Investor Presentation

Lider Faktoring

2022 Financial Results

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(1) Introduction

Key company highlights

- High asset quality
- Strong shareholder base
- Strong risk management controls
- Experienced and stable management
- Efficient and conservative approach to factoring
- Leading factoring franchise in Turkey
- Solid financial position
- Diverse client base and extensive distribution network



Lider Faktoring at a glance

	Moody's	S&P	Fitch
National Long-Term Rating	NA	NA	BBB+(tur)
Outlook	NA	NA	Stable

Key historic milestones

90s – The Company was established in 1992

2002 – Lider became a leading player in the sector with 11 branches, 100 employees, 7000 client base and relations with leading Turkish banks; Lider ranked 4th among non-bank owned companies

2007 – The family members purchased Lider

2008 – Lider obtained a first of its kind funding and equity investment from a leading global investment bank; Lider ranked 2nd among non-bank owned companies

2010 – Existing management continued to grow the business with Credit Suisse as a minority; Lider ranked 1st among independent factoring companies on the basis of total factoring turnover

2011 – Lider successfuly completed a local currency FRN issue with a maturity of two years; kept and enhanced leading position as ranking 1st among independent factoring companies on the basis of total factoring turnover

2014 – Lider received the prestigious corporate governance award from TKYD, Credit Suisse extended a new TRY130.5mn loan of up to 5-years, Lider, for the second year in a row, won the prestigious corporate governance award from TKYD, Credit Suisse loan was restated to TRY237.3mn with a 5.5-years maturity, Lider issued a total of TRY150mn FRNs with 5 different maturities,

2016 – Lider received the prestigious corporate governance award from TKYD for the third time

2017 – 15% of Lider shares started trading on Borsa Istanbul ("BIST") after the completion of its IPO in June 2014, 49.98% of Destek Varlık Yönetim A.Ş. (an NPL company) İs bought as at 29/12/2016

2019 – As at October 2017,100% of Destek Varlık Yönetim A.Ş. is bought, Denge Varlık Yönetim A.Ş., a wholly owned subsidiary of Lider, started its operations in 2019

2022 – As at 31/12/2022, Lider issued a total of TRY2.6 billion debt instruments of which TRY2.5 have matured

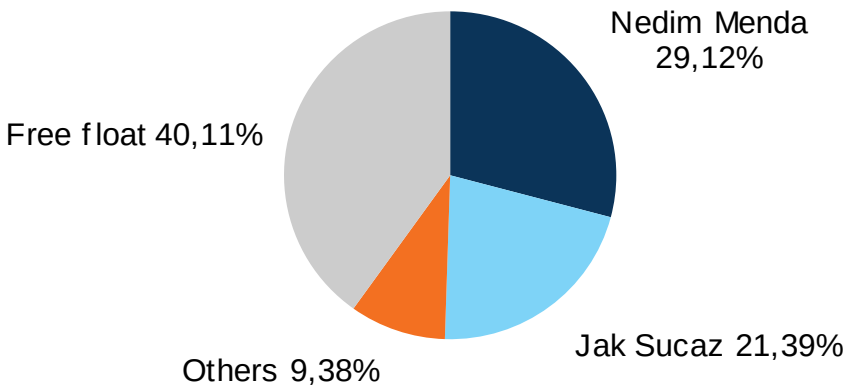
Key performance indicators (TRY thou, %)	FY 2019	FY 2020	FY 2022
Assets	944.569	1.230.575	2.283.442
Equity	176.473	216.448	506.484
Leverage ratio(1)	5,4x	5,7x	4,5x
Gross profit(2)	19.435	55.386	205.553
Operating expenses(3)	50.626	55.838	115.052
Profit before tax	6.650	50.466	281.627
Net profit	6.312	38.162	206.876
Loan Loss Provision ratio(4)	–	0,10%	-
ROAA (%)(5)	0,6%	3,5%	11,8%
ROAE (%)(6)	3,6%	19,4%	57,2%

Source: Lider Faktoring, Financial Statements as at respective date

Note: (1) Leverage = total assets / shareholder's equity
(2) Gross profit = net interest income+ fee and commission income, net
(3) Operating expenses = personnel expenses + administrative expenses + depreciation and amortisation
(4) Loan Loss Provision ratio = (recoveries of / (provisions for) impaired factoring receivables) / gross factoring receivables
(5) RoAA = net income / average total assets
(6) RoAE = net income / average shareholder's equity

Shareholder structure

- Lider is a publicly traded company where the majority of the shares are held by the family. 40.11 % of Lider shares are traded on Borsa Istanbul.



