaired	-	-	-	-	-	-	-	-
D. Net book values of assets impaired	(228,874)	-	-	-	-	-	-	-
- Overdue (gross book value)	291,015	-	-	-	180,792	-	-	-
- Impairment (-)	(519,889)	-	-	-	(480,968)	-	-	-
E. Elements involving off-balance sheet credit risk	-	-	-	-	-	-	-	-

(\*) Elements that increase credibility such as collaterals received have not been taken into consideration in determining the amount.

(\*\*) Based on the Company Provisions Communiqué, special provisions are set aside for these receivables at rates determined in line with the principles of reliability and prudence, even though the periods specified in the said communiqué have not yet been exceeded.

**Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)***(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)***19. Nature and level of risks arising from financial instruments (continued)****Market Risk**

Market Risk is the risk where the Company's ability to realize its targets with its capital and earnings is to be adversely affected by the fluctuations in the interest rates, foreign exchange rates, inflation rates and in the market prices. The Company follows market risk under the subtitles of currency risk and interest risk.

Risk Management Policies have been approved by the Board of Directors of the Company. It is the responsibility of the Company to implement the Risk Management Policy and to adhere to the policy Principles.

As a factoring company, the Company is exposed to exchange rate risk, interest rate risk and liquidity risk while fulfilling the needs of its customers. While managing these risks, the Fund Management focuses on the Company's asset and liability structure. Fund Management is responsible for funding the Company, balancing the open position and interest rate risk and managing the excess amounts in the event of any liquidity surplus.

**Interest rate risk**

Fluctuations in the prices of financial instruments due to the changes in market interest rates lead to the necessity of managing the interest rate risk of the Company. The Fund Management Department tracks interest-sensitive assets, liabilities and off-balance sheet items of the Company on a daily basis. In addition, the Financial Control department reports the interest risk on a monthly basis by their maturities by spreading them on the schedule. Interest rate risk sensitivity analysis (Basis Point Value analysis) are calculated on a monthly basis by Deniz factoring Market Risk taking into account the foreign exchange types and terms, and Value at Risk calculations are also performed and reported with limit controls stipulated in Risk Management Policies on a monthly basis.

Average interest rates applied to financial instruments throughout the year:

	30 June 2024			31 December 2023		
	US\$ (%)	EURO (%)	TRY (%)	US\$ (%)	EURO (%)	TRY (%)
<b>Assets</b>						
Factoring receivables, net	9.8%	10.6%	51.2%	9.8%	10.3%	32.3%
<b>Liabilities</b>						
Loans Taken	7.5%	6.6%	41.6%	7.4%	5,3%	26.0%
Issued securities	-	-	48.3%	-	-	29.5%

**Deniz Faktoring A.Ş.**

**Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)**

*(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)*

---

**Deniz Faktoring A.Ş.****Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)***(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)***19. Nature and level of risks arising from financial instruments (continued)**

The following tables analyze the Company's assets and liabilities of the Company at the balance sheet date, according to the interest rate changes stated in the contract, based on the remaining period and the related maturity grouping.

<b>30 June 2024</b>	<b>Up to 3 months</b>	<b>up to 3 to 12 months</b>	<b>Over 1 year</b>	<b>Non-Interest Bearing</b>	<b>Total</b>
Banks and cash assets	-	-	-	242,005	242,005
Derivative Held-For-Trading financial assets	-	-	-	60,143	60,143
Available-for-sale financial assets	-	-	-	-	-
Factoring receivables	3,792,852	15,777,981	-	1.121.152	1.121.152
Tangible fixed assets	-	-	-	-	19,570,833
Intangible fixed assets	-	-	-	7.737	7.737
Deferred tax asset	-	-	-	32.244	32.244
Other assets	-	-	-	215,191	215,191
Tax Assets for the Current Period	-	-	-	49,175	49,175
<b>Total assets</b>	<b>3,792,852</b>	<b>15,777,981</b>	<b>-</b>	<b>1,727,647</b>	<b>21,298,480</b>
Loans taken	7,997,936	1,520,962	3,755,387	-	13,274,285
Factoring payables	21,942	-	-	-	21,942
Payables due to Leasing Transactions	-	-	-	7.273	7.273
Issued securities	-	3,032,929	-	-	3,032,929
Derivative financial liabilities	-	-	-	244,708	244,708
Other Liabilities	-	-	-	58,587	58,587
Provisions	-	-	-	66,258	66,258
Tax liability for the current period	-	-	-	197.785	197.785
<b>Total liabilities</b>	<b>8,019,878</b>	<b>4,553,891</b>	<b>3,755,387</b>	<b>574,611</b>	<b>16,903,767</b>
<b>Net re-pricing Position</b>	<b>(4,227,026)</b>	<b>11,224,090</b>	<b>(3,755,387)</b>	<b>1,153,036</b>	<b>4.394.713</b>