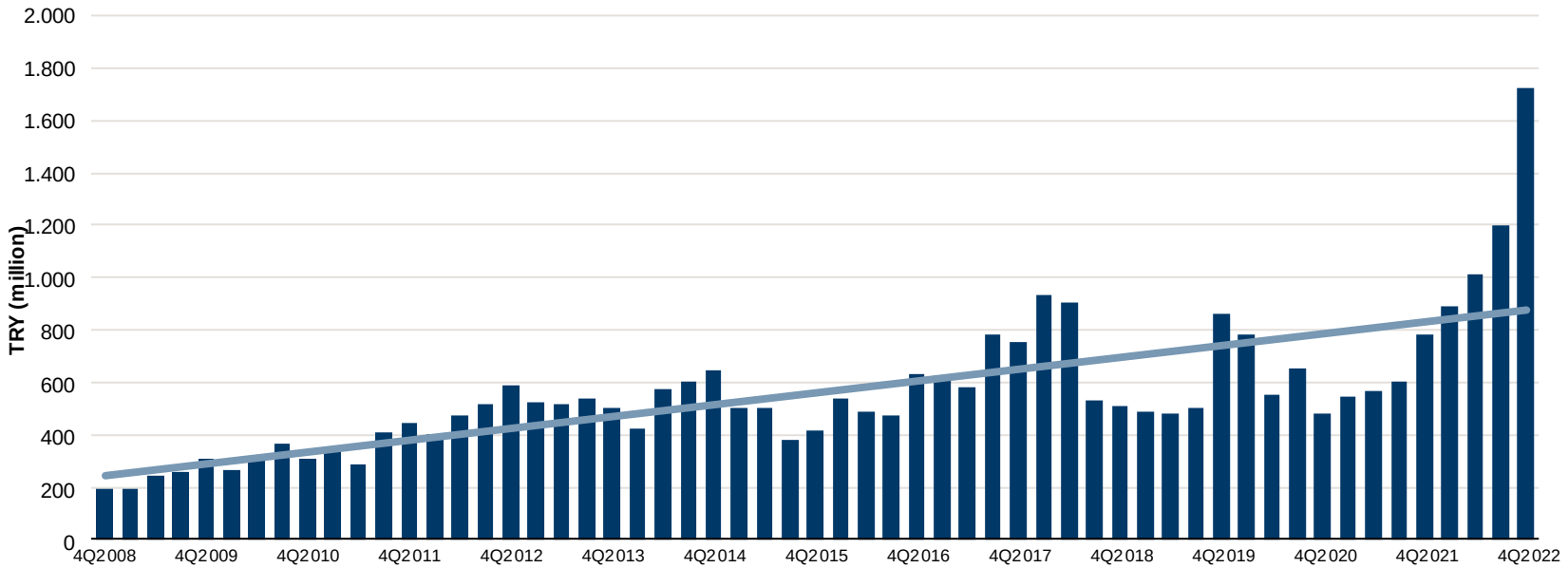
- Family members hold all Class A shares and have the right to appoint a simple majority of the members of the Board.
- Class B shareholders only have economic rights to dividends / distributions and pre-emptive rights with respect to future share issuances as well as the ordinary rights of a shareholder.
- Nedim Menda is a Class C shareholder and has some rights (in accordance with Article 13 of the Company's AoA) over Lider's decisions including but not limited to: (a) sale, merger, consolidation, spin-off ; (b) liquidation, dissolution or winding up; and (c) the increase of the authorized capital of the Company.

Source: Lider Faktoring as of 31 December 2022

Business growth

- Since January 2008, Lider has substantially raised its factoring volumes, enhanced by additional long-term capital increases – Lider expanded its balance sheet by 19% CAGR between 2008 - 2022 with the help of Credit Suisse's financing packages, debt instrument issuances and local / international banking relationships and credit lines.
  - In April 2008, Credit Suisse extended a TRY40mn loan of up to 3-years to Lider Faktoring (fully repaid) and, in October 2008, Credit Suisse became a minority shareholder through a 9.9% direct shareholding. Credit Suisse sold its shares to Nedim Menda in 2018.
  - Lider has further expanded its balance sheet by 10.9x between 2008YE and 2022YE.

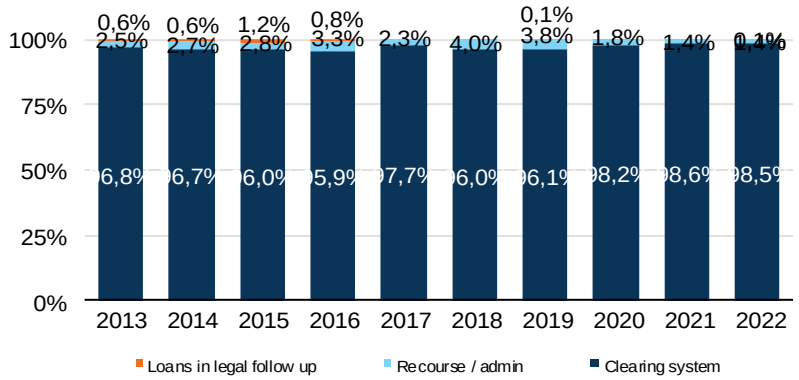
Lider's quarterly factoring volume since 2008



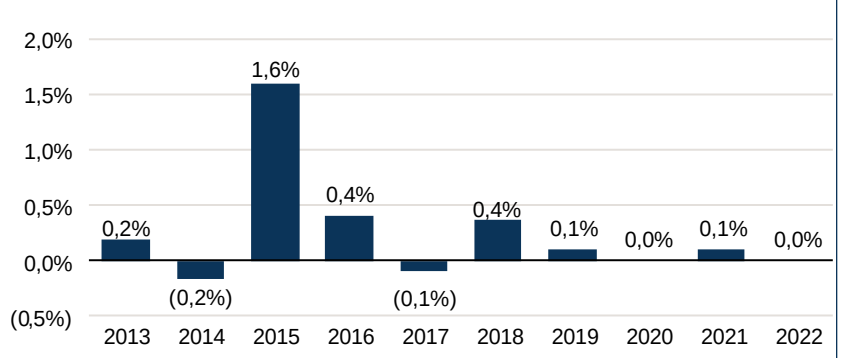
Source: Lider Faktoring as of 31 December 2022

Lider – Superior asset quality

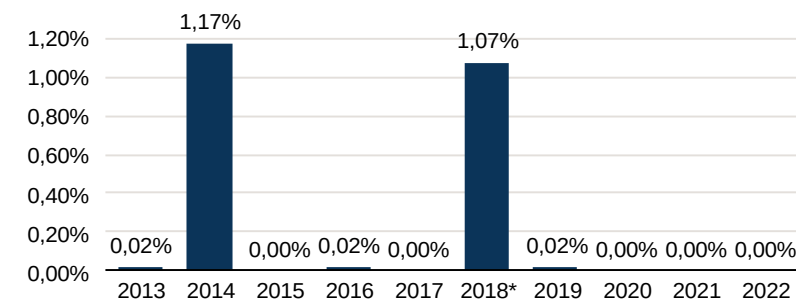
Receivables collection breakdown



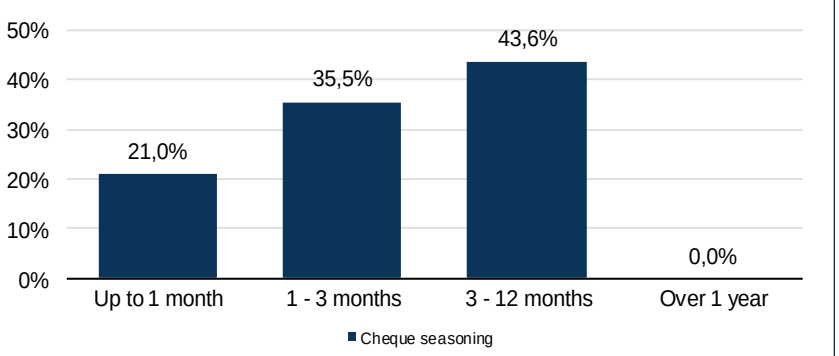
Change in Doubtful Receivables (% of gross factoring receivables)



Write-offs (% of gross factoring receivables)



Cheque tenor (% of total factoring receivables)



* A portfolio of non-performing factoring receivables of Lider were sold to Sümer Varlık Yönetim A.Ş,

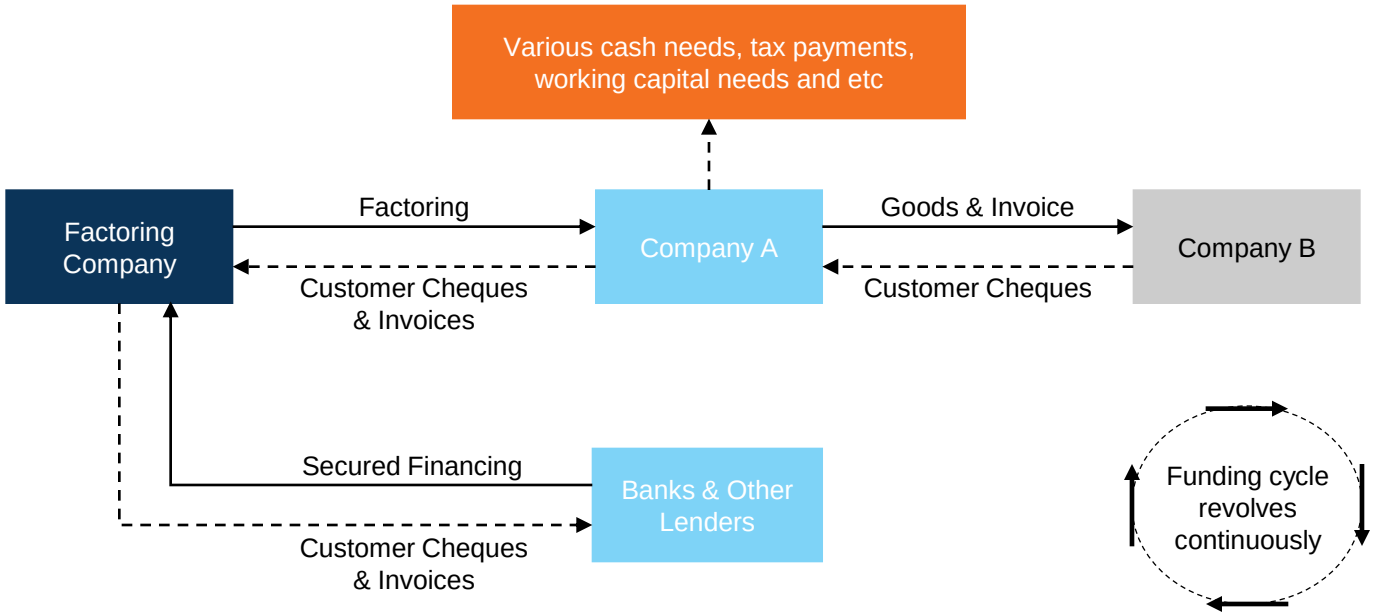
Source: Lider Faktoring as of 31 December 2022

(2) The Factoring Industry

What is factoring?

Factoring is the assignment of receivables with a discount and a commission

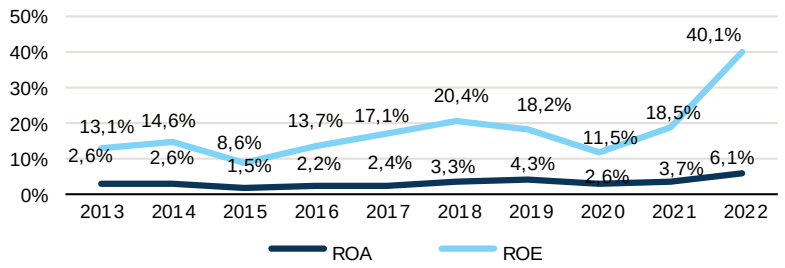
- Factoring companies aim to provide financing against the assignment of receivables, which are evidenced by the relevant invoice to ensure there is an underlying commercial transaction, and the payment for such receivables is usually in the form of the post-dated cheques.
- There are two options in factoring, (i) full-recourse, where the company has full recourse to the relevant customer in line with the factoring agreement (as well as to the originator and any endorsee of the relevant cheque pursuant to Turkish law), or (ii) non-recourse, where the company would only have recourse to the originator and any endorsee if there is an underlying cheque for the payment of such receivables.
- Factoring companies with good operational systems and track records are able to raise financing against these receivables mainly from local banks via secured lending.
- Supervision and governance of the factoring firms is undertaken by the Banking Regulation and Supervision Agency ("BRSA") since 2006.