**Deniz Faktoring A.Ş.****Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)***(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)***19. Nature and level of risks arising from financial instruments (continued)**

<b>31 December 2023</b>	<b>Up to 3 months</b>	<b>up to 3-12 months</b>	<b>Over 1 year</b>	<b>Non-Interest Bearing</b>	<b>Total</b>
Banks and cash assets	-	-	-	213,661	213,661
Financial assets reflected at fair value through profit/loss (Net)	-	-	-	889,244	889,244
Derivative financial assets held-for-trading	20,443	-	-	-	20,443
Factoring receivables	3,212,682	12,022,928	71,668	-	15,307,278
Tangible fixed assets	-	-	-	5,525	5,525
Intangible fixed assets	-	-	-	29,632	29,632
Deferred tax asset	-	-	-	141,465	141,465
Other assets	-	-	-	45,595	45,595
<b>Total assets</b>	<b>3,233,125</b>	<b>12,022,928</b>	<b>71,668</b>	<b>1,325,122</b>	<b>16,652,843</b>
Loans taken	7,568,606	2,802,459	9,643	-	10,380,708
Factoring payables	39,374	-	-	-	39,374
Payables due to Leasing Transactions	-	-	-	6,262	6,262
Issued securities	-	2,482,444	-	-	2,482,444
Derivative Financial Liabilities Held-For-Trading	5,522	-	-	-	5,522
Other Liabilities	-	-	-	58,339	58,339
Provisions	-	-	-	54,986	54,986
Tax liability for the current period	-	-	-	97,730	97,730
<b>Total liabilities</b>	<b>7,613,502</b>	<b>5,284,903</b>	<b>9,643</b>	<b>217,317</b>	<b>13,125,366</b>
<b>Net Re-pricing Position</b>	<b>(4,380,377)</b>	<b>6,738,025</b>	<b>62,025</b>	<b>1,107,805</b>	<b>3,527,478</b>

**Exchange rate risk**

Assets and liabilities in the foreign currency generate the foreign exchange risk. Due to the nature of its operations, the Company carries a certain amount of foreign exchange position arising from the transactions it has carried out. The foreign exchange position is monitored by the Fund Management on a daily basis and reported by the Planning Control on a monthly basis in accordance with the maturity and currency types.

The following table indicates the Company's susceptibility regarding a 10% change in US\$ and EURO exchange rates. The following amounts represent the effect of 10% increase in US\$, Euro and GBP against TRY on the income statement. In this analysis, it has been assumed that all other variables, notably, interest rates, will remain unchanged.

	<b>Profit / (Loss)</b>	<b>Profit / (Loss)</b>
	<b>30 June 2024</b>	<b>31 December 2023</b>
US\$	(4,455)	(1,399)
EURO	3,160	4,012
GBP	(5,684)	(3,766)

In the event that TRY depreciates by 10% against US\$ and EURO, the effect on the income statement will be equal to the above stated amounts but reversely.

**Deniz Faktoring A.Ş.****Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)***(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)***19. Nature and level of risks arising from financial instruments (continued)**

Below is the Company's foreign exchange position as of 30 June 2024 and 31 December 2023:

<b>30 June 2024</b>	<b>US\$</b>	<b>EURO</b>	<b>Other</b>	<b>TRY</b>	<b>Total</b>
Banks and cash equivalents	55,518	106,385	39,075	41,027	242,005
Derivative financial assets		-	-	60,143	60,143
Financial Assets Reflected at Fair Value through Other Comprehensive Income	-	-	-	1.121.152	1.121.152
Factoring receivables	2,990,565	555,834	1,781,266	14,243,168	19,570,833
Tangible fixed assets	-	-	-	7.737	7.737
Intangible fixed assets	-	-	-	32.244	32.244
Deferred tax asset	-	-	-	215,191	215,191
Tax Assets for the Current Period	-	-	-	-	-
Assets held-for-sale and discontinued operations (net)	-	-	-	-	-
Other	-	581	-	48,594	49,175
<b>Total assets</b>	<b>3,046,083</b>	<b>662,800</b>	<b>1,820,341</b>	<b>15,769,256</b>	<b>21,298,480</b>
Derivative Financial Liabilities	-	-	-	244,708	244,708
Loans taken	5,551,741	4,490,966	1,222,128	2,009,450	13,274,285
Factoring payables	270	179	1	21,492	21,942
Payables due to Leasing Transactions	-	-	-	7.273	7.273
Issued securities	-	-	-	3,032,929	3,032,929
Other liabilities	556	1,412	66	47,268	49,302
Provisions	-	-	-	75,543	75,543
Tax liability for the current period	-	-	-	197.785	197.785
<b>Total liabilities</b>	<b>5,552,567</b>	<b>4,492,557</b>	<b>1,222,195</b>	<b>5,636,448</b>	<b>16,903,767</b>
<b>Net position</b>	<b>(2,506,484)</b>	<b>(3,829,756)</b>	<b>598,146</b>	<b>10,132,808</b>	<b>4,394,713</b>
<b>Derivative financial instruments</b>	<b>(2,461,965)</b>	<b>(3,860,611)</b>	<b>581,608</b>	<b>-</b>	<b>6,904,184</b>

**Deniz Faktoring A.Ş.****Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)***(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)***19. Nature and level of risks arising from financial instruments (continued)**

<b>31 December 2023</b>	<b>US\$</b>	<b>EURO</b>	<b>Other</b>	<b>TRY</b>	<b>Total</b>
Banks and cash equivalents	49,903	20,097	5,337	138,324	213,661
Derivative financial assets	-	-	-	20,443	20,443
Fair Value Difference Other Financial Assets reflected at Comprehensive Income	-	-	-	889,244	889,244
Factoring receivables	275,330	340,144	1,645,788	13,046,016	15,307,278
Tangible fixed assets	-	-	-	5,525	5,525
Intangible fixed assets	-	-	-	29,632	29,632
Deferred tax asset	-	-	-	141,465	141,465
Tax Assets for the Current Period	-	-	-	-	-
Assets held-for-sale and discontinued operations (net)	-	-	-	-	-
Other	242	132	-	45,221	45,595
<b>Total assets</b>	<b>325,475</b>	<b>360,373</b>	<b>1,651,125</b>	<b>14,315,870</b>	<b>16,652,843</b>
Derivative Financial Liabilities	-	-	-	5,522	5,522
Loans taken	337,559	2,140,960	1,688,784	6,213,405	10,380,708
Factoring payables	38	175	-	39,161	39,374
Payables due to Leasing Transactions	-	-	-	6,262	6,262
Issued securities	-	-	-	2,482,444	2,482,444
Other liabilities	1,866	-	-	56,473	58,339
Provisions	-	-	-	54,986	54,986
Tax liability for the current period	-	-	-	97,730	97,730
<b>Total liabilities</b>	<b>339,463</b>	<b>2,141,135</b>	<b>1,688,784</b>	<b>8,955,983</b>	<b>13,125,365</b>
<b>Net position</b>	<b>(13,989)</b>	<b>(1,780,762)</b>	<b>(37,659)</b>	<b>5,357,218</b>	<b>3,524,809</b>
<b>Derivative financial instruments</b>	<b>-</b>	<b>1,820,881</b>	<b>-</b>	<b>(1,903,831)</b>	<b>(82,950)</b>

Below are TRY translation rates of the foreign currency assets and liabilities as of 30 June 2024 and 31 December 2023;

	<b>30 June 2024</b>	<b>31 December 2023</b>
EURO	35.1284	32.5739
US\$	32.8262	29.4382
GBP	41,4365	37.4417

**Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)**

*(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)*

---

**19. Nature and level of risks arising from financial instruments (continued)**

***Fair value of financial instruments***

Fair value is the amount at which a financial instrument can be traded in a transaction in accordance with the consent of the parties, other than compulsory sales or liquidation. The quoted market price, if applicable, reflects the fair value very accurately.