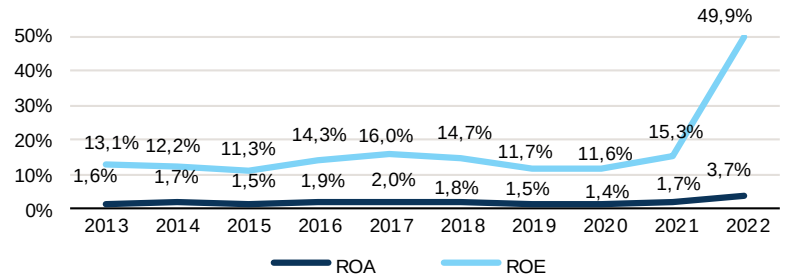
Turkish factoring sector

- The Turkish factoring industry is comprised of 49 factoring companies, including Lider, where all are members of the Financial Institutions Association (www.fkb.org.tr) as at 31 December 2022.
- Invoices and receivables are supported mostly in the form of post dated cheques: (i) post-dated cheques are used often in Turkey to make deferred payments, (ii) cheques in Turkey are recourse to each originator / endorses, (iii) the nominal amount is collected via the clearance system, and (iv) each cheque must come attached with an invoice.
- Turkey's loan penetration ratio is relatively low by international standards and, with most commercial banking loans targeting the corporate and consumer sectors, the Turkish factoring sector has been growing as an alternative financing method for SMEs.

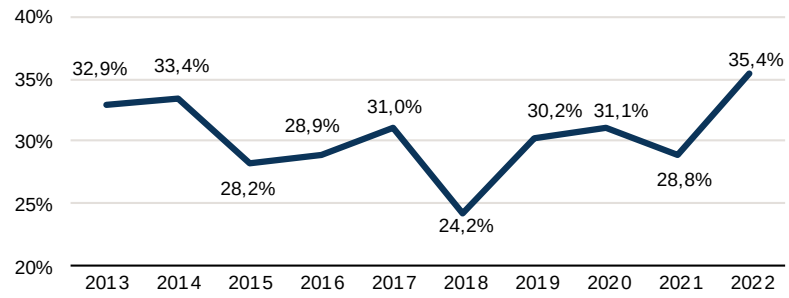
Turkish factoring sector profitability ratios



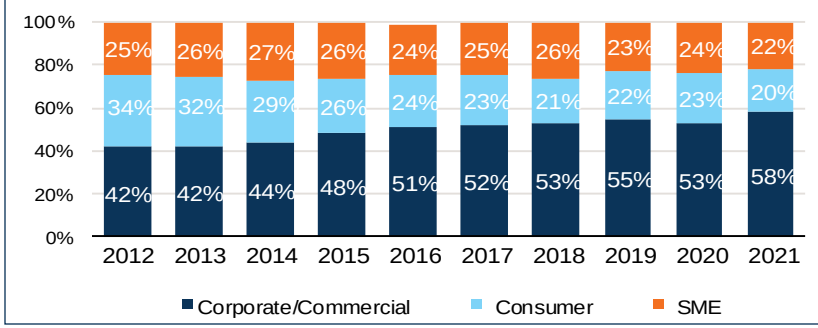
Banking sector profitability ratios



Turkish factoring sector share within non-bank financial sector



Distribution of bank loans by type



Source: BRSA, December 2022

(3) Lider Faktoring – Business Overview

Business model overview

- Lider is mainly active in “with-recourse factoring”, providing the Company with recourse to both the underlying debtor and the customer. Lider also does non-recourse factoring by the supplier financing method.
- Lider generally manages a diversified portfolio with the majority of its factoring volumes in small sized transactions, sourced from a broad range of companies across many industries, mainly in the manufacturing sector.
- In addition, Lider has good corporate governance controls with three board committees in place to oversee the business – the committees are (i) the Audit Committee, (ii) the Risk Detection Committee, and (iii) the Corporate Governance Committee.

With recourse factoring

- All loans are recourse to the Client where core collateral is the quality of the receivable and endorsements
- No sector preference but tendency is with manufacturing related sectors

Target clients

- Sourced from SME client base, currently in excess of 35,000 clients / customers
- All clients need to be approved by the underwriting department

Diversified Portfolio

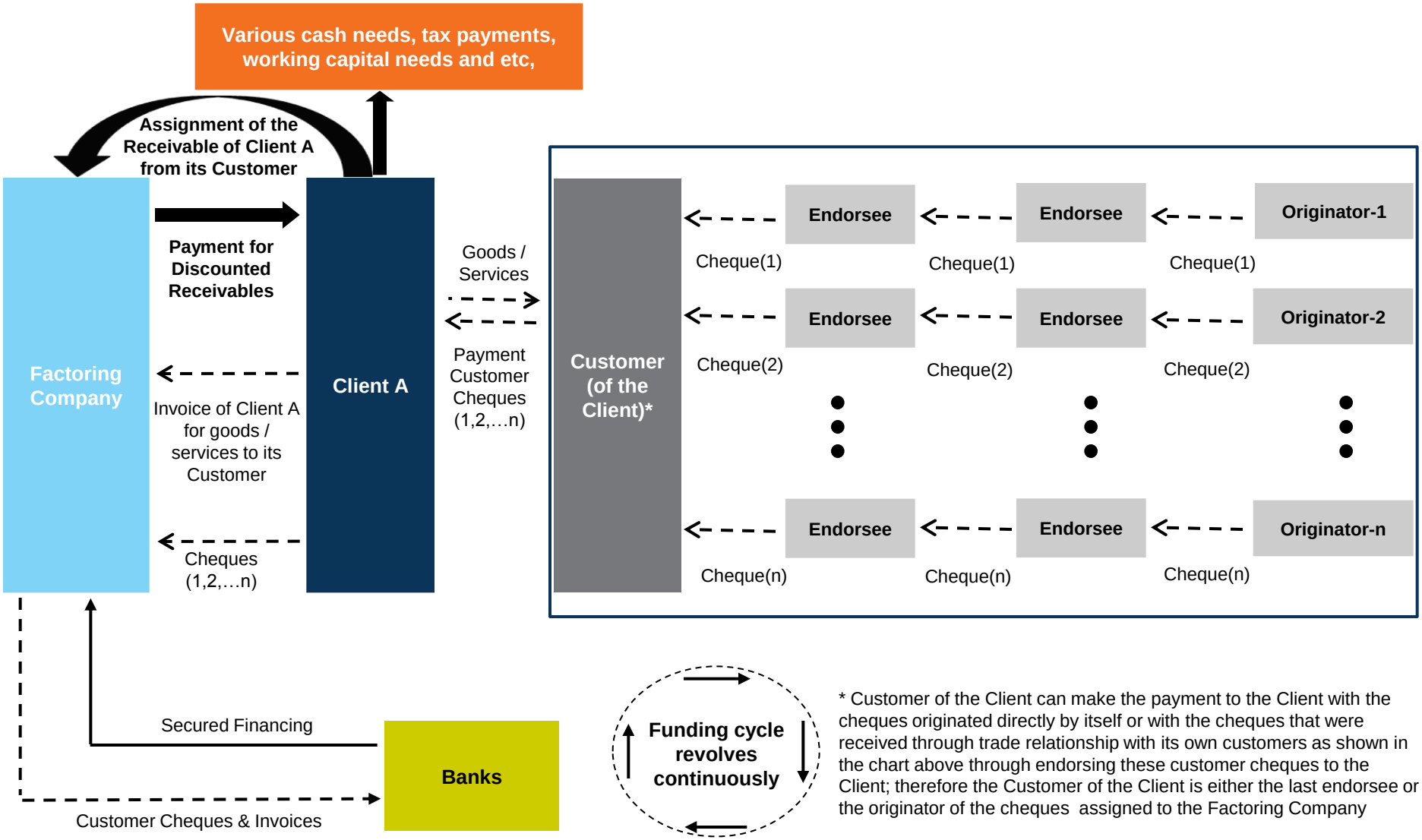
Selection methodology

- Trade registry scanning and review of foundation documents
- A new client is never added to the system without pre-visiting them, Existing clients are regularly visited

Granular risk

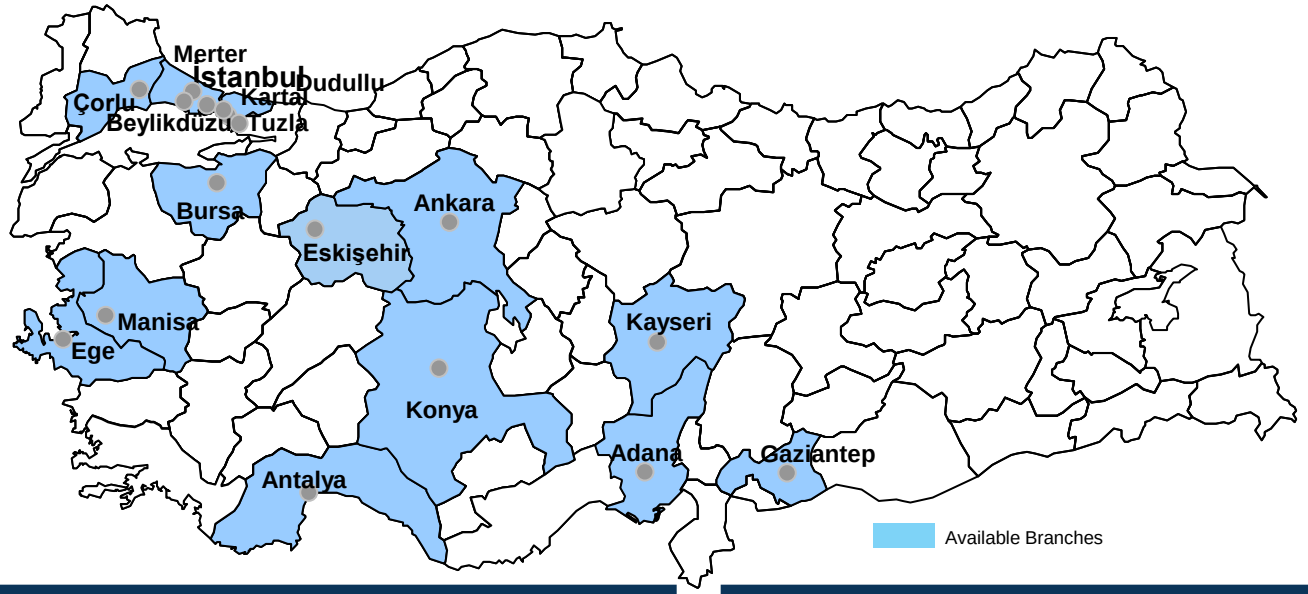
- Average transaction size is TRY 947,283
- Average cheque size is TRY 186,141

Lider's factoring process overview



* Customer of the Client can make the payment to the Client with the cheques originated directly by itself or with the cheques that were received through trade relationship with its own customers as shown in the chart above through endorsing these customer cheques to the Client; therefore the Customer of the Client is either the last endorsee or the originator of the cheques assigned to the Factoring Company