The company has established the estimated reasonable values of the financial instruments using the current market knowledge and proper valuation methods. However, consideration of the market information and estimating the fair values require interpretation and reasoning. As a result, the estimations offered in these financial statements may not be the indication of the values the Company may acquire through current market transactions.

The fair value of the financial instruments is calculated based on the reliable information available in the financial markets in Turkey. The fair values of other financial instruments are determined by taking into account the current market value of another financial instrument with similar characteristics and using the assumption techniques, including the discounting of future cash flows as per their current interest rates.

It is foreseen that the fair value of the short term assets and liabilities approximates their recognized value due to the insignificant flow of the discount effect.

The recognized value of the factoring receivables is foreseen to reflect the fair value along with the related provision for doubtful receivables due to their short term nature.

**Fair value measurement classification**

Classification based on the observability of the data used in determining the fair value of the financial assets and liabilities that are reflected with their fair values in the financial statements in accordance with TFRS 7 and based on the levels stated below:

- First level: Financial assets and liabilities are assessed over stock exchange prices transacted at the active market for the identical assets and liabilities.
- Second level: Financial assets and liabilities are assessed from inputs used in calculating the price that may be directly or indirectly observed in the market apart from stock exchange price of respective asset or liability as specified in the first level.
- Third level: Financial assets and liabilities are assessed from inputs that are not based on data used for calculation of the fair value of an asset or liability which may be observed in the market.

**Deniz Faktoring A.Ş.****Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)***(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)***19. Nature and level of risks arising from financial instruments (continued)**

Levels of fair value of financial instruments:

**30 June 2024**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Financial assets at fair value through profit/loss	1.121.152	-	-
Derivative financial assets	-	60,143	-
<b>Total assets</b>	<b>1.121.152</b>	<b>60,143</b>	<b>-</b>
Derivative financial liabilities	-	244,708	-
<b>Total Liabilities</b>	<b>-</b>	<b>244,708</b>	<b>-</b>

**31 December 2023**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Financial assets at fair value through profit/loss	889.244	-	-
Derivative financial assets	-	20,443	-
<b>Total assets</b>	<b>889.244</b>	<b>20.443</b>	<b>-</b>
Derivative financial liabilities	-	5,522	-
<b>Total Liabilities</b>	<b>-</b>	<b>5,522</b>	<b>-</b>

**Capital management**

As per article 12 of the "Regulation on the Establishment and Operation Principles of Financial Leasing, Factoring and Financing Companies", it is mandatory that the ratio of equity of the Company to its total assets be maintained at minimum three percent.

As of 30 June 2024, it is mandatory that the equity ratio of the Company to its total assets to be minimum three percent and maintained so.

	<b>30 June 2024</b>	<b>31 December 2023</b>
<b>Total Assets (A)</b>	21,298,480	16,652,843
<b>Total equity (B)</b>	4,394,713	3,527,478
<b>Total equity/total asset ratio (B/A)</b>	21%	21%

**Remarks and footnotes to financial statements for the accounting period ended on 30 June 2024 (continued)**

*(Amounts are expressed in thousands of Turkish Liras ("TRY") unless otherwise specified.)*

---

**21. Provisions, contingent assets and liabilities**

Amount of guarantees given by the company amount to TRY 4,602,605 in total, and the said letters of guarantee have been given to courts and customs authorities (31 December 2023: TRY 2,586,290).

Derivative financial instruments are stated at their fair value; the positive fair value differences are presented as derivative financial assets, and negative fair value differences are presented as derivative financial liabilities.

**22. Post balance sheet events**

The Company has realized a bond issue with a nominal amount of TRY 340,000 with a term of 123 days and compound interest of 60.74% on July 5, 2024 through sale to qualified investors without initial public offering.

The Company has realized a bond issue with a nominal amount of TRY 230,000 with a term of 133 days and compound interest of 60.32% on July 10, 2024 through sale to qualified investors without initial public offering.

The Company has realized a bond issue with a nominal amount of TRY 100,000 with a term of 138 days and compound interest of 60.09% on July 12, 2024 through sale to qualified investors without initial public offering.

The Company has realized a bond issue with a nominal amount of TRY 200,000 with a term of 135 days and compound interest of 60.22% on July 17, 2024 through sale to qualified investors without initial public offering.