Geographic distribution

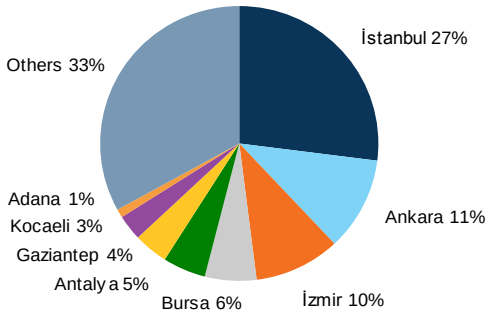


Lider's branch network

- Lider is headquartered in Istanbul with 16 branches across the remainder of Turkey
- Lider has gradually expanded its branch network from none in 2002 to 16 branches covering clients in 50 cities
- Lider's geographic expansion strategy primarily focuses on areas where there is existing factoring demand, which are in close proximity to an industrial center and with low factoring penetration

Breakdown of client factoring receivables by location (31 Dec 2022)

Total factoring receivables – TRY1.08bn



Source: Lider Faktoring as of 31 December 2022

(4) Lider Faktoring – Risk Management and Asset Quality

Strategy and risk management

Strategy

- Lider intends to expand its lending platform and its factoring operations outside of Istanbul through the use of the additional capacity available in its existing branches.

Risk management

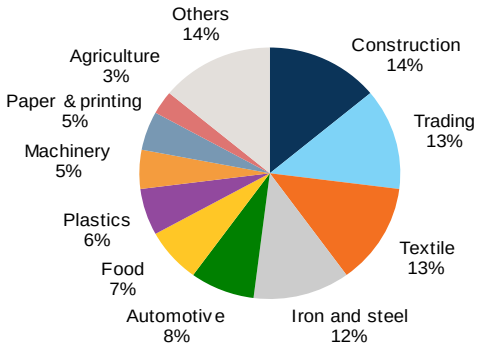
Counterparty credit risk	■ Lider does not target any particular sector of the manufacturing industry and, as a result, has diversified exposure across the various sectors ■ In addition to having set limits per sector, Lider has set internal thresholds for exposure to any given geographic region, client or originator
Leverage ratio	■ Lider has a minimum equity / total assets ratio of 10% as a guiding principle
Liquidity risk	■ Lider maintains a policy of carefully managing liquidity through limiting the amount of bank loans based on the amount of receivables maturing that day ■ Lider's factoring transactions are shorter-term in nature than its liabilities – the average maturity of Lider's receivables are c70-100 days vs over 120 days for its financial liabilities
Currency risk	■ Lider factors receivables mainly in Turkish Lira and receives the majority of its funding in Turkish Lira
Interest rate risk	■ With minimal foreign currency exposure, Lider's interest rate risk stems from maturity mismatches – Lider maintains a healthy combination of fixed and floating rate assets and liabilities

Lider – Factoring portfolio

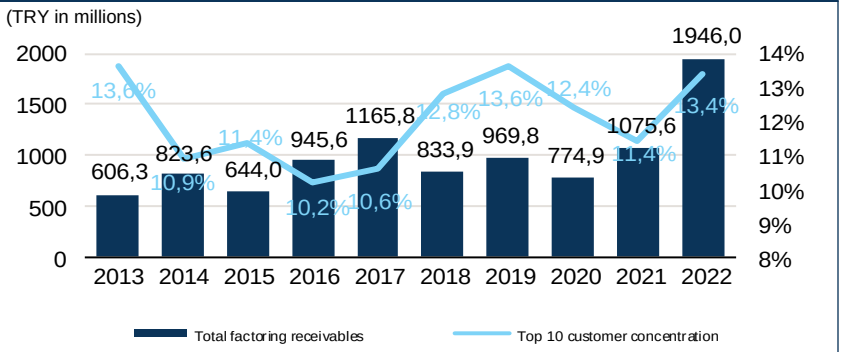
Overview

- Loan portfolio is diversified by industries, geographically, by customers and originators which is in line with the credit risk management approach
  - I. Lider has set a threshold of 20% of factoring receivables to any given industry at any given point in time
  - II. Customer limits are set such that receivables from a single customer cannot exceed 10% of equity
  - III. Originator limits are set such that receivables from a single originator cannot exceed 4% of equity
  - IV. A single location can not exceed 12.50% of total receivables and the top three locations cannot exceed 30% of total receivables at any time, with Istanbul being an exception where this ratio is 50%

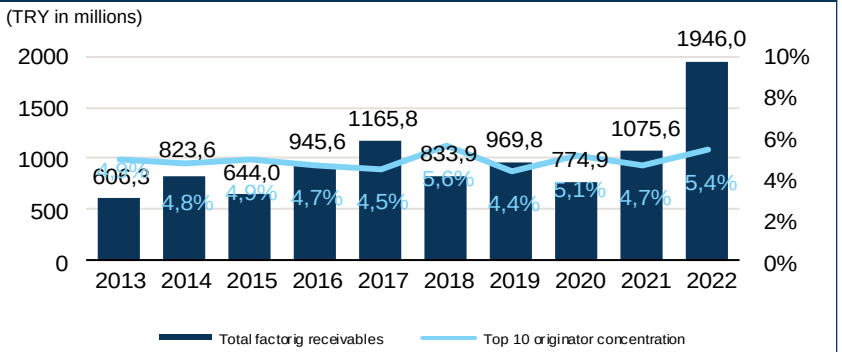
Factoring portfolio breakdown by industrial sectors (31 Dec 2022)



Top 10 customers



Top 10 originators



Source: Lider Faktoring as of 31 December 2022

Corporate Governance & Ratings

- A special emphasis is given to corporate governance where Lider aims to establish a sustainable and preferred corporate structure.
- Lider's current (July 2022) corporate governance rating by SAHA is 9.15. Lider, for three years (2010, 2011 & 2013), has been awarded the prestigious corporate governance award from Corporate Governance Association of Turkey ("TKYD") in the "non-public companies" category.
- Lider has been receiving credit ratings from Fitch Ratings since 2009. In August 2022, Fitch Ratings upgraded Lider's national long-term rating to BBB+(tur). The rating has a Stable Outlook.

National Long-Term Rating

FitchRatings
KNOW YOUR RISK

Ratings

National	
Long-Term Rating	BBB+(tur)
Sovereign Risk	
Foreign-Currency Long-Term IDR	B+
Local-Currency Long-Term IDR	B+
Country ceiling	B+

Outlooks

National Long-Term Rating	Stable
Sovereign Long-Term Foreign-Currency IDR	Negative
Sovereign Long-Term Local-Currency IDR	Negative

Financial Data

Lider Faktoring A.S.

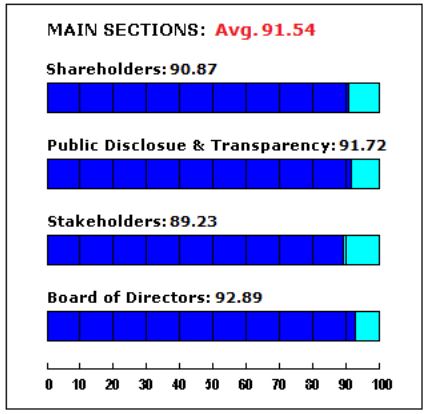
5 August 2022

Corporate Governance Rating

SAHA

Corporate Governance and Credit Rating Services, Inc,

9.15



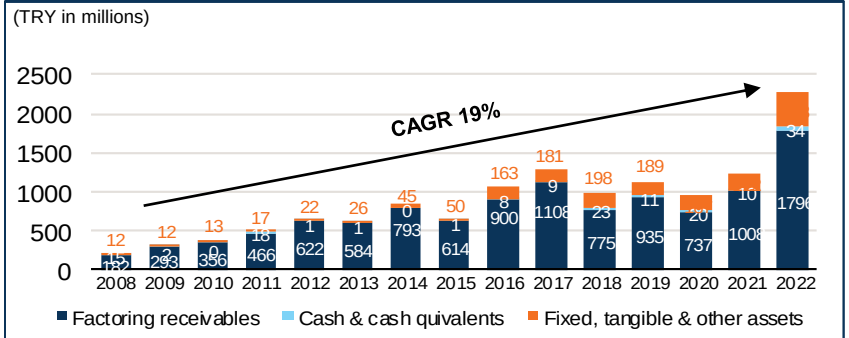
(5) Lider Faktoring – Financial Overview

Financial overview

Assets

- Outstanding risk-return profile
  - Strong equity growth (CAGR 20% between 2008-2022)
  - Net recoveries of -0.4%,-0.1%,0.0%, -0.1%, & 0.0% in 2018, 2019, 2020, 2021, & 2022, respectively
  - Strong asset growth (CAGR 19% between 2008-2022)
- Liquid assets with factoring receivables having an average life of 70-100 days
- Scalable platform with low CAPEX requirements

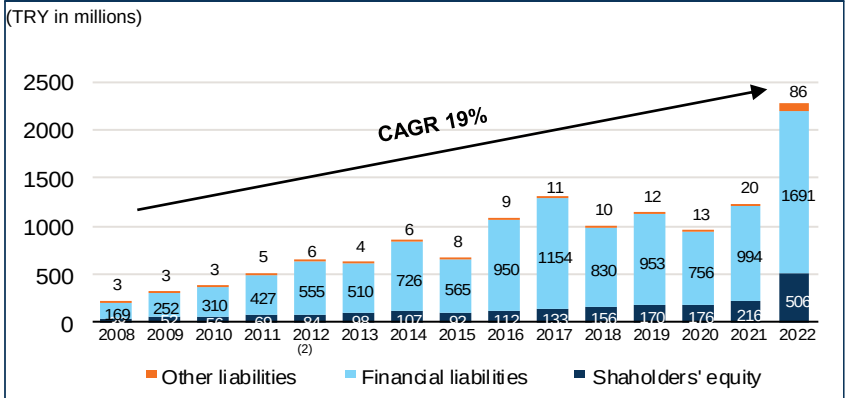
Net Assets



Liabilities and Shareholder's equity

- Well diversified funding base
  - No bank represents more than 20% of the short-term loans and borrowings
- Lider does not use derivatives or any other off-balance sheet instruments
- Lider has a leverage of 4.5x(1) as of 31 December 2022

Liabilities and Shareholder's Equity



Source: Lider Faktoring, Financial Statements as at respective date
Note: (1) Leverage = total assets / shareholder's equity
(2) Other liabilities = total liabilities – financial liabilities

Lider 2022 Results

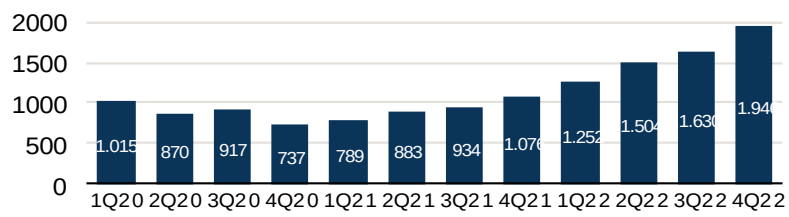
- In 2022, Lider achieved a sustainable development in its balance sheet to enhance asset quality and also increased the customer variety in its receivables portfolio,

	Targets	Actions & Results
Prudent Risk & Transaction Policy	■ Sustainable development in balance sheet & enhancement in asset quality ■ Increase customer variety in specific regions	■ After controlling doubtful receivables (without sacrificing the provision policy) and enhancing asset quality, Lider achieved a sustainable development its balance sheet ■ Increased the variety in customer groups in 2022
Optimize Operating Revenues	■ Focus on increasing the operating revenues	■ Total factoring revenues increased by 128% in 2022 compared to 2021 whereas Denge Varlık's revenues also increased by 297% over the same time period
Diversify Funding Base	■ Diversify funding structure with new long-term products (bond issue, securitisation, etc)	■ As at 31/12/2022, Lider issued a total of TRY2.6bn debt instruments of which TRY2.5bn have matured ■ Bank limits are over TRY3bn level ■ Negotiations have been made with international banks regarding different funding structures

2020, 2021 & 2022 Quarterly Indicators

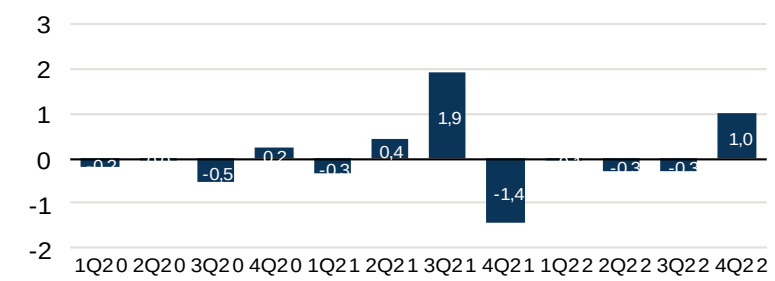
Quarterly Factoring Receivables

(TRY in millions)



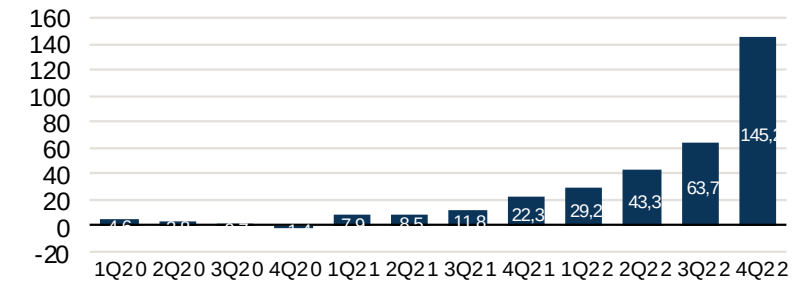
Quarterly Impairment Loss on Factoring Receivables

(TRY in millions)



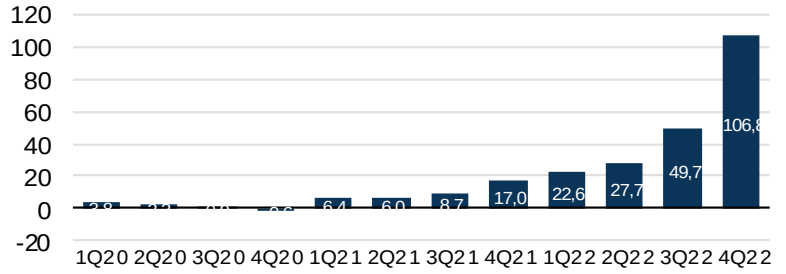
Quarterly Profit Before Tax

(TRY in millions)



Quarterly Net Profit

(TRY in millions)



Source: Lider Faktoring, Financial Statements as at respective date

Financial overview – Balance sheet

Selected Items (TRY in thousands)	Audited 31.Dec.2022	Audited 31.Dec.2021	Audited 31.Dec.2020
Cash & Cash Equivalents	34.208	10.496	19.767
Financial Asssets (Net)	2.065.973	1.139.544	850.390
Factoring Receivables	*1.796.188*	*1.008.082*	*737.404*
Other Financial Assets	*268.193*	*131.462*	*112.986*
Credit Impaired Assets	*1.592*	*0*	*0*
Property and Equipment	176.490	67.115	59.662
Intangible Assets	2.179	677	658
Investment Properties	92	6.362	-
Current Tax Assets	-	-	1.411
Deferred Tax Assets	-	4.334	4.780
Other Assets	4.500	2.047	7.901
Total Assets	**2.283.442**	**1.230.575**	**944.569**

Borrowings	1.480.335	917.756	709.646
Factoring Payables	1.690	1.859	1.926
Leasing Payables	107.468	28.140	43.964
Debt Securities Issued	101.495	46.667	-
Provisions	22.384	9.495	8.874
Current Tax Liabilites	23.318	5.309	-
Deferred Tax Liabilities	25.334	-	-
Other Liabilities	14.934	4.901	3.686
Equity	506.484	216.448	176.473
Total Liabilities & Equity	**2.283.442**	**1.230.575**	**944.569**

(%)	31.12.2022	31.12.2021	31.12.2020
Factoring Receivables / Total Assets	78,7	81,9	78,1
Borrowings / Total Assets	64,8	74,6	75,1
Debt Securities / Total Assets	4,4	3,8	-
Equity / Total Assets	22,2	17,6	18,7

Financial overview – Income statement

Income Statement (TRY in thousands)	Audited 31.Dec.2022	Audited 31.Dec.2021	Audited 31.Dec.2020
Factoring Revenues	509.170	222.908	143.618
Interest Expenses	-303.617	-167.522	-124.183
Gross Profit	**205.553**	**55.386**	**19.435**
Operating Expenses	-115.052	-55.838	-50.626
Other Operating Revenues	195.006	75.412	41.876
Provisions	-3.603	-5.097	-555
Other Operating Expenses	-277	-19.397	-3.480
Profit Before Tax	**281.627**	**50.466**	**6.650**
Income Tax Expenses	-74.751	-12.304	-338
Net Profit	**206.876**	**38.162**	**6.312**

Profitability Ratios	31.12.2022	30.12.2021	31.12.2020
ROE	57,2%	19,4%	3,6%
ROA	11,8%	3,5%	0,6%

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